



**WESTERN WASHINGTON UNIVERSITY  
BOARD OF TRUSTEES  
AGENDA**

**Thursday, February 8, 2024**

**Location:** Western Washington University, Bellingham, WA, Board Room, Old Main 340

**Audiocast:** <https://wp.wvu.edu/live/>

**Time:** 3:00 p.m.

**1. CALL TO ORDER**

3:00 - 3:01

**2. INFORMATION TECHNOLOGY MODERNIZATION**

3:01-3:50

**Presenters:** Brad Johnson, Provost and Executive Vice President  
Chuck Lanham, Vice Provost for Information Technology and Chief Information Officer

**BREAK**

3:50-4:00

**3. CAPITAL DEVELOPMENT AND STRATEGIC VISION PLAN**

4:00-5:00

**Presentation:** Joyce Lopes, Vice President for Business and Financial Affairs  
Steve Hollenhorst, Associate Vice President for Facilities, Development and Operations  
Rick Benner, University Architect / Senior Director, Planning and Development, Facilities Development and Operations  
Forest Payne, Project Manager / University Planner, Planning and Development, Facilities Development and Operations  
Brodie Bain, Architect, Principal, Director of Higher Education Planning, NAC Architecture  
Korin Nabozny, Project Manager, Architect/Campus Planner, NAC Architecture  
Saumya Kini, Urban Designer, Walker Macy

**Friday, February 9, 2024**

**Location:** Western Washington University, Bellingham, WA, Board Room, Old Main 340

**Audiocast:** <https://wp.wvu.edu/live/>

**Time:** 8:00 a.m.

**4. CALL TO ORDER, APPROVAL OF MINUTES**

8:00 - 8:05

- a. Board of Trustees Regular Meeting, December 7-8, 2023

**5. PUBLIC COMMENT**

8:05 – 8:15

**6. BOARD CHAIR REPORT**

8:30 - 8:40

**7. UNIVERSITY PRESIDENT REPORT**

8:40 – 8:50

**8. FACULTY SENATE REPORT**

8:50 – 9:00

Presentation: Brandon Dupont, President, Faculty Senate

**9. ASSOCIATED STUDENTS REPORT**

9:00 - 9:10

Presentation: Keara Ryan, President, Associated Students

**10. BOARD FINANCE, AUDIT, AND ENTERPRISE RISK MANAGEMENT COMMITTEE REPORT**

9:10-9:20

Presentation: Chris Witherspoon, Vice Chair and Finance, Audit, and Enterprise Risk Management Committee Member

**11. BOARD ACADEMIC AFFAIRS AND STUDENT SUCCESS COMMITTEE REPORT**

9:20 - 9:30

Presentation: Trustee Mo West, Academic Affairs and Student Success Committee Chair

**12. CAMPUS UPDATES**

9:30-10:20

- a. 2024 Supplemental Legislative Session  
Presentation: Nora Selander, Director of Government Relations
- b. Enrollment Update for Winter Quarter and Fall 2024  
Presentation: Shelli Soto, Associate Vice President for Enrollment Management
- c. WWU Peninsulas  
Presentation: Becca Kenna-Schenk, Chief of Staff, President's Office
- d. ADEI Work  
Presentation: Jacqueline Hughes, Chief Diversity Officer and Executive Director for the Office of Equity
- e. NWCCU Accreditation Visit  
Presentation: Jack Herring, Associate Vice President for Academic Affairs
- f. Infrastructure Projects  
Presentation: Joyce Lopes, Vice President for Business and Financial Affairs
- g. Mid-Year Fiscal Update  
Presentation: Joyce Lopes, Vice President for Business and Financial Affairs

**BREAK**

10:20-10:35

**ACTION ITEMS**

**13. APPROVAL OF BOARD OF TRUSTEES MEETING SCHEDULE FOR 2025-26**

10:35-10:40

Presentation: Rebecca Hansen-Zeller, Secretary to the Board of Trustees

**14. APPROVAL OF CONTRACT FOR EXTERNAL AUDIT SERVICES**

10:40-10:50

Presentation: Joyce Lopes, Vice President for Business and Financial Affairs  
Andrea Rodger, Chief Procurement Officer / Director, Business Services

**15. ACCEPTANCE OF FY 2023 FINANCIAL REPORTS**

10:50-11:00

Presentation: Joyce Lopes, Vice President for Business and Financial Affairs

**16. APPROVAL OF FY24 INTERNAL AUDIT PLAN**

11:00 - 11:05

Presentation: Chris Witherspoon, Vice Chair and Finance, Audit, and Enterprise Risk Management Committee Member

**17. APPROVAL OF WINTER QUARTER DEGREES**

11:05-11:10

Presentation: Brad Johnson, Provost and Executive Vice President

**18. APPROVAL OF 2024 SUMMER SESSION TUITION**

11:10 - 11:15

Presentation: Brad Johnson, Provost and Executive Vice President

**INFORMATION ITEMS**

**19. STUDENT GOVERNMENT CHARTER**

11:15-11:25

Presentation: Sabah Randhawa, President  
Keara Ryan, AS President

**20. WRITTEN REPORTS**

11:25-11:35

- a. Enrollment Management Summary
- b. University Advancement Report
- c. Capital Program Report
- d. University Relations and Marketing Report
- e. Mid-Year Housing and Dining Report
- f. Sustainability Report

**21. TRUSTEE REMARKS**

11:35-11:45

**22. DATES FOR NEXT REGULAR MEETING: April 11-12, 2024 in Bellingham, WA**

**23. ADJOURNMENT**

## **1. CALL TO ORDER**

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Brad Johnson, Provost and Executive Vice President

**DATE:** Thursday, February 8, 2024

**SUBJECT:** IT Modernization

**PURPOSE:** Presentation

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**Purpose of Submittal:**

In this interactive session, Brad Johnson, Provost and Executive Vice President and Chuck Lanham, Vice Provost for Information Technology and Chief Information Officer, will lead a discussion on IT Modernization, focusing on a topic introduced at the December Finance Audit and Risk Management Committee, Enterprise Resource and Planning (ERP) System Modernization.

**Background:**

Western's ERP (Ellucian Banner) maintenance contract is up for renewal June 2024. In anticipation of this renewal, the President's Cabinet has engaged in information gathering and discussion about the higher education ERP marketplace and explored options available to Western. This presentation and discussion will outline the opportunity Western is presented with, including a brief overview of the current environment and some of the marketplace overview shared by The Tambellini Group, a leading independent technology research, analyst, and advisory firm dedicated exclusively to higher education.

**Strategic Questions:**

1. How can technology modernization contribute to improving the processes and constituent experience at Western?
2. What potential risks and challenges should be considered when undertaking a technology modernization initiative, and how can these be mitigated to ensure a smooth transition?
3. In what ways can technology modernization enhance an organization's ability to adapt to evolving trends, stay competitive, and foster innovation while achieving the institutional goals and mission?

## **Background:**

Tambellini Group is the leading independent technology research, analyst, and advisory firm dedicated exclusively to higher education. Our trusted market advisors provide clients with credible resources and strategic advising through direct interaction with the top analysts and market-leading research in higher education.

Tambellini Group clients benefit from more than 100 annual and unbiased research reports that provide insight and analysis on the changing technology landscape. Our unbiased expertise and resources help institutional leaders make fact-based decisions and build consensus for their technology strategies and selections.

With nearly 5 million data points, including over 20,600 global institutions and more than 100,000 technology selections, the Tambellini Group's proprietary Education Institution Technology Profile Database® is unparalleled in the industry.

Founded in 2001, the Tambellini Group is a woman-owned business headquartered in Irvington, Virginia.

## **Guests:**

### Dave Kieffer, Principal Analyst

#### Roles and Responsibilities

As a principal analyst, Dave Kieffer spearheads research focused on Finance and HCM applications, data management, and other critical higher education technologies. His research provides actionable insights on how Tambellini members can leverage technology to improve the experience and outcomes for students, faculty, staff, and administrators through effective architecture, functionality, and accessibility of enterprise-class technology. Dave is a regular speaker and panelist at national conferences and has served on multiple education technology advisory committees.

#### Professional Background

With over 30 years of experience leading technology operations in higher education, Dave Kieffer has become a vetted leader in the technology space. Before joining Tambellini Group, he served as the administrative systems AVP at The Ohio State University. In this role, he oversaw every facet of the university's enterprise applications, including implementation, mobile and web development, application architecture, security, and integration technologies.

#### Education & Certifications

- BSCIS, Computer Science, Engineering, The Ohio State University

### Hampton Shive, Strategic Advisor, Institutions

#### Roles and Responsibilities

Hampton Shive works closely with Tambellini members to align their technology and institutional strategies. As institutions face unprecedented challenges, the importance of looking forward and developing long-term roadmaps for change and/or transformation is more relevant than ever. Hampton focuses on guiding institutions toward the best technology components for their strategies and on helping IT professionals develop the leadership skills required to ensure digital tools fully support student and operational success.

#### Professional Background

For 30 years, Hampton Shive has worked in technology in higher education. In his last role as AVP of Business Services and CIO at Hinds Community College, he led a successful ERP implementation that served as a modernization effort for the institution and as the foundation for developing and executing next-generation business architecture. Hampton has also been a private business owner for 20 years, strengthening his expertise in creating value by developing and delivering solid educational services and experiences.

Education & Certifications

- BA, English, Millsaps College



# IT Modernization

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Cloud Modernization Strategy  
Reimagining Process, Technology, and Data



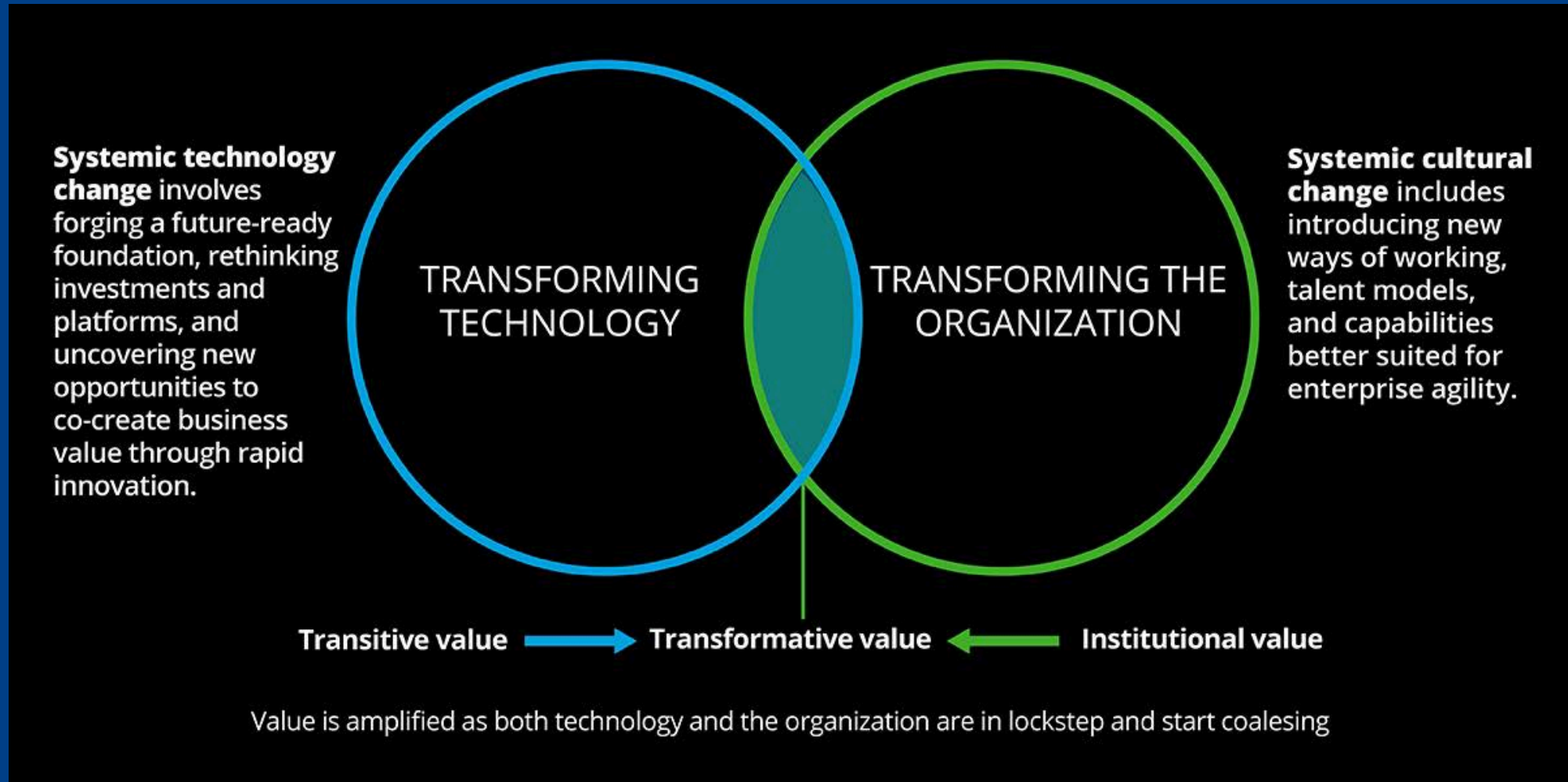
MAKE WAVES.

# Opportunity

- Current ERP – Ellucian Banner
  - Maintenance contract - Summer 2017 to June, 2024
- Opportunity to reimagine modern, cloud-based ERP's and internal processes
- Current and future desired environments



# Where Do We Want To Go?



# Achieve Transformation?

- Renew Current ERP
- Institutional Process Review & Redesign
- Data Management Evaluation
- Modern Cloud-based Technology

# Western Washington University - Board Presentation

David Kieffer

Principal Analyst

The Tambellini Group

Hampton Shive

Strategic Advisor

The Tambellini Group



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# Tambellini Group

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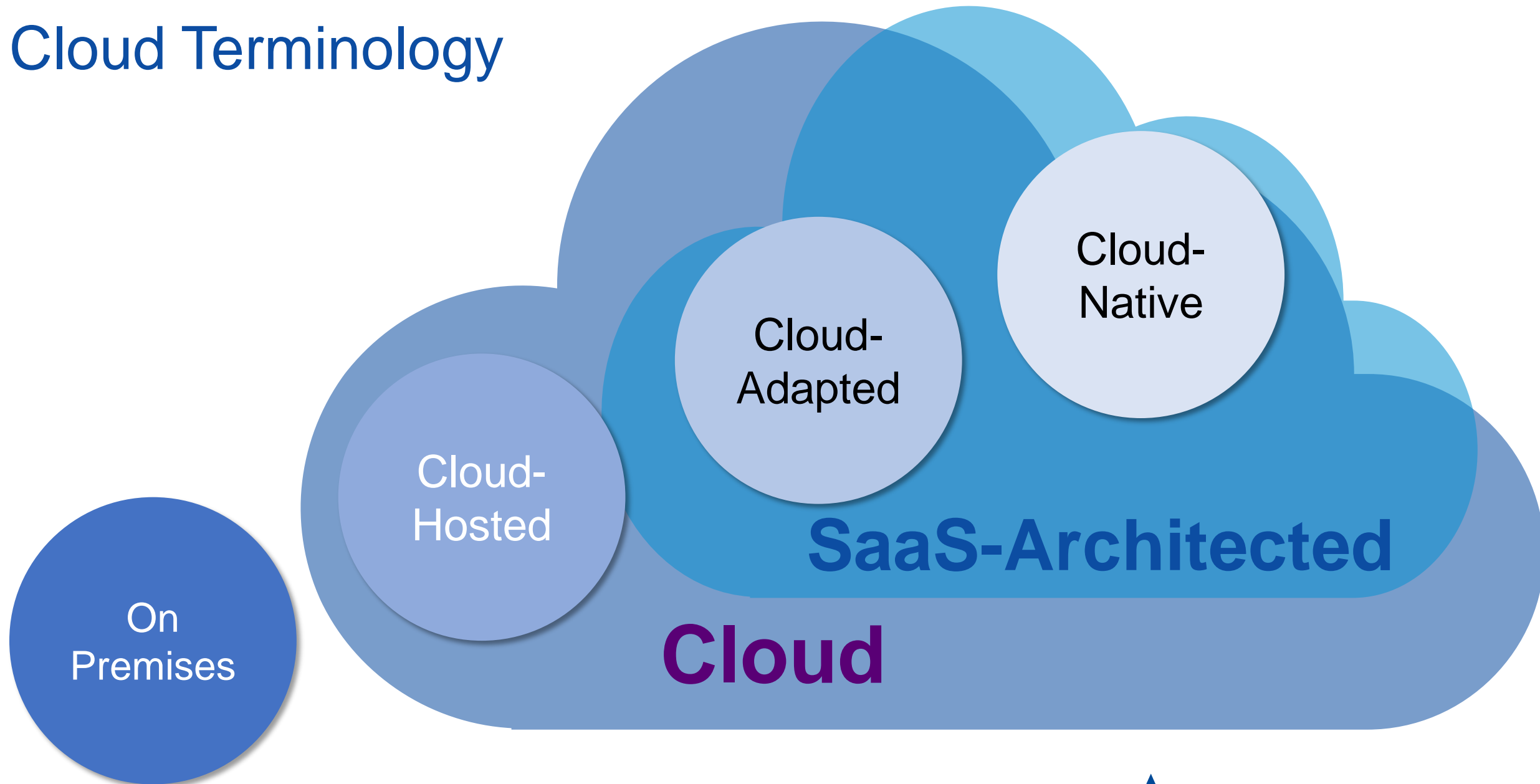
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# Cloud Terminology



# Cloud Migration Progress in Higher Education

19%

of institutions have selected a SaaS-architected Human Capital Management and/or Finance solution.

14%

of institutions have selected a SaaS-architected student system solution.



# SaaS Migration Considerations

- Partner vs. Software Provider
- Implementation Partner Impact
- Internal Impacts
- General Benefits



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# Thank You

# WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of:  
Brad Johnson, Provost and Executive Vice President  
Joyce Lopes, Vice President, Business and Financial Affairs  
Melynda Huskey, Vice President, Enrollment and Student Services

**DATE:** February 8, 2024

**SUBJECT:** **Capital Development and Strategic Vision Plan Update**

**PURPOSE:** Discussion Item

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## **Purpose of Submittal:**

Presenting the project update will be:

- Brodie Bain, Architect, Principal, Director of Higher Education Planning, NAC Architecture
- Korin Nobozny, Project Manager, Architect/Campus Planner, NAC Architecture
- Saumya Kini, Urban Designer, Walker Macy
- Joyce Lopes, Vice President for Business and Financial Affairs
- Steve Hollenhorst, Associate Vice President for Facilities Development and Operations
- Rick Benner, University Architect / Senior Director of Planning and Development, Facilities Development and Operations
- Forest Payne, Project Manager / University Planner, Planning and Development, Facilities Development and Operations

## **Project Summary:**

The Capital Development and Strategic Vision Plan will shape Western Washington University's campus vision for the next 10-15 years. It will drive ongoing decision-making regarding capital planning, development, campus open space, and infrastructure – in alignment with the university's values, goals, and strategy. Given the conditions of our existing academic and administrative buildings on Western's main campus, the current 10-year capital plan foresees that much of the development will focus on renovation and modernization of current facilities, including planning for both in-person and hybrid work settings, future modalities of academic instruction, accessibility needs, future connectivity and instructional technology needs as well as sustainability goals.

The work to build WWU's Capital Development and Strategic Vision Plan began in the fall of 2023, and completion of the initial report is expected in December of 2024. The plan will be developed as a flexible living document as we expect that conditions and priorities will evolve over time.

The Capital Development and Strategic Vision Plan is also needed to support accreditation and integrated budget processes, and to anchor planning efforts in the culture and conditions of WWU's campus and community. In addition, this plan will serve as a tool of communication to convey to campus stakeholders WWU's major project priorities, timelines, and synergies.

The planning effort is centered on stakeholder engagement which will supplement and expand on the background research and analysis into how Western uses its facilities. The goal is to engender broad participation and transparency and tap into diverse perspectives while keeping future projects and deliverables rooted in Western's mission, values, vision, and goals.

The plan will evaluate programmatic space and facility needs across campus, assess the suitability of existing facilities, and establish a project sequence for the next several biennia. It will also strategize the creation of spaces that may accommodate, temporarily or permanently, programs which are currently housed in buildings marked for major renovation or modernization work. The needs assessment will focus on:

- Vision, initiatives, and strategy
- Evolving academic programs
- Enrollment, capacity, and space utilization
- Existing campus conditions
- Strategic adjacencies
- Access, Diversity, Equity, and Inclusion (ADEI)
- Community health and well-being
- Student, faculty, and staff collaboration
- Goals related to sustainability, climate impact, and resilience
- Partnership and development opportunities beyond main campus, including at satellite locations
- Landscape and open space
- Parking and transportation

The plan will be developed as a living document, anticipating that conditions, culture, demographics, and priorities will evolve over time, and will integrate a flexible framework to accommodate these shifts while staying rooted in benchmarks, and remaining relevant over the planning horizon.

The plan is not intended to replace the 2001 Institutional Master Plan, which is Western's current land use and zoning agreement with the City of Bellingham and adjacent neighborhoods. It will serve as a foundation to allow Western to engage and collaborate with the City of Bellingham and neighborhood groups to update campus land use regulations at the appropriate time.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa

**DATE:** February 9, 2024

**SUBJECT:** **Approval of the Minutes**

**PURPOSE:** Action Items

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**Purpose of Submittal:**

Approval of the Board of Trustees Meeting Minutes.

**Proposed Motion:**

MOVED, that the Board of Trustees of Western Washington University, upon the recommendation of the president, approve the following minutes:

- a. Board of Trustees Regular Meeting, December 13-14, 2024



**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** Sabah Randhawa, President

**DATE:** February 9, 2024

**SUBJECT:** **Public Comment Period**

**PURPOSE:** Information Item

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**Purpose of Submittal:**

RCW 28B.35.110 requires that the governing boards of regional universities provide for public comment at meetings and follow procedures for open public meetings in the Open Public Meetings Act.

Persons wishing to comment will sign in between 8:05 – 8:15 a.m. the day of the Board of Trustees meeting. The signup sheet will be given to the Board Chair at 8:00 a.m.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** Faith Li Pettis, Chair, Board of Trustees  
**DATE:** February 9, 2024  
**SUBJECT:** **Board Chair Report**  
**PURPOSE:** Information Item

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**Purpose of Submittal:**

Board Chair Faith Pettis will report to members of the Board and President Randhawa and his staff on topics related to the Board of Trustees.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** Sabah Randhawa, President

**DATE:** February 9, 2024

**SUBJECT:** **University President's Report**

**PURPOSE:** Information Item

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**Purpose of Submittal:**

President Randhawa will present brief reflections on issues of interest to the Board.

**Report from Faculty Senate  
Brandon Dupont**

February 9, 2024

Dear Trustees,

The Faculty Senate has had a productive start to the winter quarter, focusing on a couple of big picture issues that are impacting higher education in general. These issues include the role of generative artificial intelligence in our classrooms and the important issue of academic freedom and free expression on campus. We are also hard at work revising and updating the Faculty Handbook. I describe our efforts in each of these areas in more detail below but would be happy to address any questions you may have. I value your perspectives and look forward to further discussions about these and other matters.

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*Discussion on Generative Artificial Intelligence (AI)*

At our January 16 meeting, we had an update on constituent feedback about AI that was solicited by Senators during fall quarter. The key themes that emerged from our colleagues across campus were as follows:

- A major concern is about plagiarism in student work - some faculty have modified the nature of assignments as a result.
- Some have prohibited AI use in their classes, but others are looking for ways to integrate it into classes/assignments.
- We should not limit our work to academic honesty/policymaking – we need help with pedagogical approaches.
- It is insufficient to penalize students after prohibited AI use – students need to learn why it may not be in their interests to use AI.
- There are concerns about how this issue impacts faculty workload. While this is primarily an issue for the UFWW, it is important that we consider how this new technology adds to our workload.
- AI Detection: How do we know if AI was used even when prohibited in a class?
- Dichotomy: AI is a threat and a big concern for higher education, but we need to prepare students for a world in which AI exists.

We are currently putting together a working group that will explore these and other issues in greater detail and report back to the Senate later in the year. It will include members from the Academic Coordinating Commission (ACC), the Academic Technology Committee (ATC), the Center for Instructional Innovation and Assessment (CIIA), and the Associated Students (AS). I

expect the Senate to vote on the formation of this working group at our upcoming meeting on February 12.

At the January 16 meeting, we also had presentations from Dr. Kameron Harris (a current Senator and Assistant Professor of Computer Science), Justina Brown (CIIA), and AJ Barse (Student Technology Center). Kameron provided the Senate with a useful overview and background on AI technology, while Justina and AJ discussed the various resources that are currently available for WWU faculty.

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### *Planning for a Campus Forum on Academic Freedom and Free Expression*

In Fall 2023, the Faculty Senate had some conversations about free expression on campus, prompted at the time by the Israel-Gaza conflict. While the Faculty Senate should not dive into politically charged issues as they arise, we do have a responsibility to engage on the broader issues of academic freedom and free expression on Western's campus. To facilitate what I hope is a productive and ongoing series of campus-wide conversations, I have been working with the Senate, our Executive Council, and others to structure a Senate-sponsored forum on academic freedom and free expression.

The long-run goals include:

- Building a culture of free expression/academic freedom that helps us implement the policy statements that already exist (and to help us shape possible revisions to the Faculty Handbook language on academic freedom).
- Providing a venue for the university leadership to recommit to the principles of academic freedom/free expression.
- Helping faculty navigate difficult classroom conversations. Faculty are particularly interested in events that lead us to some new perspectives on pedagogy and therefore help us do our jobs better.

We are still planning this event, but we hope to hold it by early spring quarter.

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### *Faculty Handbook Revisions*

The ad hoc committee formed by the Senate in fall quarter continues to meet and is well into the proposed revisions. We have nearly completed our proposed revisions to what was previously the handbook itself and have started work on the appendices, which include the extensive bylaws of the Faculty Senate and its standing committees. We will be proposing to the Senate, and eventually to the Board of Trustees, a restructuring that will move the current appendices into the

main body of the handbook (and eliminating some of them by referring to other relevant policy documents and/or the CBA). Our plan is to present revised sections to the Faculty Senate for approval as they are completed before having a final Senate vote on the full document. At that point, we will present the proposed changes to the Board of Trustees for approval.

I expect that much of the Senate's work for the remainder of the academic year will be reviewing and voting on proposed changes as they come forward from the ad hoc committee.

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As always, thank you for the work you do on behalf of Western Washington University and for your attention to the issues that come before the Faculty Senate. I look forward to continuing to work with you for the remainder of the academic year.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of the Associated Students

**DATE:** February 9, 2024

**SUBJECT:** **Associated Students**

**PURPOSE:** Associated Students Report

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**Purpose of Submittal:**

AS President Keara Ryan will brief the Board of Trustees on recent activities of the Associated Students.

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## **ASWWU Report to WWU Board of Trustees**

**February 9<sup>th</sup>, 2024**

**Presented by Keara Ryan, AS President**

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Dear Trustees,

Thank you for the opportunity to provide an update from the Associated Student Government with the Western Washington University Board of Trustees. Student government has been hard at work over the past few weeks after a pause in operations during winter break.

### **Student Government Documents**

Over the past few months, a small group of students representing the Executive Board and Student Senate have worked together to pass an updated version of the ASWWU Charter. Currently, the Senate President, Gabe Wong, and I are working together to edit the AS Constitution to reflect the Charter and our current operations. We hope to have a constitutional amendment on the 2024 Student Government ballot. I am looking forward to the progress that I can share on this amendment in the coming months, especially with some possible changes to the membership of each body. Additional documents being amended or passed are the Student Senate bylaws, Parliamentary Procedure, and Rules of Operation for both boards. By the end of the year, nearly all student government documents should be updated. I am thankful for the help of everyone involved and am confident the work done this year will set future student government boards up for success.

### **Lobby Day**

I am excited to announce that on February 18<sup>th</sup> and 19<sup>th</sup> the Associated Students is taking 80 students to visit Olympia and lobby on issues like the increasing access to the Washington College Grant and housing affordability. In recent years the Associated Students has hosted two separate lobby days, Western Lobby Day and Western Intersectional Lobby Day. Due to budget constraints, we are only able to offer one opportunity for students to lobby. The decision was made to host Western Intersectional Lobby Day as our sole lobby day. We are still working on how we will reflect intersectional identities in the bills students lobby for but are excited to provide this opportunity for students.

### **WWU Foundation Investment in Fossil Fuel**

In January, the Foundation Board responded to the Resolution in Favor of Divestment. This resolution was passed unanimously, supported by the Faculty Senate, and was signed by over 800 students, faculty, and alumni. While we appreciate the response, we are displeased with its content. The student government intends to release a full response, and before then we would like to bring two points to your attention.



First, speaking on behalf of the student government, we are extremely disappointed with the rejection of student and faculty involvement in the RFI process. Previously, students and faculty have been involved in similar processes and the complete removal of their involvement is disheartening. In the memo given we received, it stated, "The Foundation Board's Finance Committee will not be seeking outside involvement in the industry review process." No explicit reason was stated. It is disappointing to have the Foundation, a key part of campus, consider students outsiders when students are the beneficiaries of scholarships provided by the Foundation and past students are donors.

Second, the response mentions the intention to create a website surrounding sustainable investments, but we are hesitant receiving this response due to a similar plan being mentioned in the 2021 student-led project, "Investing in our Future: A Plan for Sustainable Investment at Western Washington University". Three years have passed since this plan was mentioned to students, it is disappointing to see us still in the same place, but we look forward to progressing being made around accessing information on sustainable investments.

Student clubs have been the driver of this movement for over 10 years at Western Washington University. It is disappointing to see their concerns not being addressed and progress being setbacks from the rejection of students and faculty in the RFI process.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** Chris Witherspoon, Vice Chair, Board Finance, Audit, and Enterprise Risk Management Committee

**DATE:** February 9, 2024

**SUBJECT:** **Board FARM Committee Report**

**PURPOSE:** Information Item

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**Purpose of Submittal:**

Vice Chair Witherspoon will report to members of the Board of Trustees and the university president, and his staff topics related to the Board FARM Committee.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** Mo West, Chair, Board Academic Affairs and Student Success Committee  
**DATE:** February 9, 2024  
**SUBJECT:** **Board Academic Affairs and Student Success Committee Report**  
**PURPOSE:** Information Item

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**Purpose of Submittal:**

Chair West will report to members of the Board of Trustees and the university president, and his staff topics related to the Academic Affairs and Student Success Committee.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** Sabah Randhawa, President  
**DATE:** February 9, 2024  
**SUBJECT:** **University President's Report**  
**PURPOSE:** Information Item

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**Purpose of Submittal:**

President Randhawa and his team will provide the Board with timely updates on topics including:

- 2024 Supplemental Legislative Session
- Enrollment Update for Winter and Fall 2024
- WWU Peninsulas
- ADEI Work
- NWCCU Accreditation Visit
- Infrastructure Projects
- Mid-fiscal-year update

## **WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Nora Selander, Director of Government Relations

**DATE:** February 8, 2024

**SUBJECT:** 2024 Legislative Session Update

**PURPOSE:** Discussion Item

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### **Purpose of Submittal:**

For this agenda item, Nora Selander, Director of Government Relations, will provide a brief update on the 2024 Legislative Session and answer any questions the Trustees may have.

### **Background:**

The 60-day, 2024 Legislative Session began on January 8<sup>th</sup> and is scheduled to end on March 7<sup>th</sup>.

WWU's legislative priorities this session include:

- Support for academic access & outreach programming;
- Expanded program capacity and graduate degree offerings in Electrical and Computer Engineering;
- College in the High School state support; and
- Minor works preservation and completion of Kaiser-Borsari Hall.

Legislative proposals WWU is closely tracking this session include (but are not limited to):

- Senate Bill 5999 - Expanding Washington College Grant eligibility.
- Senate Bill 5904 - Extending the terms of financial aid programs.
- House Bill 2077 - Concerning the Washington Guaranteed Admissions Program (WAGAP).
- House Bill 2025 - Modifying placement and salary matching requirements for the state work-study program.
- House Bill 2309 - Establishing the Washington 13 free guarantee.
- House Bill 2374 - Establishing the Washington promise program.

## **WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Brad Johnson, Provost and Executive Vice President

**DATE:** Friday, February 9, 2024

**SUBJECT:** **NWCCU Accreditation Renewal Site Visit**

**PURPOSE:** Presentation

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### **Purpose of Submittal:**

In this brief presentation, Jack Herring, Associate Vice President for Academic Affairs, will present an update on the upcoming NWCCU Accreditation visit in April 2024.

### **Background:**

WWU is currently finishing our Year 7 report to the NWCCU to complete the current accreditation cycle review. The report is a self-study of the university's performance on NWCCU standards for accreditation related to overall institutional effectiveness. This presentation will highlight key areas of the report and summarize the role of the Board of Trustees in the upcoming NWCCU site visit on April 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup>.

### **Strategic Questions:**

1. How do the changing NWCCU standards for accreditation impact our policies and operations going forward?
2. What are the key areas of inquiry that the NWCCU evaluators will likely bring to conversations with members of the Board?

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** Rebecca Hansen-Zeller, Secretary to the Board of Trustees  
**DATE:** February 9, 2024  
**SUBJECT:** **Approval of Board of Trustees Meeting Schedule for 2025-2026**  
**PURPOSE:** Action Item

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**Purpose of Submittal:**

To establish the 2025 and 2026 regular meeting schedule for the Board of Trustees of Western Washington University.

Upon approval, the regular meeting schedule will be submitted to the Code Reviser's Office and the Office of University Communications.

**Proposed Motion:**

MOVED, that the Board of Trustees of Western Washington University establish the following regular meeting schedule for the year 2025 and 2026:

**2025**

February 13, 14, 2025

April 10, 11, 2025

June 12, 13, 2025

August 14, 15, 2025

October 9,10, 2025

December 11,12, 2025

**2026**

February 12, 13, 2026

April 9, 10, 2026

June 11, 12, 2026

August 13, 14, 2026

October 8, 9, 2026

December 10, 11, 2026

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**DATE:** February 9, 2024

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa by  
Joyce Lopes, Vice President for Business and Financial Affairs

**SUBJECT: FY 2023 External Audit Services**

**PURPOSE:** Action Item

---

**Purpose of Submittal:**

Approval of the external audit services contract for FY 2023 for WWU financial statements.

**Proposed Motion:**

MOVED, that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve the FY 2023 contract for CliftonLarsonAllen LLP to provide external audit services for Western Washington University.

**Supporting Information:**

Western has engaged the State Auditor's Office (SAO) to perform its annual financial audits since FY 2011. Prior to FY 2011, Western contracted with KPMG for auditing services beginning with the FY 2003 financial statement audit of Western and its auxiliaries. Due to rising costs and budget constraints, it was decided to end the contract and engage the services of the State Auditor's Office. Prior to FY 2003, the financial statement audits for Western were performed by the State Auditor's Office, and the financial statement audits of the auxiliaries were performed by a private auditing firm.

In Fall 2023, the Board of Trustees Finance, Audit and Enterprise Risk Management (FARM) Committee requested an RFP for independent audit services be issued, as a periodic review of audit firms can assist in ensuring audit quality, independence, objectivity, and appropriate fee structure. An Audit Services RFP Committee was appointed, which included Trustees Awad and Franklin, Vice President Lopes, and others.

An RFP was issued on October 3, 2023, and five submittals were received. Two agencies were short listed and interviewed. Following interviews with both firms, CliftonLarsonAllen LLP was selected by the FARM Committee at its January 2024 meeting.

**Source of Funding:**

State Operating Budget



**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**DATE:** February 8, 2024

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa by  
Joyce Lopes, Vice President for Business and Financial Affairs

**SUBJECT: FY 2023 FINANCIAL REPORTS**

**PURPOSE:** Action Item

---

**Purpose of Submittal:**

Formal acceptance of the Western Washington University FY 2023 Financial Reports.

**Proposed Motion:**

MOVED, that the Board of Trustees of Western Washington University, upon the recommendation of the President, accept the WWU FY 2023 Financial Reports.

**Supporting Information:**

The Washington State Auditor's Office has provided an annual overview of the financial audit results since FY 2011 to the Board of Trustees' Finance, Audit and Enterprise Risk Management Committee.

The Washington State Auditor's Office worked with Accounting Services to review materials and processes at the University and provided a presentation to the Board of Trustees' Finance, Audit and Enterprise Risk Management (FARM) Committee in January 2024 for the results of the financial audit.

**Supporting of Funding:**

State Operating Budget

Attached:

- FY 2023 WWU Financial Report
- FY 2023 Housing and Dining System Financial Report
- FY 2023 Student Recreation Center Financial Report



# FINANCIAL REPORT

## FISCAL YEAR 2023



MAKE WAVES.



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

December 8, 2023

Board of Trustees  
Western Washington University  
Bellingham, Washington

**Report on Financial Statements**

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

We are issuing this report for inclusion in the University's annual comprehensive financial report package, which will be issued by the University under the University's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the University's basic financial statements.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*



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

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

Board of Trustees  
Western Washington University  
Bellingham, Washington

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinions**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Western Washington University as of and for the years then ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Western Washington University, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Western Washington University Foundation (the Foundation), which represents 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 report 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 Western 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, 2023 and 2022, the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;



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

### **Required Supplementary Information**

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

### **Other Information**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The other information presented comprised of the President's Letter of Transmittal and the Board of Trustees and Administrative Officers are presented for the purposes of additional analysis but are not a required part of the basic financial statements of the University. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

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

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated December 8, 2023, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the University's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

December 8, 2023

December 8, 2023

Dear Chair Meyer:

We are pleased to submit the Annual Financial Report of Western Washington University. The accounts of WWU are maintained in accordance with policies and regulations established by Washington State and its Office of Financial Management. This report has been prepared in accordance with generally accepted accounting principles and following the guidance of the Governmental Accounting Standards Board. The Management's discussion and analysis, located at the front of the financial section of this report, provides a narrative introduction overview, and analysis of the basic financial statement and I encourage you to spend time reviewing it.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

The Washington State Auditors' Office has issued an unmodified (clean) opinion on the Western Washington University financial statement for the year ended June 30, 2023. This opinion is included in the independent auditor's report.

Since 1893, Western has educated students to explore widely, think critically, communicate clearly, and connect ideas creatively to address its most challenging needs, problems, and questions. Offering more than 200 academic programs on its main campus in Bellingham, Washington and seven satellite sites around the Puget Sound area, Western serves more than 15,000 students and has been the top master's-granting institution in the Pacific Northwest for 22 years. Western is small enough for one person to make a difference and large enough for that difference to have an impact.

Western is recognized nationally for its successes, from being named the top master's-granting institution in the Pacific Northwest for 22 years in a row by U.S. News & World Report — which also named WWU as one of the best public schools in the west for veterans — to its recognition as one of the most sustainable, green campuses in the nation by the Sierra Club. In 2021, Western became one of only seven universities — and the first in the Northwest — to have adopted the Okanagan Charter and joined the United States Health Promoting Campuses Network, which calls on higher education institutions to embed health into all aspects of campus culture and to lead health-promotion action and collaboration locally and globally.

Sincerely,



Sabah Randhawa  
President



Joyce Lopes  
Vice President for Business and Financial Affairs

**BOARD OF TRUSTEES\***

Faith Li Pettis, Chair  
Chris Witherspoon, Vice Chair  
Ash Awad  
Chase Franklin  
John M. Meyer  
Susan Sharpe  
Max Stone, Student Trustee  
Maureen West

**ADMINISTRATIVE OFFICERS\***

Sabah Randhawa, President, BS, MS, PhD  
Brad Johnson, Provost and Executive Vice President, BS, MS, PhD  
Donna Gibbs, Vice President for University Relations and Marketing, BA  
Jacqueline Hughes, Chief Diversity Officer, BA, MS, PhD  
Melynda Huskey, Vice President for Enrollment and Student Services, BA, PhD  
Joyce Lopes, Vice President for Business and Financial Affairs, BS, MBA, CPA  
Kim O'Neill, Vice President for University Advancement and CEO of The Foundation for WWU & Alumni, BS

**CERTAIN DIRECTORS\***

Michael Ulrich, Controller

*\*as of Independent Auditors report*

## OVERVIEW

The following discussion and analysis provides an overview of the financial position and activities of Western Washington University (WWU) for the years ended June 30, 2023 and 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes which follow this section.

WWU is one of six public, four-year institutions of higher education in the State of Washington. WWU is governed by a Board of eight Trustees, which has broad responsibilities to supervise, coordinate, manage and regulate WWU as provided by State law. Trustees are appointed by the Governor for a term of six years, except a student Trustee who is appointed to a one-year term.

As a comprehensive regional university, WWU offers undergraduate and graduate degrees in more than 200 academic programs on its main campus in Bellingham, Washington and seven satellite sites around the Puget Sound area and serves more than 15,000 students. WWU was established in 1893 and currently has over 16,000 full-time and part-time students in seven colleges and the graduate school. Western Washington University's main campus is situated on the ancestral homelands of the Coast Salish Peoples, who have lived in the Salish Sea basin, all throughout the San Juan Islands and the North Cascades watershed from time immemorial. We express our deepest respect and gratitude to our Indigenous neighbors, for their enduring care and protection of our shared lands and waterways.

## COVID-19 PANDEMIC

The COVID-19 pandemic continues to affect many parts of the world, including the State and WWU. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 a national emergency. On February 29, 2020, Washington's Governor declared a state of emergency due to the number of confirmed cases of COVID-19 in the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. The Governor issued a series of proclamations designed to limit social interactions, including orders requiring or encouraging individuals, governments and businesses to take certain precautionary measures designed to prevent the spread of COVID-19. On March 23, 2020, the Governor issued a statewide "Stay Home, Stay Healthy" proclamation, requiring individuals to stay home except for essential activities, banning social and other gatherings, and closing all businesses with certain exceptions for essential businesses. In response to this proclamation, WWU moved to remote learning for Spring quarter of 2020 and continued into the 2020/2021 academic year. WWU returned to primarily in person learning beginning with the 2021/2022 academic years, but enrollment pressures continue.

To assist with increased COVID-19 related expenses, federal legislation was enacted that allowed the Department of Education (ED) to award federal COVID-19 relief grants with the Higher Education Emergency Relief Fund (HEERF) I, II and III. HEERF was made available from three separate federal legislations:

- CARES: Coronavirus Aid, Relief, and Economic Security Act (HEERF I)
- CRRSAA: Coronavirus Response and Relief Supplemental Appropriations Act (HEERF II)
- ARP: American Rescue Plan (HEERF III)

WWU was provided with a total of \$62.0 million in HEERF I, II, and III. Of the \$62.0 million, \$27.7 million were used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations. The remaining \$34.3 million was used to cover costs associated with significant changes to the delivery of instruction. As of June 30, 2023, all HEERF funds have been spent.

The outbreak of COVID-19 was a significant event that had significant effects on the finances, operations, and economy of the State and WWU. The impacts to the operations of WWU include, but are not limited to, enrollment, legislative and the economic impacts on the State budget.

### Using the Financial Statement

WWU reports as a business-type activity as defined by Government Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended. GASB standards require that financial statements be presented on a consolidated basis. The financial statements, in conjunction with the Notes to the Financial Statements, provides a comprehensive way to assess WWU's financial health.

These financial statements include the following components:

- The Statement of Net Position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position of WWU at a point in time (June 30). Their purpose is to present a financial snapshot of WWU. This statement aids the reader in determining the assets available to continue WWU's operations, how much WWU owes to employees and vendors, whether WWU has any deferred outflows or inflows other than assets or liabilities and provides a picture of net position and its availability for expenditure by WWU.
- The Statement of Revenues, Expenses and Changes in Net Position presents the total revenues earned and expenses incurred by WWU for operating, non-operating and other related activities, during a period of time (the fiscal year ended June 30). Their purpose is to assess WWU's operating and non-operating activities.
- The Statement of Cash Flows presents additional information to support the financial statements. This statement identifies how much cash has been received or paid by WWU during its fiscal year. In addition, it discloses the sources (how the cash has been generated) and disbursement of cash (how the cash has been utilized).

### FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2023

Significant actions which occurred during the fiscal year include the following (discussed in further detail on the following pages):

- Construction began on the estimated \$72 million Kaiser Borsari building

### Statement of Net Position

The Statement of Net Position presents the financial condition of WWU at the end of the last two fiscal years and reports all assets, deferred outflows, liabilities, deferred inflows and net position of WWU.

A summarized comparison of WWU's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2023, 2022 and 2021, follows:

	2023	2022 (Restated)	2021
	<i>(Dollars in thousands)</i>		
<b>Assets</b>			
Current assets	\$88,292	\$81,145	\$118,276
Noncurrent assets	94,761	130,552	61,273
Capital assets, net	<u>556,473</u>	<u>568,927</u>	<u>561,872</u>
Total assets	<u>739,526</u>	<u>780,624</u>	<u>741,421</u>
<b>Deferred outflows</b>	46,545	40,119	38,091
<b>Liabilities</b>			
Current Liabilities	43,327	42,957	57,295
Noncurrent Liabilities	<u>251,872</u>	<u>295,015</u>	<u>302,236</u>
Total liabilities	<u>295,199</u>	<u>337,972</u>	<u>359,531</u>
<b>Deferred inflows</b>	<u>88,832</u>	<u>84,350</u>	<u>54,860</u>
<b>Total net position</b>	<u>\$402,040</u>	<u>\$398,420</u>	<u>\$365,121</u>

## Assets

The primary components in the asset category are cash, investments, receivables and capital assets. Total assets decreased \$41.0 million (5.3%) in fiscal year (FY) 2023 and increased by \$39.2 million (5.3%) in FY 2022.

Total Cash and Investments (see Notes 3 & 4) decreased \$4.5 million primarily due to principal payments on debt resuming combined with increase operational spending. During FY 2021, Western restructured its long-term debt that included deferring principal payments until 2023 to help offset the financial effects of COVID-19. Total Cash and Investments increased \$22.7 million during FY 2022 primarily due to increased revenue activity in Auxiliary Enterprises as the COVID-19 pandemic waned.

The allocation of unrestricted cash and investments between current and noncurrent is governed by the university's investment policy strategy, which is to maximize returns while ensuring liquidity needs and managing interest rate risk. In FY 2023, unrestricted cash and cash equivalents decreased \$3.7 million (-19.1%) and total unrestricted cash and investments decreased \$2.2 million primarily due to the resuming principal payments on long-term debt and increased operating expenses offset by an increase to operating revenue. In FY 2022, unrestricted cash and cash equivalents decreased \$4.5 million (-18.7%) and total unrestricted cash and investments increased by \$30.7 million. This change was partially due to a shifting of cash to unrestricted investments and increased operating spending.

During FY 2023, non-depreciable and depreciable capital assets, net decreased \$9.0 million (-1.6%) primarily due to depreciation off set by capital expenditures. \$9.3 million was spent on the new Electrical Engineering and Computer Sciences building combined with \$3.2 million is auxiliary enterprise capital projects. Non-depreciable and depreciable capital assets, net increased \$3.6 million (.6%) during FY 2022 primarily due to construction work performed on the New Residence Hall and the Science Building Addition.

Non-current restricted net pension assets decreased \$26.9 million (-63.9%) during FY 2023 due to changes in pension reporting. Non-current restricted net pension assets increased during FY 2022 \$40.9 million (3666.5%) due to pension plans Public Employees' Retirement System (PRS) 2/3, Teachers' Retirement System (TRS) 2/3 and Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) being fully funded and are reporting net assets rather than net liabilities.

Accounts receivable, net, decreased \$2.7 million (-1.3%) during FY 2023 primarily due to payments on accounts. Accounts receivable, net, decreased \$29.3 million (-70.2%) in FY 2022. The decrease in FY 2022 is primarily due to relieving the receivable with the US Department of Education (ED) that was recorded during FY 2021 for HEERF funds.

Pledged gift receivable increased \$0 and \$1.5 million during FY 2023 and FY 2022, respectively. The increase was due to guaranteed commitment from the Foundation to help fund the Kaiser Borsari electrical engineering and computer science building. This building will house the growing WWU programs in electrical engineering, computer science and energy science.

## Liabilities

Current liabilities typically fluctuate depending on the timing of accounts payable (A/P) payments and the receipt of deposits and revenue that is applicable to the next fiscal year.

Current liabilities increased \$371 thousand (0.9%) in FY 2023 and decreased \$14.2 million (-24.9%) during FY 2022. The decrease in FY 2022 was primarily due to a decrease in unearned revenue combined with an increase in current portion of bonds and notes payable. The FY 2022 decrease in unearned revenue is related to the recognition of the FY 2021 HEERF revenue. Due to revenue recognition timing requirements with HEERF, WWU was required to record \$16.1 million of its HEERF III award as unearned revenue.

Noncurrent liabilities decreased \$43.1 million (-14.6%) during FY 2023 primarily due to changes to the Other Post Employment Benefits (OPEB) liability (see Note 20) combined with a decrease to long-term portion of bonds and notes payable. Noncurrent liabilities decreased \$9.5 million (-3.1%) during FY 2022 primarily due to the current portion of bonds and notes payable offset by changes in pension (see Note 19) and OPEB (see Note 20) reporting.

## Net Position

The sum of assets and deferred outflows less liabilities and deferred inflows is net position. The change in net position measures whether the overall financial condition has improved or deteriorated during the year and is driven by the difference between revenues and expenses.

During FY 2023, total net position increased \$3.6 million (0.9%) primarily due to changes in the actuarially calculated net pensions offset by a decrease in net investment in capital assets. During FY 2022, total net position increased \$33.4 million (9.1%) primarily due to increases in Restricted Expendable and Unrestricted net positions, which is a result from a change in pension reporting and the ability to recognize unearned HEERF revenue from FY 2021 along with an overall increase in operating revenues.

*Net Investment in Capital Assets* – WWU's total investments in property, plant equipment, and infrastructure, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

### Restricted:

- Pensions consists of net pension assets related to the defined benefit retirement plans that are legally or contractually restricted. Currently the net position in restricted pensions is due to the retirement plans PERS 2 & 3, TRS 2 & 3 and LEOFF being fully funded. (See Note 19)
- Nonexpendable consists of funds on which the donor or other external party has imposed the restriction that the corpus is not available for expenditures but for investment purposes only.
- Expendable are resources which WWU is legally or contractually obligated to spend in accordance with time or purpose restrictions placed upon them by donors or other external parties.

*Unrestricted* – All remaining funds available to the institution for any purpose, although these are often internally designated for specific purposes.

WWU's net position as of June 30, 2023, 2022 and 2021 are summarized as follows:

	2023	2022 (Restated)	2021
		<i>(Dollars in thousands)</i>	
<b>Net Position</b>			
Net investment in capital assets	\$409,705	\$415,065	\$418,030
Restricted:			
Pensions	18,432	10,215	1,533
Nonexpendable	5,793	5,511	5,508
Expendable	26,797	22,143	8,299
Unrestricted	<u>(58,687)</u>	<u>(54,514)</u>	<u>(68,249)</u>
<b>Total net position</b>	<u>\$402,040</u>	<u>\$398,420</u>	<u>\$365,121</u>



Net investment in capital assets decreased \$5.3 million (-1.3%) during FY 2023 as fewer capital expenditures were recognized and bond payments resumed. During FY 2021, \$21.8 million in revenue refunds bonds were issued for the Housing and Dining System (the System) to defer debt service payments to aid with the economic impact of COVID-19. Investment in capital assets decreased slightly by \$2.9 million (-0.7%) during FY 2022 as fewer capital projects were under construction and bond principal payments were deferred.

Highlights of fiscal 2023 capital asset activities:

- Kaiser Borsari Hall - \$9.6 million was spent during FY 2023
- \$3.2 million spent on Auxiliary enterprises capital projects

Restricted nonexpendable includes donations and matching State contributions for the purpose of establishing distinguished professorships and graduate fellowships.

Restricted expendable net position increased \$12.9 million during FY 2023 primarily due to increases to net pension assets and instruction and research. The actuarially calculated net pension balance for plans administered by the Department of Retirement Systems (DRS) increased \$8.2 million. Also, Western was able to recognize \$3.0 million in remaining HEERF revenue that was recorded as unearned in FY 2022. Restricted expendable net position increased \$22.5 million during FY 2022 primarily due to increases of \$14.6 million and \$8.7 million in Instruction and Research and Net Pensions, respectively. WWU was able to recognize \$13.1 million of unearned HEERF revenue from FY 2021. Also, most of the pension plans managed by the Department of Retirement Systems (DRS) are fully funded. This funding change resulted in pension plans now having a restricted net pension asset rather than an unrestricted net pension liability (see Note 19).

Unrestricted net position decreased \$4.2 million primarily due to changes in the net pension liabilities and spending of reserves. Unrestricted net position increased \$13.7 million primarily due to the DRS pension plans funding change and increased revenues as the COVID-19 pandemic waned.

### Capital Assets and Related Debt

During FY 2022, WWU's Student Recreation Center issued \$16 million in revenue refunding bonds to refund all or a portion of its series 2012 revenue and refunding bonds for the purpose of debt service savings and to pay the costs of issuing the bonds.

During FY 2023 and FY 2022, \$12.6 million and \$23.2 million (excluding library materials, equipment and improvements) respectively, were expended on capital improvements. Of the \$12.6 million, \$9.7 million was spent on the new Kaiser Borsari and \$2.9 million was spent on various capital projects. Of the \$23.2 million in capital improvements during FY 2022, \$7.3 million was spent of the Housing and Dining residence building and \$12.1 million was spent on the Interdisciplinary Sciences building and \$2.5 million Kaiser Borsari building (See Note 9).

Specific projects completed or underway in FY 2023 include.

**Kaiser Borsair Hall.** The estimated \$72 million building will be approximately 60,000 gross square feet that will enable growth in the STEM disciplines of Computer Science and Electrical & Computer Engineering. This building will consist primarily of teaching labs, learning research labs and active learning classrooms, as well as some academic administrative and collaborative spaces. This building will also house the Institute for Energy Studies (IES), an interdisciplinary program that brings together science, technology, policy, business and economics to prepare graduates to address the complex issues in sustainable energy. Funding for this building will be \$53 million in state support combined with an additional donation provide by Fred Kaiser and Grace Borsari. The donation is managed through the Foundation. In FY 2022, WWU and the Foundation signed a Memorandum of Understanding in which the Foundation guaranteed \$14 million in funds already raised plus agreed to partner with the University in additional fundraising for a total guarantee of \$16.5 million for this building.

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

The Statement of Revenues, Expenses and Changes in Net Position present WWU's results of operating and non-operating items that result in the changes in net position for the year. In accordance with GASB reporting principles, revenues and expenses are classified as operating or non-operating.

A condensed comparison of WWU's revenues, expenses and changes in net position for the years ended June 30, 2023, 2022 and 2021 follows:

	2023	2022 (Restated)	2021
		<i>(Dollars in thousands)</i>	
Operating revenues	\$237,746	\$220,545	\$176,807
Operating expenses	<u>374,176</u>	<u>344,143</u>	<u>312,641</u>
Operating loss	(136,430)	(123,598)	(135,834)
State appropriations revenue	106,401	98,339	95,979
Other nonoperating revenues	23,814	41,813	41,626
Nonoperating expenses	<u>(4,191)</u>	<u>(3,894)</u>	<u>(42)</u>
(Loss) income before other revenues	(10,406)	12,660	1,729
Other revenues	<u>14,026</u>	<u>20,639</u>	<u>48,646</u>
Increase in net position	3,620	33,299	50,375
Net position, beginning of year	<u>398,420</u>	<u>365,121</u>	<u>314,746</u>
Net position, end of year	<u>\$402,040</u>	<u>\$398,420</u>	<u>\$365,121</u>

WWU relies heavily on student tuition and fees and state appropriations as revenue sources to support operations.

In accordance with the College Affordability Act of 2015, WWU has the authority to raise resident undergraduate tuition operating fees by the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as determined by the Federal Bureau of Labor Statistics. Tuition rates for nonresident undergraduate, resident graduate, and nonresident graduate students are set by the Board of Trustees after analyses of market constraints of supply and demand, and comparison costing with our peers. During FY 2023, WWU increased its tuition rates as follows (note – tuition operating fee does not include other mandatory student fees):

- Resident undergraduate tuition operating fees by 2.4%
- Non-resident undergraduate rates by 3.5%
- Graduate programs by 3.5%

Student tuition and fee revenue includes tuition fees and mandatory fees such as the Service and Activity Fee and the Health Service Fee. Total fees, including mandatory fees, increased \$4.3 million (2.9%) during FY2023 primarily due to rate and slight non-resident enrollment increases during FY 2023. In FY 2022, total fees increased \$7.8 million (5.4%) due to the 2.8% increase to tuition combined with fully charging fees as the COVID-19 pandemic waned along with increases in non-resident students. In FY 2023, net tuition revenue (student tuition and fees less scholarship allowances) increased \$1.6 million (1.4%) and increased \$10.4 million (9.8%) in FY 2022. Enrollment headcount decreased to an Academic Year Average (AYA) headcount of 15,668 in FY 2023 compared to 16,079 in FY 2022.

### Graduate and Undergraduate Annual Tuition and Fees

Academic Year	Resident Undergraduate	Change	Resident Graduate	Change	Nonresident Undergraduate	Change	Nonresident Graduate	Change
2022-23	\$8,968	3.04%	\$12,964	3.80%	\$26,874	3.64%	\$25,639	3.65%
2021-22	\$8,703	2.29%	\$12,490	2.44%	\$25,930	2.63%	\$24,737	2.62%
2020-21	\$8,508	2.00%	\$12,192	2.2%	\$25,266	2.3%	\$24,105	2.3%

### Historical Average Annual Enrollment

Academic Year	FTE Enrollment	Headcount Enrollment
2022-23	12,621	15,668
*2021-22	12,767	16,079
2020-21	12,930	14,220

\* Change in how value is calculated

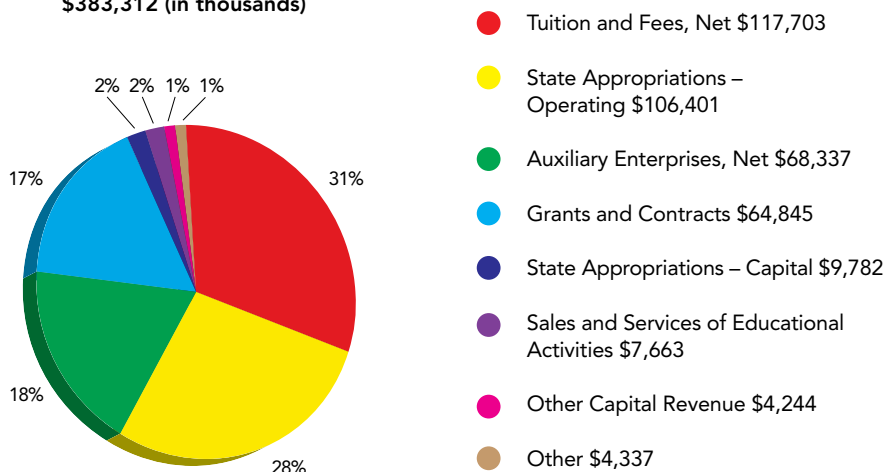
Auxiliary enterprises revenue (before scholarship allowances) increased \$9.8 million (13.9%) in FY 2023 and increased \$38.4 million (121.3%) during FY 2022. The FY 2023 and FY 2022 increases are primarily due to higher occupancy with the Housing and Dining System (the System) being fully opened and providing dining services to students as the COVID-19 pandemic subsided.

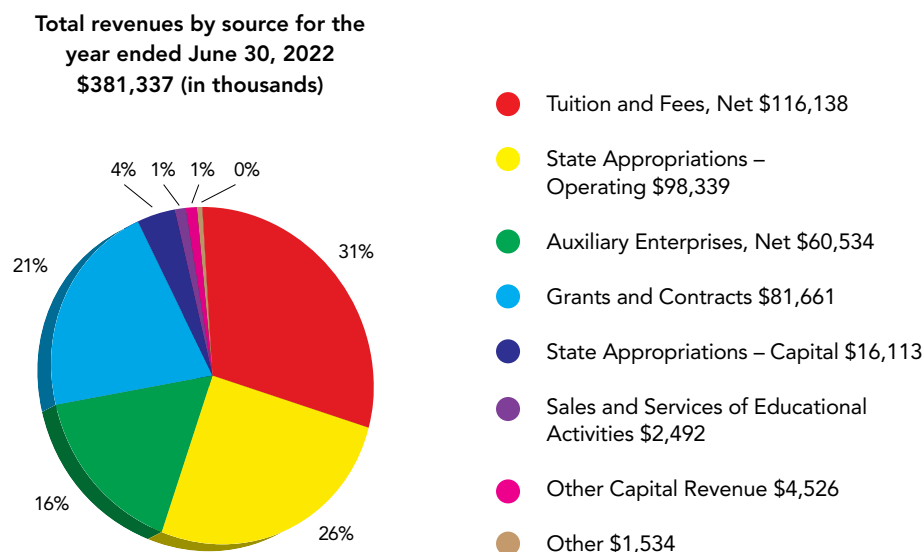
During FY 2023, state (and capital) appropriations used in operations increased \$8.1 million (8.2%) primarily due to additional support for salaries and wages. During FY 2022, state (and capital) appropriations used in operations increased slightly by \$2.4 million (2.5%) primarily due to WWU receiving the remaining \$1.9 million in Governor’s Emergency Education Relief (GEER) funds, which is another tranche from the federal CRRSAA. The operating budget also carries forward state funding originally intended for salary increases in FY 2021 for faculty and staff.

Capital appropriations are provided by the state and are recognized as other revenues when expenditures are incurred on capital projects by WWU. Capital appropriations decreased \$6.3 million (-39.3%) and \$28.6 million (-63.9%) during FY 2023 and FY 2022, respectively, as less state supported capital projects were under construction.

The following graphs illustrate revenues by source for the years ended June 30, 2023, and 2022:

**Total revenues by source for the year ended June 30, 2023**  
\$383,312 (in thousands)





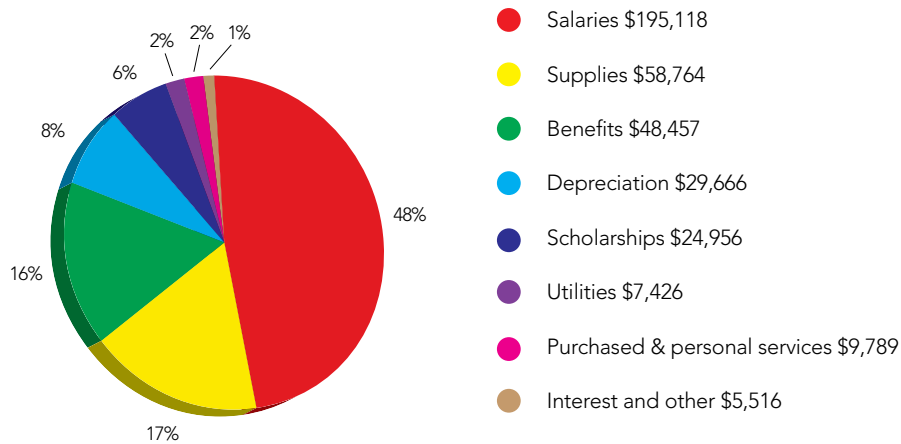
WWU’s total operating expenses increased \$30.0 million (8.7%) during FY 2023 primarily due to increases in salaries and wages, benefits and supplies and materials offset by a decrease to scholarships and fellowships expense. During FY 2022 WWU’s total operating expenses increased \$31.5 million (10.1%) as strategies implemented to mitigate the economic effects of COVID-19 were eliminated as the COVID-19 pandemic waned and WWU was able to return to in-person educational services to students.

During FY 2023, salaries and wages increased \$9.9 million as all employees received wage increases. During FY 2022, salaries and wages increased \$12.7 million as all employees received wage and retroactive pay increases combined with an increase in student employees as the COVID-19 hiring freeze was lifted. During FY 2023, benefits expense increased \$11.4 million (30.6%) primarily due to increases in pension and employee health insurance expenses offset with a decrease in OPEB expenses. During FY 2022, benefits expense decreased \$5.9 million (-13.6%) primarily due to decreases in pension and health insurance expenses offset by an increase in OPEB expenses.

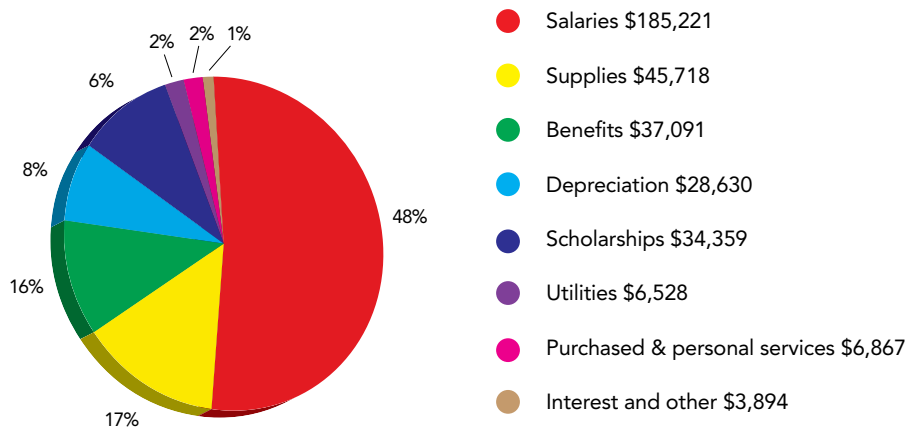
During FY 2023, supplies and materials increased 13.0 million (28.5%) primarily due to increases of \$4.9 million in cost of food services, \$5.5 million in noncapitalized equipment purchases and repairs and \$1.8 million in travel. Supplies and materials increased \$15.2 million (49.9%) as cost saving strategies to offset the effects of COVID-19 were lifted. Primarily, cost of food services increased by \$9.5 million and travel restrictions were lifted which resulted in an increase of \$2.8 million.

The following graphs illustrate expenses by natural classification for the years ended June 30, 2023, and 2022:

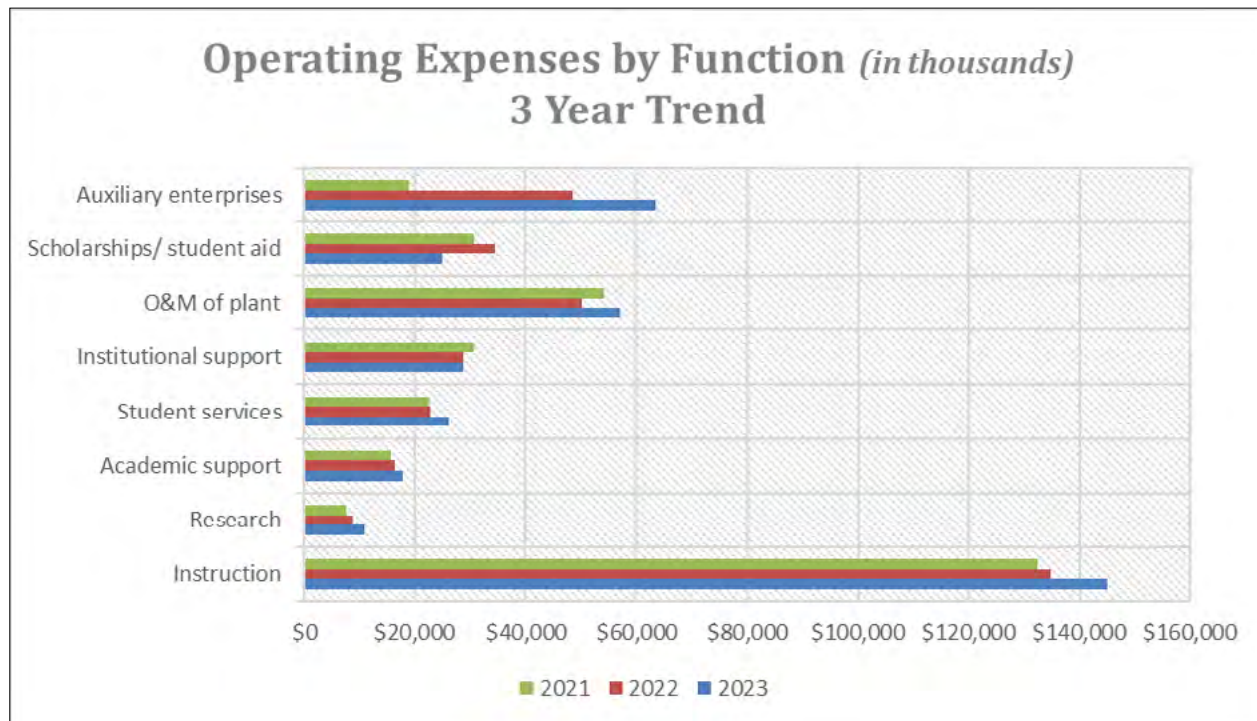
**Total expenses by natural classification  
for the year ended June 30, 2023  
\$379,692 (in thousands)**



**Total expenses by natural classification  
for the year ended June 30, 2022  
\$348,037 (in thousands)**



The following graph illustrates operating expenses by function for the years ended June 30, 2023, 2022, 2021:



### Operating Loss

WWU’s operating loss of \$136.4 million in FY 2023 increased by \$12.8 million (-10.4%) compared to FY 2022. The \$123.6 million operating loss in FY 2022 was a decrease of \$12.2 (9.0%) from the FY 2021 loss. GASB Statement No. 34 requires that State appropriations, Federal Pell grants and Federal COVID relief funds be classified as non-operating revenues, thereby creating the significant operating loss. If these revenues were classified as operating, the operating loss would have been \$8.5 million in FY 2023 and a gain of \$15.6 million in FY 2022.

### Financial Indicators

To monitor financial health the University calculates a variety of indicators that focus on results of operations, which are largely driven by tuition pricing, state appropriations, and compensation levels. These financial indicators are useful for institutional trend analysis and become more meaningful when compared to peer institutions (not included here) such as those with the same debt rating, similar student population and degree offerings, or to industry norms. Factors that could affect these financial indicators are student enrollment levels, tuition pricing, issuance of new revenue debt, new leases, funding levels for state and federal financial aid, and state appropriations at levels to cover increasing operating costs. It is important to be aware of the impact that new accounting pronouncements have on many of these metrics. In many cases significant changes over prior years occur as a result.

Financial Indicator	Definition	Calculation	FY 2023	FY 2022	FY2021
Tuition dependency ratio (%)	Helps measure sensitivity to changes in enrollment levels	Net tuition and fees plus governmental grants to WWU for student tuition divided by the sum of operating and non-operating revenues	35.70%	36.29%	38.28%
Unrestricted financial resources to operations (x)	Measures coverage of annual operations by the most liquid resources	Unrestricted net assets divided by total adjusted operating expenses	-0.15	-0.16	0.05
Current ratio <sup>1</sup>	Measures liquidity - ability to meet current obligations with liquid assets. Target is 2.44	Current assets divided by current liabilities	2.51	2.44	2.41
Viability ratio	Measure the ability of WWU to repay debt with available financial resources. Target is 1:1	Expendable net position (excluding capital projects) divided by debt	-0.11	-0.14	-0.26
Primary reserve ratio	Compares WWU's existing financial resources to the size of its operating expenses. Target is 0.40X	Expendable net position (excluding capital projects) divided by total adjusted expenses.	-0.04	-0.06	-0.14
Return on Net Position	Indicates whether WWU is financially better off than in previous years by measuring total economic return. Target is 3% - 4%	Change in net position divided by total net position	4.89%	3.82%	17.73%

<sup>1</sup> Ratio based on Moody's analytical methodology

## Economic Factors That Will Affect the Future

Tuition revenues are a result of enrollments and of the tuition rate. The impact of COVID-19 on enrollments is an ongoing challenge that will likely take years to fully surmount. This equated to approximately \$9 million in tuition revenue decline between FY 2019 and FY 2020 on a recurring basis. While there are several positive indicators in enrollment at this time, reduced numbers of returning students will not be offset by growth in first year students. To address the continued impact of lower enrollments, as well as funding essential internal needs, the FY 2024 budget includes reductions in all divisions and the institutional budget of 3.0%, before distribution of funding for compensation and benefits and programmatic investments.

WWU's FY 2024 budget includes a 3.0% tuition rate increase for resident undergraduate students based on the allowable increase for in-state undergraduate students set by the state. For all other student types (resident graduate students, non-resident undergraduate and graduate students, and differential tuition programs), the FY 2024 budget includes a 3.5% increase, balancing fixed cost increases (cost of living adjustments, inflation on goods and services) with affordability. Because the state passes budgets for public institutions of higher education with an expectation of split funding between state appropriations and tuition revenues, these rate increases are an important piece of the budget picture.

The state passed a strong FY 2024-FY 2025 biennial operating budget that included important investments across state government, including the state's higher education system. Those investments of \$116 million for FY 2024 include compensation increases, student retention and success, and Western on the Peninsulas Expansion. This funding included resources to support a 4.0% general wage increase for employees and shifted the funding model to provide a greater share of the cost than in the past.

The number of new students who have enrolled at Western Washington University for Fall 2023 is officially WWU's second largest in history with 3,184 new first-year students. This is surpassed only by the size of last year's incoming class. While total enrollment is still below pre-2020 levels as the smallest pandemic-era cohort moves into its fourth year of study, overall trends are positive. Fall 2023 new first-year enrollment is up about 11 percent from Fall 2021 and almost 28 percent from Fall 2020 levels.

WWU has a total of 14,651 registered students for Fall 2023.

# Statement of Net Position

June 30, 2023 and 2022

	2023	2022 Restated
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 3)	\$15,854,630	\$19,590,221
Restricted cash and cash equivalents (Note 3)	1,902,503	4,330,150
Restricted investments (Note 4)	4,563,270	1,485,674
Investments (Note 4)	43,463,606	29,611,353
Funds with State Treasurer (Note 5)	8,331,512	7,694,417
Interest receivable	495,115	418,459
Lease receivable	61,930	
Accounts receivable, net (Note 6)	9,817,085	12,470,372
Pledged gift receivable from the Foundation (Note 2)	1,500,000	1,500,000
Prepaid expenses	872,501	2,120,704
Inventories (Note 8)	<u>1,429,537</u>	<u>1,924,042</u>
Total current assets	88,291,689	81,145,392
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents (Note 3)	1,085,620	1,279,876
Restricted investments (Note 4)	11,505,115	14,279,719
Investments (Note 4)	51,089,029	63,431,597
Due from State Treasurer	10,568,591	6,359,901
Lease receivable	582,098	
Student loans receivable, net (Note 7)	2,206,904	3,068,349
Non-depreciable capital assets (Note 9)	33,572,407	21,005,340
Depreciable capital assets, net (Note 9)	522,900,371	544,426,612
SBITA Assets, net (Note 10)	2,466,283	3,494,563
Restricted net pension (Note 19)	15,189,651	42,055,250
Other assets	68,315	77,216
Total noncurrent assets	<u>651,234,385</u>	<u>699,478,423</u>
Total assets	<u>739,526,074</u>	<u>780,623,815</u>
<b>Deferred outflows</b>		
Deferred loss on bond refunding	8,400,582	9,507,656
Relating to pension (Note 19)	28,142,614	20,201,326
Relating to OPEB (Note 20)	<u>10,002,323</u>	<u>10,409,829</u>
Total deferred outflows	<u>46,545,519</u>	<u>40,118,811</u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	23,821,959	20,519,210
Deposits payable	2,955,359	2,336,823
Unearned revenues	6,278,393	10,102,953
Current portion of bonds and notes payable (Notes 12,13,15, 16)	6,845,432	6,655,880
Current portion of OPEB (Note 20)	1,677,274	1,706,951
Current portion of SBITA obligations (Note 10)	1,485,206	1,407,766
Deposits held in custody for others	<u>264,031</u>	<u>226,907</u>
Total current liabilities	43,327,654	42,956,490
<b>Noncurrent liabilities:</b>		
Long-term portion of bonds and notes payable (Note 12, 13,15, 16)	151,372,403	158,954,107
Compensated absences (Note 12)	11,887,166	12,152,406
Perkins Federal contribution refund	3,372,610	3,921,219
Long-term pension liabilities (Notes 16,19)	19,375,882	19,328,084
Long-term OPEB liabilities (Notes 15, 20)	64,779,995	98,516,888
Long-term SBITA obligations (Note 10)	<u>1,083,885</u>	<u>2,142,452</u>
Total noncurrent liabilities	<u>251,871,941</u>	<u>295,015,156</u>
Total Liabilities	<u>295,199,595</u>	<u>337,971,646</u>
<b>Deferred inflows</b>		
Relating to bond refunding		5,537
Relating to right-to-use leases	637,805	
Relating to pension (Note 19)	33,906,062	61,429,078
Relating to OPEB (Note 20)	<u>54,288,075</u>	<u>22,915,863</u>
Total deferred inflows	<u>88,831,942</u>	<u>84,350,478</u>
<b>Net Position</b>		
Net investment in capital assets	409,704,730	415,065,377
<b>Restricted for:</b>		
Nonexpendable: scholarships and professorships	5,793,236	5,511,053
<b>Expendable:</b>		
Instruction and research	3,457,601	(808,766)
Loans	5,830,659	6,608,729
Capital Projects	17,508,742	16,342,780
Net Pensions	18,431,862	10,215,172
Unrestricted	<u>(58,686,774)</u>	<u>(54,513,843)</u>
Total net position	<u>\$402,040,056</u>	<u>\$398,420,502</u>



# Foundation Statement of Financial Position

June 30, 2023 and 2022

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$5,103,747	\$2,444,932
Due from Western Washington University	772,177	
Unconditional promises to give, net	6,448,147	8,729,785
Accounts receivable and other assets	13,300	11,505
Investments:		
Operating investment pool	20,802,262	20,383,852
Endowment investment pool	122,255,888	106,200,113
Endowment real estate held for investment	3,632,900	3,632,900
Annuity and life income investments	620,553	611,299
Real property	<u>1,425,557</u>	<u>1,425,557</u>
Total investments	148,737,160	132,253,721
Alumni Association of Western Washington University contribution receivable	4,628,539	
Property and equipment, net	<u>429,900</u>	<u>438,656</u>
<b>Total Assets</b>	<u><u>166,132,970</u></u>	<u><u>143,878,599</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	182,446	151,767
Due to Western Washington University		1,144,818
Commitment to Western Washington University	1,500,000	1,500,000
Annuity and life income obligations	288,092	301,230
Deferred revenue from life estate	150,800	165,880
Investments held in trust for Western Washington University	<u>14,146,474</u>	<u>13,509,778</u>
<b>Total Liabilities</b>	16,267,812	16,773,473
<b>Net Assets</b>		
Without donor restrictions	32,438,221	26,342,032
With donor restrictions	117,426,937	100,763,094
<b>Total Net Assets</b>	<u>149,865,158</u>	<u>127,105,126</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$166,132,970</u></u>	<u><u>\$143,878,599</u></u>

# Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended  
June 30, 2023 and 2022

	2023	2022 Restated
<b>Operating Revenues</b>		
Student tuition and fees	\$155,206,122	\$150,897,976
Less scholarship allowances	<u>(37,503,598)</u>	<u>(34,760,015)</u>
Net student tuition and fees	117,702,524	116,137,961
Federal grants and contracts	10,126,571	7,787,797
State and local grants and contracts	28,239,843	27,365,677
Nongovernmental grants and contracts	4,991,572	5,598,059
Sales and services of educational activities	7,662,568	2,492,393
Interest earned on loans to students	109,323	149,741
Other operating revenue	577,085	479,481
Auxiliary enterprises	79,817,425	70,055,704
Less scholarship allowances	<u>(11,480,179)</u>	<u>(9,521,400)</u>
Net auxiliary enterprises	<u>68,337,246</u>	<u>60,534,304</u>
Total operating revenues	237,746,732	220,545,413
<b>Operating Expenses</b>		
Salaries and wages	195,118,043	185,221,220
Benefits	48,457,482	37,091,079
Scholarships and fellowships	24,956,105	34,359,051
Utilities	7,426,371	6,527,721
Supplies and materials	58,763,754	45,718,064
Purchased services	9,788,653	6,866,594
Depreciation and amortization	<u>29,665,693</u>	<u>28,359,592</u>
Total operating expenses	<u>374,176,101</u>	<u>344,143,320</u>
Operating loss	(136,429,369)	(123,597,907)
<b>Nonoperating Revenues (Expenses)</b>		
State appropriations	106,400,705	98,338,804
Federal Pell grant revenue	14,128,308	14,113,266
Federal COVID-19 relief revenue	7,358,975	26,795,277
Investment income	2,330,419	864,244
Interest on indebtedness	(5,511,531)	(2,099,436)
Gain (loss) on endowments	1,320,442	(1,794,786)
Nonoperating rental property expense/income	<u>(4,119)</u>	<u>40,822</u>
Total nonoperating revenues (expenses)	<u>126,023,199</u>	<u>136,258,191</u>
Income (Loss) before other revenues	(10,406,170)	12,660,284
<b>Other Revenues</b>		
Capital appropriations	9,781,908	16,113,282
Gift Revenue	140,779	2,379,429
Other capital revenue	<u>4,103,037</u>	<u>2,146,321</u>
Total other revenues	14,025,724	20,639,032
Increase/(Decrease) in net position	3,619,554	33,299,316
Net position, beginning of year	<u>398,420,502</u>	<u>365,121,186</u>
Net position, end of year	<u>\$402,040,056</u>	<u>\$398,420,502</u>

	Without Donor Restrictions	With Donor Restrictions	2023
<b>Support and Revenue:</b>			
Contributions	\$250,157	\$17,202,635	\$17,452,792
In-kind services and facilities provided by			
Western Washington University	3,525,829		3,525,829
In-kind contributions - other		228,367	228,367
Alumni Association of Western Washington University contribution	3,884,240	744,299	4,628,539
Interest and dividends	170,028	67,551	237,579
Net realized and unrealized losses on investments	3,159,970	6,924,491	10,084,461
Return on annuity and life income investments		44,502	44,502
Change in valuation of annuity and life income obligations		(25,570)	(25,570)
Administrative fees	1,533,154		1,533,154
Fundraising events and other	<u>89,555</u>	<u>609,104</u>	<u>698,659</u>
Total support and revenue before net assets released from restrictions	12,612,933	25,795,379	38,408,312
Net assets released from restrictions	<u>9,131,536</u>	<u>(9,131,536)</u>	
<b>Total Support and Revenue</b>	21,744,469	16,663,843	38,408,312
<b>Expenses:</b>			
Program services and grants	11,079,751		11,079,751
Management and general in-kind	1,711,250		1,711,250
Management and general - other	606,677		606,677
Fundraising - in-kind	1,814,579		1,814,579
Fundraising - other	<u>436,023</u>	<u>          </u>	<u>436,023</u>
<b>Total Expenses</b>	<u>15,648,280</u>	<u>          </u>	<u>15,648,280</u>
<b>Change in Net Assets</b>	6,096,189	16,663,843	22,760,032
Net Assets, beginning of year, restated	<u>26,342,032</u>	<u>100,763,094</u>	<u>127,105,126</u>
<b>Net Assets, end of year</b>	<u>\$32,438,221</u>	<u>\$117,426,937</u>	<u>\$149,865,158</u>

	Without Donor Restrictions	With Donor Restrictions	2022
<b>Support and Revenue:</b>			
Contributions	\$328,130	\$10,075,114	\$10,403,244
In-kind services and facilities provided by			
Western Washington University	3,605,204	-	3,605,204
In-kind contributions - other	336,417		336,417
Interest and dividends	25,102	95,669	120,771
Net realized and unrealized losses on investments	(5,628,019)	(9,392,483)	(15,020,502)
Return on annuity and life income investments		(81,803)	(81,803)
Change in valuation of annuity and life income obligations		(35,303)	(35,303)
Administrative fees	1,600,690	-	1,600,690
Fundraising events and other	<u>100,652</u>	<u>428,709</u>	<u>529,361</u>
Total support and revenue before net assets released from restrictions	368,176	1,089,903	1,458,079
Net assets released from restrictions	<u>8,522,955</u>	<u>(8,522,955)</u>	
<b>Total Support and Revenue</b>	8,891,131	(7,433,052)	1,458,079
<b>Expenses:</b>			
Program services and grants	10,415,199		10,415,199
Management and general in-kind	1,812,648		1,812,648
Management and general - other	340,575		340,575
Fundraising - in-kind	1,792,556		1,792,556
Fundraising - other	<u>790,934</u>	<u>                    </u>	<u>790,934</u>
<b>Total Expenses</b>	<u>15,151,912</u>	<u>                    </u>	<u>15,151,912</u>
<b>Change in Net Assets</b>	(6,260,781)	(7,433,052)	(13,693,833)
Net Assets, beginning of year, restated	<u>32,602,813</u>	<u>108,196,146</u>	<u>140,798,959</u>
<b>Net Assets, end of year</b>	<u>\$26,342,032</u>	<u>\$100,763,094</u>	<u>\$127,105,126</u>

# Statement of Cash Flows

For the Years Ended  
June 30, 2023 and 2022

	2023	Restated 2022
<b>Cash Flows from Operating Activities</b>		
Student tuition and fees	\$113,944,268	\$101,927,434
Grants and contracts	44,161,921	39,964,783
Payments to vendors	(99,264,995)	(93,261,450)
Payments to employees for salaries and benefits	(256,610,017)	(241,202,687)
Loans issued to students	(65,830)	38,362
Collection of loans to students	890,130	1,290,906
Sales of auxiliary enterprises	68,529,308	60,511,282
Sales and services of educational activities	9,167,414	3,837,570
Interest received on loans to students	<u>686,408</u>	<u>629,222</u>
Net cash used by operating activities	(118,561,393)	(126,264,578)
<b>Cash Flows from Noncapital Financing Activities</b>		
State appropriations	106,436,986	100,107,405
Direct Lending proceeds	38,952,037	38,127,271
Direct Lending disbursements	(38,913,231)	(38,186,416)
Federal Pell grant receipts	14,128,308	14,113,266
Federal HEERF grant receipts	7,954,853	56,486,316
Federal Perkins grant disbursements	<u>(548,609)</u>	<u>(964,426)</u>
Net cash provided by noncapital financing activities	128,010,344	169,683,416
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(33,387,700)	(76,666,124)
Proceeds from sales of investments	33,459,797	44,680,686
Interest received on investments	<u>1,577,699</u>	<u>1,329,995</u>
Net cash (used)/provided by investing activities	1,649,796	(30,655,443)
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from capital debt	75,506	18,800,518
Interest earned on bond proceeds	111,730	23,595
Capital appropriations	5,536,937	18,389,496
Other capital (expense)/revenue	(637,095)	(452,549)
Contributions and gifts in-kind	4,243,816	3,025,750
Proceeds from disposal of capital assets	140,268	103,019
Purchases of capital assets	(13,464,796)	(38,522,334)
Principal paid on capital debt	(8,177,716)	(19,890,085)
Interest paid on capital debt	(5,278,539)	(1,683,384)
Other activities	<u>(6,352)</u>	<u>40,822</u>
Net cash provided/(used) by capital and related financing activities	(17,456,241)	(20,165,152)
Net increase in cash and cash equivalents	(6,357,494)	(7,401,757)
Cash and cash equivalents, beginning of year	<u>25,200,247</u>	<u>32,602,004</u>
Cash and cash equivalents, end of year	<u>\$18,842,753</u>	<u>\$25,200,247</u>

# Statement of Cash Flows

For the Years Ended  
June 30, 2023 and 2022

## Reconciliation of Operating Loss to Net Cash used by Operating Activities

	<b>2023</b>	<b>Restated 2022</b>
Operating loss	(\$136,429,369)	(\$123,597,907)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation and amortization expense	29,665,693	28,359,592
Gain/Loss on disposal of capital assets	(140,269)	(71,719)
Changes in assets, liabilities and deferred outflows and inflows of resources:		
Accounts receivable	2,057,409	(355,016)
Student loans receivable	861,445	1,262,676
Inventories	494,505	(225,868)
Prepaid expenses	1,248,203	(1,297,774)
Accounts payable and accrued expenses	(2,304,312)	(1,868,927)
Unearned revenue	(3,828,552)	(13,974,428)
Student and other deposits	618,536	719,478
Deposits held in custody	(1,682)	73,155
Compensated absences	(265,240)	(118,502)
Pension and OPEB Related Deferred Outflows and Inflows of Resources	(3,684,587)	27,792,519
Pension assets/liabilities	26,913,397	(47,162,257)
Total OPEB liability	<u>(33,766,570)</u>	<u>4,200,400</u>
Net cash used by operating activities	<u>(\$118,561,393)</u>	<u>(\$126,264,578)</u>
Supplemental disclosure of cash flow information		
Acquisition of capital assets through accounts payable	<u>\$7,093,831</u>	<u>\$1,438,682</u>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Financial Reporting Entity

Western Washington University (WWU) is a comprehensive, degree granting public university in the State of Washington. It is governed by a Board of eight Trustees appointed by the Governor. These financial statements summarize all the fund types of WWU. The University's financial activity is 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 Western Washington University Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt entity. The Board of Directors is self-perpetuating and consists of 31 members. WWU has an agreement with the Foundation to design and implement such programs and procedures so as to persuade continuous and special philanthropic support for the benefit of WWU. In exchange, WWU provides the Foundation with office facilities, furniture and equipment, and a significant number of full-time employees and support services, including depository, disbursing, and payroll and purchasing functions. Although WWU does not control the timing or the amount of receipts from the Foundation, the majority of the resources or income the Foundation holds and invests is restricted for the activities of WWU by the donors. The Foundation's activity is reported in separate financial statement because of the difference in its reporting model as described below.

The Foundation reports its financial results under Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958-605, Revenue Recognition, and ASC 958-205, Presentation of Financial Statement.

As such, certain revenue recognition criteria and presentation features are different from GASB. No modifications have been made to the Foundation's financial information in WWU's financial statement for these differences; however, significant note disclosures (see Note 2) to the Foundation's financial statement have been incorporated into WWU's notes to the financial statement.

The Foundation's financial statement can be obtained by contacting the Foundation at (360) 650-3408.

### Financial Statement Presentation

The financial statements are presented in accordance with generally accepted accounting principles and follow the guidance given by GASB. WWU has special purpose reports reflecting the net position, results of operations and cash flows for certain auxiliary units: Housing and Dining System and Wade King Student Recreational Center. These financial statements present only a selected portion of the activities of WWU. As such, they are not intended to and do not present the financial position, results of operations, or changes in net position of WWU. The auxiliary unit financial statements can be obtained by contacting Western Washington University at (360) 650-3675.

### Basis of Accounting

For financial reporting purposes, WWU is considered a special-purpose government engaged only in business-type activities. Accordingly, WWU'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 an obligation has been incurred. All intra-agency transactions have been eliminated.

### New Accounting Pronouncements

On July 1, 2021, WWU adopted GASB Statement No. 87 "Leases". This Statement increases the usefulness of WWU's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

On July 1, 2021, WWU adopted GASB Statement No. 97 "Certain Component Unit Criteria, and Accounting and Financial Reporting of Internal Revenue Code Section 457 Deferred Compensations Plans—an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs

the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans (see Note 17).

On July 1, 2022, WWU adopted GASB 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying non-financial asset for a period of time in an exchange or exchange-like transaction.

On July 2, 2022, WWU adopted GASB 96 “Subscription Based Information Technology Arrangements (SBITA)”. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2)

establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. For comparative purposes, FY 2022 financial statements have been restated to include this GASB 96 SBITA accounting treatment.

A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

## OTHER ACCOUNTING POLICIES

### Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, bank demand deposits, and deposits with the Washington State Local Government Investment Pool (LGIP). Cash and cash equivalents that are held with the intent to fund WWU operations are classified as current assets along with operating funds invested in the LGIP. Cash, cash equivalents, and investments that represent unspent bond proceeds or are held with the intent to fund capital projects are classified as noncurrent assets. Endowment investments are also classified as noncurrent assets. WWU records all cash, cash equivalents and investments at fair value.

WWU combines unrestricted cash operating funds from all departments into an internal investment pool, the income from which is allocated on a proportional basis. The internal investment pool is comprised of cash, cash equivalents, commercial paper, certificates of deposit, U.S. Treasuries and U.S. Agency securities.

### Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. It 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 WWU’s grants and contracts. Accounts receivable are shown net of estimated uncollectible amounts.



**Inventories**

Inventories are carried at the lower of cost or market value.

**Capital Assets**

Capital assets are defined as assets with an initial individual cost of \$5,000 or more, or \$1 million or more for intangible assets, and an estimate useful life in excess of one year. Capital assets consist of buildings, furniture, equipment, and intangible assets recorded at cost or, if donated, at their acquisition value at the date of donation. 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 expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for infrastructure and land improvements, 15 years for library resources, and 5 to 7 years for equipment.

**Bond Deferred Outflows/Deferred Inflows**

WWU classifies gains on retirement of debt as deferred inflows of resources and losses as deferred outflows of resources and amortizes such amounts as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter.

**Bond Premiums/Discounts**

Bond premiums/discounts are amortized over the term of the bonds using the effective interest method. The remaining balances of bond premiums/discounts are presented in the Statement of Net Position net of the face amount of bonds payable.

**Cost Sharing Pension Plans**

The net pension asset or liability is measured as the University's proportionate share of the collective total pension liability, less the fiduciary net position, of the cost-sharing pension plans in which WWU participates.

The total pension liability is determined by discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits. The University's proportionate share is determined based on the relationship of the University contributions to total contributions to the plan by all participating employers. Pension expense is recognized for benefits earned during the period, interest on the

unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. Differences between expected and actual investment returns are reported as deferred inflows of resources or deferred outflows of resources and are recognized over five years.

Contributions made to the plan subsequent to the measurement date and prior to WWU's fiscal year-end are reported as a deferred outflow of resources and recognized in the subsequent fiscal year. The measurement date for the net pension asset or liability is June 30 of the prior fiscal year.

**Single Employer Pension Plan (WWU Supplemental Retirement Plan)**

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, WWU is unable to modify the terms of the plan.

Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the Department of Retirement Systems will assume those duties in accordance with RCW 41.50.280. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the WWUSRP. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component unit of the University.

The total pension liability is determined by discounting projected benefit payments for current participants and retirees, based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. The discount rate used for the total pension liability reflects the expected rate of return on investments, to the extent that plan assets are available to pay retiree benefits. The WWUSRP net liability represents the total pension liability less the plan's fiduciary net position.

Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future eco-

nomic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. Differences between expected and actual investment returns are reported as deferred inflows of resources or deferred outflows of resources and are recognized over five years. The measurement date for the WWUSRP liability is the same as the Statements of Net Position date.

### Other Post-Employment Benefits (OPEB)

The total OPEB liability is measured as the University's proportionate share of the state of Washington total OPEB liability, with the proportionate share determined based on the relationship of the WWU's healthcare-eligible headcount to the total healthcare-eligible headcount for the state. The total OPEB liability is determined by discounting projected benefit subsidies from current employees and retirees based on the discount rate required by GASB Statement No. 75 for OPEB plans that do not have assets residing in a qualified trust. OPEB expense is recognized for subsidies earned during the period, interest on the total OPEB liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows or resources or deferred outflows of resources and are recognized over the average expected remaining service period for healthcare-eligible employees. Contributions made to the plan, subsequent to the measurement date and prior to WWU's fiscal year-end, are reported as a deferred outflow of resources and recognized in the subsequent fiscal year. The measurement date for total OPEB liability is June 30 of the prior fiscal year.

### Unearned revenues

Unearned revenues occur when revenues have been collected for tuition and fees, grants and certain auxiliary activities prior to the end of the fiscal year but relate to services to be provided in the following fiscal year.

### Net Position

WWU's net position is classified as follows:

#### *Net investment in capital assets*

This represents WWU'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 not included as a component of capital assets but are included as a component of restricted expendable net position described below.

#### *Restricted net position, expendable*

Restricted expendable include resources in which WWU is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Net pensions is calculated as follows: Net pension assets plus deferred outflow minus deferred inflows for those associated retirement plans that have net pension assets.

#### *Restricted net position, nonexpendable*

Nonexpendable restricted consist of endowment 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 net position*

Unrestricted represent resources derived from student tuition and fees, State appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of WWU and may be used at the discretion of the governing board to meet expenses. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide goods and service for students, faculty and staff.

### Classification of Revenues and Expenses

WWU has classified its revenues and expenses as either operating or non-operating 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, (3) most Federal, State and local grants and contracts, and (4) interest on institutional student loans.

#### *Operating expenses*

Operating expenses are those costs incurred in daily operations, such as salaries and wages, benefits, scholarships and fellowships expenses, depreciation, utilities, and supplies.

#### *Non-operating revenues*

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as State appropriations, Federal Pell grant revenue and investment income.

*Non-operating expenses*

Non-operating expenses include costs related to financing or investing activities such as interest on indebtedness.

*Other Revenues*

Other revenues include activities that have the characteristics of non-exchange transactions, such as state capital appropriations and gifts to endowments.

**Scholarship Discounts and Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by WWU, and the amount that is 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 WWU's financial Statement. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, WWU has recorded a scholarship discount and allowance.

**Tax Exemption**

WWU is a tax-exempt instrumentality of the State of Washington organized under the provisions of Section 115(a) of the Internal Revenue Code and is exempt from Federal income taxes on related income.

**Reclassifications**

Certain accounts in the prior year financial statement may have been reclassified for comparative purposes to conform to the presentation in the current year financial statement.

**2. COMPONENT UNIT**

The Western Washington University Foundation (the Foundation) is a discretely presented component unit of WWU. The language in the Foundation's bylaws satisfies the "direct benefit" criterion, and the "entitlement/ability to access" criterion is met due to the Foundation's history of supporting WWU. The "significance" criterion is met because the combined resources used by WWU activities and the restricted resources held by the Foundation are deemed to be significant to WWU, regardless of the extent to which those resources may be used for "in-kind".

The Foundation signed a letter of intent with the Alumni Association of Western Washington University on August

15, 2022 to merge entities effective July 1, 2023. The transaction was approved on March 9, 2023 by the Board of Directors for each organization and is structured as an acquisition of Alumni Association of Western Washington University with no consideration exchanged. The final acquisition was approved to be effective as of June 30, 2023. As such, a contribution receivable and related contribution revenue of \$4,628,539 was recorded by the Foundation for the net assets to be transferred as part of the acquisition. The transfer of the related assets and liabilities occurred subsequent to year end.

The Foundation presents information about its financial position and activities according to the following three classes of net position, depending on the existence and nature of donor restrictions:

*Unrestricted net assets*

Support received that is not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control is classified as unrestricted.

*Temporarily restricted net assets*

Support received subject to donor-imposed use restrictions or time restrictions that will be met either through actions of the Foundation or by the passage of time is classified as temporarily restricted. In the period donor restrictions are met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently restricted net assets*

Support received subject to donor-imposed restrictions stipulating those funds be invested in perpetuity is classified as permanently restricted. In accordance with purposes stipulated by the donors, earnings from such funds may be either unrestricted or temporarily restricted.

**Foundation Commitment**

In FY 2022, WWU and the Foundation signed a Memorandum of Understanding in which the Foundation committed to fund the development and construction of a new Advance Technology Building up to \$2.5 million. The commitment is contingent upon the results of fundraising efforts by the Foundation, and as such, no receivable has been recorded related to this conditional commitment. The range of the receivable is \$0 to \$2.5 million, and, at this time, a reasonable amount cannot be estimated. During the year ended June 30, 2022, the Foundation estimated the range of the liability to be \$1.5 million to \$2.5 million based on the fundraising efforts during the year ended June

30, 2022. As such, an estimated liability and grant commitment of \$1.5 million was recognized as of and for the year ended June 30, 2022.

### 3. CASH AND CASH EQUIVALENTS

WWU combines unrestricted cash operating funds from all departments into an internal investment pool, the income from which is allocated to the departments on a proportional basis. The internal investment pool is comprised of cash, cash equivalents and investments.

Cash and cash equivalents include cash on hand, change funds, bank balances, and funds held in the Local Government Investment Pool (LGIP).

Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) or by a collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

WWU is a participant in the Local Government Investment Pool that was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually. Any proposed changes are reviewed by the LGIP advisory Committee.

The LGIP is a qualified, yet unrated, external investment pool. Investments in the LGIP are reported at amortized cost which approximates fair value. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

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

As of June 30, 2023 and 2022, and 2021, the carrying amount of cash and cash equivalents is \$18,842,751 and \$25,200,247 and \$32,602,004, respectively. These

balances include restricted cash and cash equivalents of \$2,988,123 and \$5,610,026 and \$5,576,359 in unspent bond proceeds and Housing and Dining and Recreation Center renewal and replacement funds as of June 30, 2022 and 2023, and June 30, 2021 and 2022, respectively. The carrying amount of cash and cash equivalents approximates the market value.

### 4. INVESTMENTS

Investments include internally pooled cash operating funds, renewal and replacement funds, unspent bond proceeds, and WWU endowment funds.

WWU pooled investments consisted of \$4,100,000 and \$4,100,000 in certificates of deposit (CDs), \$6,147,340 and \$2,483,260 in municipals, \$4,367,075 and \$1,498,305 in supranationals, \$12,486,757 and \$7,448,580 in corporates and \$66,070,454 and \$76,555,897 in U.S. Treasury and Agency securities at June 30, 2023 and 2022, respectively.

The System Renewal and Replacement restricted fund held and separately invested, \$1,746,340 and \$1,746,340 in certificates of deposit (CDs), \$435,548 and \$450,434 in municipals and \$1,120,024 and \$1,014,739 in U.S. Treasury and Agency securities as of June 30, 2023 and 2022, respectively.

University endowment funds are held and managed by the Western Washington University Foundation (the Foundation). The endowment funds are invested in accordance with the Foundation policy under the direction of the Foundation Finance and Audit Committee (the Committee). The Committee is responsible for reviewing and defining investment policy, monitoring investment performance, and recommending managers to oversee the investment of the portfolio. The Committee reviews and updates its investment policy every three years.

As of June 30, 2023, WWU's Endowment funds are comprised of \$8,207,609 in donor restricted and unrestricted funds and \$5,939,416 in Quasi-endowments. As of June 30, 2022, the balances were \$7,924,878 and \$5,584,900 respectively.

#### Credit (Quality) Risk

Credit risk is the risk that an issuer or other counterparty will not fulfill its obligations. Statutory and policy constraints with regard to the types of instruments available for investment limit WWU's exposure to this risk. Instruments available for investment include obligations of the US Treasury and Agency securities, municipal debt

obligations, corporate notes, commercial paper and CDs. The CDs held in the internal investment pool are insured by the Federal Deposit Insurance Company (FDIC) or by a collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). Minimum ratings for each investment type by Standard and Poors and Moody's respectively are as follows: commercial paper A1/P1; corporate notes, A-/A3; municipals, A-/A3; supranationals, AA-/Aa3 and US Treasury and Agency securities are essentially rated AA+/Aaa.

### Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, WWU will not be able to recover the value of an investment. As of June 30, 2023, WWU had \$90,627,198 in US Treasury and Agency securities, municipals, supranationals and corporates held in custody by Principal in WWU's name.

WWU manages its exposure to fair value losses in the internal investment pool by targeting the portfolio duration to 2.25 years and limiting the weighted average maturity to a maximum of 3 years. WWU generally does not invest operating funds in securities maturing more than 5 years from the date of purchase.

Endowment funds are invested under the Foundation Investment Policy guidelines. These guidelines include the primary objective of achieving long-term growth, while using prudent investing practices and do not limit investment maturities as a means to managing interest rate exposure.

### Concentration of Credit Risk

Concentration of credit risk for investments is the risk of loss attributable to the magnitude of an investment in a single issuer. WWU's operating investment policy first limits the percent of the portfolio to issuer type and then to issuer within that type:

- U.S. Treasuries and State LGIP have no limit to percent of the portfolio.
- U.S. Agencies have no limit to percent of portfolio but are limited to 35% per issuer.
- Certificates of Deposit and Supranationals have a 10% limit to percent of portfolio with a 5% limit to issuer.
- Municipals have a 20% limitation to percent of portfolio with a 5% limit per issuer.

Commercial Paper and Corporates have a combined limit of 25% of total portfolio with limitations per issuer for

Commercial Paper of \$2 million and for Corporates, \$2 million or 3% for AA- or \$1 million or 2% for A-. The Endowment Investment Policy limits the endowment fixed income investments to no more than 5% of the portfolio for a single issuer, with the exception of U.S. government and agency securities.

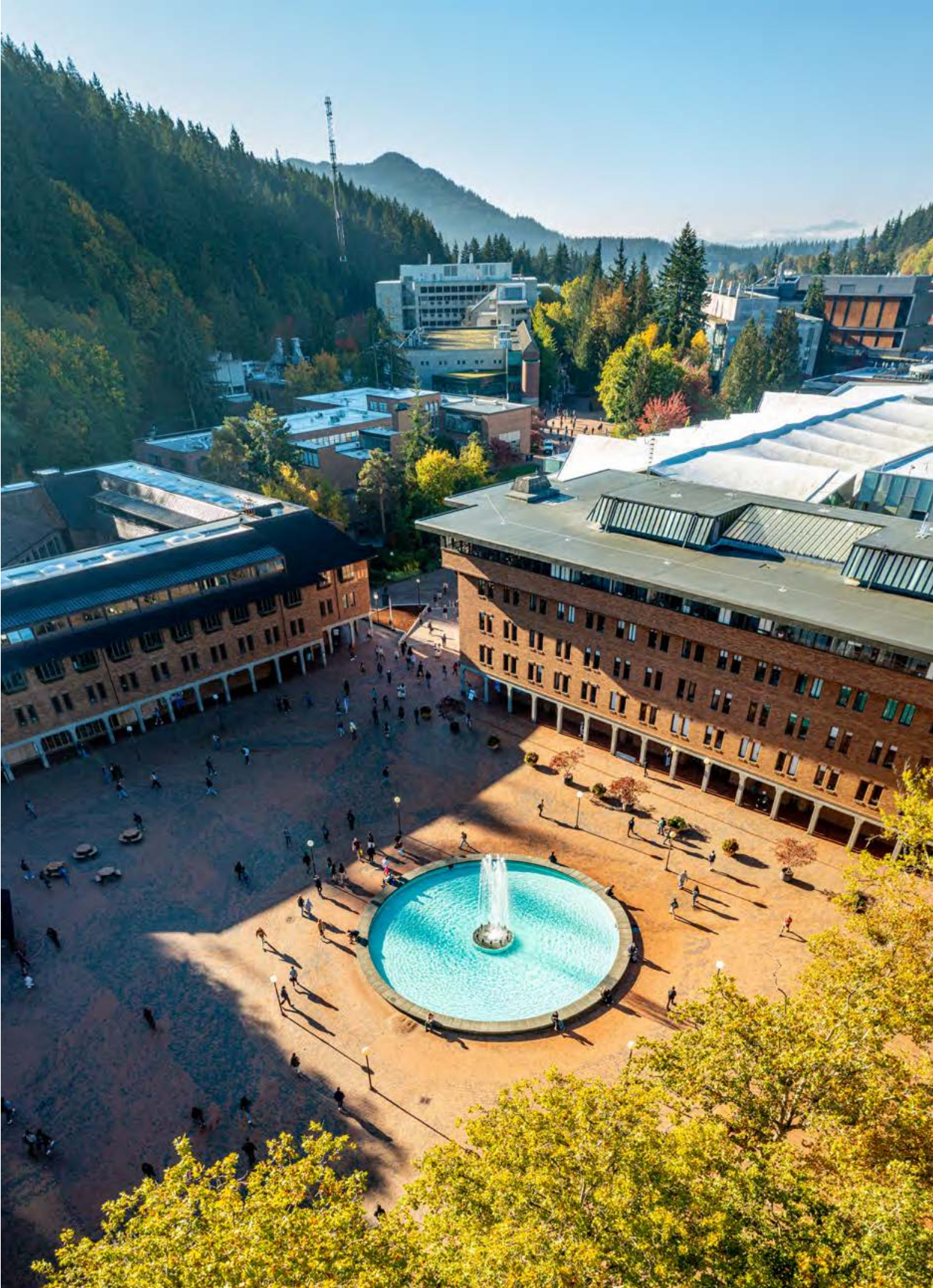
### Fair Value Measurement and Application

The three levels of the fair value hierarchy are described as follows:

Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 - Unobservable inputs that are significant to the fair value measurement.



At June 30, 2023, WWU held the following in cash, cash equivalents and investments:

Description	Fair Value Measurements Using			Total	Weighted Average Maturity (in Years)
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
WWU Investment Pool:					
Cash & Cash Equivalents	\$17,193,212			\$17,193,212	0.003
Time Certificates of Deposits (CDs)	4,100,000			4,100,000	0.541
Corporate	12,486,757			12,486,757	2.673
Municipals	6,147,340			6,147,340	2.792
Supranationals	4,367,075			4,367,075	2.973
U.S. Treasuries		47,358,243		47,358,243	1.170
U.S. Agencies		18,712,211		18,712,211	0.628
WWU Endowment Funds:					
Cash & Cash Equivalents	2,139			2,139	0.003
Fixed Income Investments:					
U.S. Treasuries		19,766		19,766	8.100
U.S. Agencies		685,166		685,166	6.100
Other Fixed Income		2,157,611		2,157,611	n/a
Equity Investments		9,180,852		9,180,852	n/a
Real Estate		1,187,073	410,677	1,597,750	n/a
Alternative Investments		503,190		503,190	n/a
Other Investments:					
Renewal and Replacement Time CDs	1,746,340			1,746,340	1.241
Renewal and Replacement Municipals	435,548			435,548	0.088
Renewal and Replacement U.S. Treasuries		624,459		624,459	0.589
Renewal and Replacement U.S. Agencies		495,565		495,565	1.458
H&D Bond Inv. Cash & Cash Equivalents	1,649,539			1,649,539	0.003
H&D Bond Inv. US Treasuries		-		-	-
H&D Bond Inv. US Agencies				-	-
Miscellaneous			1,010	1,010	n/a
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$48,127,950</b>	<b>\$80,924,136</b>	<b>\$411,687</b>	<b>\$129,463,773</b>	

At June 30, 2022, WWU held the following in cash, cash equivalents and investments:

Description	Fair Value Measurements Using			Total	Weighted Average Maturity (in Years)
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
WWU Investment Pool:					
Cash & Cash Equivalents	\$21,212,327			\$21,212,327	0.003
Time Certificates of Deposits (CDs)	4,100,000			4,100,000	1.303
Corporate	7,448,580			7,448,580	1.329
Municipals	2,483,260			2,483,260	2.422
SupraNationals	1,498,305			1,498,305	2.647
U.S. Treasuries		67,911,825		67,911,825	2.711
U.S. Agencies		8,644,072		8,644,072	0.986
WWU Endowment Funds:					
Cash & Cash Equivalents	78,895			78,895	
Fixed Income Investments:					
U.S. Treasuries		23,064		23,064	8.100
U.S. Agencies		537,077		537,077	6.100
Other Fixed Income		2,234,586		2,234,586	n/a
Equity Investments		8,397,940		8,397,940	n/a
Real Estate		1,097,057	449,800	1,546,857	n/a
Alternative Investments		691,359		691,359	n/a
Other Investments:					
Renewal and Replacement Time CDs	1,746,340			1,746,340	3.241
Renewal and Replacement Municipals	450,434			450,434	2.088
Renewal and Replacement U.S. Treasuries		1,014,739		1,014,739	
Renewal and Replacement U.S. Agencies		-		-	0.945
H&D Bond Inv. Cash & Cash Equivalents	3,987,920			3,987,920	0.003
H&D Bond Inv. US Treasuries		-		-	0.131
H&D Bond Inv. US Agencies				-	-
Miscellaneous			1,010	1,010	n/a
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$43,006,061</b>	<b>\$90,551,719</b>	<b>\$450,810</b>	<b>\$134,008,590</b>	



**5. FUNDS WITH STATE TREASURER**

This account represents WWU's share of net earnings of the State of Washington Normal School Permanent Fund and the building fee portion of tuition (as appropriated by the state), reduced by expenditures for capital projects and debt service incurred over the years. The Normal School Permanent Fund, established under RCW 43.79.160, is a permanent endowment fund. Earnings from the investment are either reinvested or used for the benefit of Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College.

The investing activities are the responsibility of the Washington State Treasurer's Office. The primary sources of new principal for the Normal School Permanent fund are revenues, primarily timber sales, from certain State lands. The State lands include 100,000 acres granted by the United States government for state normal schools and are managed by the State Department of Natural Resources.

WWU's combined earnings and distributions on the fund for the years ending June 30, 2023, and 2022 are \$2,345,424 and \$2,146,321, respectively, which are reported as other capital revenue along with any capital gifts or contributions.

**6. ACCOUNTS RECEIVABLE, NET**

At June 30, 2023 and 2022, the major components of accounts receivable are as follows:

	2023	2022
Student Tuition and Fees	\$4,140,013	\$5,600,515
Federal, State and Private Grants and Contracts	2,771,714	6,072,746
Auxiliary Enterprises and other Operating Activities	<u>3,949,199</u>	<u>1,701,360</u>
Total Accounts Receivable	10,860,927	13,374,621
Less allowance for doubtful accounts	<u>(1,043,842)</u>	<u>(904,249)</u>
Accounts Receivable, Net	<u>\$9,817,085</u>	<u>\$12,470,372</u>

**7. STUDENT LOANS RECEIVABLE, NET**

At June 30, 2023 and 2022, student loans receivable are as follows:

	2023	2022
Federal Perkins student loans	\$2,410,700	\$3,361,800
Other long-term loans	23,309	27,759
Institutional loans	<u>17,054</u>	<u>17,893</u>
Total student loans	2,451,063	3,407,452
Less allowance for doubtful accounts	<u>(244,159)</u>	<u>(339,103)</u>
Student loans receivable, net	<u>\$2,206,904</u>	<u>\$3,068,349</u>

**8. INVENTORIES**

At June 30, 2023 and 2022, inventories, stated at cost using various methods: retail or first-in, first-out (FIFO) consist of the following:

	Valuation Method	2023	2022
Location			
Bookstore	Avg cost	\$666,864	\$1,221,492
Facilities Maintenance	FIFO	598,226	529,408
Other inventory	FIFO	<u>164,447</u>	<u>173,142</u>
Total inventory		<u>\$1,429,537</u>	<u>\$1,924,042</u>

**9. LAND AND CAPITAL ASSETS**

The depreciation expense for the fiscal years ended June 30, 2023 and 2022 were \$28,096,705 and \$26,931,418, respectively.

Following are the changes in land and capital assets for the year ended June 30, 2023:

	6/30/2022	Additions	Reductions	6/30/2023
Non-depreciable Capital Assets				
Land	\$12,594,963	\$	\$	\$12,594,963
Construction in progress	<u>8,410,377</u>	<u>12,567,067</u>		<u>20,977,444</u>
Total non-depreciable capital assets	<u>\$21,005,340</u>	<u>\$12,567,067</u>		<u>\$33,572,407</u>
Depreciable Capital Assets				
Infrastructure	\$55,452,397	\$	\$	\$55,452,397
Buildings	712,708,845			712,708,845
Furniture, fixtures and equipment	51,285,700	6,382,497	536,132	57,132,065
Library materials, art collection	54,136,980	187,966		54,324,946
Improvements	<u>152,162,264</u>			<u>152,162,264</u>
Total depreciable capital assets	<u>1,025,746,186</u>	<u>6,570,463</u>	<u>536,132</u>	<u>1,031,780,517</u>
Less Accumulated Depreciation				
Infrastructure	38,650,931	1,373,838		40,024,769
Buildings	263,136,651	18,157,618		281,294,269
Furniture, fixtures and equipment	41,519,941	3,115,972		44,099,781
Library materials, art collection	52,065,168	587,568	536,132	52,652,736
Improvements	<u>85,946,883</u>	<u>4,861,709</u>		<u>90,808,592</u>
Total accumulated depreciation	<u>481,319,574</u>	<u>28,096,705</u>	<u>536,132</u>	<u>508,880,147</u>
Total Depreciable Capital Assets, Net of depreciation	<u>\$544,426,612</u>	<u>(\$21,526,242)</u>		<u>\$522,900,371</u>

Following are the changes in land and capital assets for the year ended June 30, 2021:

	6/30/2021	Additions	Reductions	6/30/2022
<b>Non-depreciable Capital Assets</b>				
Land	\$12,594,963	\$	\$	\$12,594,963
Construction in progress	<u>113,022,380</u>	<u>26,785,849</u>	<u>131,397,852</u>	<u>8,410,377</u>
Total non-depreciable capital assets	<u>\$125,617,343</u>	<u>\$26,785,849</u>	<u>\$131,397,852</u>	<u>\$21,005,340</u>
<b>Depreciable Capital Assets</b>				
Infrastructure	\$55,452,397	\$	\$	\$55,452,397
Buildings	584,928,332	127,780,513		712,708,845
Furniture, fixtures and equipment	49,327,317	4,715,246	2,756,863	51,285,700
Library materials, art collection	54,283,167	128,521	274,708	54,136,980
Improvements	<u>149,652,353</u>	<u>2,509,911</u>		<u>152,162,264</u>
Total depreciable capital assets	<u>893,643,566</u>	<u>135,134,191</u>	<u>3,031,571</u>	<u>1,025,746,186</u>
<b>Less Accumulated Depreciation</b>				
Infrastructure	37,249,440	1,401,491		38,650,931
Buildings	246,304,384	16,832,267		263,136,651
Furniture, fixtures and equipment	41,417,976	2,858,828	2,756,863	41,519,941
Library materials, art collection	51,598,265	710,311	243,408	52,065,168
Improvements	<u>80,818,362</u>	<u>5,128,521</u>		<u>85,946,883</u>
Total accumulated depreciation	<u>457,388,427</u>	<u>26,931,418</u>	<u>3,000,271</u>	<u>481,319,574</u>
Total Depreciable Capital Assets, Net of depreciation	<u>\$436,255,139</u>	<u>\$108,202,773</u>	<u>\$31,300</u>	<u>\$544,426,612</u>

## 10. LEASES AND SOFTWARE BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) LEASES:

### *Right to Use Leases – Lessor Arrangements*

Western Washington University (WWU) has recorded, in accordance with GASB 87, the lease of building space to an external party. The current lease, including an extension option that is most likely to be exercised, extends through the FY 2033. WWU records lease receivables and deferred inflows of resources based on the present value of receipts over the lease term. The expected receipts are discounted using the University's incremental borrowing rate. WWU recognized revenue related to this lease agreement totaling \$51,714 and \$0 in the years ending June 30, 2023 and 2022, respectively. The interest income recognized related to this lease agreement was \$3,955 and \$0 in the years ending June 30, 2023 and 2022, respectively.

### **Subscription Based IT Arrangements (SBITA) Assets**

WWU has entered into subscription-based contracts to use vendor-provided information technology (IT). Subscription-based information technology arrangements (SBITAs) provide WWU with access to vendors' IT software and associated tangible capital assets for subscription payments without granting perpetual license or title to the IT software and associated tangible capital assets.

GASB 96 was implemented effective FY 2023 and for these comparative financials the FY 2022 financials have been restated to also include SBITAs. The following are the SBITA Assets balances as of FY 2022 and the changes in the SBITA assets for the year ended June 30, 2023:

	6/30/22	Additions	Retirements	6/30/23
Total SBITA Assets	\$ 4,922,734	\$ 540,708	\$ 234,473	\$ 5,228,969
Total Accumulated Amortization	<u>1,428,172</u>	<u>1,568,988</u>	<u>234,473</u>	<u>2,762,686</u>
SBITA Assets, Net of Amortization	\$ <u>3,494,563</u>			\$ <u>2,466,283</u>

Future SBITA Payments:				
Fiscal Year	Principal	Interest	Total Payment	
2024	\$ 1,485,206	\$ 12,586	\$ 1,497,792	
2025	425,370	6,965	432,335	
2026	397,206	4,367	401,573	
2027	261,308	1,803	263,111	
2028				
Total	\$ <u>2,569,090</u>	\$ <u>25,722</u>	\$ <u>2,594,812</u>	

#### *Additional Outflow of Resources:*

There are two SBITA contracts that have components of the subscription that may vary based upon usage. The additional payments above the amount included in the measurement of the subscription liability were \$24,123 for FY 2023 and \$13,656 for FY2022. Interest expense included in the SBITA payments was \$15,550 and \$0 for FY 2023 and FY 2022 respectively.

## 11. ART COLLECTIONS

WWU has several collections of art that it does not capitalize. The Outdoor Sculpture Collection is a public art collection displayed throughout the entire campus. There are also collections of 19th and 20th century paintings, prints and drawings, the Whittington Collection of Asian Ceramics, and the Chair Collection. These collections adhere to WWU's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. WWU's policy is to permit collections maintained in this manner to be charged to operations at the time of purchase rather than capitalized.

## 12. COMPENSATED ABSENCES

The accrued leave balances as of June 30, 2023, and 2022 are \$11,887,166 and \$12,152,406, respectively. This consists of unused vacation leave and compensatory time earned for exempt professionals and classified staff. It also includes a percentage of earned and unused sick leave for exempt professionals and classified staff. For reporting purposes, the entire balance of accrued leave is considered a noncurrent liability as more leave is accrued during the fiscal year than what is used.

In 2004, WWU began participating in the Voluntary Employees' Beneficiary Association Medical Expense Plan (VEBA-MEP). The plan is a post-retirement medical expense reimbursement account available to professional staff employees of WWU. The VEBA-MEP enables WWU to deposit funds equivalent to the cash-out of compensable unused sick leave at retirement, tax free to a VEBA trust account on the employee's behalf. Funds deposited into a VEBA-MEP account, as well as the earnings on the accounts, are not subject to federal income or social security taxes. During FY 2023 and FY 2022, \$158,247 and \$175,595, respectively, were contributed to VEBA accounts by WWU on behalf of employees.

**13. NOTES PAYABLE**

WWU finances certain land and equipment purchases through certificates of participation issued by the Washington State Treasurer. WWU's debt service requirements for these agreements for the next five years and thereafter are as follows:

Fiscal Year	Principal	Interest
2024	\$710,432	\$259,296
2025	443,483	232,979
2026	461,689	210,774
2027	485,056	187,656
2028	276,648	163,666
2029-2033	1,505,000	607,750
2034-2038	<u>1,500,000</u>	<u>191,750</u>
Total	<u>\$5,382,308</u>	<u>\$1,853,871</u>

**14. PLEDGED REVENUES**

Bonds payable consist of revenue bonds issued by WWU for Housing and Dining System facilities and the Wade King Student Recreation Center. Bonds outstanding are shown on the following page.

**Housing and Dining Revenue Bonds**

As specified in Master Resolution 97-09, the Housing and Dining System (the System) Revenue Fund is used to pay operating expenses, principal and interest, fund debt service reserve accounts required in subsequent series resolutions, pay the renewal and replacement fund and, if desired, retire debt in the open market. Net revenues are pledged to equal at least 125% of debt service. The System has funded a reserve account for debt service and maintains a renewal and replacement fund equal to at least 5% of outstanding bonds.

**The System has the following outstanding bond issues:**

Series 2020 Housing and Dining Refunding Bonds (original issue price of \$ 21,760,000) with interest rates ranging from 1.5% to 2.5% and principal payments due beginning in April 1, 2025 in annual amounts ranging from \$ 735,000 to \$ 2,735,000 through April 1, 2034. The Series 2020 bonds have an aggregate face value of \$21,760,000 at June 30, 2023

Series 2019 Housing and Dining Revenue Bonds (original issue price of \$68,575,000) with interest rates ranging from 3.0% to 5.0% on principal payments due in annual amounts ranging from \$1,465,000 to \$3,295,000 through April 1, 2049. The Series 2019 bonds have an

aggregate face value of \$65,715,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$2,802,282.

Series 2018A Housing and Dining Refunding Bonds (original issue price of \$10,695,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$570,000 to \$985,000 through April 30, 2034. The Series 2018A bonds have an aggregate face value of \$9,030,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$567,526.

Series 2018B Housing and Dining Refunding Bonds (original issue price of \$33,680,000) with interest rates ranging from 3.0% to 4.0% and principal payments due in annual amounts ranging from \$985,000 to \$2,050,000 through April 30, 2043. The Series 2018B bonds have an aggregate face value of \$29,525,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$725,623.

Series 2015 Housing and Dining Refunding Bonds (original issue price of \$13,435,000) with interest rates of 5.0% and principal payments due in annual amounts ranging from \$1,315,000 to \$1,530,000 through October 31, 2026. The Series 2015 bonds have an aggregate face value of \$4,360,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$183,961.

Series 2012 Revenue and Refunding Bonds (original issue price of \$9,205,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in

annual amount of \$790,000 through October 31, 2023. The Series 2012 bonds have an aggregate face value of \$790,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$2,702.

#### Advance Refunding

On September 24, 2020, Housing and Dining issued \$21,760,000 in revenue and refunding bond series 2020 to refund, refinance and restructure all or a portion of the debt service (principal and interest) that will be due and payable with respect to Outstanding Parity Bonds during the period from October 1, 2020, through and including October 1, 2022, to capitalize interest on the Series 2020 bonds, and to pay costs of issuance. The net proceeds from the sale of the Series 2020 Bonds will be irrevocably deposited with U.S. Bank National Association under an escrow agreement dated the date of delivery of the Series 2020 Bonds. The funds will be used to purchase direct, noncallable, obligations of the United State of America securities. The securities will mature at such times and pay interest in such amounts so that sufficient money will be available to pay the Refunded Debt Service when due. The Refunded Debt Service will no longer be deemed to be outstanding. The Series 2020 Bonds will not produce any cash flow savings. The purpose is to provide COVID-19 economic relief to the System.

#### Wade King Student Recreation Center Revenue and Refunding Bonds

On February 2, 2022, the Student Recreation Center issued \$15,950,000 in revenue and refunding bonds series 2022 to refund and refinance all or a portion of the debt service (principal and interest) that will be due and payable with respect to outstanding parity bonds during the period from May 1, 2022, through and including May 1, 2037. The bonds have an aggregate face value of \$15,155,000 as of June 30, 2023, which is reported net of the unamortized original issue premium of \$2,218,432.

#### Current Refunding

On February 1, 2022, the Recreation Center issued \$15,950,000 in Series 2022 revenue and refunding bonds to refund and restructure all or a portion of the debt service that will be due and payable with respect to outstanding Series 2012 bonds with a par amount of \$18,985,000 and 4% interest rate. The Series 2022 bonds will have a gross debt service savings of \$2,943,687 and an economic gain of \$2,553,456.

The debt service requirements for the revenue/refunding bonds for the next five years and thereafter are as follows:

Fiscal Year	Housing and Dining Revenue and Refunding Bonds		Student Recreation Center Revenue and Refunding Bonds	
	Principal	Interest	Principal	Interest
2024	\$5,310,000	\$4,431,083	\$825,000	\$606,200
2025	5,560,000	4,199,483	865,000	573,200
2026	5,800,000	3,958,101	900,000	538,600
2027	6,055,000	3,704,414	935,000	502,600
2028	6,265,000	3,489,813	970,000	465,200
2029-2033	34,715,000	14,071,686	5,465,000	1,711,400
2034-2038	24,360,000	9,130,488	5,195,000	529,600
2039-2043	24,335,000	5,348,000		
2044-2048	15,485,000	1,890,900		
2049-2051	<u>3,295,000</u>	<u>98,850</u>		
Total	\$131,180,000	\$50,322,818	\$15,155,000	\$4,926,800
Unamortized premium/ (discount)	4,282,094		2,218,432	
Total	<u>\$135,462,094</u>	<u>\$50,322,818</u>	<u>\$17,373,432</u>	<u>\$4,926,800</u>

**15. PLEDGED REVENUES**

WWU has pledged certain revenues, net of specified operating expenses, to repay the principal and interest of revenue bonds. The following is a schedule of the pledged revenues and related debt:

Source of Revenue Pledged	Total Future Revenues Pledged *	Description of Debt	Purpose of Debt	Term of Commitment	Proportion of Debt Service to Pledged Revenues (current yr)
Housing and Dining revenues, net of operating expenses	\$181,502,818	Housing and Dining bonds issued in 2012, 2015, 2018, 2019, and 2020	Construction and renovation of student housing projects	2049	16.2%
Student Recreation Center gross revenues	\$20,081,800	Student Recreation Center bonds issued in 2022	Construction of the Student Recreation Center	2037	30.6%
* Total future principal and interest payments on debt					

**16. LONG-TERM LIABILITIES**

Following are the changes in long-term liabilities for the years ended June 30, 2023, and 2022:

	6/30/22	Additions/ Amortization	Decreases/ Retirements	6/30/23	Current Portion
Bonds, Notes & Obligations payable					
Revenue and refunding bonds	\$159,602,306	(\$811,778)	\$5,955,000	\$152,835,528	\$6,135,000
Notes payable	6,007,682	75,506	700,880	5,382,308	710,432
Compensated absences	12,152,406		265,240	11,887,166	
OPEB Liability	100,223,839		33,766,570	66,457,269	1,677,274
Pension Liabilities	19,328,084	47,798		19,375,882	
Perkins Federal Contribution	3,921,219		548,609	3,372,610	
Total long-term liabilities	<u>\$301,235,536</u>	<u>(\$688,474)</u>	<u>\$41,236,299</u>	<u>\$259,310,763</u>	<u>\$8,522,706</u>
	6/30/21	Additions/ Amortization	Decreases/ Retirements	6/30/22	Current Portion
Bonds, Notes & Obligations payable					
Revenue and refunding bonds	\$160,420,000	\$18,347,621	\$19,165,315	\$159,602,306	\$5,955,000
Notes payable	6,486,165	246,287	724,770	\$6,007,682	700,880
Compensated absences	12,270,908		118,502	\$12,152,406	
OPEB Liability	96,023,439	4,200,400		\$100,223,839	1,706,951
Pension Liabilities	25,551,646	39,581	6,263,143	\$19,328,084	
Perkins Federal Contribution	4,885,645		964,426	\$3,921,219	
Total long-term liabilities	<u>\$305,637,803</u>	<u>\$22,833,889</u>	<u>\$27,236,156</u>	<u>\$301,235,536</u>	<u>\$8,362,831</u>

**17. DEFERRED COMPENSATION**

WWU, through the State of Washington, offers its employees a Deferred Compensation Plan created under Internal Revenue Code Section 457. The plan, available to all State employees, permits individuals to defer a portion of their salary until future years. The State of Washington administers the plan on behalf of WWU's employees. WWU does not have legal access to the funds.

WWU also offers to its president a non-qualified IRS section 457(f) deferred compensation plan. This plan has a schedule of defined contributions plus a fixed 3% annual interest accrual. All accrued deferred compensation under the account shall vest on the earliest of: (i) the employee's completion of the term of the current contract; (ii) the employee's death or disability; (iii) the University's exercise of the termination for convenience; or (iv) the employee's resignation. All vested amounts shall be payable in a lump sum on a date determined by WWU that is within 60 days following vesting.

Balance as of June 30, 2021	\$117,646
Annual Required Contribution FY21	35,000
Interest at 3%	4,581
Balance as of June 30, 2022	157,227
Annual Required Contribution FY23	30,000
Interest at 3%	5,617
Balance as of June 30, 2022	<u>\$192,844</u>

**18. OPERATING EXPENSES BY FUNCTIONAL CATEGORIES**

In the Statement of Revenues, Expenses and Changes in Net Position, operating expenses are displayed by natural classifications which include salaries, employee benefits, goods and services, and other similar categories.

Operating expenses by functional classification for the years ended June 30, 2023, and 2022 are as follows:

Operating Expenses	2023	2022 Restated
Instruction	\$145,120,523	\$134,791,679
Research	10,802,443	8,654,057
Academic support	17,815,109	16,265,611
Student services	26,135,061	22,730,393
Institutional support	28,759,326	28,826,518
Operation and maintenance of plant	57,002,120	50,139,205
Scholarships and other student aid	24,956,105	34,359,051
Auxiliary enterprise expenditures	<u>63,585,414</u>	<u>48,376,806</u>
Total operating expenses	<u>\$374,176,101</u>	<u>\$344,143,320</u>



## 19. PENSION PLANS

WWU offers four contributory pension plans: 1) the Washington State Public Employees' Retirement System (PERS) plans, 2) the Washington State Teachers Retirement System (TRS) plans, 3) the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) plan and 4) the Western Washington University Retirement plan (WWURP).

PERS, TRS and LEOFF are cost sharing multiple employer defined benefit pension plans administered by the State of Washington Department of Retirement Systems (DRS). The WWURP is a single employer defined contribution plan with a supplemental defined benefit plan component currently administered by WWU.

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, WWU is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the DRS will assume those duties in accordance with RCW 41.50.280. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component of WWU. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the WWUSRP.

WWU's share of the total net unfunded liabilities associated with the defined-benefit pension plans administered by the DRS was \$8,857,108 as of June 30, 2023 and \$3,915,857 as of June 30, 2022. The liability associated with the defined-benefit pension plan currently administered by WWU was \$10,325,930 as of June 30, 2023, and \$15,255,000 as of June 30, 2022. The total pension expense recorded by WWU related to both the DRS and University plans was \$(1,706,638) and \$(11,387,778) for the years ended June 30, 2023, and 2022 respectively.

### PLANS ADMINISTERED BY DRS

#### PLAN DESCRIPTION:

##### **Public Employees' Retirement System**

PERS retirement benefit provisions are contained in chapters 41.34 and 41.40 of the Revised Code of Washington (RCW). PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. PERS members include higher education employees not participating in other higher education retirement programs.

##### **Teachers' Retirement System**

TRS retirement benefit provisions are contained in chapters 41.32 and 41.34 of the Revised Code of Washington (RCW). 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 combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members. TRS eligibility for membership requires service as a certificated public-school employee working in an instructional, administrative or supervisory capacity.

##### **Law Enforcement Officers' and Fire Fighters' Retirement System**

LEOFF retirement benefit provisions are contained in chapter 41.26 of the Revised Code of Washington (RCW). LEOFF is a cost-sharing, multiple-employer retirement system comprised of two separate pension plans for membership and accounting purposes. WWU participates in LEOFF Plan 2, which is a defined-benefit plan. LEOFF membership includes full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians.

## VESTING AND BENEFITS PROVIDED:

**PERS Plan 1 and TRS Plan 1**

PERS Plan 1 and TRS Plan 1 provide retirement, disability, and death benefits to eligible members. Both plans are closed to new entrants. All members are vested after the completion of five years of eligible service. The monthly benefit is 2.0% of the average final compensation (AFC) for each year of service credit, up to a maximum of 60.0%. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

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. 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. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

**PERS Plan 2/3 and TRS Plan 2/3**

PERS 2/3 and TRS Plan 2/3 provide retirement, disability and death benefits. PERS Plan 2 and TRS Plan 2 members are vested after completing five years of eligible service. PERS Plan 3 and 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. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Defined Retirement benefits are determined as 2.0% of the member's AFC times the member's years of service for Plan 2 and 1.0% of the AFC times the member's years of service for Plan 3. The AFC is the average of the member's 60 highest paid consecutive months. There is no cap on years of service credit.

Members are eligible for normal retirement at the age of 65 with five years of service. Members have the option to retire early with reduced benefits. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

**LEOFF Plan 2**

LEOFF Plan 2 provides retirement, disability, and death benefits to eligible members. Members are vested after the completion of five years of eligible service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service. FAS is based on the highest consecutive 60 months.

Members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Members who retire prior to the age of 53 receive reduced benefits. A cost-of-living allowance (COLA) is granted based on the Consumer Price Index, capped at 3.0% annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

## FIDUCIARY NET POSITION:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plans fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans. These pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB- adopted investment policies for the various asset classes in which the WSIB invests. Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only

for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, TRS, and LEOFF systems and plans were funded by an employer rate of 0.18% of employee salaries.

The DRS prepares a stand-alone financial report that is compliant with the requirements of Statement 67 of the Governmental Accounting Standards Board. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <https://www.drs.wa.gov/news/>.

#### ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on WWU. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on WWU's financial statements.

The total pension liability for each of the plans was determined using the most recent actuarial valuation completed by the Washington State Office of the State Actuary (OSA). WWU's 2023 pension liability is based on the OSA valuation performed as of June 30, 2022, with a valuation date of June 30, 2021. Besides the discount rate, the actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS website. These assumptions reflect the results of OSA's 2013-2018 Demographic Experience Study Report and the 2021 Economic Experience Study. The following actuarial assumptions have been applied to all prior periods included in the measurement:

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

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. The OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of

each plan. The 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. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

The OSA selected a 7.00% long-term expected rate of return on pension plan investments using a building block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

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

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

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

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, 2022 are summarized in the following table.

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

2023 - Measurement date 2022

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
Total	100%	

**DISCOUNT RATE:**

The discount rate used to measure the total pension liabilities was 7.00 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.00 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.00 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and TRS 2/3 employers whose rates include a component for the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liabilities). Based on those assumptions, the various pension plan's fiduciary net positions were 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 percent on pension plan investments was applied to determine the total pension liability for each plan.

**SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:**

The following table presents WWU's net pension liability/(asset) position by plan calculated using the discount rate of 7.00 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1.0% point lower (6.00%) or 1.0% point higher (8.00%) than the current rate.

**Discount Rate Sensitivity - Net Pension Liability/(Asset)**

(\$ in thousands)

Plan	1% Decrease 6.0%	2023 Current Discount Rate 7.0%	1% Increase 8.0%
PERS 1	\$10,559	\$7,904	\$5,586
PERS 2/3	16,138	(13,704)	(38,221)
TRS 1	1,294	953	655
TRS 2/3	1,779	(98)	(1,624)
LEOFF 2	(64)	(1,388)	(2,471)
	\$29,707	\$(6,333)	\$(36,075)

**EMPLOYER CONTRIBUTION RATES:**

Employer contribution rates are developed in accordance with Chapter 41.45 of the RCW by the OSA. The statute provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates.

**Required Contribution Rates**

The required contribution rates expressed as a percentage of current year covered payroll are shown below. The University and the employees made the required contributions.

		<b>Contribution Rates</b>							
		<b>7/1/2021 thru 8/31/2021</b>		<b>9/1/2021 thru 6/30/2022</b>		<b>7/1/2022 thru 8/31/2022</b>		<b>9/1/2022 thru 6/30/2023</b>	
		Employee	University	Employee	University	Employee	University	Employee	University
<b>PERS</b>									
Plan 1	6.00%	10.25%	6.00%	10.25%	6.00%	10.25%	6.00%	10.39%	
Plan 2	6.36%	10.25%	6.36%	10.25%	6.36%	10.25%	6.36%	10.39%	
Plan 3	5.00-15.00% **	10.25% *	5.00-15.00% **	10.25% *	5.00-15.00% **	10.25% *	5.00-15.00% **	10.39% *	
<b>TRS</b>									
Plan 1	6.00%	15.74%	6.00%	14.42%	6.00%	14.42%	6.00%	14.69%	
Plan 2	7.77%	15.74%	8.05%	14.42%	8.05%	14.42%	8.05%	14.69%	
Plan 3	5.00-15.00% **	15.74% *	5.00-15.00% **	14.42% *	5.00-15.00% **	14.42% *	5.00-15.00% **	14.69% *	
<b>LEOFF</b>									
Plan 2	8.53%	8.71%	8.53%	8.71%	8.53%	8.71%	8.53%	8.71%	

PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability (UAAL)

TRS 2/3 employer rates include a component to address the TRS Plan 1 unfunded actuarial accrued liability (UAAL)

\*Plan 3 defined benefit portion only.

\*\*Variable from 5% to 15% based on rate selected by the member.

University contribution rate includes an administrative expense rate of 0.0018.

**The University's required contributions for the years ending June 30 are as follows:**

		<b>Required Contributions</b>	
		FY 2022	FY 2023
<b>PERS</b>			
Plan 1			
Plan 2		\$ 3,489,597	\$ 3,883,672
Plan 3		1,233,557	1,353,680
<b>TRS</b>			
Plan 1		8,300	9,494
Plan 2		34,751	45,921
Plan 3		542,154	645,183
<b>LEOFF</b>			
Plan 2		107,967	113,926

## UNIVERSITY PROPORTIONATE SHARE AND AGGREGATED BALANCES:

Collective pension amounts are determined as of a measurement date, which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities recorded by WWU as of June 30, 2023, and 2022 was June 30, 2022, and 2021 (one year in arrears). Employer contributions received and processed by the DRS during the measurement date fiscal year have been used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in their fiscal year ended June 30 Schedules of Employer and Non-employer Allocations. WWU's proportionate share of the aggregated balance of net pension liabilities and net pension asset as of June 30, 2023, and June 30, 2022, is presented in the table below.

Proportionate Share Allocation Percentage					
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
FY 23 Proportionate Share	0.2839%	0.3695%	0.0501%	0.0499%	0.0511%
FY 22 Proportionate Share	0.2950%	0.3784%	0.0465%	0.0456%	0.0535%

Aggregate Pension Balances (\$ in thousands)						
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
<b>June 30, 2023</b>						
Net Pension Liability	\$ 7,904	\$	\$ 953	\$	\$	\$ 8,857
Net Pension Asset	\$	\$ 13,704	\$	\$ 98	\$ 1,388	\$ 15,190
<b>June 30, 2022</b>						
Net Pension Liability	\$ 3,603	\$	\$ 313	\$	\$	\$ 3,916
Net Pension Asset	\$	\$ 37,692	\$	\$ 1,253	\$ 3,110	\$ 42,055

## PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize WWU's expense, deferred outflows of resources and deferred inflows of resources related to the DRS pension plans, together with the related future year impacts to pension expense from amortization of those deferred amounts. Note that deferred outflows of resources related to WWU contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the following year and are not amortized to pension expense.

Proportionate Share of Pension Expense (\$ in thousands)						
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Year Ended June 30, 2023	\$ 3,353	\$ (4,534)	\$ 599	\$ (2)	\$ 179	\$ (404)
Year Ended June 30, 2022	\$ (919)	\$ (8,523)	\$ (56)	\$ (127)	\$ (443)	\$ (10,069)

Amounts reported as deferred outflows of resources, exclusive of contributions subsequent to the measurement date, and deferred inflows of resources will be recognized in pension expense in future periods as follows:

**Deferred Outflows of Resources (\$ in thousands)**

2023	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 3,396	\$	\$ 489	\$ 330	\$ 4,214
Changes of assumptions		7,638		553	352	8,543
Net difference between projected and actual earnings on pension plan investments						
Change in proportion		212		128	173	513
Contributions subsequent to the measurement date	1,895	3,342	296	404	114	6,052
<b>TOTAL</b>	<b>\$ 1,895</b>	<b>\$ 14,588</b>	<b>\$ 296</b>	<b>\$ 1,575</b>	<b>\$ 968</b>	<b>\$ 19,322</b>

**Deferred Inflows of Resources (\$ in thousands)**

2023	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 310	\$	\$ 10	\$ 13	\$ 333
Changes of assumptions		2,000		60	121	2,181
Net difference between projected and actual earnings on pension plan investments	1,310	10,131	171	519	465	12,596
Change in proportion		189		16	54	259
<b>TOTAL</b>	<b>\$ 1,310</b>	<b>\$ 12,631</b>	<b>\$ 171</b>	<b>\$ 605</b>	<b>\$ 652</b>	<b>\$ 15,369</b>

**Amortization of Deferred Outflows and Deferred Inflows of Resources \* (\$ in thousands)**

YEAR	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
2024	\$ (554)	\$ (3,164)	\$ (72)	\$ (81)	\$ (135)	\$ (4,007)
2025	(503)	(2,780)	(66)	(59)	(115)	(3,524)
2026	(632)	(3,353)	(83)	(105)	(157)	(4,329)
2027	379	4,659	50	309	212	5,609
2028		1,632		134	69	1,835
Thereafter		1,620		369	329	2,318
<b>TOTAL</b>	<b>\$ (1,310)</b>	<b>\$ (1,385)</b>	<b>\$ (171)</b>	<b>\$ 565</b>	<b>\$ 202</b>	<b>\$ (2,099)</b>

\* Negative amounts shown in the table above represent a reduction of expense

**Deferred Outflows of Resources (\$ in thousands)**

2022	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 1,831	\$	\$ 389	\$ 141	\$ 2,361
Changes of assumptions		55		78	1	134
Net difference between projected and actual earnings on pension plan investments						
Change in proportion		141		151	119	412
Contributions subsequent to the measurement date	1,740	2,983	258	327	108	5,416
<b>TOTAL</b>	<b>\$ 1,740</b>	<b>\$ 5,011</b>	<b>\$ 258</b>	<b>\$ 945</b>	<b>\$ 370</b>	<b>\$ 8,323</b>

**Deferred Inflows of Resources (\$ in thousands)**

2022	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 462	\$	\$ 10	\$ 16	\$ 489
Changes of assumptions		2,677		66	148	2,891
Net difference between projected and actual earnings on pension plan investments	3,998	31,502	470	1,461	1,483	38,913
Change in proportion		277			64	341
<b>TOTAL</b>	<b>\$ 3,998</b>	<b>\$ 34,918</b>	<b>\$ 470</b>	<b>\$ 1,537</b>	<b>\$ 1,711</b>	<b>\$ 42,633</b>

**PLANS ADMINISTERED BY WESTERN WASHINGTON UNIVERSITY****Western Washington University Retirement Plan (WWURP)****PLAN DESCRIPTION:**

The WWURP is a defined contribution single employer pension plan with a supplemental payment when required. The plan covers faculty, professional staff, and certain other employees. It is administered by WWU. WWU's Board of Trustees is authorized to establish and amend benefit provisions. Members are eligible to receive benefits under this plan at either the age 62 or at the age of 55 with 10 or more years of credited service.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees, at all times, have a 100% vested interest in their accumulations. The number of participants in the WWURP as of June 30, 2023 and 2022 was 1,168 and 1,154 respectfully.



**FUNDING POLICY:**

Employee contribution rates, which are based on age, range from 5% to 10% of salary. WWU matches 100% of the employee contributions. All required employer and employee contributions have been made and the breakdown of these WWURP contributions are included in the table below for the years ended June 30.

	2023	2022
Contributions made by:		
Employees	\$9,184,133	\$8,947,846
University	9,185,434	8,929,996

**Western Washington University Supplemental Retirement Plan (WWUSRP)****PLAN DESCRIPTION:**

WWUSRP, the supplemental component of the WWURP plan, is a defined benefit plan currently administered by WWU and operates in tandem with the WWURP defined contribution pension plan to supplement the expected defined-contribution retirement savings accumulated under the WWURP. The plan covers faculty and certain other positions. The WWUSRP, the supplemental component of the WWURP, was closed to new entrants as of July 1, 2011. For purposes of measuring the June 30, 2022 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WWUSRP and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the state of Washington's Annual Comprehensive Financial Report, which is available at <https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>. The Office of the State Actuary prepared the SRP GASB67/68 Retirement Plan Valuations for reporting the June 30, 2023 balances, which is available in the 2023 Actuarial Valuation report at <https://leg.wa.gov/osa/additionalservices/Pages/HigherEd.aspx>.

**PLAN MEMBERSHIP:**

Membership of the Western Washington University Supplemental Retirement Plan consisted of the following at June 30, 2022, and June 30, 2023, the date of the latest actuarial valuation for the plan:

Number of Participating Members				
WWURP	Inactive Members (Or Beneficiaries) Currently Receiving Benefits	Inactive Members Entitled To But Not Yet Receiving Benefits	Active Members	Total Members
2023	84	50	402	536
2022*	79	3	483	565

\* same as prior year utilizing the 2021 SRP Actuarial Valuation Report

**VESTING AND BENEFITS PROVIDED:**

This supplemental component payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. This supplemental component is currently financed on a pay-as-you-go basis. WWU makes direct payments to qualified retirees when the retirement benefit provided by the fund sponsor does not meet the benefit goal.

WWUSRP retirement benefits provisions are contained in RCW 28B.10.400, et. seq. which assigns the authority to establish and amend benefit provisions to the Western Washington University Board of Regents. Members are eligible

to receive benefits under this plan at either the age 62 or at the age of 55 with 10 or more years of credited service. The monthly amount of benefits payable at the time of retirement is the excess of one-twelfth of 2.0% of the member's average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of 50.0% of the member's average annual salary) over an assumed annuity benefit.

Assumed income must be calculated by an independent actuary and represents a theoretical amount of monthly income that would have been generated if actual employee and WWU contributions to the WWURP had been allocated equally between fixed and variable dollar annuities. When the goal income exceeds the assumed income, the participant is entitled to benefits under this plan. Benefit payments made during the fiscal years ended June 30, 2023 and 2022 were \$593,764 and \$586,561 respectively.

#### FIDUCIARY NET POSITION:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021.

The plan Fiduciary Net Position is the fair value of plan assets held in a trust as defined by GASB. The Net Pension Liability is the difference between the Total Pension Liability and the plan Fiduciary Net Position. The plan Fiduciary Net Position represents the amount of assets collected as of the measurement date to pay for SRP benefits, per RCW 41.50.280. Plan assets and investments are measured at their fair value.

The WSIB has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

WWUSRP plan assets are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which WSIB invests.

Information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in footnote 3.B of the state of Washington's Annual Comprehensive Financial Report.

#### ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on WWU. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on WWU's financial statements.

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021.

The valuation date was changed from June 30 to January 1. This corresponds with the new data file being provided with participant information as of January 1, 2023. The total pension liability was determined by an actuarial valuation date of January 1, 2023, with the results projected forward to the June 30, 2023, measurement date using the following actuarial assumptions:

- **Discount Rate:** 7.00%
- **TIAA Increase Rate:** 4.00%
- **CREF Increase Rate:** (6.25)%
- **Salary Growth:** 3.75%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. The OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. The 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. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

The total salary growth assumption is based on the August 2021 Higher Education SRP Experience study. Some TIAA assumptions have been updated by OSA since that study based on input from TIAA and OSA's professional judgment. OSA determined the discount rate based on the 2021 Economic Experience Study for the Washington State retirement plans and based on the results of the GASB 67/68 required crossover test. As of this measurement date, all SRPs are projected to have sufficient assets to pay for current member benefits based on the assumptions and methods described by OSA.

The discount rate can be thought of as an assumed return on assets, with a lower discount rate leading to a higher total pension liability (TPL). The discount rate reflects OSA's long-term rate of return assumption for assets invested in the Commingled Trust Fund, which remained at 7.00%. TIAA and CREF are investments used in the assumed income calculation. Changes to these assumptions impact OSA's estimate of SRP benefits for future retirees. The new assumptions decreased expected benefits and the TPL for all institutions.

#### SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following presents the net pension liability for the WWUSRP for WWU as an employer, calculated using the discount rate of 7.0%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.0%) or 1.0% point higher (8.0%) than the current rate.

WWUSRP Discount Rate Sensitivity - Net Pension Liability/(Asset) \$ in thousands			
Plan	1% Decrease 6.0%	2023 Current Discount Rate 7.0%	1% Increase 8.0%
WWUSRP	\$ 12,124	\$ 10,326	\$ 8,783

#### EMPLOYER CONTRIBUTION RATES:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. 2SHB 1661 outlines a funding policy for the SRP. Beginning July 1, 2020, the 0.5 percent required employer contribution rate was replaced with institution-specific contribution rates. These rates are developed by the OSA in accordance with RCW 41.45, which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. Money in the trust must be accounted for separately and attributed to each paying institution and may only be used to make benefit payments to the paying institution's plan beneficiaries. Beginning July 31, 2020, the Pension Funding Council may review and revise the institution-specific contribution rates. Rates must be designed to keep the total cost at a more level percentage than a pay-as-you-go method. Accumulated funds will allow a portion of the cost of SRP benefits to be paid from those funds beginning in approximately 2035. When the trust has collected sufficient assets to begin making SRP benefit payments, administration of the SRP will transfer to the Department of Retirement Systems (DRS).

WWUSRP	2023	2022
Employer required contribution rate	0.21%	0.21%

The SRP benefit funds are currently restricted from paying SRP benefits and are not expected to pay benefits until 2035. Until this time, SRP benefits are paid out of the WWU's operating budget on a pay-as-you-go basis.

#### NET PENSION LIABILITY (NPL):

Consistent with GASB No. 67/68, plan assets are included in financial reporting. The June 30, 2023, asset amount offsets the total pension liability to yield the plan's net pension liability.

Effective July 1, 2020, legislation signed into law created a trust arrangement for assets dedicated to paying WWUSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012, were transferred into the trust when this legislation became effective. As a result, WWU is now applying accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets as of June 30, 2021.

The components of the WWUSRP liability were as follows:

Schedule of Changes in Net Pension Liability (NPL)			
	TPL (a)	Plan Fiduciary Net Position (b)	NPL (a) minus (b)
<b>Balance as of July 1, 2021</b>	\$ 13,327,000	\$ 5,255,000	\$ 8,072,000
Service Cost	233,000		233,000
Interest on TPL	982,000		982,000
Differences Between Expected and Actual Experience	5,263,000		5,263,000
Change in Assumptions	1,524,000		1,524,000
Employer Contributions		226,000	(226,000)
Investment Income		7,000	(7,000)
Benefit Payments	(586,000)		(586,000)
Net Changes	7,416,000	233,000	7,183,000
<b>Balance as of June 30, 2022</b>	<b>\$ 20,743,000</b>	<b>\$ 5,488,000</b>	<b>\$ 15,255,000</b>
Service Cost	326,880		326,880
Interest on TPL	1,454,448		1,454,448
Differences Between Expected and Actual Experience	(3,236,074)		(3,236,074)
Change in Assumptions	(2,251,070)		(2,251,070)
Employer Contributions		234,247	(234,247)
Investment Income		395,401	(395,401)
Benefit Payments	(593,764)		(593,764)
*Rounding	158		158
Net Changes	(4,299,422)	629,648	(4,929,070)
<b>Balance as of June 30, 2023</b>	<b>\$ 16,443,578</b>	<b>\$ 6,117,648</b>	<b>\$ 10,325,930</b>

\*For 2016 - 2021 OSA report data was provided rounded to the thousands. This has caused minor rounding issues in the activity and amort tabs. Rounding issues should resolve once the 2022 figures are fully amortized.

For June 30, 2023, TPL is based on an actuarial valuation performed as of January 1, 2023, with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2023, reflecting the expected service cost, assumed interest, and benefit payments made. The June 30, 2022, TPL is based on an actuarial valuation performed as of June 30, 2020, with update procedures performed by the OSA to roll forward the TPL to the measurement date. All valuations were prepared using the entry age actuarial cost method.

## PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize WWU's pension expense, deferred outflows of resources and deferred inflows of resources related to the WWUSR, together with the related future year impacts to pension expense from amortization of those deferred amounts:

<b>WWUSR</b> <b>Pension Expense (PE)</b>	<b>2023</b>	<b>2022</b>
Service Cost	\$ 326,880	\$ 233,000
Interest Cost	1,454,448	982,000
Amortization of Differences between Expected and Actual Experience	(2,137,068)	(1,851,000)
Amortization of Changes of Assumptions	(422,922)	(155,000)
Expected Earnings on Plan Investments	(392,197)	(397,000)
Amortization of Differences between Projected and Actual Earnings on Plan Investments	(131,321)	(131,000)
Administrative Expenses		
Other Changes in Fiduciary Net Position		
Rounding	(311)	
<b>Net Pension Expense</b>	<b>\$ (1,302,491)</b>	<b>\$ (1,319,000)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense in future periods as follows:

<b>WWUSR</b> <b>Deferred Outflows of Resources</b>	<b>2023</b>	<b>2022</b>
Difference between expected and actual experience	\$ 4,922,300	\$ 6,399,000
Changes of assumptions	3,664,450	5,167,000
Differences between Projected and Actual Earnings on Plan Investments	234,131	312,000
<b>TOTAL</b>	<b>\$ 8,820,881</b>	<b>\$ 11,878,000</b>

<b>Deferred Inflows of Resources</b>	<b>2023</b>	<b>2022</b>
Difference between expected and actual experience	\$ 11,495,641	\$ 11,873,000
Changes of assumptions	6,622,122	6,297,000
Differences between Projected and Actual Earnings on Plan Investments	419,686	626,000
<b>TOTAL</b>	<b>\$ 18,537,449</b>	<b>\$ 18,796,000</b>

<b>Amortization of Deferred Outflows and Deferred Inflows of Resources</b>		
<b>Year</b>		
2024	\$	(1,917,914)
2025		(1,907,759)
2026		(2,993,154)
2027		(2,260,568)
2028		(460,836)
Thereafter		(177,005)
<b>TOTAL</b>	<b>\$</b>	<b>(9,717,236)</b>

**20. OTHER POST EMPLOYMENT BENEFITS (OPEB)****PLAN DESCRIPTION:**

Health care and life insurance programs for employees of the State of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the State-wide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employees.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors.

The health care premiums for active employees, which are paid by the agency during employees' working careers, subsidize the "underpayments" of the retirees. An additional factor in the OPEB obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an "explicit subsidy"). For fiscal year 2023, this amount was \$183 per member to cover retirees eligible for parts A and B of Medicare, per month. This rate will remain the same for calendar year 2024. This is also passed through to State agencies via active employee's rates charged to the agency.

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 the 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. As of June 2022, and 2021, WWU's headcount percentage membership in the PEBB plan consisted of the following:

OPEB Plan Participants				
FYE	Active Employees	Retirees Receiving Benefits	Retirees Not Receiving Benefits	Total Participants
2021	2015	778	93	2886
2022	2006	798	NA***	2804***

\*\*\* Per FY23 PEFI report, HCA doesn't have data on this group and OSA doesn't have the methodology to reasonably estimate it. For FY23, we have no options, but to report this amount as not available.

**ACTUARIAL ASSUMPTIONS:**

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on WWU. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on WWU's financial statements.

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 period:

- **Inflation:** 2.35%
- **Salary Increases:** 3.25% including service-based salary increases
- **Health Care Trend Rates:**\* Initial rate ranges from 2-11% adjusting to 3.8% in 2080
- **Post-retirement Participation:** 60.00%
- **Spouse Coverage:** 45.00%

Mortality rates were developed using the Society of Actuaries’ Pub.H-2010 mortality rates, which vary by member status. The Office of the State Actuary (OSA) applied age offsets as appropriate to better tailor the mortality rates to the demographics of the plan. The OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index. A discount rate of 2.16% was used for the June 30, 2021, measurement date and 3.54% for the June 30, 2022, measurement date.

The following presents the total OPEB liability of WWU, calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate.

Total OPEB Liability Discount Rate Sensitivity	
1% Decrease	\$77,871,689
Current Discount Rate - 3.54%	\$66,457,269
1% Increase	\$57,272,386

The following represents the total OPEB liability of WWU, calculated using the health care trend rates 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 or 1 percentage point higher than the current rate:

Total OPEB Liability Health Care Cost Trend Rate Sensitivity	
1% Decrease	\$56,268,305
Current Discount Rate - 2-11%	\$66,457,269
1% Increase	\$79,492,323

\*For additional detail on the health care trend rates, OPEB plan information and actuarial computations please reference the Washington State Annual Comprehensive Financial Report on OFM’s website:

<https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>  
and the Office of the State Actuary’s website: <https://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx>

## TOTAL OPEB LIABILITY:

As of June 30, 2023, and 2022, components of the proportionate share calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for WWU are represented in the following table:

FY 23 Proportionate Share		1.5643399125%
FY 22 Proportionate Share		1.5486538624%
<b>Schedule of Changes in Total OPEB Liability</b>		
<b>Total OPEB Liability</b>	<b>2023</b>	<b>2022</b>
Service cost	\$4,902,518	\$5,009,289
Interest	2,274,704	2,164,984
Changes of benefit terms		
Differences between expected & actual experience	(2,252,697)	
Changes in assumptions	(38,035,013)	924,997
Benefit payments	(1,671,232)	(1,649,418)
Change in Proportionate share	1,015,150	(2,249,452)
<b>Net Change in Total OPEB Liability</b>	<b>(\$33,766,570)</b>	<b>\$4,200,400</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$100,223,839</b>	<b>\$96,023,439</b>
<b>Total OPEB Liability - Ending</b>	<b>\$66,457,269</b>	<b>\$100,223,839</b>

OPEB expense for the fiscal years ended June 30, 2023, and 2022 was \$312,868 and \$4,064,902 respectively.

## DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The tables below summarize WWU's deferred outflows and inflows of resources related to OPEB, together with the related future year impacts to expense from amortization of those deferred amounts:

<b>Deferred Outflows of Resources</b>		
	<b>2023</b>	<b>2022</b>
Change in proportion	\$ 1,492,742	\$ 654,936
Difference between expected and actual experience	1,385,392	1,714,375
Changes of assumptions	5,446,915	6,382,755
Transactions subsequent to the measurement date	1,677,274	1,654,474
<b>TOTAL</b>	<b>\$ 10,002,323</b>	<b>\$ 10,406,540</b>

<b>Deferred Inflows of Resources</b>		
	<b>2023</b>	<b>2022</b>
Change in proportion	\$ 3,770,510	\$ 4,356,862
Difference between expected and actual experience	\$ 2,338,315	387,974
Changes of assumptions	48,179,250	18,171,027
<b>TOTAL</b>	<b>\$ 54,288,075</b>	<b>\$ 22,915,863</b>



Amortization of Deferred Outflows and Deferred Inflows of Resources	
Year	
2024	\$ (7,490,089)
2025	(7,490,089)
2026	(7,490,085)
2027	(5,985,823)
2028	(3,995,551)
Thereafter	(13,511,389)
<b>TOTAL</b>	<b>\$ (45,963,026)</b>

## 21. RISK MANAGEMENT

WWU participates in the State of Washington Self-Insurance Liability Program (SILP). Premiums to the State are based on a formula for allocating costs to participating state agencies, including higher education institutions, based on an independent actuarial study of the state's projected liabilities. WWU also maintains various commercially obtained liability insurance policies that provide coverage for certain exclusions under the SILP. During the past three fiscal years, no settlements have been greater than the insurance coverage.

WWU participates in the State's L&I Workers Compensation Insurance Program for all employees.

In addition, WWU purchases "all risk" buildings, contents and business interruption insurance for the Housing and Dining System, Wade King Student

Recreation Center, Viking Union Complex, and other auxiliaries through its participation in the State of Washington Alliant Property Insurance Program (APIP). At a minimum, coverage is maintained in accordance with applicable Master Bond Resolutions.

WWU has been named in tort claims and lawsuits. While the final outcome of these matters cannot be predicted with certainty, it is WWU's opinion that the ultimate liability will not materially affect the financial statement, and that WWU's liability insurance programs are adequate to pay all defense and settlement expenses related to these tort claims and lawsuits.

## 22. COMMITMENTS

Goods and services for operating and capital projects, contracted for but not yet received, are considered commitments at year end. The amount of these commitments at June 30, 2023 and 2022 are:

	2023	2022
Operating	\$6,322,970	\$8,458,043
Research	1,175,816	1,160,830
Capital Projects	58,159,761	7,679,178
<b>Total Commitments</b>	<b>\$65,658,547</b>	<b>\$17,298,053</b>

### 23. JOINT VENTURE

In FY 2010, WWU participated in the formation of a not-for-profit corporation titled Western Crossing Development Corporation (WCDC). The WCDC was formally incorporated pursuant to the articles of incorporation dated October 7, 2009, and is a 501(c) (3) corporation under the Internal Revenue code of 1986, amended. The five member Board of Directors includes a member of WWU Board of Trustees appointed by WWU Board of Trustees, the President of WWU, a member of the Commission of the Port of Bellingham appointed by the Commission of the Port, the Executive Director of the Port of Bellingham, and a fifth board member who was appointed by a majority vote of the other four board members who are not affiliated with either entity. The board of directors may in the future allow other Washington governments or educational institutions to become members under such terms and condi-

tions as they determine. The purpose of this joint venture is to help facilitate the timely development of new facilities on the Bellingham waterfront. This investment is not reflected on WWU's Statement of Net Position. During FY 2014, WWU transferred \$723 thousand in land and \$524 thousand in buildings, net to the WCDC to facilitate WWU development on the waterfront. To date, there has been no financial activity related to WCDC. During FY 2020, WCDC sold its land and buildings for \$1,800,000 and received cash in the amount of \$1,673,905, after sale expenses. The funds were placed in the LGIP. The cash balances are \$6,984 and \$1,691,735 at June 30, 2023 and 2022, respectively. During FY 2022 WWU and the Port of Bellingham decided to begin the process to dissolve WCDC. Funds will be distributed based on the contract. During FY 2022, WWU and the Port of Bellingham each agreed that WCDC should be dissolved. This dissolution occurred during FY 2023.

**RSI**

**Required Supplementary Information**

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability

<b>Schedule of WWU's Proportionate Share of the Net Pension Liability</b> <b>Public Employees' Retirement System (PERS) Plan 1</b> Measurement Date of June 30 * (dollars in thousands)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
WWU PERS 1 employers' proportion of the net pension liability	0.320%	0.315%	0.327%	0.314%	0.309%	0.303%	0.302%	0.295%	0.284%
WWU PERS 1 employers' proportionate share of the net pension liability	\$16,130	\$16,483	\$17,547	\$14,894	\$13,801	\$11,641	\$10,657	\$3,603	\$7,904
WWU PERS 1 employers' covered-employee payroll	\$33,355	\$34,435	\$38,407	\$38,214	\$40,526	\$45,559	\$45,575	\$31,410	\$34,569
WWU PERS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.36%	47.87%	45.69%	38.97%	34.05%	25.55%	23.38%	11.47%	22.86%
Plan fiduciary net position as a percentage of the total pension liability	61.19%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%	76.56%

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

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability/(Asset)

**Schedule of WWU's Proportionate Share of the Net Pension Liability/(Asset)  
Public Employees' Retirement System (PERS) Plan 2/3**  
Measurement Date ended June 30 \*  
(dollars in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
WWU PERS 2/3 employers' proportion of the net pension liability (asset)	0.367%	0.373%	0.390%	0.379%	0.378%	0.380%	0.386%	0.378%	0.369%
WWU PERS 2/3 employers' proportionate share of the net pension liability (asset)	\$7,421	\$13,333	\$19,630	\$13,175	\$6,458	\$3,689	\$4,930	(\$37,692)	(\$13,704)
WWU PERS 2/3 employers' covered-employee payroll	\$31,601	\$33,088	\$37,093	\$37,188	\$39,831	\$28,311	\$45,331	\$45,543	\$31,410
WWU PERS 2/3 employers' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.48%	40.30%	52.92%	35.43%	16.21%	13.03%	10.88%	-82.76%	-43.63%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%	106.73%

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

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**PENSION PLAN INFORMATION****Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability

<b>Schedule of WWU's Proportionate Share of the Net Pension Liability</b>									
<b>Teachers' Retirement System (TRS) Plan 1</b>									
Measurement Date of June 30 *									
(dollars in thousands)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
WWU TRS 1 employers' proportion of the net pension liability	0.016%	0.022%	0.021%	0.023%	0.031%	0.035%	0.045%	0.047%	0.050%
WWU TRS 1 employers' proportionate share of the net pension liability	\$485	\$689	\$709	\$708	\$894	\$870	\$1,088	\$313	\$953
WWU TRS 1 employers' covered-employee payroll	\$597	\$890	\$939	\$1,254	\$1,926	\$524	\$3,468	\$3,687	\$710
WWU TRS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	81.21%	77.51%	75.56%	56.45%	46.42%	166.00%	31.37%	8.50%	134.28%
Plan fiduciary net position as a percentage of the total pension liability	68.77%	65.70%	62.07%	65.58%	66.52%	70.37%	70.55%	91.42%	78.24%

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

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability/(Asset)

**Schedule of WWU's Proportionate Share of the Net Pension Liability/(Asset)  
Teachers' Retirement System (TRS) Plan 2/3  
Measurement Date ended June 30 \*  
(dollars in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
WWU TRS 2/3 employers' proportion of the net pension liability (asset)	0.011%	0.016%	0.019%	0.022%	0.029%	0.034%	0.045%	0.046%	0.050%
WWU TRS 2/3 employers' proportionate share of the net pension liability (asset)	\$35	\$134	\$258	\$203	\$132	\$205	\$687	(\$1,253)	(\$98)
WWU TRS 2/3 employers' covered-employee payroll	\$470	\$742	\$900	\$1,203	\$1,855	\$524	\$3,425	\$3,650	\$706
WWU TRS 2/3 employers' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.55%	18.01%	28.62%	16.84%	7.13%	39.12%	20.06%	-34.33%	-13.91%
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.81%	92.48%	88.72%	93.14%	96.88%	96.36%	91.72%	113.72%	100.86%

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

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**PENSION PLAN INFORMATION****Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability/(Asset)

**Schedule of WWU's Proportionate Share of the Net Pension Liability/(Asset)  
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2**  
Measurement Date of June 30 \*  
(dollars in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
WWU LEOFF 2 employers' proportion of the net pension liability (asset)	0.057%	0.056%	0.052%	0.054%	0.061%	0.062%	0.055%	0.054%	0.051%
WWU LEOFF 2 employers' proportionate share of the net pension liability (asset)	(\$753)	(\$575)	(\$303)	(\$753)	(\$1,239)	(\$1,432)	(\$1,117)	(\$3,110)	(\$1,388)
WWU LEOFF 2 employers' covered-employee payroll	\$948	\$974	\$945	\$1,032	\$1,217	\$1,424	\$1,236	\$1,238	\$993
WWU LEOFF 2 employers' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(79.43%)	(58.97%)	(32.03%)	(72.97%)	(101.84%)	(100.57%)	(90.33%)	(251.28%)	(139.71%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	116.75%	111.67%	106.04%	113.36%	118.50%	119.43%	115.83%	142.00%	116.09%

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

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.



**PENSION PLAN INFORMATION**

**Agent Employer Plan**

Schedule of Changes in WWUSRP Net Pension Liability and Related Ratios

<b>Schedule of Changes in WWU's Net Pension Liability and Related Ratios</b> <b>WWUSRP</b> Fiscal Year ended June 30 * (dollars in thousands)							
	2017	2018	2019	2020	2021	2022	2023
WWUSRP total pension liability-Beginning	\$28,623	\$22,820	\$20,962	\$27,037	\$35,442	\$13,327	\$20,743
Service Cost	1,057	737	551	699	922	233	327
Interest	842	837	825	962	798	982	1,454
Difference between expected and actual experience	(5,277)	(2,234)	2,297	1,961	(15,050)	5,263	(3,236)
Changes in assumptions	(2,126)	(819)	2,822	5,269	(8,260)	1,524	(2,251)
Benefits payments **	(298)	(380)	(420)	(486)	(525)	(586)	(594)
Net change in total pension liability	(5,803)	(1,858)	6,075	8,405	(22,115)	7,416	(4,300)
WWUSRP total pension liability-Ending	<u>\$22,820</u>	<u>\$20,962</u>	<u>\$27,037</u>	<u>\$35,442</u>	<u>\$13,327</u>	<u>\$20,743</u>	<u>\$16,443</u>
Plan Fiduciary Net Position ***					\$5,255	\$5,488	\$6,117
WWUSRP net pension liability-Ending					<u>\$8,072</u>	<u>\$15,255</u>	<u>\$10,326</u>
WWU URP employers' covered-employee payroll	\$54,916	\$54,645	\$52,783	\$51,633	\$48,080	\$47,754	\$40,834
WWUSRP total or net pension liability as a percentage of its covered-employee payroll (net as of FY21)	41.55%	38.36%	51.22%	68.64%	16.79%	31.95%	25.29%

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

\*\* Includes amount to resolve OSA rounding issue

\*\*\* Consistent with GASB No. 67/68, plan assets are included in financial reporting beginning in FY 21

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 1 Fiscal Year Ended June 30									
Fiscal Year	Contractually Required Contributions	Contributions related to covered payroll of employees participating in PERS plan 1	UAAL contributions related to covered payroll of employees participating in PERS plan 2/3	Total contributions in relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered payroll of employees participating in PERS 1	Covered payroll of employees participating in PERS 2/3	Total covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$1,452,350	\$124,718	\$1,327,632	\$1,452,350	\$0	\$1,347,236	\$33,087,603	\$34,434,839	4.22%
2016	\$1,855,009	\$128,029	\$1,726,980	\$1,855,009	\$0	\$1,313,918	\$37,093,105	\$38,407,024	4.83%
2017	\$1,890,122	\$116,851	\$1,773,271	\$1,890,122	\$0	\$1,026,073	\$37,187,945	\$38,214,019	4.95%
2018	\$2,067,033	\$90,772	\$1,976,261	\$2,067,033	\$0	\$695,644	\$39,830,763	\$40,526,407	5.10%
2019	\$2,171,774	\$63,127	\$2,108,647	\$2,171,774	\$0	\$95,855	\$28,310,536	\$28,406,391	7.65%
2020	\$2,182,812	\$29,286	\$2,153,526	\$2,182,812	\$0	\$227,732	\$45,331,078	\$45,558,810	4.79%
2021	\$2,196,536	\$4,192	\$2,192,344	\$2,196,536	\$0	\$32,409	\$45,542,691	\$45,575,100	4.82%
2022	\$1,739,699	\$0	\$1,739,699	\$1,739,699	\$0	\$0	\$31,409,895	\$31,409,895	5.54%
2023	\$1,895,136	\$0	\$1,895,136	\$1,895,136	\$0	\$0	\$34,569,170	\$34,569,170	5.48%
2024									

Notes: These schedules will be built prospectively until they contain ten years of data.

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of Contributions

<b>Schedule of Contributions</b> <b>Public Employees’ Retirement System (PERS) Plan 2/3</b> Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$1,814,105	\$1,814,105	\$0	\$33,087,603	5.48%
2016	\$2,317,072	\$2,317,072	\$0	\$37,093,105	6.25%
2017	\$2,381,845	\$2,381,845	\$0	\$37,187,945	6.40%
2018	\$2,987,978	\$2,987,978	\$0	\$39,830,763	7.50%
2019	\$3,208,620	\$3,208,620	\$0	\$28,310,536	11.33%
2020	\$3,646,374	\$3,646,374	\$0	\$45,558,810	8.00%
2021	\$3,668,829	\$3,668,829	\$0	\$45,575,100	8.05%
2022	\$2,983,455	\$2,983,455	\$0	\$31,409,895	9.50%
2023	\$3,342,215	\$3,342,215	\$0	\$34,569,170	9.67%
2024					

Notes: These schedules will be built prospectively until they contain ten years of data.

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of Contributions

<b>Schedule of Contributions</b> <b>Teachers' Retirement System (TRS) Plan 1</b> Fiscal Year Ended June 30									
Fiscal Year	Contractually Required Contributions	Contributions related to covered payroll of employees participating in TRS plan 1	UAAL contributions related to covered payroll of employees participating in TRS plan 2/3	Total contributions in relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered payroll of employees participating in TRS 1	Covered payroll of employees participating in TRS 2/3	Total Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$48,962	\$15,275	\$33,688	\$48,962	\$0	\$147,013	\$742,495	\$889,508	5.50%
2016	\$63,258	\$7,056	\$56,202	\$63,258	\$0	\$38,746	\$900,164	\$938,910	6.74%
2017	\$82,019	\$7,003	\$75,016	\$82,019	\$0	\$50,329	\$1,203,485	\$1,253,814	6.54%
2018	\$127,383	\$7,418	\$119,966	\$127,383	\$0	\$70,987	\$1,854,602	\$1,925,590	6.62%
2019	\$174,321	\$6,600	\$167,720	\$174,321	\$0	\$0	\$523,851	\$523,851	33.28%
2020	\$237,005	\$6,704	\$230,301	\$237,005	\$0	\$43,261	\$3,424,664	\$3,467,924	6.83%
2021	\$255,982	\$5,879	\$250,103	\$255,982	\$0	\$37,350	\$3,649,601	\$3,686,951	6.94%
2022	\$257,944	\$8,300	\$249,644	\$257,944	\$0	\$4,210	\$705,736	\$709,946	36.33%
2023	\$296,487	\$9,494	\$286,993	\$296,487	\$0	\$64,733	\$690,358	\$755,091	39.27%
2024									

Notes: These schedules will be built prospectively until they contain ten years of data.

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of Contributions

<b>Schedule of Contributions</b> <b>Teachers' Retirement System (TRS) Plan 2/3</b> Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$47,636	\$47,636	\$0	\$742,495	6.42%
2016	\$62,047	\$62,047	\$0	\$900,164	6.89%
2017	\$83,497	\$83,497	\$0	\$1,203,485	6.94%
2018	\$132,209	\$132,209	\$0	\$1,854,602	7.13%
2019	\$184,232	\$184,232	\$0	\$523,851	35.17%
2020	\$269,950	\$269,950	\$0	\$3,424,664	7.88%
2021	\$284,668	\$284,668	\$0	\$3,649,601	7.80%
2022	\$327,260	\$327,260	\$0	\$705,736	46.37%
2023	\$404,110	\$404,110	\$0	\$690,358	58.54%
2024					

Notes: These schedules will be built prospectively until they contain ten years of data.

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedules of Contributions

<b>Schedule of Contributions</b> <b>Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2</b> Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$85,058	\$85,058	\$0	\$974,206	8.73%
2016	\$81,330	\$81,330	\$0	\$945,010	8.61%
2017	\$87,594	\$87,594	\$0	\$1,032,322	8.49%
2018	\$106,591	\$106,591	\$0	\$1,216,785	8.76%
2019	\$116,573	\$116,573	\$0	\$1,424,194	8.19%
2020	\$108,407	\$108,407	\$0	\$1,236,117	8.77%
2021	\$108,709	\$108,709	\$0	\$1,237,654	8.78%
2022	\$107,967	\$107,967	\$0	\$993,142	10.87%
2023	\$113,926	\$113,926	\$0	\$1,286,523	8.86%
2024					

Notes: These schedules will be built prospectively until they contain ten years of data.

**PENSION PLAN INFORMATION**

**Agent Employer Plan**

Schedules of Contributions

Schedule of Contributions WWUSRP Plan Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2021	\$196,000	\$196,000	\$0	\$48,080,055	0.41%
2022	\$226,000	\$226,000	\$0	\$47,753,729	0.47%
2023	\$234,247	\$234,247	\$0	\$40,833,628	0.57%
2024					
2025					
2026					
2027					
2028					
2029					
2030					

Notes:

These schedules will be built prospectively until they contain ten years of data.

\* Provided by Office of Financial Management.

## OPEB INFORMATION

## Cost Sharing Healthcare Plans

Schedules of WWU's changes in Total OPEB Liability

## Schedule of WWU's Changes in Total OPEB Liability and Related Ratios

Fiscal Year Ended June 30 \*

(dollars in thousands)

	2018	2019	2020	2021	2022	2023
Total OPEB Liability-Beginning	\$100,201	\$94,060	\$82,553	\$94,104	\$96,023	\$100,224
Service Cost	\$6,377	\$5,161	\$3,810	\$3,985	\$5,009	\$4,903
Interest	\$2,987	\$3,548	\$3,305	\$3,333	\$2,165	\$2,275
Difference between expected and actual experience	\$0	\$3,239	\$0	-\$511	\$0	-\$2,253
Changes in assumptions	-\$14,570	-\$22,596	\$6,155	\$2,161	\$925	-\$38,035
Benefits payments	-\$1,522	-\$1,499	-\$1,512	-\$1,587	-\$1,649	-\$1,671
Change in proportionate share	\$588	\$638	-\$207	-\$2,067	-\$2,249	\$1,015
Other				-\$3,395		
Totale OPEB liability-ending	\$94,060	\$82,553	\$94,104	\$96,023	\$100,224	\$66,457
WWU employers' covered-employee payroll	\$148,917	\$155,757	\$167,296	\$167,901	\$173,324	\$181,210
WWU employers' proportionate share of total OPEB liability as a percentage of its covered-employee payroll	67.29%	60.39%	56.25%	57.19%	57.82%	36.67%

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



## NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

### Plans administered by DRS

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 in Chapter 41.45 RCW.

Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2017 valuation date, completed in the Fall of 2018, plus any supplemental contribution rates from the preceding legislative session, determines the ADC for the period beginning July 1, 2019, and ending June 30, 2021.

**Additional Considerations on ADC for All Plans:** OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies.

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except that the CRC reflect the adopted contribution rates for the time period shown. These might differ from the contribution rates produced for the ADC.

### Plans administered by the University

On July 1, 2020, the state of Washington established a trust for contributions paid by WWU for the benefit of Western Washington University's Supplemental Retirement Plan (WWUSRP) in accordance with Revised Code of Washington 41.50.075. As a result, the applicable accounting guidance for the WWUSRP changed to GASB codification section P20 "Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria." This event gives rise to a change in WWU's estimates of future obligations, deferrals and pension expense related to the WWUSRP. WWU now reports the plan's net pension liability (total pension liability less the plan's fiduciary net position).

Several key assumptions during the fiscal year 2023 measurement period remained the same as in the fiscal year 2022 measurement period. This included the discount rate (7.00%), the TIAA Increase Rate (4.00%), and the Salary Growth Rate (3.75%). Under GASB 67/68, the discount

rate is now based on the long-term expected rate of return on pension plan investments. The Total Pension Liability is now compared against the plan's Fiduciary Net Position to determine the Net Pension Liability.

Significant changes in plan provisions or actuarial assumptions and methods also impact the TPL. Significant factors that impacted the results of the actuarial valuation include the new January 1, 2023, participant data file. This update changed the valuation date from June 30 to January 1. The new data file decreased the TPL for all institutions. Some of the larger experience items that impacted the TPL was actual salary growth being generally lower than assumed and SRP benefits for new retirees were lower than estimated.

### OPEB Plan administered by the Healthcare Authority of Washington State

The OPEB Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits. Material assumption changes during the fiscal year 2022 measurement period relate to an increase in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 2.16% for the June 30, 2021 measurement date, to 3.54% for the June 30, 2022 measurement date.





**Accounting Services**

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**MAKE WAVES.**



## *HOUSING AND DINING SYSTEM*

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

December 8, 2023

Board of Trustees  
Western Washington University Housing and Dining System  
Bellingham, Washington

**Report on Financial Statements**

Please find attached our report on the Western Washington University Housing and Dining System's financial statements.

We are issuing this report for inclusion in the System's annual comprehensive financial report package, which will be issued by the System under the System's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the System's basic financial statements.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*



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

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

Board of Trustees  
Western Washington University Housing and Dining System  
Bellingham, Washington

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinions**

We have audited the accompanying financial statements of the business-type activities of the Western Washington University Housing and Dining System as of and for the years then ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Western Washington University Housing and Dining System, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**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 System 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 discussion in Note 1, the financial statements of the Western Washington University Housing and Dining System, a department of the University, 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 University that attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2023 and 2022, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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 System'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 System’s ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

### **Other Information**

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

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



## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated December 8, 2023, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

December 8, 2023

## **HOUSING AND DINING SYSTEM MANAGEMENT'S DISCUSSION & ANALYSIS**

*June 30, 2023 and 2022*

### **Overview**

Western Washington University's Housing and Dining System (the System) consists of University Residences, University Dining Services and Viking Union/Student Activities. University Residences maintains over a million square feet of living space - home to 4,400 students. Ten residential communities consist of fifteen residence halls and one apartment complex. Residence halls are equipped with laundry facilities, computer labs, study areas, community kitchens, TV lounges, game rooms, bicycle storage, 24-hour security, and staffed service desks. Western's campus is a 20-minute walk from end to end, so no matter where students live their classes and activities are nearby. University Dining Services includes several main dining commons, and multiple retail eateries and provides catering services for the campus. The Viking Union/Student Activities includes facilities on and off the Bellingham campus for gathering, study, dining, and recreation.

The following discussion and analysis provide an overview of the financial position and activities of the System for the years ended June 30, 2023, 2022 and 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes which follow this section.

### **Using the Financial Statements**

The System's financial report includes the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows.

The statements are formatted following the guidelines of the Governmental Accounting Standards Board (GASB) pronouncements. These financial statements are prepared in accordance with GASB principles, which establish standards for external financial reporting for public colleges and universities. The System's financial statements are 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 an obligation has been incurred.

### **Impacts of the COVID-19 Pandemic**

The COVID-19 pandemic continued to have a slight impact on the System revenues for fiscal year (FY) 2022. Although most classes were delivered in person, on-campus housing remained at 82.3% occupancy for the academic year. Prior to COVID-19 which impacted operations beginning third quarter of the 2019-20 academic year, the yearly average was 93%. In FY 2021 and FY 2020 the yearly averages were 26% and 66% respectively. For FY 2022, University Residences kept Beta-Gamma offline for isolation and quarantine space. Summer occupancy was at less than 2%, and the summer conference housing season was minimal. Pre-COVID University Residences housed 250 summer academic students. In FY 2022, there were 80 students and only 50 in FY 2021. The COVID-19 effect on system revenues and expenditures is the primary reason for the financial variances reviewed in this discussion and analysis.

To provide economic relief, the System issued \$21,760,000 in Series 2020 Revenue and Refunding Bonds. Proceeds of the bonds were used to refund, refinance and restructure all or a portion of the debt service (\$11,540,000 principal and \$9,214,288 interest) that were due and payable during the period from October 1, 2020, through and including October 1, 2022. Bond costs and capitalized interest were included in this issuance.

### **Statement of Net Position**

The Statement of Net Position presents the financial condition of the System at the end of the fiscal years and reports all assets and liabilities of the System.

**HOUSING AND DINING SYSTEM  
MANAGEMENT'S DISCUSSION & ANALYSIS**

**June 30, 2023 and 2022**

The amounts in this statement represent the physical assets used to provide the housing, meal, and student activity programs, as well as assets available to continue the operations of the System, also identifying commitments to vendors and bondholders. The sum of assets and deferred outflows, less liabilities and deferred inflows is net position. Net position is one indicator of the current financial condition of the System.

Below is a condensed view of the Statement of Net Position as of June 30, 2023, 2022 and 2021:

	<i>(Dollars in Thousands)</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets			
Current assets	\$26,165	\$21,247	\$11,220
Noncurrent assets	20,328	22,287	24,450
Capital assets, net	174,163	178,567	178,329
Total assets	<u>220,656</u>	<u>222,101</u>	<u>213,998</u>
Deferred outflows	9,000	9,846	10,157
Liabilities			
Current liabilities	10,240	8,623	5,707
Noncurrent liabilities	132,580	138,958	146,157
Total liabilities	<u>142,819</u>	<u>147,581</u>	<u>151,864</u>
Deferred inflows	2,035	1,813	2,004
Net Position			
Net investment in capital assets	50,029	52,476	59,878
Restricted, expendable	7,344	7,016	6,817
Unrestricted	27,014	23,060	3,592
Total net position	<u>\$84,387</u>	<u>\$82,553</u>	<u>\$70,288</u>

The primary components in the asset category are cash, investments, receivables, and capital assets. Total assets decreased by \$1.4 million (-0.7%) in FY 2023 and increased \$8.1 million (3.8%) in FY 2022.

Total Cash and Investments increased by \$4.9 million in FY 2023 largely due to increased operating activity. Total Cash and Investments increased by \$5.0 million (14.2%) in FY 2022 largely due to increased operating activity combined with the partial spending of the remaining bond proceeds.

The allocation of unrestricted cash and investments between current and noncurrent is governed by Western Washington University's (WWU) investment policy strategy, which is to maximize returns while ensuring liquidity needs and managing interest rate risk. Unrestricted cash and cash equivalents had a slight increase of \$277,355 (5.4%) and \$269,105 (5.5%) in FY 2023 and FY 2022, respectively. Total unrestricted investments increased \$7.0

***HOUSING AND DINING SYSTEM  
MANAGEMENT'S DISCUSSION & ANALYSIS***

***June 30, 2023 and 2022***

million and \$12.8 million in FY 2023 and FY 2022, respectively, as excess cash generated from increased operating activities was invested.

Depreciable and non-depreciable assets decreased by \$4.4 million (-2.5%) in FY 2023 primarily due to new additions being less than depreciation. Depreciable and non-depreciable assets increased slightly by \$238,517 in FY 2022 with the completion of the new residence hall and less purchasing of capital assets.

In FY 2023, current assets exceed current liabilities by \$15.9 million. This is comparable to FY 2022 when current assets exceeded current liabilities by \$12.6 million.

In FY 2023, current assets increased by \$4.9 million (23.1%) primarily due to an increase in short-term investment purchases offset by a decrease in unbilled receivables and prepaid expenses. Current assets for FY 2022 increased by \$10.0 million (89.4%) primarily due to increases in cash and cash equivalents and investments as well as an increase in other receivables due to deferred dining commissions and pre-payment reimbursement.

Current liabilities for FY 2023 increased \$1.6 million (18.7%) due to a combination of an increase in accounts payable (123.0%) and Residents' housing deposits (38.9%). Current liabilities in FY 2022 increased by \$2.9 million (51.1%) primarily due to a combination of an increase to the current portion of bond principal and interest payable combined with a decrease in accounts payable.

Total non-current liabilities decreased \$6.4 million (-4.6%) for FY 2023 due to a decrease in long-term bond principle payable combined with a decrease to the Net Other Post Employment Benefits (OPEB) liability (see Note 7). Total noncurrent liabilities for FY 2022 decreased by \$7.2 million (-4.9%) primarily due to decreases in long-term bond principal and net OPEB liability.

The sum of assets and deferred outflows less liabilities and deferred inflows is net position. The change in net position measures whether the overall financial condition has improved or deteriorated during the year and is driven by the difference between revenues and expenses. During FY 2023, total net position increased by \$2.2 million (2.7%), due to revenues received from an increase in occupancy levels being greater than expenses. Occupancy was approximately 8.5% higher than in FY 2022. The total net position increased \$12.3 million (17.4%) in FY 2022 primarily due to an increase in revenue as operations resumed at near normal levels.

***HOUSING AND DINING SYSTEM  
MANAGEMENT'S DISCUSSION & ANALYSIS***

***June 30, 2023 and 2022***

Net investment in capital assets decreased \$2.4 million (-4.7%) due to depreciation being greater than additions to capital assets. Net investment in capital assets decreased by \$7.4 million (-12.4%) in FY 2022 largely due to depreciation.

Restricted for net pensions increased \$214,512 (107.6%) during FY 2023 due to changes in pension reporting. The Department of Retirement Systems (DRS) managed Public Employee Retirement System (PRS) plans 2 and 3 are fully funded and have a net pension asset rather than a net pension liability (see Note 6). Restricted, expendable increased \$199,433 (2.9%) during FY 2022 primarily due to certain pension plans being fully funded.

In FY 2023, the unrestricted net position increased by \$4.4 million (18.9%) primarily due to revenues received from an increase in occupancy levels being greater than expenses. In FY 2022, unrestricted net position increased \$19.5 million (541.9%) primarily due to an increase in revenue as operations resumed at near normal levels and decreased spending on operations and capital. Supply chain and labor shortages impacted planned maintenance projects during the year.

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

The changes in total net position, as presented in the Statement of Net Position, and are detailed in the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The statement presents the System's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as operating or non-operating.

In general, operating revenues are those received for providing housing, dining, and related services to the customers of the System, the majority of which consists of room and board services to students. Operating expenses are those expenses paid to provide the services and resources to the students in return for the operating revenues.

Non-operating revenues are monies received for which goods and services are not provided, such as investment income. Non-operating expenses include interest expense on outstanding debt and amortization of bond costs.

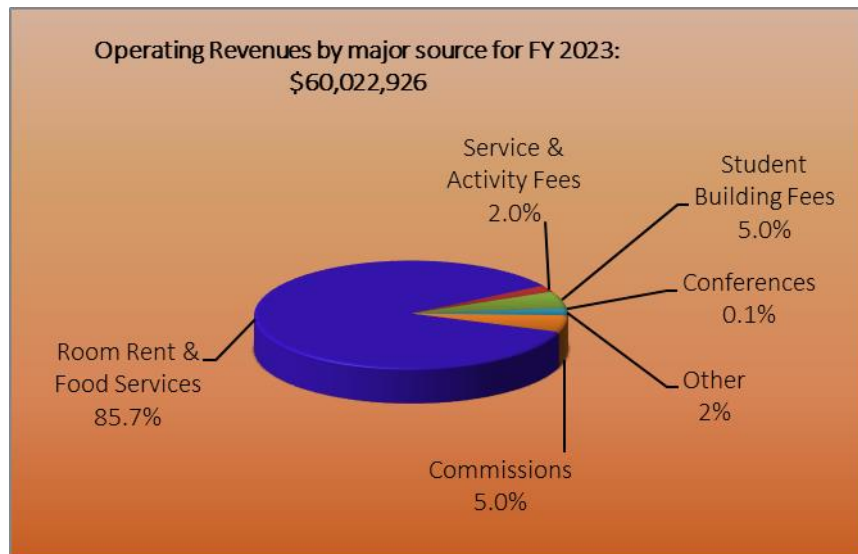
Following is a condensed view of the Statements of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2023, 2022, and 2021:

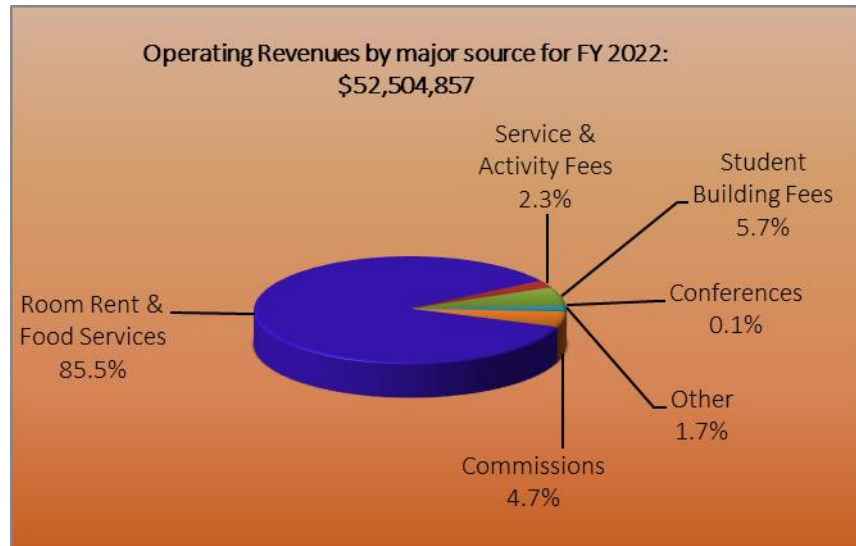
**HOUSING AND DINING SYSTEM  
MANAGEMENT'S DISCUSSION & ANALYSIS**

*June 30, 2023 and 2022*

*(Dollars in thousands)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenues	\$60,023	\$52,505	\$18,223
Operating expenses	(53,658)	(39,554)	(24,720)
Income from operations	6,365	12,951	(6,497)
Nonoperating revenues	1,020	412	320
Nonoperating expenses	(5,136)	(1,099)	1,088
Increase in Net Position	2,249	12,265	(5,088)
Net Position, Beginning of year	82,552	70,288	75,376
Net Position, End of year	<u>\$84,801</u>	<u>\$82,552</u>	<u>\$70,288</u>





Total operating revenue increased \$7.5 million (14.3%) for FY 2023 primarily influenced by increases to room rent and food services revenue.

In FY 2023, there was an increase in room rent and food services revenue of \$6.5 million (14.5%). This is due to a combination of rate and occupancy increases. Room rent and food service revenues increased \$33.7 million (300.6%) in FY 2022 largely due to an increase in occupancy as WWU returned to in person learning. Occupancy remained steady at 82% for the academic year, compared to 26% in FY 2021.

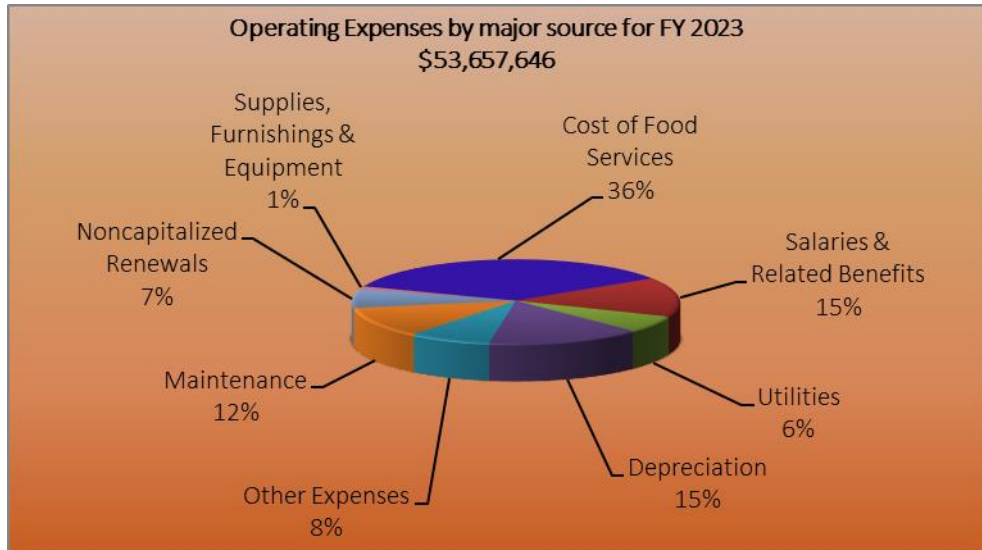
In FY 2023, student building fee revenue increased by \$23,424 (0.8%). Although there was a 6.4% fee increase for FY 2023, overall student enrollment was down. Between FY 2022 and FY2021, student building fee revenue increased only slightly by \$42,576 (1.4%).

Conference revenue increased by \$47,847 (177.9%) in FY 2023, but COVID-19 is still impacting conference services. Conference revenue increased by \$19,511 (264.3%) for FY 2022 with the resumption of limited conference services.

Viking Union revenue increased by \$201,239 (50.2%), as more in-person events were held in revenue-generating facilities. Viking Union revenue increased in FY 2022 by \$203,503 (102.9%). Across all funds (Viking Union and Recycle Center) the increase in revenue was due to greater utilization of chargeback services as campus slowly emerged from the COVID-19 pandemic and remote operations of FY 2021. This includes an increase in the volume of services provided for in-person events and increased utilization of recycling services.

In FY 2023, Commission revenue increased \$550,839 (22.5%). Contributing to this increase was the re-opening of most retail dining locations and markets, and an increase in meal plan holders. Commission revenue increased \$1.4 million (143.3%) in FY 2022 due to an increase in meal plan holders and the re-opening of some retail operations.

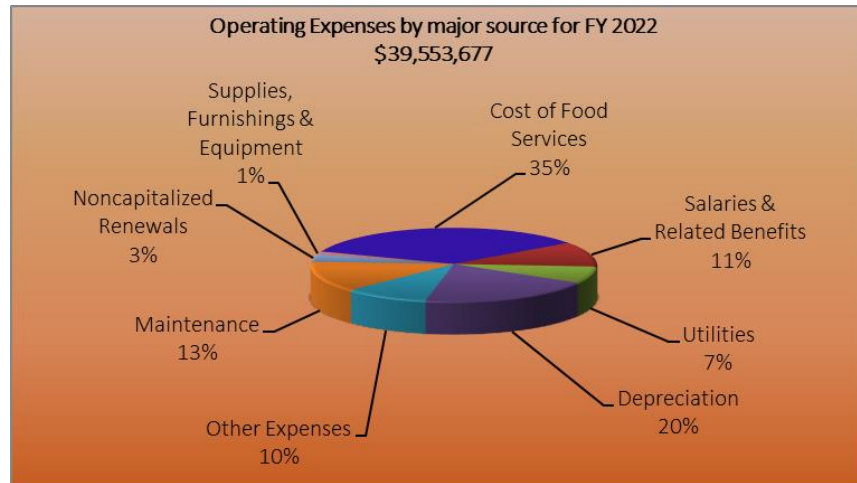
In FY 2023, fees, penalties, and other income increased by \$142,166 (41.1%). This increase is largely attributed to the increased number of students living in the residence halls. Fees, penalties, and other income decreased by \$1,125,100 (-76.5%) in FY 2022 due to a negotiated one-time payment in FY 2021 from Dining Services (Aramark) to offset some of the effects of COVID-19.



Overall operating expenses increased by \$14.1 million (35.7%) in FY 2023. Cost of food services, salaries, utilities, maintenance, and repairs were the main factors. Overall operating expenses increased by \$14.8 million (60.0%) in FY 2022. A combination of inflation and an increase in occupancy resulted in higher food, and labor maintenance costs. Non-capitalized renewals and replacements that were deferred in prior years were resumed.

During FY 2023, Cost of food services increased by \$5.3 million (39.0%) as the average occupancy was 92.0%, almost 10% higher than FY 2022. Cost of food services for FY 2022 increased by \$9.5 million (229.6%). With an average occupancy of 82.3% for the FY 2022, the year ended with 3300+ meal plan holders.





In FY 2023 Salaries and benefits increased by \$3.8 million (86.9%). Staffing levels in FY 2023 were near pre-pandemic levels. Cost of living and minimum wage increases were also contributing factors to the increase. Salaries and Benefits for FY 2022 decreased \$320,836 (-6.9%). The decrease was primarily due to changes in pension and Other Post Employment Benefits (OPEB) reporting combined with an increase in student staffing in the residence halls.

In FY 2023, utilities increased \$510,052 (17.5%) due to an increase in students living on campus as well as an increase in utility rates. Utilities expenses in FY 2022 increased by \$1.1 million (61.2%) in part due to an increase in utility costs as well as all residence halls being back online.

Repair and maintenance costs for FY 2023 were \$1.0 million (19.1%) higher than the previous year primarily due to labor rates and material costs being significantly higher than in previous years. Repairs and maintenance expenses for FY 2022 increased by \$891,375 (20.5%) as maintenance that was previously deferred resumed in FY 2022.

Furniture and equipment purchases increased slightly for FY 2023 in the amount of \$13,784. Furniture and equipment expenses for FY 2022 increased by \$81,966 (134.9%). The increase was due to much-needed upgrades in residential computer labs. These upgrades were suspended during the COVID-19 pandemic.

In FY 2023, WWU's administrative services fee (ASA) increased slightly by \$248,805 (10.0%). There was no increase in the rate charged from FY 2022. In FY 2022 The WWU's administrative services assessment (ASA) fee (included in institutional services) increased \$1.5 million (175.8%) due to increased revenue as operations began to recover from the COVID-19 pandemic. The ASA rate charged against the System revenues (less food service contract) was 5.775% in both years.

Other expenses increased in FY 2023 by \$228,201 (44.2%). Some examples of expenses in this category include laundry, professional services, and student activities. These are all affected by the number of students living on campus, which was approximately 8% higher than the previous year. Other expenses decreased by \$121,782, a 19.1% decrease, in FY 2022 due to reduced operating levels during COVID-19.

Non-operating expenses (interest and amortization) for FY 2023 increased by \$4.0 million due to an increase in interest payments. Non-operating expenses (interest and amortization) for FY 2022 increased by \$2.2 million primarily due to increased bond interest expense as the deferral generated from the series 2020 bond refunding ended.

Non-operating revenue in FY 2023 increased by \$607,132 due to increases in market returns on investments. Non-operating revenue for FY 2022 increased \$92,115 primarily due to an increase in capital contributions offset by reduced interest earnings and Federal COVID-19 relief revenue.

### **Economic Factors and Significant Events**

The COVID-19 pandemic continues to influence enrollment, occupancy, and operations. WWU's fall quarter FY 2023 enrollment headcount of 14,747 represents a 2.5% decrease over fall quarter of FY 2022. However, opening occupancy for fall FY 2023 was significantly higher than that of fall FY 2022. The increase was due to the resumption of in-person classes. Approximately 70% of classes were held either in-person, or a mixture of both in-person and online. For fall FY 2023, housing was at 95.62% compared to 85.2% in FY 2022. Management addresses housing demands through room capacity practices such as adding or reducing the number of bed assignments in a room.

The System's capital plan has the following goals: provide housing to support the University's enrollment plan; meet or exceed the System's financial principles; invest in infrastructure to ensure System facility longevity, health, and safety needs; and respond to the changing student needs and expectations. The plan is updated every two years. During FY 2020, a consulting firm performed a Housing and Dining Development Assessment to determine the long-range capital needs of the system; essentially updating the System's capital plan. The resulting draft plan identifies options and priorities for future work and includes an interactive financial modeling tool that the University will utilize as it proceeds with its capital planning and adjusts fiscal assumptions over time. An updated Capital Plan was submitted to the Board of Trustees in May 2022 with appropriate timeline and project adjustments because of pandemic impacts.

The Board of Trustees approved a set of housing and dining principles in 1993 (updated in 2010) to guide the System's financial planning. The six principles address (i) Revenue Fund levels, (ii) Renewal and Replacement Fund levels, (iii) Major maintenance expenditures, (iv) Capital planning efforts, (v) Debt Service Coverage Ratio, and (vi) Occupancy. The System exceeded the minimum requirements established within these principles. The Board periodically reviews the principles to ensure ongoing compliance.

**HOUSING AND DINING SYSTEM**  
**STATEMENT OF NET POSITION**

*June 30, 2023 and 2022*

<b>Assets</b>	<b>2023</b>	<b>2022</b>
<b>Current assets</b>		
Cash and cash equivalents (Note 2)	\$5,420,158	\$5,142,803
Investments (Note 2)	16,260,377	7,773,539
Restricted cash and cash equivalents (Note 2)	1,902,503	4,330,150
Restricted investments (Note 2)	1,370,835	1,485,674
Accounts receivable, net of allowance of \$114,081 and \$63,930 in 2023 and 2022, respectively	891,731	563,014
Interest receivable	65,541	46,816
Other receivables	<u>253,443</u>	<u>1,905,526</u>
Total current assets	26,164,589	21,247,521
<b>Noncurrent assets</b>		
Restricted cash and cash equivalents (Note 2)	555,019	666,274
Restricted investments (Note 2)	6,309,610	6,103,910
Investments (Note 2)	13,111,963	14,552,175
Restricted net pension	351,576	964,374
Nondepreciable capital assets (Note 3)	1,620,779	584,953
Depreciable capital assets, net (Note 3)	<u>172,542,055</u>	<u>177,982,081</u>
Total noncurrent assets	194,491,002	199,889,393
Total assets	<u>220,655,590</u>	<u>222,101,289</u>
<b>Deferred Outflows</b>		
Deferred loss on bond refunding	8,176,718	9,262,446
Related to pension (Note 6)	553,508	334,345
Related to OPEB (Note 7)	<u>269,779</u>	<u>248,860</u>
Total deferred outflows	9,000,005	9,845,651
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	2,003,275	898,446
Accrued expenses	243,155	215,472
Residents' housing deposits	1,333,744	960,457
Unearned revenues	194,470	181,004
Bonds interest payable	1,110,592	1,169,633
Current portion of bonds payable (Note 4)	5,310,000	5,160,000
Current portion of OPEB liability (Note 7)	<u>44,144</u>	<u>37,753</u>
Total current liabilities	10,239,380	8,622,765
<b>Noncurrent liabilities</b>		
Compensated Absences	371,686	415,240
Bonds payable, less current portion (Note 4)	130,152,094	135,984,825
Net pension liability (Note 4, 6)	351,227	301,985
Net OPEB liability (Note 7)	<u>1,704,948</u>	<u>2,256,226</u>
Total noncurrent liabilities	132,579,955	138,958,276
Total liabilities	<u>142,819,335</u>	<u>147,581,041</u>
<b>Deferred Inflows</b>		
Related to bonds	-	5,537
Related to pension (Note 6)	590,997	1,250,142
Related to OPEB (Note 7)	<u>1,444,148</u>	<u>557,496</u>
Total deferred inflows	2,035,145	1,813,175
<b>Net Position</b>		
Net investment in capital assets	50,029,468	52,476,065
Restricted for system renewals and replacements	6,930,170	6,817,000
Restricted for net pension	413,945	199,433
Unrestricted	<u>27,427,533</u>	<u>23,060,225</u>
Total net position	<u>\$84,801,116</u>	<u>\$82,552,724</u>

**HOUSING AND DINING SYSTEM**  
**STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION**

*For the Years Ended*  
*June 30, 2023 and 2022*

	<u>2023</u>	<u>2022</u>
<b>Operating Revenues</b>		
Room rent and food services	\$51,435,773	\$44,916,670
Service and activity fees	1,228,494	1,200,918
Student building fees	3,019,074	2,995,650
Conferences	74,741	26,894
Viking Union income	602,423	401,184
Rent	170,595	164,720
Commissions	3,003,796	2,452,958
Fees, penalties, and other income	488,030	345,864
Total operating revenue	<u>60,022,926</u>	<u>52,504,857</u>
<b>Operating Expenses</b>		
Cost of food services	19,002,665	13,673,083
Salaries and related benefits	8,122,341	4,344,911
Utilities	3,418,876	2,908,824
Repairs and maintenance	6,229,749	5,229,040
Communications	98,665	109,741
Insurance	916,421	824,671
Supplies	407,044	367,866
Furniture and equipment	156,496	142,712
Institutional services	2,563,598	2,314,792
Depreciation	8,111,067	7,793,679
Noncapitalized renewals and replacements	3,885,931	1,327,766
Other	744,793	516,592
Total operating expenses	<u>53,657,646</u>	<u>39,553,676</u>
(Loss)/Income from operations	<u>6,365,279</u>	<u>12,951,181</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	819,514	212,382
Other Capital Contribution	200,000	200,000
Interest expense	(4,573,404)	(1,079,708)
Amortization of bond discounts and premiums	(562,998)	(18,707)
Total nonoperating (expenses) revenues	<u>(4,116,888)</u>	<u>(686,033)</u>
(Decrease)/Increase in net position	<u>2,248,392</u>	<u>12,265,148</u>
<b>Net Position, Beginning of Year</b>	<u>82,552,724</u>	<u>70,287,576</u>
<b>Net Position, End of Year</b>	<u><u>\$84,801,116</u></u>	<u><u>\$82,552,724</u></u>

**HOUSING AND DINING SYSTEM**  
**STATEMENT OF CASH FLOWS**

*For the Years Ended*  
*June 30, 2023 and 2022*

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from students and other customers	61,733,045	\$50,691,367
Cash paid to employees	(8,032,639)	(6,741,879)
Cash paid to suppliers	<u>(37,497,292)</u>	<u>(26,897,267)</u>
Net cash flows provided by operating activities	16,203,114	17,052,221
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from capital debt	-	-
Interest earned on bond proceeds	111,730	23,595
Capital Contribution	200,000	200,000
Payment of long-term debt	(5,160,001)	-
Interest payments	(4,637,982)	(500,577)
Purchase of capital assets	<u>(2,529,979)</u>	<u>(12,021,195)</u>
Net cash flows provided/(used) by capital and related financing activities	(12,016,232)	(12,298,177)
<b>Cash Flows from Investing Activities</b>		
Investment income received	689,059	223,887
Net proceeds (purchase) of restricted investments	(90,861)	5,629,860
Net proceeds (purchase) of investments	<u>(7,046,626)</u>	<u>(12,750,367)</u>
Net cash flows (used in) provided by investing activities	<u>(6,448,428)</u>	<u>(6,896,620)</u>
Net change in cash and cash equivalents	(2,261,547)	(2,142,576)
Cash and Cash Equivalents, Beginning of Year	<u>10,139,227</u>	<u>12,281,803</u>
Cash and Cash Equivalents, End of Year	<u><u>\$7,877,680</u></u>	<u><u>\$10,139,227</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided to Operating Activities</b>		
Operating income	6,365,279	12,951,181
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	8,111,067	7,793,679
Loss on disposal of fixed asset	-	-
Change in operating assets and liabilities		
Accounts receivable	(328,717)	(154,365)
Other receivables	1,652,083	(1,802,883)
Accounts payable	(73,052)	517,822
Accrued salaries and benefits	(14,876)	77,979
Residents' housing deposits	373,287	130,328
Pension and OPEB assets, liabilities and related deferred outflows and inflows of resources	104,578	(2,474,947)
Unearned revenue	<u>13,466</u>	<u>13,428</u>
Cash flows from operating activities	<u><u>\$16,203,114</u></u>	<u><u>\$17,052,221</u></u>
<b>Supplemental Disclosure of Noncash Capital and Related Financing Activities</b>		
Change in capital asset additions included in accounts payable	<u><u>\$1,176,888</u></u>	<u><u>(\$3,988,998)</u></u>

***HOUSING AND DINING SYSTEM***  
***NOTES TO THE FINANCIAL STATEMENTS***

*June 30, 2023 and 2022*

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Western Washington University Housing and Dining System (the System) is a self-supporting, auxiliary enterprise of Western Washington University (WWU). The System operates residence halls and dining commons, an apartment complex, the Commissary/Warehouse, the Viking Union Complex and Lakewood Recreational Facility. These operations are located on or near the WWU Bellingham campus.

Financial Statement Presentation

The financial statements are presented in accordance with generally accepted accounting principles (GAAP) and follow guidance given by the Governmental Accounting Standards Board (GASB). These statements are special purpose reports reflecting the net position, results of operations, and cash flows of the System. The financial statements present only a selected portion of the activities of WWU. As such, they are not intended to and do not present either the financial position, results of operations, or changes in net position of WWU.

Basis of Accounting

The System'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 an obligation has been incurred.

Cash, Cash Equivalents, and Investments

WWU records all cash, cash equivalents and investments at fair value. To maximize investment income, WWU combines funds from all departments into an investment pool. The System records their share of cash, cash equivalents and investments in the same relation as WWU's investment pool itself. Investment income is allocated to the System in proportion to its average balance in the investment pool.

Accounts Receivable

Receivables are primarily from students of WWU and are unsecured. The System considers all accounts past due when they remain unpaid after their due dates. An allowance based on historical collection rates is established for recognizing potential bad debts. When an account is deemed uncollectible, it is written off against the allowance.

Capital Assets

The capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. The basis of valuation for assets purchased or constructed is cost. The costs of normal maintenance and repairs that do not increase the value of the assets or materially extend asset lives are charged to operating expense in the year the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets: 40 years for buildings and building improvements, 20 to 25 years for infrastructure and other improvements, and 5 to 7 years for furniture, fixtures, and equipment.

Compensated Absences

The accrued leave balances as of June 30, 2023, and 2022 are \$371,686 and \$415,240, respectively. This consists of unused vacation leave and compensatory time earned for exempt professionals and classified staff. It also

## ***HOUSING AND DINING SYSTEM***

### ***NOTES TO THE FINANCIAL STATEMENTS***

***June 30, 2023 and 2022***

includes a percentage of earned and unused sick leave for exempt professionals and classified staff. For reporting purposes, the entire balance of accrued leave is considered a noncurrent liability as more leave is accrued than used.

#### Bond Deferred Outflows/Deferred Inflows

The System classifies gains on retirement of debt as deferred inflows of resources and losses as deferred outflows of resources and amortizes such amounts as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter.

#### Unearned Revenue

Summer quarter, which is the first quarter of WWU's fiscal year, begins shortly before June 30. The majority of cash received for room and board fees related to summer session are recorded as unearned revenue until the following fiscal year when the revenue is earned.

#### Cost-Sharing Pension Plans

The net pension asset or liability is measured as the System's proportionate share of the collective total pension liability, less the fiduciary net position, of the cost-sharing pension plans in which the System participates. The total pension liability is determined by discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits. The System's proportionate share is determined based on the relationship of the System contributions to total contributions to the plan by all participating employers. Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. Differences between expected and actual investment returns are reported as deferred inflows of resources or deferred outflows of resources and are recognized over five years. Contributions made to the plan subsequent to the measurement date and prior to the System's fiscal year-end are reported as a deferred outflow of resources and recognized in the subsequent fiscal year. The measurement date for the net pension asset or liability is June 30 of the prior fiscal year.

#### Single Employer Pension Plan (WWU Supplemental Retirement Plan)

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWU Supplemental Retirement Plan (WWUSRP) to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, the System is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the Department of Retirement Systems will assume those duties in accordance with RCW 41.50.280. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the WWUSRP. The System does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component unit of the University. The total pension liability is determined by discounting projected benefit payments for current participants and retirees, based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. The discount rate used for the total pension liability reflects the expected rate of

***HOUSING AND DINING SYSTEM***  
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return on investments, to the extent that plan assets are available to pay retiree benefits. The WWUSR net liability represents the total pension liability less the plan's fiduciary net position.

Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources and are recognized over the average expected remaining service.

Net Position

The System's net position is classified as follows:

- *Net Investment in Capital Assets* - Represents the System's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- *Restricted for system renewals and replacements* - Restricted net position represents resources restricted by bond covenants for system renewals and replacements.
- *Restricted for net pension* - Restricted net position represents resources restricted for pensions. This is calculated as follows: Net pension assets plus deferred outflows minus deferred inflows for those associated retirement plans that have net pension assets.
- *Unrestricted* - Unrestricted net position represents resources derived from operations and investing activities.

Classification of Revenues and Expenses

The System has classified its revenue and expenses as either operating or non-operating according to the following criteria:

Operating revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as sales and services.

Operating expenses. Operating expenses are those incurred in daily operations such as salaries and wages, benefits, utilities and supplies.

Non-operating revenues. Non-operating revenues include activities that have the characteristics of non-exchange transactions such as investment income.

Non-operating expenses. Non-operating expenses include costs related to financing or investing activities such as interest on indebtedness and amortization of bond costs.

Premiums/Discounts

Bond premiums and discounts are amortized over the term of the bonds using the effective interest method. The remaining balances of bond premiums/discounts are presented in the Statement of Net Position net of the face amount of bonds payable.



Administrative Assessment

WWU provides support to the System through cash and debt management, accounting, human resources, purchasing and accounts payable services, risk management, and other support services. The effects of these transactions are included as institutional services in these financial statements. The amount paid was \$2,295,330 and \$2,037,129 which was 5.775% of revenues (less food service contract) for the years ending June 30, 2023, and 2022, respectively.

Tax Exemptions

WWU, and the System as an auxiliary enterprise, is a tax-exempt instrumentality of the State of Washington under the provisions of Section 115(a) of the Internal Revenue Code and are exempt from federal income taxes on related income.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The System's operating cash is part of WWU's internal investment pool. The pool is invested in demand deposits, time certificates of deposit, the Washington State Local Government Investment Pool (LGIP), corporate notes, commercial paper, municipals, supranationals, and U.S. Treasury and Agency securities.

Bank balances (including time certificates of deposit) are insured by the Federal Deposit Insurance Corporation (FDIC) or by a collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The System's restricted investments of \$7,680,445 and \$7,589,584 on June 30, 2023 and 2022 respectively are restricted for unspent bond proceeds, renewals and replacements. Restricted investments include \$3,301,912 and \$3,211,512 on June 30, 2023 and 2022 respectively that are separately invested from the University's investment pool, in time certificates of deposit, municipals, and U.S. Treasury and Agency securities.

Credit (Quality) Risk

Credit risk is the risk that an issuer or other counterparty will not fulfill its obligations. Per Statute and policy, minimum ratings for each investment type by Standard & Poor's/Moody's respectively are as follows: corporate notes, A-/A3; commercial paper, A1+/P1; municipals, A-/A3; supranationals, AA-/Aa3; and US Treasury and Agency securities, AA+/Aaa.

WWU manages its exposure to fair value losses in the internal investment pool by targeting the portfolio duration to 2.25 years and limiting the weighted average maturity to a maximum of three years. WWU generally does not invest operating funds in securities maturing more than five years from the date of purchase.

Fair Value Measurement and Application

Fair Value Measurement and Application establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2 -Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;

Level 3 - Unobservable inputs that are significant to the fair value measurement.

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	Fair Value Measurements as of June 30, 2023 using:				Weighted Average Maturity (in years)
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs Level 3	Total	
	Level 1	Level 2	Level 3		
<b>Cash and Cash Equivalents</b>					
Unrestricted	5,420,158			\$5,420,158	0.003
Restricted	555,019			555,019	0.003
Restricted - Bonds	1,902,503			1,902,503	0.003
<b>Investments</b>					
<i>Unrestricted</i>					
Certificates of deposit	1,292,524			1,292,524	0.226
Corporate	5,899,022			5,899,022	0.628
Municipals		1,376,720		1,376,720	2.970
Supranationals		1,937,948		1,937,948	2.789
U.S. Agencies		14,929,678		14,929,678	1.168
U.S. Treasuries		3,936,448		3,936,448	2.671
<i>Restricted</i>					
Certificates of deposit	1,878,693	-	-	1,878,693	0.817
Corporate	604,054	-	-	604,054	0.326
Municipals	-	636,540	-	636,540	3.027
Supranationals		198,444		198,444	1.448
U.S. Agencies		2,153,243		2,153,243	1.203
U.S. Treasuries		838,636		838,636	1.428
Bond Certificates of deposit	60,323	-	-	60,323	0.618
Bond Corporate	275,313	-	-	275,313	0.659
Bond Municipals		64,253		64,253	1.201
Bond Supranationals		90,446		90,446	1.313
Bond U.S. Agencies		696,782		696,782	0.489
Bond U.S. Treasuries		183,718		183,718	1.411
	<u>\$17,887,609</u>	<u>\$27,042,855</u>	<u>\$ -</u>	<u>\$44,930,465</u>	

**HOUSING AND DINING SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**

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	Fair Value Measurements as of June 30, 2022 using:			Total	Weighted Average Maturity (in years)
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3		
<b>Cash and Cash Equivalents</b>					
Unrestricted	5,142,803			\$5,142,803	0.003
Restricted	666,274			666,274	0.003
Restricted - Bonds	4,330,150			4,330,150	0.003
<b>Investments</b>					
<i>Unrestricted</i>					
Certificates of deposit	994,021			994,021	1.247
Corporate	1,805,864			1,805,864	0.787
Municipals		602,052		602,052	2.749
Supranationals		363,255		363,255	1.646
U.S. Agencies		2,095,704		2,095,704	0.978
U.S. Treasuries		16,464,818		16,464,818	1.471
<i>Restricted</i>					
Certificates of deposit	1,875,120	-	-	1,875,120	1.171
Corporate	233,958	-	-	233,958	0.414
Municipals	-	528,432	-	528,432	2.909
Supranationals		47,061		47,061	0.865
U.S. Agencies		1,286,246		1,286,246	1.577
U.S. Treasuries		2,133,092		2,133,092	0.773
Bond Certificates of deposit	66,148	-	-	66,148	0.392
Bond Corporate	120,172	-	-	120,172	0.418
Bond Municipals		40,064		40,064	0.761
Bond Supranationals		24,173		24,173	0.832
Bond U.S. Agencies		139,459		139,459	0.310
Bond U.S. Treasuries		1,095,658		1,095,658	0.942
	<u>\$15,234,508</u>	<u>\$24,820,016</u>	<u>\$ -</u>	<u>\$40,054,524</u>	

**NOTE 3. CAPITAL ASSETS, NET**

The depreciation expense for the years ended June 30, 2023 and 2022 was \$8,111,067 and \$7,793,679, respectively.

Following are the changes in capital assets for the year ended June 30, 2023:

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*June 30, 2023 and 2022*

Description	June 30, 2022	Additions	Reductions	June 30, 2023
Non-depreciable capital assets				
Construction in progress	\$584,953	\$1,035,826		\$1,620,779
Total non-depreciable capital assets	584,953	1,035,826	-	1,620,779
Depreciable capital assets				
Buildings	241,761,839	-		241,761,839
Buildings improvements	34,405,455	-		34,405,455
Furniture, fixtures, and equipment	10,266,458	2,671,040	(20,467)	12,917,032
Infrastructure	4,492,564			4,492,564
Total depreciable capital assets	290,926,316	2,671,040	(20,467)	293,576,890
Less Accumulated Depreciation				
Buildings	80,650,849	6,235,732		86,886,582
Buildings improvements	21,654,686	1,239,695		22,894,381
Furniture, fixtures, and equipment	8,046,467	556,758	(20,467)	8,582,758
Infrastructure	2,592,233	78,882		2,671,115
Total accumulated depreciation	112,944,235	8,111,067	(20,467)	121,034,835
Capital assets, net	178,567,034	(\$4,404,199)	-	\$174,162,834

**HOUSING AND DINING SYSTEM**  
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Following are the changes in capital assets for the year ended June 30, 2022:

Description	June 30, 2021	Additions	Reductions	June 30, 2022
Non-depreciable capital assets				
Construction in progress	\$56,157,370	\$332,298	(55,904,715)	\$584,953
Total non-depreciable capital assets	56,157,370	332,298	(55,904,715)	584,953
Depreciable capital assets				
Buildings	179,651,846	62,109,993		241,761,839
Buildings improvements	34,405,455			34,405,455
Furniture, fixtures, and equipment	8,958,894	1,494,619	(187,056)	10,266,458
Infrastructure	4,492,564			4,492,564
Total depreciable capital assets	227,508,760	63,604,612	(187,056)	290,926,316
Less Accumulated Depreciation				
Buildings	74,646,422	6,004,427		80,650,849
Buildings improvements	20,414,992	1,239,695		21,654,686
Furniture, fixtures, and equipment	7,762,848	470,675	(187,056)	8,046,467
Infrastructure	2,513,351	78,882		2,592,233
Total accumulated depreciation	105,337,612	7,793,679	(187,056)	112,944,235
Capital assets, net	178,328,517	\$56,143,233	-	\$178,567,034

**NOTE 4. NON-CURRENT LIABILITIES**

**BONDS:**

In accordance with bond covenants, a Renewal and Replacement (R&R) Fund has been established to pay extraordinary operating and maintenance expenses; to make capital replacements, expansions, additions, repairs and renewals of the System; and to pay bond principal and interest to the extent other funds are not legally available. The balance of the R&R Fund must equal at least 5% of the principal balance of outstanding bonds.

Bond covenants also require that the System pledge net revenue (as defined) in each fiscal year at least equal to the greater of (i) 125% of the amounts required in such fiscal year to be paid as scheduled debt service (principal and interest) on outstanding bonds, or (ii) amounts required to be deposited during such fiscal year from net revenues into debt service and reserve funds established for outstanding bonds and into the R&R Fund, but excluding from each of the foregoing, payments made from refunding debt and capitalized debt service.

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*June 30, 2023 and 2022*

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Series 2020 Housing and Dining Revenue Bonds (original issue price of \$21,760,000) with interest rates ranging from 1.5% to 2.5% and principal payments due in annual amounts ranging from \$735,000 to \$2,735,000 through April 1, 2034. The Series 2020 bonds have an aggregate face value of \$21,760,000 at June 30, 2023.	\$21,760,000	\$21,760,000
Series 2019 Housing and Dining Revenue Bonds (original issue price of \$68,575,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$1,540,000 to \$3,295,000 through April 1, 2049. The Series 2019 bonds have an aggregate face value of \$65,715,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$2,802,282	68,517,282	70,194,953
Series 2018B Housing and Dining Revenue Bonds (original issue price of \$33,680,000) with interest rates ranging from 3.0% to 4.0% and principal payments due in annual amounts ranging from \$1,020,000 to \$2,050,000 through April 1, 2043. The Series 2018B bonds have an aggregate face value of \$29,525,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$725,623.	30,250,623	31,300,045
Series 2018A Housing and Dining Revenue and Refunding Bonds (original issue price of \$10,695,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$580,000 to \$985,000 through April 1, 2034. The Series 2018A bonds have an aggregate face value of \$9,030,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$567,526.	9,597,526	10,275,780
Series 2015 Housing and Dining Refunding Bonds (original issue price of \$13,435,000) with an interest rate of 5.0% and principal payments due in annual amounts ranging from \$1,380,000 to \$1,530,000 through October 31, 2026. The Series 2015 bonds have an aggregate face value of \$4,360,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$183,961	4,543,961	5,985,376
Series 2012 Revenue and Refunding Bonds (original issue price of \$9,205,000) with interest rates ranging from 3.0% to 5.0% and a principal payment due in annual amount of \$790,000 through October 31, 2023. The Series 2012 bonds have an aggregate face value of \$790,000 at June 30, 2023 which is reported net of the unamortized original issues premium of \$2,702	792,702	1,628,671
	135,462,094	141,144,825
Less current portion	(5,310,000)	-
	<u>\$130,152,094</u>	<u>\$141,144,825</u>

**HOUSING AND DINING SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

Following are the changes in non-current liabilities for the year ended June 30, 2023:

Non-current Liabilities	June 30, 2022	Additions	Reductions	June 30, 2023	Current Portion
<b>BONDS PAYABLE</b>					
Series 2020 Revenue Bonds	21,760,000	-	-	\$21,760,000	-
Series 2019 Revenue Bonds	67,180,000	-	(1,465,000)	65,715,000	1,540,000
Series 2018B Revenue Bonds	30,510,000	-	(985,000)	29,525,000	1,020,000
Series 2018A Refunding Bonds	9,600,000	-	(570,000)	9,030,000	580,000
Series 2015 Refunding Bonds	5,675,000	-	(1,315,000)	4,360,000	1,380,000
Series 2012 Refunding Bonds	1,615,000	-	(825,000)	790,000	790,000
	136,340,000	-	(5,160,000)	131,180,000	5,310,000
Plus unamortized premium	4,804,825	-	(522,730)	4,282,095	-
Less unamortized discount	-	-	-	-	-
Total Bonds Payable	141,144,825	-	(5,682,730)	135,462,095	5,310,000
Compensated Absences	415,240	-	(43,554)	371,686	-
Pension Liabilities	301,985	49,242.00	-	351,227	-
OPEB Liability	2,333,979	-	(584,887)	1,749,092	44,144
Total Non-current liabilities	\$144,196,029	\$49,242	(\$6,311,171)	\$137,934,100	\$5,354,144

Following are the changes in non-current liabilities for the year ended June 30, 2022:

Non-current Liabilities	June 30, 2021	Additions	Reductions	June 30, 2022	Current Portion
<b>BONDS PAYABLE</b>					
Series 2020 Revenue Bonds	\$21,760,000	-	-	21,760,000	-
Series 2019 Revenue Bonds	\$67,180,000	-	-	67,180,000	1,465,000
Series 2018B Revenue Bonds	30,510,000	-	-	30,510,000	985,000
Series 2018A Refunding Bonds	9,600,000	-	-	9,600,000	570,000
Series 2015 Refunding Bonds	5,675,000	-	-	5,675,000	1,315,000
Series 2012 Refunding Bonds	1,615,000	-	-	1,615,000	825,000
	136,340,000	-	-	136,340,000	5,160,000
Plus unamortized premium	4,894,942	-	(90,117)	4,804,825	-
Less unamortized discount	-	-	-	-	-
Total Bonds Payable	141,234,942	-	(90,117)	141,144,825	5,160,000
Compensated Absences	396,859	18,381	-	415,240	-
Pension Liabilities	856,891	-	(554,906)	301,985	-
OPEB Liability	3,773,792	-	1,439,813	2,333,979	37,753
Total Non-current liabilities	\$146,262,484	\$18,381	\$794,790	\$144,196,029	5,197,753

Total interest incurred on bonds payable for the years ended June 30, 2023, and June 30, 2022 was \$4,573,404 and \$1,079,708, respectively.



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The principal and interest maturities of bonds payable for years ending June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	5,310,000	4,431,083	9,741,083
2025	5,560,000	4,199,483	9,759,483
2026	5,800,000	3,958,101	9,758,101
2027	6,055,000	3,704,414	9,759,414
2028	6,265,000	3,489,813	9,754,813
2029-2033	34,715,000	14,071,686	48,786,686
2034-2038	24,360,000	9,130,488	33,490,488
2039-2043	24,335,000	5,348,000	29,683,000
2044-2048	15,485,000	1,890,900	17,375,900
2049	3,295,000	98,850	3,393,850
	<u>131,180,000</u>	<u>50,322,818</u>	<u>\$181,502,818</u>
Plus unamortized premiums	<u>4,282,094</u>		
	<u>\$135,462,094</u>		

**NOTE 5. COMMITMENTS**

The System regularly enters into contracts and purchase orders that commit fund balances for future purchases of goods and services. As of June 30, 2023 and 2022, these commitments totaled \$4,201,863 and \$4,824,609 respectively, for all funds.

**NOTE 6. PENSION PLANS**

WWU offers four contributory pension plans: 1) the Washington State Public Employees' Retirement System (PERS) plans, 2) the Washington State Teachers Retirement System (TRS) plans, 3) the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) plan and 4) the Western Washington University Retirement plan (WWURP).

Housing and Dining employees in eligible positions are participants in the PERS and WWURP plans. PERS is a cost sharing multiple employer defined benefit pension plan administered by the State of Washington Department of Retirement Systems (DRS). WWURP is a single employer defined contribution plan with a supplemental defined benefit plan component currently administered by WWU.

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, WWU is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the DRS will assume those duties in accordance with RCW 41.50.280. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component of WWU. Other agencies of the state of Washington perform the duties of a board and hold the

substantive powers in relation to the WWUSRP.

Housing and Dining's proportionate share of WWU's share of the total net unfunded liabilities associated with the defined-benefit pension plans administered by the DRS was \$202,773 as of June 30, 2023, and \$91,963 as of June 30, 2022. The liability associated with the defined-benefit pension plan administered by WWU was \$148,454 as of June 30, 2023 and \$210,020 as of June 30, 2022. The total pension expense recorded by the System related to both the DRS and University plans was \$(53,620) and \$(656,633) for the years ended June 30, 2023, and 2022, respectively.

PLANS ADMINISTERED BY Department of Retirement System (DRS)

PLAN DESCRIPTION:

**Public Employees' Retirement System**

PERS retirement benefit provisions are contained in chapters 41.34 and 41.40 of the Revised Code of Washington (RCW). PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of 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, Plans 2/3 are considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. PERS members include higher education employees not participating in other higher education retirement programs.

VESTING AND BENEFITS PROVIDED:

**PERS Plan 1**

PERS Plan 1 provides retirement, disability, and death benefits to eligible members. This plan is closed to new entrants. All members are vested after the completion of five years of eligible service. The monthly benefit is 2.0% of the average final compensation (AFC) for each year of service credit, up to a maximum of 60.0%. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

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. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3% annually. To offset the cost of this annual adjustment, the benefit is reduced. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

**PERS Plan 2/3**

PERS 2/3 provides retirement, disability and death benefits. PERS Plan 2 members are vested after completing

## ***HOUSING AND DINING SYSTEM***

### ***NOTES TO THE FINANCIAL STATEMENTS***

***June 30, 2023 and 2022***

five years of eligible service. PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Defined Retirement benefits are determined as 2.0% of the member's AFC times the member's years of service for Plan 2 and 1.0% of the AFC times the member's years of service for Plan 3. The AFC is the average of the member's 60 highest paid consecutive months. There is no cap on years of service credit.

Members are eligible for normal retirement at the age of 65 with five years of service. Members have the option to retire early with reduced benefits. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3% annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

#### **FIDUCIARY NET POSITION:**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plans fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans. These pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which the WSIB invests. Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS system and plan was funded by an employer rate of 0.18% of employee salaries.

The DRS prepares a stand-alone financial report that is compliant with the requirements of Statement 67 of the Governmental Accounting Standards Board. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <https://www.drs.wa.gov/news/>.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the System's financial statements.

The total pension liability for each of the plans was determined using the most recent actuarial valuation completed by the Washington State Office of the State Actuary (OSA). WWU's 2023 pension liability is based on the OSA valuation performed as of June 30, 2022, with a valuation date of June 30, 2021. Besides the discount rate, the actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS employer-resource GASB webpage. These assumptions reflect the results of OSA's 2013-2018 Demographic Experience Study Report and the 2021 Economic Experience Study. The following actuarial assumptions have been applied to all prior periods included in the measurement:

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

Mortality rates were developed using the Society of Actuaries' Pub.H-20210 mortality rates as the base table. OSA applied age offsets, 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. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

OSA selected a 7.00% long-term expected rate of return on pension plan investments using a building block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

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

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

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

The best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

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<u>2023 - Measurement date 2022</u>		
Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
Total	100%	

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

**DISCOUNT RATE:**

The discount rate used to measure the total pension liabilities was 7.00%, the same as the prior measurement date. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.00% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.00% future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and TRS 2/3 employers whose rates include a component for the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liabilities). Based on those assumptions, the various pension plan's fiduciary net positions were 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% on pension plan investments was applied to determine the total pension liability for each plan.

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE:**

The following table presents the System's net pension liability position by plan calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.00%) or 1.0% point higher (8.00%) than the current rate.

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Discount Rate Sensitivity - Net Pension Liability (Asset)				
(\$ in thousands)				
Plan	2023			
	Current			
	1% Decrease	Discount Rate	1% Increase	
	6.0%	7.0%	8.0%	
PERS 1	\$ 271	\$ 203	\$ 143	
PERS 2/3	414	(352)	(981)	

**EMPLOYER CONTRIBUTION RATES:**

Employer contribution rates are developed in accordance with Chapter 41.45 of the RCW by the OSA. The statute provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates.

**Required Contribution Rates**

The required contribution rates expressed as a percentage of current year covered payroll are shown below. The University and the employees made the required contributions.

	Contribution Rates					
	7/1/2021 thru 8/31/2021		9/1/2021 thru 8/31/2022		9/1/2022 thru 6/30/2023	
	Employee	University	Employee	University	Employee	University
<b>PERS</b>						
Plan 2	6.36%	10.25%	6.36%	10.25%	6.36%	10.39%
Plan 3	5.00-15.00% **	10.25% *	5.00-15.00% **	10.25% *	5.00-15.00% **	10.39% *

PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability (UAAL)

\* Plan 3 defined benefit portion only.

\*\* Variable from 5% to 15% based on rate selected by the member.

University contribution rate includes an administrative expense rate of 0.0018.

The University's required contributions for the years ending June 30 are as follows:

	Required Contributions	
	FY 2022	FY 2023
<b>PERS</b>		
Plan 2	\$ 99,726	\$ 125,601
Plan 3	21,446	26,700

**HOUSING & DINING SYSTEM PROPORTIONATE SHARE AND AGGREGATED BALANCES:**

Collective pension amounts are determined as of a measurement date, which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities recorded by the System as of June 30, 2023, and 2022 was June 30, 2022, and 2021 (one year in arrears.) Employer contributions received and processed by the DRS during the measurement date fiscal year have been used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in their fiscal year ended June 30 Schedules of Employer and Non-employer Allocations. The System's proportional share of WWU's share from DRS of the aggregated balance of net pension liabilities as of June 30, 2023 and June 30, 2022 is presented in the table

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below.

Proportionate Share of WWU's share	PERS 1	PERS 2/3
2023	2.5655%	2.5655%
2022	2.5527%	2.5585%

**Aggregate Pension Amounts**

	PERS 1	PERS 2/3
Net Pension Liability (Asset) June 30, 2023	\$ 202,773	\$ (351,575)
Net Pension Liability (Asset) June 30, 2022	\$ 91,963	\$ (964,374)

**PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:**

The tables below summarize The System's expense, deferred outflows of resources and deferred inflows of resources related to the DRS pension plans, together with the related future year impacts to pension expense from amortization of those deferred amounts. Note that deferred outflows of resources related to the Housing & Dining's contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the following year and are not amortized to pension expense.

**Proportionate Share of Pension Expense (Income)**

	PERS 1	PERS 2/3	Total
Year Ended June 30, 2023	\$ 87,000	\$ (117,322)	\$ (30,321)
Year Ended June 30, 2022	\$ (256,825)	\$ (383,469)	\$ (640,294)

Amounts reported as deferred outflows of resources, exclusive of contributions subsequent to the measurement date, and deferred inflows of resources will be recognized in pension expense in future periods as follows:

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Deferred Outflows of Resources			
2023	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 87,112	\$ 87,112
Changes of assumptions	-	195,954	\$ 195,954
Change in proportion	-	7,966	\$ 7,966
Contributions subsequent to the measurement date	55,110	97,190	\$ 152,300
<b>TOTAL</b>	<b>\$ 55,110</b>	<b>\$ 388,222</b>	<b>\$ 443,331</b>

Deferred Inflows of Resources			
2023	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 7,959	\$ 7,959
Change in assumptions	-	51,308	\$ 51,308
Net difference between projected and actual earnings on pension plan investments	33,605	259,922	\$ 293,527
Change in proportion	-	6,664	\$ 6,664
<b>TOTAL</b>	<b>\$ 33,605</b>	<b>\$ 325,852</b>	<b>\$ 359,458</b>

Amortization of Deferred Outflows and Deferred Inflows of Resources			
YEAR	PERS 1	PERS 2/3	Total
2024	\$ (14,221)	\$ (81,849)	\$ (96,070)
2025	\$ (12,916)	\$ (71,140)	\$ (84,057)
2026	\$ (16,203)	\$ (85,385)	\$ (101,588)
2027	\$ 9,735	\$ 120,013	\$ 129,748
2028	\$ -	\$ 41,970	\$ 41,970
Thereafter	\$ -	\$ 41,572	\$ 41,572
<b>TOTAL</b>	<b>\$ (33,605)</b>	<b>\$ (34,820)</b>	<b>\$ (68,425)</b>



**HOUSING AND DINING SYSTEM**  
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Deferred Outflows of Resources				
2022	PERS 1	PERS 2/3	Total	
Difference between expected and actual experience	\$ -	\$ 46,838	\$	46,838
Changes of assumptions	-	1,409	\$	1,409
Change in proportion	-	6,804	\$	6,804
Contributions subsequent to the measurement date	44,632	76,541	\$	121,173
<b>TOTAL</b>	<b>\$ 44,632</b>	<b>\$ 131,592</b>	<b>\$</b>	<b>176,225</b>

Deferred Inflows of Resources				
2022	PERS 1	PERS 2/3	Total	
Difference between expected and actual experience	\$ -	\$ 11,822	\$	11,822
Change in assumptions	-	68,487	\$	68,487
Net difference between projected and actual earnings on pension plan investments	102,048	805,990	\$	908,038
Change in proportion	-	10,234	\$	10,234
<b>TOTAL</b>	<b>\$ 102,048</b>	<b>\$ 896,533</b>	<b>\$</b>	<b>998,581</b>

**PLANS ADMINISTERED BY WESTERN WASHINGTON UNIVERSITY**

**Western Washington University Retirement Plan (WWURP)**

**PLAN DESCRIPTION:**

The WWURP is a defined contribution single employer pension plan with a supplemental payment when required. The plan covers faculty, professional staff, and certain other employees. It is administered by WWU. WWU's Board of Trustees is authorized to establish and amend benefit provisions.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option.

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Employees, at all times, have a 100% vested interest in their accumulations. The number of participants in the WWURP as of June 30, 2023 and 2022 was 1,168 and 1,154 respectfully.

FUNDING POLICY:

Employee contribution rates, which are based on age, range from 5% to 10% of salary. WWU matches 100% of the employee contributions. All required employer and employee contributions have been made and the breakdown of the System’s proportional share of the WWURP contributions are included in the table below for the years ended June 30.

<b>Housing &amp; Dining</b>	<b>2023</b>		<b>2022</b>	
<b>Contributions made by:</b>				
Employees	\$	114,714	\$	117,314
University		114,730		117,080

**Western Washington University Supplemental Retirement Plan (WWUSR)**

PLAN DESCRIPTION:

The Western Washington University Supplemental Retirement Plan (WWUSR), the supplemental component of the Western Washington University Retirement Plan (WWURP), is a defined benefit plan currently administered by WWU and operates in tandem with the WWURP defined contribution pension plan to supplement the expected defined-contribution retirement savings accumulated under the WWURP. The plan covers faculty and certain other positions. The WWUSR, the supplemental component of the WWURP, was closed to new entrants as of July 1, 2011. For purposes of measuring the June 30, 2021 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WWUSR and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the state of Washington’s Annual Comprehensive Financial Report, which is available at <https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>. The Office of the State Actuary prepared the SRP GASB67/68 Retirement Plan Valuations for reporting the June 30, 2023 balances, which is available in the 2023 Actuarial Valuation report at <https://leg.wa.gov/osa/additionalservices/Pages/HigherEd.aspx>.

PLAN MEMBERSHIP:

Membership of the WWUSR consisted of the following at June 30, 2022, and June 30, 2023, the date of the latest actuarial valuation for the plan:

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	<b>Number of Participating Members</b>			
	Inactive Members (Or Beneficiaries) Currently Receiving Benefits	Inactive Members Entitled To But Not Yet Receiving Benefits	Active Members	Total Members
WWUSRP				
2023	84	50	402	536
2022*	79	3	483	565

\* same as prior year utilizing the 2021 SRP Actuarial Valuation Report

**VESTING AND BENEFITS PROVIDED:**

This supplemental component payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. This supplemental component is financed on a pay-as-you-go basis. WWU makes direct payments to qualified retirees when the retirement benefit provided by the fund sponsor does not meet the benefit goal.

WWSRP retirement benefits provisions are contained in RCW 28B.10.400, et. seq. which assigns the authority to establish and amend benefit provisions to the Western Washington University Board of Regents. Members are eligible to receive benefits under this plan at age 62 with 10 years of credited service. The monthly amount of benefits payable at the time of retirement is the excess of one-twelfth of 2.0% of the member's average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of 50.0% of the member's average annual salary) over an assumed annuity benefit.

Assumed income must be calculated by an independent actuary and represents a theoretical amount of monthly income that would have been generated if actual employee and WWU contributions to the WWURP had been allocated equally between fixed and variable dollar annuities. When the goal income exceeds the assumed income, the participant is entitled to benefits under this plan. The System's proportional share of the total University benefit payments made during the fiscal years ended June 30, 2023, and 2022 were \$7,416 and \$7,690, respectively.

**FIDUCIARY NET POSITION:**

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in FY 2021.

The plan Fiduciary Net Position is the fair value of plan assets held in a trust as defined by GASB. The Net Pension Liability is the difference between the Total Pension Liability and the plan Fiduciary Net Position. The plan Fiduciary Net Position represents the amount of assets collected as of the measurement date to pay for SRP benefits, per RCW 41.50.280. Plan assets and investments are measured at their fair value.

The WSIB has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

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WWUSR plan assets are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which WSIB invests.

Information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in footnote 3.B of the state of Washington's Annual Comprehensive Financial Report.

**ACTUARIAL ASSUMPTIONS:**

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on Housing & Dining's financial statements.

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in FY 2021.

The valuation date was changed from June 30 to January 1. This corresponds with the new data file being provided with participant information as of January 1, 2023. The total pension liability was determined by an actuarial valuation date of January 1, 2023, with the results projected forward to the June 30, 2023, measurement date using the following actuarial assumptions:

- Discount Rate: 7.00%
- TIAA Return Rate: 4.00%
- CREF Return Rate: (6.25)%
- Salary Growth: 3.75%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. The Office of State Actuary (OSA) applied age offsets, 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. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

The total salary growth assumption is based on the August 2021 Higher Education SRP Experience study. Some TIAA assumptions have been updated by OSA since that study based on input from TIAA and OSA's professional judgment. OSA determined the discount rate based on the 2021 Economic Experience Study for the Washington State retirement plans and based on the results of the GASB 67/68 required crossover test. As of this measurement date, all SRPs are projected to have sufficient assets to pay for current member benefits based on the assumptions and methods described by OSA.

The discount rate can be thought of as an assumed return on assets, with a lower discount rate leading to a higher

**HOUSING AND DINING SYSTEM**  
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total pension liability (TPL). The discount rate reflects OSA’s long-term rate of return assumption for assets invested in the Commingled Trust Fund, which remained at 7.00%. TIAA and CREF are investments used in the assumed income calculation. Changes to these assumptions impact OSA’s estimate of SRP benefits for future retirees. The new assumptions decreased expected benefits and the TPL for all institutions.

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following presents the System’s proportional share of the pension liability for the WWUSRP for WWU as an employer, calculated using the discount rate of 7.0%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.0%) or 1.0% point higher (8.0%) than the current rate.

**Housing & Dining WWUSRP**  
**Discount Rate Sensitivity - Net Pension Liability/(Asset)**  
 \$ in thousands

Plan	2023		
	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
WWUSRP	\$ 151	\$ 129	\$ 110

EMPLOYER CONTRIBUTION RATES:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in FY 2021. 2SHB 1661 outlines a funding policy for the SRP. Beginning July 1, 2020, the 0.5% required employer contribution rate was replaced with institution-specific contribution rates. These rates are developed by the Office of State Actuary (OSA) in accordance with RCW 41.45, which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. Money in the trust must be accounted for separately and attributed to each paying institution and may only be used to make benefit payments to the paying institution’s plan beneficiaries. Beginning July 31, 2020, the Pension Funding Council may review and revise the institution-specific contribution rates. Rates must be designed to keep the total cost at a more level percentage than a pay-as-you-go method. Accumulated funds will allow a portion of the cost of SRP benefits to be paid from those funds beginning in approximately 2035. When the trust has collected sufficient assets to begin making SRP benefit payments, administration of the SRP will transfer to the Department of Retirement Systems (DRS).

WWUSRP	2023	2022
<b>Employer required contribution rate</b>	0.21%	0.21%

The SRP benefit funds are currently restricted from paying SRP benefits and are not expected to pay benefits until 2035. Until this time, SRP benefits are paid out of the operating budget on a pay-as-you-go basis.

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NET PENSION LIABILITY (NPL):

Consistent with GASB No. 67/68, plan assets are included in financial reporting. The June 30, 2023, asset amount offsets the total pension liability to yield the plan's net pension liability.

Effective July 1, 2020, legislation signed into law created a trust arrangement for assets dedicated to paying WWUSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012, were transferred into the trust when this legislation became effective. As a result, WWU applied accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets beginning fiscal year ended June 30, 2021.

The components of the WWUSRP liability were as follows:

**Housing & Dining Proportional Share**  
**Schedule of Changes in Net Pension Liability (NPL)**

	TPL (a)	Plan Fiduciary Net Position (b)	NPL (a) minus (b)
<b>Balance as of July 1, 2021</b>	\$ 185,892	\$ 70,047	\$ 115,845
Service Cost	3,055		3,055
Interest on TPL	12,875		12,875
Differences Between Expected and Actual Experience	69,003		69,003
Change in Assumptions	19,981		19,981
Employer Contributions		2,963	(2,963)
Investment Income		79	(79)
Benefit Payments	(7,696)		(7,696)
Net Changes	97,217	3,042	94,175
<b>Balance as of June 30, 2022</b>	<b>\$ 283,109</b>	<b>\$ 73,089</b>	<b>\$ 210,020</b>
Service Cost	4,083		4,083
Interest on TPL	18,167		18,167
Differences Between Expected and Actual Experience	(40,420)		(40,420)
Change in Assumptions	(28,117)		(28,117)
Employer Contributions		2,926	(2,926)
Investment Income		4,939	(4,939)
Benefit Payments	(7,416)		(7,416)
*Rounding	2		2
Net Changes	(53,702)	7,865	(61,566)
<b>Balance as of June 30, 2023</b>	<b>\$ 229,407</b>	<b>\$ 80,953</b>	<b>\$ 148,454</b>

\*For 2016 - 2021 OSA report data was provided rounded to the thousands.  
This has caused minor rounding issues in the activity and amort tabs.  
Rounding issues should resolve once the 2022 figures are fully amortized.

For June 30, 2023, TPL is based on an actuarial valuation performed as of January 1, 2023, with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2023, reflecting the expected service cost, assumed interest, and benefit payments made. The June 30, 2022, TPL is based on an actuarial valuation performed as of June 30, 2020, with update procedures performed by the OSA to roll forward the TPL to the measurement date. All valuations were prepared using the entry age actuarial cost method.

**HOUSING AND DINING SYSTEM**  
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PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize Housing & Dining’s proportionate share of the WWUSRP pension expense, deferred outflows of resources and deferred inflows, together with the related future year impacts to pension expense from amortization of those deferred amounts:

<b>Housing &amp; Dining Proportional Share WWUSRP</b>			
<b>Pension Expense (PE)</b>			
		<b>2023</b>	<b>2022</b>
Service Cost	\$	5,847	\$ 4,102
Interest Cost		26,017	18,250
Amortization of Differences between Expected and Actual Experience		(38,228)	(26,815)
Amortization of Changes of Assumptions		(7,565)	(5,307)
Expected Earnings on Plan Investments		(7,016)	(4,921)
Amortization of Differences between Projected and Actual Earnings on Plan Investments		(2,349)	(1,648)
Administrative Expenses		-	-
Other Changes in Fiduciary Net Position		-	-
<b>Net Pension Expense</b>	<b>\$</b>	<b>(23,299)</b>	<b>\$ (16,339)</b>

The tables below summarize the System’s deferred outflows and inflows of resources related to the WWUSRP, together with the related future year impacts to pension expense from amortization of those deferred amounts:

<b>Housing &amp; Dining Proportional Share</b>			
<b>Deferred Outflows of Resources</b>			
		<b>2023</b>	<b>2022</b>
Difference between expected and actual experience	\$	61,482	\$ 85,184
Changes of assumptions	\$	45,771	\$ 68,784
Differences between Projected and Actual Earnings on Plan Investments		2,924	4,153
<b>TOTAL</b>	<b>\$</b>	<b>110,177</b>	<b>\$ 158,121</b>

<b>Deferred Inflows of Resources</b>			
		<b>2023</b>	<b>2022</b>
Difference between expected and actual experience	\$	143,586	\$ 158,905
Changes of assumptions		82,713	84,277
Differences between Projected and Actual Earnings on Plan Investments		5,242	8,378
<b>TOTAL</b>	<b>\$</b>	<b>231,541</b>	<b>\$ 251,560</b>

<b>Amortization of Deferred Outflows and Deferred Inflows of Resources</b>		
<b>Year</b>		
2024	\$	(23,954)
2025	\$	(23,827)
2026	\$	(37,383)
2027	\$	(28,234)
2028	\$	(5,756)
Thereafter	\$	(2,211)
<b>TOTAL</b>	<b>\$</b>	<b>(121,364)</b>

**NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

PLAN DESCRIPTION:

**HOUSING AND DINING SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

Health care and life insurance programs for employees of the State of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the State-wide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employees.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors.

The health care premiums for active employees, which are paid by the agency during employees’ working careers, subsidize the “underpayments” of the retirees. An additional factor in the Other Post Employment Benefit (OPEB) obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an “explicit subsidy”). For FY 2023, this amount was \$183 per member to cover retirees eligible for parts A and B of Medicare, per month. This rate will remain the same for calendar year 2024. This is also passed through to State agencies via active employee’s rates charged to the agency.

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 the 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. As of June 30, 2022, and 2021, the total University’s headcount percentage membership in the PEBB plan consisted of the following:

<b>OPEB Plan Participants</b>				
	Active	Retirees	Retirees	Total
FYE	Employees	Receiving Benefits	Not Receiving Benefits	Participants
2021	2015	778	93	2886
2022	2006	798	NA***	2804***

\*\*\* Per FY23 PEFI report, HCA doesn't have data on this group and OSA doesn't have the methodology to reasonably estimate it. For FY23, we have no options, but to report this amount as not available.

**ACTUARIAL ASSUMPTIONS:**

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University’s auxiliary units. The professional judgments used in determining these assumptions are



**HOUSING AND DINING SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the System’s financial statements.

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 period:

- **Inflation:** 2.35%
- **Salary Increases:** 3.25% including service-based salary increases
- **Health Care Trend Rates:\*** Initial rate ranges from 2-11% adjusting to 3.8% in 2080
- **Post-retirement Participation:** 60.00%
- **Spouse Coverage:** 45.00%

Mortality rates were developed using the Society of Actuaries’ Pub.H-2010 mortality rates, which vary by member status. The Office of the State Actuary (OSA) applied age offsets as appropriate to better tailor the mortality rates to the demographics of the plan. The OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index. A discount rate of 2.16% was used for the June 30, 2021, measurement date and 3.54% for the June 30, 2022, measurement date.

The following presents Housing & Dining’s proportional share of the total University OPEB liability, calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate.

Total OPEB Liability Discount Rate Sensitivity	
1% Decrease	\$2,049,508
Current Discount Rate - 3.54%	\$1,749,092
1% Increase	\$1,507,354

The following represents the total OPEB liability of the System, calculated using the health care trend rates of 2-11% reaching an ultimate range 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 or 1 percentage point higher than the current rate:

**HOUSING AND DINING SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

Total OPEB Liability Health Care Cost Trend Rate Sensitivity	
1% Decrease	\$1,480,928
Current Discount Rate - 2-11%	\$1,749,092
1% Increase	\$2,092,162

\*For additional detail on the health care trend rates, OPEB plan information and actuarial computations please reference the Washington State Annual Comprehensive Financial Report on OFM's website:

<https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>

and the Office of the State Actuary's website:

<https://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx>

TOTAL OPEB LIABILITY:

As of June 30, 2023, and 2022, components of the proportionate share calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for the System are represented in the following table:

FY23 Proportionate Share of WWU's share	2.631904%
FY22 Proportionate Share of WWU's share	2.288856%
<b>Schedule of Changes in Total OPEB Liability</b>	
<b>Total OPEB Liability</b>	<b>2023</b> <b>2022</b>
Service cost	\$129,030      \$114,655
Interest	59,868      49,553
Changes of benefit terms	-      -
Differences between expected & actual experience	(59,289)      -
Changes in assumptions	(1,001,045)      21,172
Benefit payments	(43,985)      (37,753)
Change in Proportionate share	26,718      (51,487)
Other	-      -
<b>Net Change in Total OPEB Liability</b>	<b>(\$888,704)</b> <b>\$96,141</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$2,293,979</b> <b>\$3,733,792</b>
Change in proportionate share	<b>\$343,816</b> <b>(\$1,535,954)</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 1,749,092</b> <b>\$ 2,293,979</b>

The System's proportionate share of OPEB expense for the fiscal years ended June 30, 2023, and 2022 was \$364,845 and (\$1,648,556), respectively.

**HOUSING AND DINING SYSTEM**  
**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023 and 2022**

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The tables below summarize the System’s deferred outflows and inflows of resources related to OPEB, together with the related future year impacts to expense from amortization of those deferred amounts:

**Deferred Outflows of Resources**

	2023		2022
Change in proportion	45,815	\$	25,585
Difference between expected and actual experience	36,462		39,240
Changes of assumptions	143,358		146,092
Transactions subsequent to the measurement date	44,144		37,869
<b>TOTAL</b>	<b>\$ 269,779</b>	<b>\$</b>	<b>248,785</b>

**Deferred Inflows of Resources**

	2023		2022
Change in proportion	\$ 114,574	\$	<b>132,776</b>
Difference between expected and actual experience	61,542		8,880
Changes of assumptions	1,268,032		415,909
<b>TOTAL</b>	<b>\$ 1,444,148</b>	<b>\$</b>	<b>557,565</b>

**Amortization of Deferred Outflows and Deferred Inflows of Resources**

Year	
2024	\$ (198,082)
2025	\$ (198,082)
2026	\$ (198,082)
2027	\$ (159,244)
2028	\$ (107,928)
Thereafter	\$ (357,093)
<b>TOTAL</b>	<b>\$ (1,218,513)</b>

RSI

REQUIRED SUPPLEMENTARY INFORMATION

**HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of the System's Proportionate Share of the Net Pension Liability

<b>Schedule of Housing and Dining System Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 1 Measurement Date ended June 30 *</b>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Housing & Dining System PERS 1 employers' proportion of the net pension liability	0.016016%	0.014712%	0.014101%	0.013209%	0.013928%	0.014527%	0.014320%	0.007705%	0.007568%
Housing & Dining System PERS 1 employers' proportionate share of the net pension liability	\$1,157,409	\$769,578	\$757,281	\$626,778	\$622,041	\$547,248	\$504,120	\$91,963	\$202,773
Housing & Dining System PERS 1 employers' covered-employee payroll	\$1,668,417	\$1,607,762	\$1,657,525	\$1,608,185	\$1,826,650	\$1,335,428	\$2,155,194	\$1,163,385	\$805,823
employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	69.37%	56.37%	43.13%	38.97%	34.05%	40.98%	23.39%	7.90%	25.16%
Plan fiduciary net position as a percentage of the total pension liability	61.19%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%	76.56%
* This schedule is to be built prospectively until it contains ten years of data.									

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

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

<b>Schedule of Housing and Dining System Proportionate Share of the Net Pension Liability (Asset) Public Employees' Retirement System (PERS) Plan 2/3 Measurement Date ended June 30 *</b>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Housing & Dining PERS 2/3 employers' proportion of the net pension liability (asset)	0.017383%	0.017106%	0.017670%	0.016991%	0.017818%	0.018304%	0.018252%	0.009863%	0.009707%
Housing & Dining System PERS 2/3 employers' proportionate share of the net pension liability (asset)	\$351,380	\$611,214	\$889,666	\$590,345	\$304,222	\$178,546	\$236,926	(\$964,374)	(351,575)
Housing & Dining System PERS 2/3 employers' covered-employee payroll	\$1,496,262	\$1,516,820	\$1,681,103	\$1,666,293	\$1,876,389	\$1,370,045	\$2,178,332	\$1,165,232	\$805,823
Housing & Dining System PERS 2/3 employers' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.48%	39.49%	52.92%	35.43%	16.21%	13.03%	10.88%	-82.76%	-43.63%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%	106.73%
* This schedule is to be built prospectively until it contains ten years of data.									

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

**PENSION PLAN INFORMATION**

Agent Employer Plan

Schedule of Changes in Housing and Dining System's Proportionate Share of the WWUSRP Total Pension Liability and Related Ratios

<b>Schedule of Changes in WWU's Net Pension Liability and Related Ratios</b>							
<b>WWUSRP - Housing &amp; Dining</b>							
Fiscal Year ended June 30*							
<i>(dollars in thousands)</i>							
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
WWUSRP total pension liability-Beginning	\$379	\$350	\$269	\$363	\$481	\$186	\$283
Service Cost	5	32	9	10	12	3	4
Interest	4	36	13	13	11	13	18
Difference between expected and actual experience	(26)	(96)	35	28	(201)	69	(41)
Changes in assumptions	(11)	(36)	44	74	(110)	20	(28)
Benefits payments **	(1)	(17)	(7)	(7)	(7)	(8)	(7)
Net change in total pension liability	(29)	(81)	94	118	(295)	97	(54)
WWUSRP total pension liability-Ending	\$350	\$269	\$363	\$481	\$186	\$283	\$229
Plan Fiduciary Net Position ***					\$70	\$73	\$81
WWUSRP net pension liability-Ending					\$116	\$210	\$148
WWU URP employers' covered-employee payroll	\$486	\$500	\$499	\$403	\$381	\$324	\$217
WWUSRP total or net pension liability as a percentage of its covered-employee payroll (net as of FY21)	71.99%	53.81%	72.81%	119.13%	30.41%	64.75%	68.26%
*This schedule is to be built prospectively until it contains ten years of data.							
** Includes amount to resolve OSA rounding issue							
*** Consistent with GASB No. 67/68, plan assets are included in financial reporting beginning in FY 21							

**HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

PENSION PLAN INFORMATION

Cost Sharing Employer Plans  
Schedule of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 1 Fiscal Year Ended June 30 <i>Housing and Dining System</i>									
Fiscal Year	Contributions related to covered payroll of employees		UAAL Contributions related to covered payroll of employees	Total Contributions in relation to the Actuarially Determined Contributions		Covered payroll of employees participating in PERS 1	Covered payroll of employees participating in PERS 2/3	Total Covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Contractually Required Contributions	Participating in PERS plan 1	Participating in PERS plan 2/3	Actuarially Determined Contributions	Contribution deficiency (excess)	PERS 1	PERS 2/3	payroll	employee payroll
2015	\$67,849	\$6,987	\$60,862	\$67,849	\$0	\$62,902	\$1,544,860	\$1,607,762	4.22%
2016	\$79,994	\$1,725	\$78,269	\$79,994	\$0	\$56,705	\$1,600,821	\$1,657,525	4.83%
2017	\$79,456	\$0	\$79,456	\$79,456	\$0	\$43,181	\$1,565,004	\$1,608,185	4.94%
2018	\$93,100	\$0	\$93,100	\$93,100	\$0	\$31,355	\$1,795,295	\$1,826,650	5.10%
2019	\$102,045	\$0	\$102,045	\$102,045	\$0	\$4,506	\$1,330,922	\$1,335,428	7.64%
2020	\$103,485	\$0	\$103,485	\$103,485	\$0	\$10,773	\$2,144,421	\$2,155,194	4.80%
2021	\$56,092	\$0	\$56,092	\$56,092	\$0	\$827	\$1,162,558	\$1,163,385	4.82%
2022	\$44,632	\$0	\$44,632	\$44,632	\$0	\$0	\$805,823	\$805,823	5.54%
2023	\$55,110	\$0	\$55,110	\$55,110	\$0	\$0	\$1,005,259	\$1,005,259	5.48%
2024									

Notes:  
This schedule will be built prospectively until they contain ten years of data.



**HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

**PENSION PLAN INFORMATION**

Cost Sharing Employer Plans  
Schedule of Contributions

<b>Schedule of Contributions</b> <b>Public Employees' Retirement System (PERS) Plan 2/3</b> Fiscal Year Ended June 30 <i>Housing and Dining System</i>					
Fiscal Year	Contributions in relation to the			Covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Contractually Required Contributions	Contractually Required Contributions	Contribution deficiency (excess)		
2015	\$83,163	\$83,163	\$0	\$1,547,592	5.37%
2016	\$105,012	\$105,012	\$0	\$1,681,103	6.25%
2017	\$106,724	\$106,724	\$0	\$1,666,293	6.40%
2018	\$140,761	\$140,761	\$0	\$1,876,389	7.50%
2019	\$155,276	\$155,276	\$0	\$1,370,045	11.33%
2020	\$175,222	\$175,222	\$0	\$2,178,332	8.04%
2021	\$93,869	\$93,869	\$0	\$1,165,232	8.06%
2022	\$76,541	\$76,541	\$0	\$805,823	9.50%
2023	\$97,190	\$97,190	\$0	\$1,005,259	9.67%
2024					

Notes:  
This schedule will be built prospectively until they contain ten years of data.

**HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

**PENSION PLAN INFORMATION**

Agent Employer Plan  
Schedule of Contributions

<b>Schedule of Contributions</b> <b>WWUSRP Plan - Housing &amp; Dining</b> <b>Fiscal Year Ended June 30</b>						
Fiscal Year	Contractually Required Contributions	Contributions in relation to the			Covered-employee payroll*	Contributions as a percentage of covered-employee payroll
		Contractually Required Contributions	Contribution deficiency (excess)			
2021	\$2,613	\$2,613	\$ -	\$381,428	0.69%	
2022	\$2,963	\$2,963	\$ -	\$324,347	0.91%	
2023	\$2,926	\$2,926	\$ -	\$216,833	1.35%	
2024						
2025						
2026						
2027						
2028						
2029						
2030						

Notes:  
This schedule will be built prospectively until they contain ten years of data.

**HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

OPEB INFORMATION

Cost Sharing Healthcare Plans

Schedule of System Changes in Total OPEB Liability and Related Ratios

<b>Schedule of Housing and Dining System Changes in Total OPEB Liability and Related Ratios</b>						
Fiscal Year ended June 30 *						
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total OPEB Liability-Beginning	\$3,663,726	\$3,577,005	\$3,279,944	\$3,442,549	\$3,733,792	\$2,293,979
Service Cost	\$90,045	\$133,243	\$139,391	\$154,941	\$114,655	\$129,030
Interest	\$42,178	\$91,602	\$120,913	\$129,611	\$49,553	\$59,868
Difference between expected and actual experience	\$0	\$83,615	\$0	-\$19,862	\$0	-\$59,289
Changes in assumptions	-\$205,746	-\$583,308	\$225,173	\$84,017	\$21,172	-\$1,001,045
Benefits payments	-\$21,495	-\$38,688	-\$55,311	-\$61,710	-\$37,753	-\$43,985
Change in proportionate share	\$8,297	\$16,475	-\$267,560	\$136,264	-\$1,587,441	\$370,534
Other				-\$132,018		
<b>Total OPEB liability-Ending</b>	<b>\$3,577,005</b>	<b>\$3,279,944</b>	<b>\$3,442,549</b>	<b>\$3,733,792</b>	<b>\$2,293,979</b>	<b>\$1,749,092</b>
Housing and Dining System employers' covered-employee payroll	\$3,257,555	\$3,567,358	\$3,921,083	\$2,719,872	\$2,910,537	\$3,222,771
Housing and Dining employers' proportionate share of total OPEB liability as a percentage of its covered-employee payroll	109.81%	91.94%	87.80%	137.28%	78.82%	54.27%
*This schedule is to be built prospectively until it contains ten years of data.						

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**Plans Administered by Department of Retirement Systems (DRS)**

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 in Chapter 41.45 RCW.

Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2017 valuation date, completed in the Fall of 2018, plus any supplemental contribution rates from the preceding legislative session, determines the ADC for the period beginning July 1, 2019, and ending June 30, 2021.

Additional Considerations on ADC for All Plans:

The OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies.

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except that the CRC reflect the adopted contribution rates for the time period shown. These might differ from the contribution rates produced for the ADC.

**Plans administered by the University**

On July 1, 2020, the state of Washington established a trust for contributions paid by WWU for the benefit of Western Washington University's Supplemental Retirement Plan (WWUSRP) in accordance with Revised Code of Washington 41.50.075. As a result, the applicable accounting guidance for the WWUSRP has changed to GASB codification section P20 "Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria." This event gives rise to a change in WWU's estimates of future obligations, deferrals and pension expense related to the WWUSRP. WWU now reports the plan's net pension liability (total pension liability less the plan's fiduciary net position).

Several key assumptions during the fiscal year 2023 measurement period remained the same as in the fiscal year 2022 measurement period. This included the discount rate (7.00%), the TIAA Increase Rate (4.00%), and the Salary Growth Rate (3.75%). Under GASB 67/68, the discount rate is now based on the long-term expected rate of return on pension plan investments. The Total Pension Liability is now compared against the plan's Fiduciary Net Position to determine the Net Pension Liability.

Significant changes in plan provisions or actuarial assumptions and methods also impact the TPL. Significant factors that impacted the results of the actuarial valuation include the new January 1, 2023, participant data file. This update changed the valuation date from June 30 to January 1. The new data file decreased the TPL for all institutions. Some of the larger experience items that impacted the TPL was actual salary growth being generally lower than assumed and SRP benefits for new retirees were lower than estimated.

***HOUSING AND DINING SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION***

***June 30, 2023 and 2022***

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**OPEB Plan administered by the Healthcare Authority of Washington State**

The OPEB Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits. Material assumption changes during the fiscal year 2022 measurement period relate to an increase in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 2.16% for the June 30, 2021 measurement date, to 3.54% for the June 30, 2022 measurement date.

OTHER INFORMATION

**SCHEDULE OF ROOM AND BOARD RATES**  
**YEAR ENDED JUNE 30, 2023**

(Unaudited)

**RESIDENCE HALLS**

	Meals per Quarter			
	Unlimited	125	100	80
<b>Room and Board Academic Year Contracts</b>				
<b>Value Tier</b>				
Double room/double occupancy	\$12,298.00	\$13,747.00	\$13,207.00	\$12,651.00
Single room/single occupancy	15,745.00	15,194.00	14,654.00	14,098.00
Double room/single occupancy (super single)	16,583.00	16,032.00	15,492.00	14,281.00
Triple room/triple occupancy	12,121.00	11,570.00	11,030.00	10,927.00
<b>Standard Tier</b>				
Double room/double occupancy	\$14,783.00	\$14,232.00	\$13,692.00	\$13,136.00
Single room/single occupancy	16,038.00	15,757.00	15,217.00	14,661.00
Double room/single occupancy (super single)	17,192.00	16,641.00	16,101.00	15,545.00
Triple room/triple occupancy	12,457.00	11,906.00	10,886.00	10,810.00
<b>Premium Tier</b>				
Double room/double occupancy	\$15,655.00	\$15,104.00	\$14,564.00	\$14,671.00
Single room/single occupancy	17,322.00	16,771.00	16,231.00	16,421.00
Double room/single occupancy (super single)	18,289.00	17,738.00	17,198.00	17,436.00
Triple room/triple occupancy	13,244.00	12,693.00	12,153.00	12,139.00

**APARTMENTS**

	Double with	Super single	Family rate
	2/bedroom	1/bedroom	
<b>Apartment only Academic Year Contracts</b>			
Birnam Wood - 2 bedroom units	\$4,573.00	\$9,146.00	\$18,292.00

**SCHEDULE OF OCCUPANCY  
Year Ended June 30, 2023**

(Unaudited)

	OCCUPANCY CAPACITY		ACTUAL OCCUPANCY (3)	ACTUAL OCCUPANCY AS A PERCENT OF	
	Designed (1)	Operating (2)		Designed Capacity	Operating Capacity
	Fall 2022	4,481		4,342	4,152
Winter 2023	4,481	4,342	4,017	89.6%	92.5%
Spring 2023	<u>4,481</u>	<u>4,342</u>	<u>3,809</u>	<u>85.0%</u>	<u>87.7%</u>
Average	4,481	4,342	3,993	89.1%	92.0%

(1) Designed capacity is the number of students for which the Housing and Dining System was originally constructed and subsequently remodeled to accommodate.

(2) Operating capacity is the number of students that can effectively be accommodated in an academic quarter based on housing policies in effect for that quarter.

(3) Actual occupancy is calculated as the quarterly average occupancy

(4) For Academic Year 2022-2023 most classes were taught in-person.



**SCHEDULE OF INSURANCE COVERAGE FY 2023**

WWU purchases buildings, contents and business interruption insurance for the Housing and Dining System through its participation in the State of Washington Alliant Property Insurance Program (APIP). The Housing and Dining System is responsible for 100% of its portion of the premium. Business interruption coverage is provided on rental income and earnings from insured property with specific limits for each location. Other highlights of insurance coverage are as follows:

- Repair or replacement cost coverage for all scheduled buildings for “all risk” of direct physical loss or damage, including earthquake and flood.
- The policy limit is \$500,000,000 per occurrence, with an aggregate limit of \$100,000,000 for earthquake and flood damage, and \$100,000,000 sub-limit for business interruption. A \$250,000 deductible per occurrence applies, which increases to 3% of the value of damaged property subject to a \$250,000 minimum for earthquake and flood damage.
- Equipment breakdown insurance (a.k.a. boiler & machinery insurance) – State of Washington Program, \$200,000,000 property damage limit subject to a \$5,000 deductible for covered equipment.
- Third-party bodily injury and property damage liability insurance – State Self-Insurance Liability Program (SILP), \$10,000,000 per occurrence limit, with a commercial excess liability insurance policy above, and zero deductible.

The Housing and Dining System’s property insurance in effect at June 30, 2023 is summarized as follows:

	Values Used for Fire and Extended Coverage of Buildings
Ridgeway Residences and Commons	\$113,887,577
Fairhaven Residences and Commons	83,347,111
Buchanan Towers	58,752,716
Edens Hall and Edens Hall North	43,585,611
Viking Union, Addition and Commons	62,452,650
Birnam Wood Residences	55,155,253
Nash Hall	25,043,850
Mathes hall	34,105,831
Higginson hall	22,810,969
Commissary	24,128,650
Lakewood Recreational Facility	3,498,023
Alma Clark Glass Hall (added 9/3/2021)	54,188,033
	<hr/>
Building Insured Values	580,956,274
Insured Contents	16,475,181
Total	<hr/> <u>\$597,431,455</u>

**EXPENDED FOR PLANT FACILITIES FY 2023 and FY 2022**

Expenditures by the System to maintain and improve its facilities are listed below. Some of these projects are capitalized and increase the value of the System's buildings. Others are costs to maintain the buildings and infrastructure and are expensed.

	<u>2023</u>	<u>2022</u>
<b>Capitalized Projects</b>		
New Residence Hall / Planning	866,704	7,312,705
Other capitalizable	2,832,511	706,737
	<u>\$3,699,215</u>	<u>\$8,019,442</u>
 <b>Non-Capitalized Projects</b>		
Stormwater & Site Drainage		92,447
Sewer Repair	26,552	25,784
Painting	424,310	
Equipment		
Viking Union Projects	111,257	485,884
Fire Safety / Safety Corrections	73,543	13,177
Plumbing, heating and electrical	19,895	263,977
Bathroom Upgrades	169,421	
Access Control	1,585,830	287,370
Network & WiFi projects	177,996	315
Furniture & Carpet	303,809	28,446
Other	921,956	118,240
Dining Equipment / Upgrades	71,362	12,126
	<u>\$3,885,931</u>	<u>\$1,327,766</u>

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*WADE KING STUDENT RECREATION CENTER*

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

December 8, 2023

Board of Trustees  
Western Washington University Wade King Student Recreation Center  
Bellingham, Washington

**Report on Financial Statements**

Please find attached our report on the Western Washington University Wade King Student Recreation Center's financial statements.

We are issuing this report for inclusion in the Center's annual comprehensive financial report package, which will be issued by the Center under the Center's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the Center's basic financial statements.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*



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

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

Board of Trustees  
Western Washington University Wade King Student Recreation Center  
Bellingham, Washington

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinions**

We have audited the accompanying financial statements of the business-type activities of the Western Washington University Wade King Student Recreation Center as of and for the years then ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Western Washington University Wade King Student Recreation Center, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**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 Center 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**

The financial statements of the Western Washington University Wade King Student Recreation Center, a department of the University, 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 University that attributable to the transactions of the Center. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2023 and 2022, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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 Center’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 Center’s ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and required supplementary information as listed in the table of contents 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 will also issue our report dated December 8, 2023, on our consideration of the Center’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control



over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Sincerely,

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

Pat McCarthy, State Auditor

Olympia, WA

December 8, 2023

**Overview**

Western Washington University Wade King Student Recreation Center (the Recreation Center) is a state-of-the-art open recreation fitness and wellness facility that has been created and shaped by the vision and support of Western Washington University (WWU) students. The Recreation Center was one of the nation's first recreation centers designed to meet Leadership in Energy and Environmental Design (LEED).

The following discussion and analysis provide an overview of the financial position and activities of the Recreation Center for the fiscal years ended June 30, 2023, and 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes which follow this section.

**Using the Financial Statements**

The Recreation Center's financial reports include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

The statements are prepared in accordance with Governmental Accounting Standard Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. The financial statements are 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 an obligation has been incurred.

**Statement of Net Position**

The Statement of Net Position presents the financial condition of the Recreation Center at the end of the fiscal year and reports all assets and liabilities of the Recreation Center.

The amounts in these statements represent the assets available to continue the operations of the Recreation Center and identify the amount owed to vendors and other parties. The sum of assets and deferred outflows less liabilities and deferred inflows is net position. Net position is one indicator of the current financial condition of the Recreation Center.

**WADE KING STUDENT RECREATION CENTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2023 and 2022**

Below is a condensed view of the Statements of Net Position as of June 30, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>			
Current assets	\$1,051,425	\$827,357	\$1,044,359
Noncurrent assets	4,177,538	4,489,349	3,791,395
Capital assets, net	<u>15,482,515</u>	<u>16,427,194</u>	<u>17,380,024</u>
Total assets	<u>20,711,478</u>	<u>21,743,900</u>	<u>22,215,778</u>
<b>Deferred Outflows</b>	<u>451,184</u>	<u>408,270</u>	<u>427,848</u>
<b>Liabilities</b>			
Current liabilities	1,044,150	1,023,949	1,180,173
Noncurrent liabilities	<u>17,255,046</u>	<u>18,634,877</u>	<u>19,266,117</u>
Total liabilities	<u>18,299,196</u>	<u>19,658,826</u>	<u>20,446,290</u>
<b>Deferred Inflows</b>	<u>572,131</u>	<u>532,608</u>	<u>308,663</u>
<b>Net Position</b>			
Net investment in capital assets	(1,674,936)	(1,798,001)	(1,545,124)
Restricted for pensions	116,936	63,938	
Restricted for system renewal and replacements	3,277,348	3,277,348	3,212,596
Unrestricted	<u>571,987</u>	<u>417,451</u>	<u>221,201</u>
Total net position	<u><u>\$2,291,335</u></u>	<u><u>\$1,960,736</u></u>	<u><u>\$1,888,673</u></u>

The primary components in the asset category are cash, investments, receivables and capital assets. Total assets decreased \$1,032,422 (-4.7%) and \$471,878 (-2.1%) in FY 2023 and FY 2022, respectively.

Total cash and investments increased \$114,974 (2.4%) (see Note 2) and \$121,168 (2.5%) in FY 2023 and FY 2022, respectively, primarily due to increased revenue generated as the Recreation Center remained fully operational as the COVID-19 pandemic ended. In FY 2021, total cash and investments decreased \$71,676 primarily due to reductions in fees collected because of decreased enrollment. In FY 2023, current unrestricted cash and investments increased \$237,183 primarily due to the shift of long-term investments to short-term investments.

During FY 2023, the retirement plans managed by the Department of Retirement Systems (DRS) remained fully funded and as such, a net pension asset has been recorded compared to a net pension liability in FY 2021. The Recreation Center's share of the net pension asset is \$102,808 and \$283,509 for FY 2023 and FY2022, respectively (see Note 5).

FY 2023 saw a net decrease of \$944,679 (-5.8%) and a net decrease of \$952,830 (-5.5%) in FY 2021 in capital assets due to depreciation and no additional purchases of capital assets.

Current liabilities typically fluctuate depending on the timing of accounts payable payments and the receipt of deposits and revenue that is applicable to the next fiscal year. Current liabilities increased \$20,201 (2.0%) during FY 2023 but decreased \$156,224 (13.2%) in FY 2022 due to changes to accounts payable and unearned revenue balances and the current portion of the bonds payable.

Non-current liabilities decreased \$1,379,831 (-7.4%) in FY 2023 and \$631,240 (-3.3%) in FY 2022 mainly attributable to principal payments made on outstanding bonds (see Note 4) plus changes in pension and other postemployment benefits (OPEB) liabilities. The net pension liability increased \$8,734 (9.6%) while the OPEB liability decreased \$214,953 (-32.2%) during FY 2023, as opposed to a net pension liability decrease of \$51,719 and net OPEB liability increase of \$48,909 during FY 2022. These changes are primarily due to the fluctuations in the discount rate used for the OPEB calculation and the movement to net pension assets rather than liabilities as some DRS managed plans are fully funded.

The difference between assets and deferred outflows less liabilities and deferred inflows is net position. The change in net position measures whether the overall financial condition has improved or deteriorated during the year and is driven by the difference between revenues and expenses. Total net position increased \$330,599 (16.9%) and \$72,063 (3.8%) during FY 2023 and FY 2022, respectively.

Net Position – Net investment in capital assets increased by \$123,065 (6.8%) due to 2022 long-term debt restructuring. In FY 2022, net investment in capital assets decreased by \$252,877 (-16.4%) because the Recreation Center facility is being depreciated at a faster rate than the related debt is being repaid.

Net Position - Restricted for system renewals and replacements remained steady in FY 2023 and increased by \$64,752 (2.0%) during FY 2022. Funds for renewal and replacement are set aside according to the capital and maintenance plan required by the debt covenants. These funds are classified as restricted on the Statement of Net Position.

Net Position – Restricted for pensions increased \$52,998 and \$63,938 during FY 2023 and FY 2022, respectively, as a result of some of the DRS managed retirement plans being fully funded. This funding change created restricted net pension assets rather than unrestricted net pension liabilities.

Unrestricted net position increased by \$154,536 (37.0%) during FY 2023 and by \$196,250 (88.7%) in FY 2022 due to some of the DRS managed pension plans being fully funded combined with revenues being more than expenses.

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

The changes in Total Net Position, as presented on the Statement of Net Position, are detailed in the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. This statement presents the Recreation Center's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as operating or non-operating.

In general, operating revenues are those received for providing goods and services to the members of the Recreation Center, primarily students. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues. Non-operating revenues are monies received for which goods and services are not provided, such as investment income. Non-operating expenses include interest expense on outstanding debt and amortization of bond premium.

**WADE KING STUDENT RECREATION CENTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*June 30, 2023 and 2022*

Following is a condensed version of the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenues	\$ 4,597,741	\$ 4,544,302	\$ 3,674,920
Operating expenses	<u>(3,987,067)</u>	<u>(3,832,974)</u>	<u>(3,115,823)</u>
Income from operations	610,674	711,328	559,097
Nonoperating revenues	88,782	23,986	54,854
Nonoperating expenses	<u>(368,857)</u>	<u>(663,251)</u>	<u>(786,832)</u>
Increase in net position	<u>330,599</u>	<u>72,063</u>	<u>(172,881)</u>
Net position, beginning of year	<u>1,960,736</u>	<u>1,888,673</u>	<u>2,061,554</u>
Net position, end of year	<u><u>\$ 2,291,335</u></u>	<u><u>\$ 1,960,736</u></u>	<u><u>\$ 1,888,673</u></u>

**Revenues**

The Recreation Center's largest source of revenue is a \$109.46 per quarter mandatory service and activity (S&A) fee charged to each student taking six or more credits. This fee, called the "Student Recreation Fee," entitles use of the facility for those students taking six or more credits on WWU's main campus and is utilized for bond repayment as well as maintenance and operations within the facility. The revenue is net of an RCW required 3.5% allocation to an institutional financial aid fund (See Note 1). The academic yearly average (AYA) of students taking 6 or more credits decreased to 12,002 in FY 2023 from 12,190 in FY 2022 but was an increase from 11,992 in FY 2021. The decrease in mandatory service and activity fees from FY 2022 to FY 2023 was \$144,492 (-3.4%). The increase in Recreation Center revenue in FY 2022 was \$587,518 (16.1%) due to a full reopening of the Recreation Center for the entire fiscal year and a full fee collection. During FY 2021 there was a decrease in AYA, resulting primarily from the COVID-19 Summer and Fall 2020 closure and partial fee collection, which lowered fee revenue by \$472,693 (-11.5%) to \$3,639,598. The AYA does not include summer term.

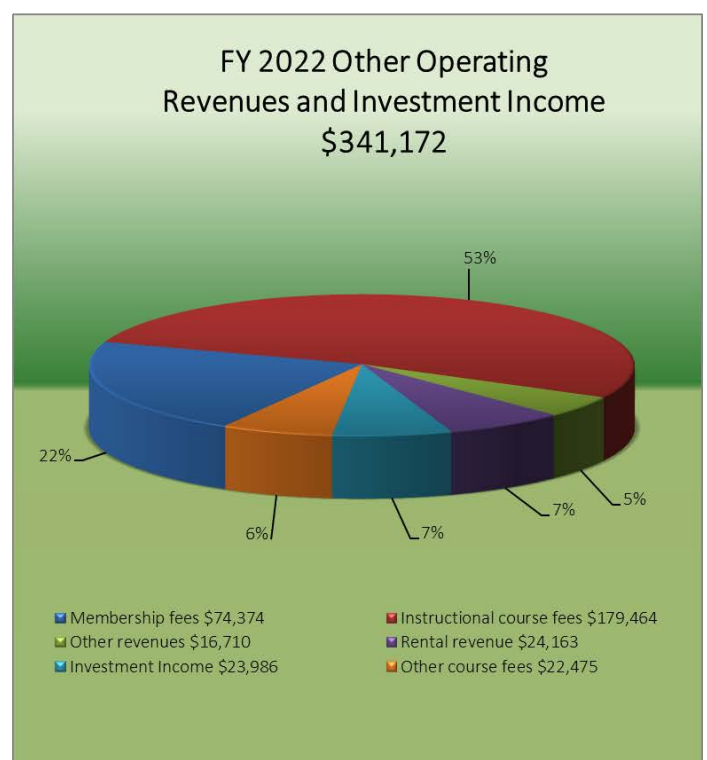
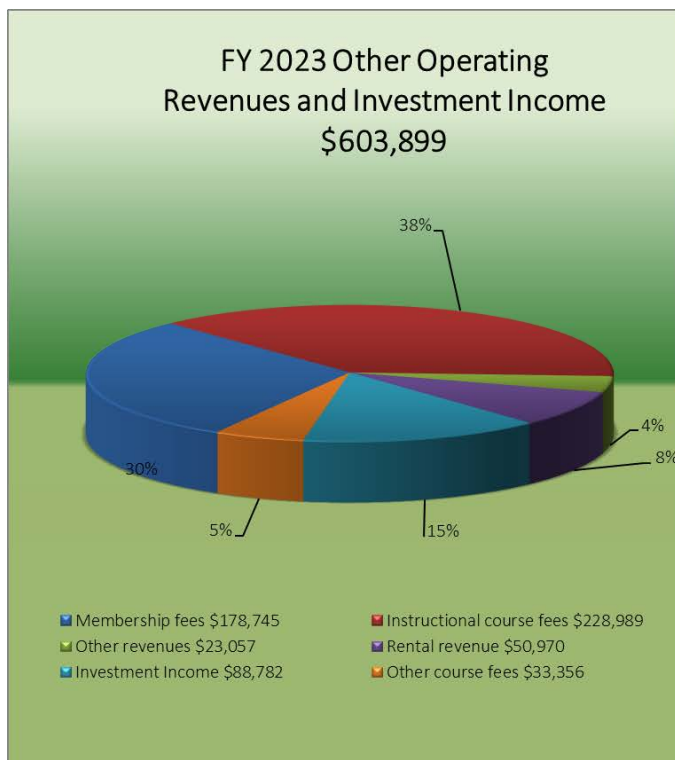
In addition to the mandatory student fee, the Recreation Center is supported by "Other Operating Revenues and Investment Income" as shown in the charts below.

Other students, faculty, staff, and alumni may pay a membership fee on a voluntary basis to gain access to the facility. This voluntary membership fee revenue increased dramatically by \$104,371 (140.3%) during FY 2023. This was attributed to a more normal year of supplemental membership sales. During FY 2022 there was an increase in membership revenue of \$74,277 (76,574.2%) due to a full year of supplemental memberships. Almost no revenue was collected during FY 2021 (\$97) as that revenue account decreased significantly by \$215,663 (-100.0%) from FY 2020. This is completely attributed to the decrease in membership from the closure of Spring 2020, Summer 2020 and Fall 2020 due to COVID-19.

In its second year of a full reopening of the Recreation Center, instructional course fees saw an increase in FY 2023 of \$49,525 (27.6%) and \$142,929 (391.2%) in FY 2022, which was the first full year of the Recreation Center reopening. This is a stark contrast from the decrease in FY 2021 of \$68,750 (-65.3%) due to the facility closure of Summer and Fall 2020. In addition, upon returning to reduced operations in Winter 2021, the Recreation Center was unable to deliver normal class instruction due to a reservation system use of the facility.

With another year of full operations, rental revenue again increased by \$26,807 (110.9%) in FY 2023. During the first COVID-19 recovery year of FY 2022, rental revenue increased significantly by \$25,313. This increase came on the heels of the previous refund year and closure of -\$1,150 from FY 2021. Rental revenue was nonexistent in FY 2021 due to facility closures and restrictions on use. With facility rental refunds given, the Recreation Center rental revenue decreased by \$35,418 (-103.4%) during FY 2021.

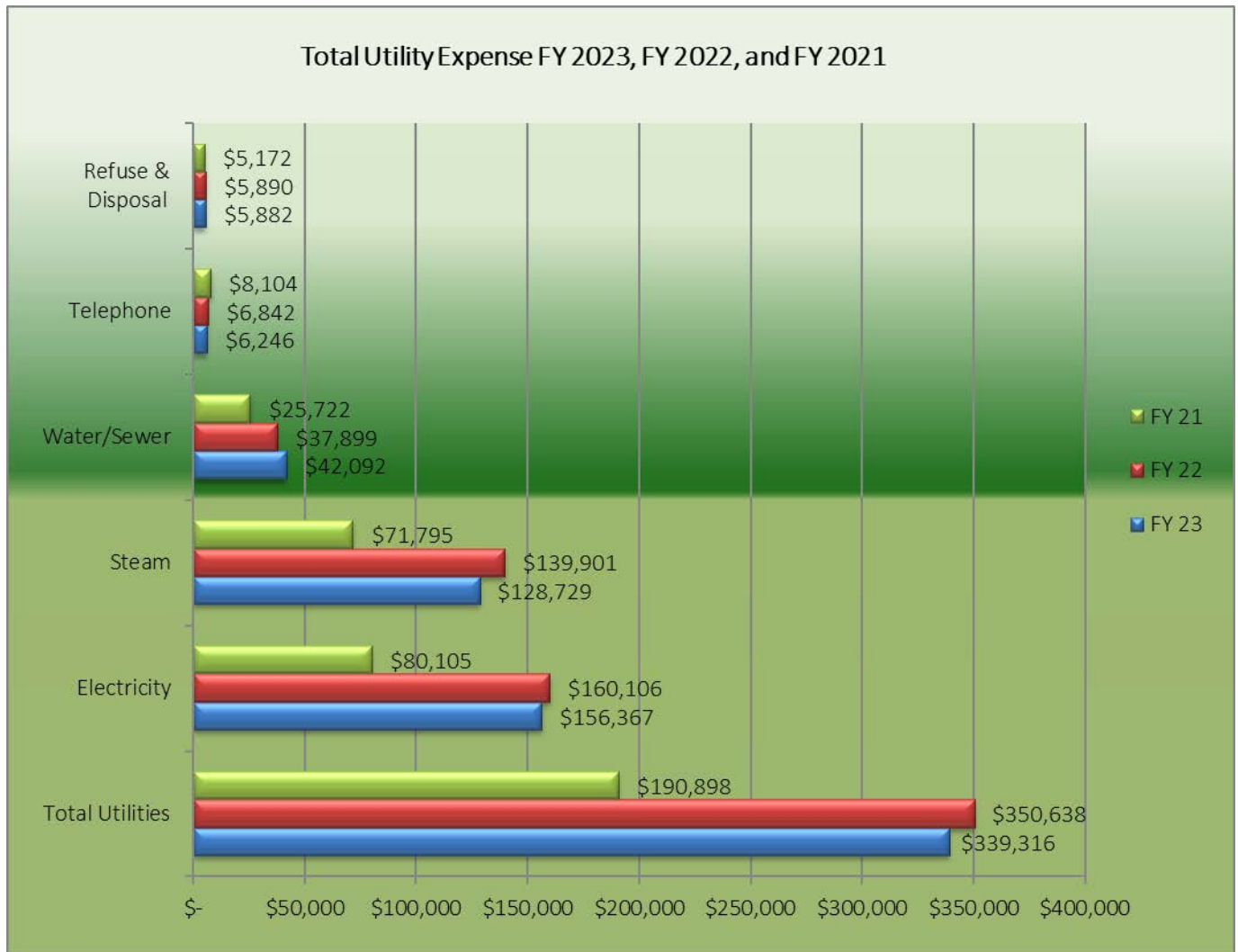
Other revenues were also eliminated in FY 2021 due to facility closures and restrictions on use. Those revenues decreased by \$98,124 (-100.2%) in FY 2021. During more normal conditions of FY 2022, other revenues increased by \$16,870 from a negative revenue of -\$160 in FY 2021 and by \$6,347 (38%) in FY 2023.



**Expenses**

The largest category of expenses for the Recreation Center is student and staff salaries and benefits expense. Salaries and benefits comprised 51.5% of the total operating expense in FY 2023 compared to 46.6% of the total operating expenses in FY 2022 and 36.4% in FY 2021. During FY 2023, salaries and benefits expense increased by \$269,079 (15.1%) and \$653,006 (57.6%) due to being at full employment. This is in contrast to the \$568,128 (-33.4%) decrease in salaries and benefits in FY 2021 due to a lack of student employment during the COVID-19 facility closure.

Total utility expenses decreased by \$9,860 (-2.8%) in FY 2023 due to typical fluctuation in year-to-year utility use. During FY 2022 utilities increased by \$159,740 (83.7%) due to a fully functional operational schedule. Total utility expenses decreased significantly at \$63,095 in FY 2021. This significant decrease in utility usage was due to a March 2020 – February 2021 closure of the Recreation Center related to the COVID-19 pandemic. The below graph provides information on the components of the utilities expense category.

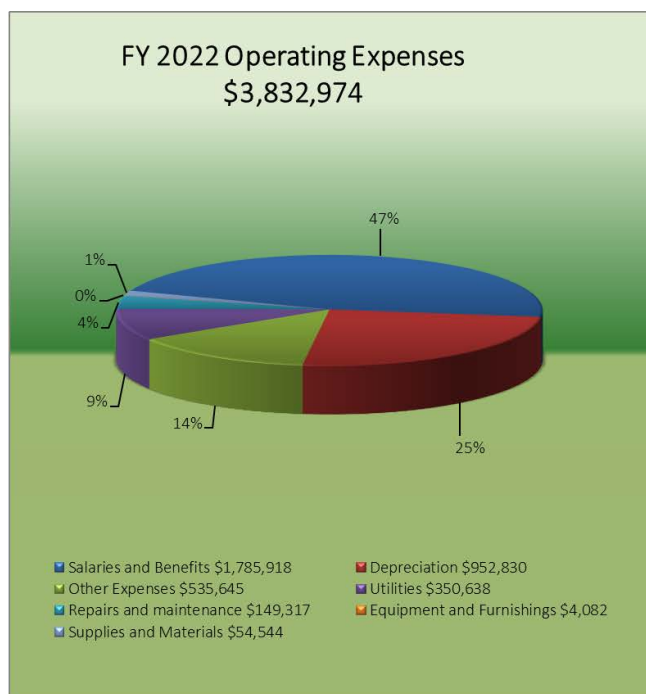
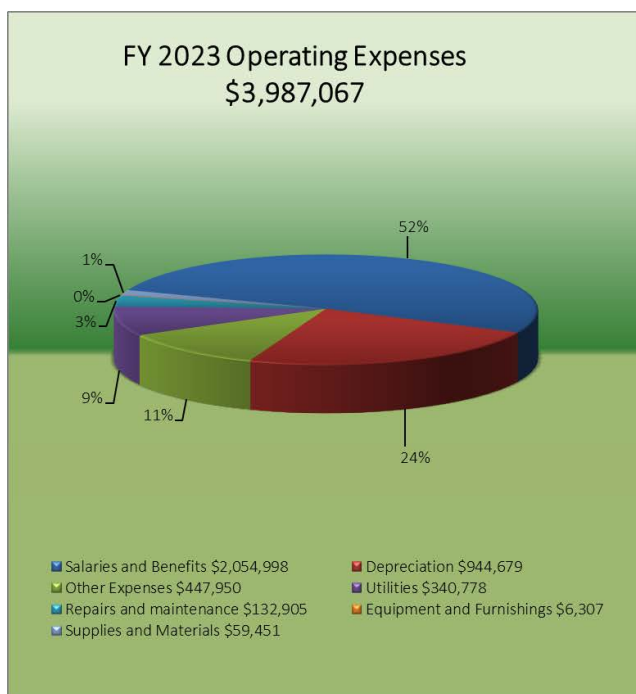


During FY 2022, the Recreation Center sought a more standard approach to repairs and maintenance. This approach dropped the repairs and maintenance numbers by \$289,763 (-66.0%) from FY 2021 to FY 2022 and \$16,412 (-11.0%) from FY 2022 to FY 2023. FY 2021 saw a \$227,686 (107.7%) increase in repairs and maintenance. Recreation Center management thought it prudent to conduct much needed maintenance on the building during an opportune COVID-19 closure.

The Recreation Center has an equipment replacement plan which budgets \$100,000 per year in equipment replacement and refurbishment. The anticipated budget spending of \$100,000 did not occur in FY 2017; therefore, it was reflected in FY 2018 as the Recreation Center spent \$273,875 (935.7%) more than in FY 2017 to catch up on its equipment needs from the previous two fiscal years. That “skip over” year occurred again in FY 2019 as the Recreation Center spent only \$51,987 (-82.9%) in equipment and furnishings. It should be noted that even though the Recreation Center was expected to have a larger equipment purchase in FY 2023, FY 2022 and FY 2021, this expense category was put on hold due to COVID-19 budget implications. The Recreation Center spent only \$6,307 (54.5%) and \$4,082 (261.2%) on equipment and furnishings in FY 2023 and FY 2022, respectively.

With a full reopening of the Recreation Center, it was necessary to purchase adequate supplies for the year. During FY 2022, the Recreation Center spent \$54,544, which was an increase of \$35,979 (193.8%) from FY 2021. A similar amount of money \$59,451 (9.0%) was spent on necessary supplies in FY 2023. Due to Spring 2020, Summer 2020 and Fall 2020 closures and budget implications due to COVID-19, supplies and materials spending was put on hold and spending decreased by \$26,914 (-59.2%) in FY 2021.

WWU's administrative services assessment (ASA) fee increased by \$3,666 (1.4%) and \$48,516 (22.8%) in FY 2023 and FY 2022, respectively. This increase was due to a full year of facility operations and revenue collection. This fee decreased by \$48,132 (-18.4%) in FY 2021. This is directly related to the decrease in revenue on which the assessment fee is assessed. The reduction in Summer 2020 and Fall 2020 revenue due to the COVID-19 closure directly affected the amount of ASA collected in FY 2021.



**Reserve Funds**

Bond covenants require an annual addition to the renewal and replacement (R&R) reserve based on management's assessment of the funding level necessary to maintain the facility over the long term. Management reaffirmed the Facilities Development and Operations lifecycle maintenance plan for major maintenance and building repair and increased the annual contribution to \$250,000 beginning in FY 2009 to meet anticipated building maintenance and repairs expenses. Due to reduced revenue from COVID-19 implications only \$75,000, \$50,000, and \$200,000 was placed into the R&R reserve, respectively for FY 2023, FY 2022 and FY 2021. This reduction is not seen as cause for concern since the closures effectively reduced the wear and tear on much of the facility. As of June 30, 2023, the total restricted and unrestricted R&R balance was \$3,664,303 compared to \$3,531,052 in FY 2022. The restricted funds must be used to improve or maintain the Recreation Center facility.

Management established an Operating Reserve in FY 2005 for unforeseen or extraordinary expenses. The reserve acts as an emergency fund for unplanned repairs, insurance deductibles, and as an operating cushion to cover unforeseen decreases in revenue. Reserve funds can also be designated for facility improvements beyond basic maintenance or for the purchase of new equipment. Due to the COVID-19 revenue impacts there was a need to transfer \$150,000 to support recreation center operations in FY 2021. No funds were used in FY 2023. There have



been no contributions to this reserve in the past three years. As of June 30, 2023, the Operating Reserve balance was \$1,001,214.

### **Financial Indicators**

Ratios can be helpful in evaluating the Recreation Center's financial health and performance. The debt service coverage ratios for FY 2023, 2022, and 2021 were 3.27, 2.85, and 2.29, respectively. Bond covenants require a debt service ratio of at least 1.25. This ratio is calculated by dividing total operating revenues and investment income by the actual annual debt service paid during the fiscal year on the outstanding revenue bonds. The debt service amounts for FY 2023, FY 2022 and FY 2021 were \$1,432,877, \$1,603,163, and \$1,629,625, respectively.

The Current ratio measures liquidity or the ability to meet current obligations with liquid assets. It is calculated by dividing current assets over current liabilities. For FY 2023, 2022, and 2021, this ratio was 110.54%, 108.49% and 88.49%, respectively.

The Return on Net Position indicates whether the Recreation Center is financially better off than in previous years by measuring total economic return. It is calculated by dividing the change in net position by total net position. For FY 2023, FY 2022 and FY 2021, that ratio was 14.09%, 3.68%, and -0.09%.

### **Utilization Rates**

The reporting of utilization rates during FY 2021 seems somewhat irrelevant, considering that the Recreation Center was closed 8 of the 12 months. In addition, once the building reopened, it served students on a very restricted reservation basis, limiting what once was 2,000 students a day to under 500. Comparing FY 2022 to FY 2020, before the complete COVID 19 closure, we see the total number of visits has decreased. The utilization as a percentage of students enrolled was 8,485 (69.6%) of the estimated 12,190 AYA enrolled students using the facility in FY 2022. Utilization increased in FY 2023 with 9,568 (79.7%) of the estimated 12,002 AYA enrolled students using the facility. The AYA does not include summer term. Utilization information is recorded in the Recreation Center's software system when students present their membership cards upon entry to the facility. Visits by members and non-members totaled only 284,620 during FY 2023 compared with 225,217 during FY 2022. The highest number of visits in a given day was recorded at almost 2,000 in FY 2023, which is an increase from the 1,600 in FY 2022.

### **Economic Factors That Will Affect the Future**

Overall enrollment is anticipated to be lower than normal in FY 2024 as we continue to recover from the COVID-19 pandemic. The Recreation Center will again rely on emergency funds from the Operations Reserve to offset any loss or shortfall in revenue. Furthermore, the Recreation Center will become more creative in terms of promoting supplemental revenue through new class offerings, rentals, and new recreational programs. Major repairs will be placed on hold for FY 2024 until we have an assessment of the economic impact of the anticipated lower enrollment. The Recreation Center Advisory Committee (RCAC) will likely seek to increase the mandatory recreation fee for FY 2025 to combat the rising operational costs, such as staff and student wages, utilities, maintenance.

**WADE KING STUDENT RECREATION CENTER**  
**STATEMENT OF NET POSITION**

*June 30, 2023 and 2022*

<b>Assets</b>	<b>2023</b>	<b>2022</b>
<b>Current assets</b>		
Cash and cash equivalents (Note 2)	\$248,613	\$301,314
Investments (Note 2)	744,605	454,721
Accounts receivable, net of allowance of \$6,728 in 2022 and \$5,931 in 2021	56,705	68,998
Prepaid Expenses	-	-
Inventory	1,502	2,324
Total current assets	<u>1,051,425</u>	<u>827,357</u>
<b>Noncurrent assets</b>		
Investments (Note 2)	600,433	851,276
Restricted cash and cash equivalents (Note 2)	530,618	613,520
Restricted investments (Note 2)	2,875,364	2,663,828
Capital assets, net (Note 3)	15,482,515	16,427,194
Net pension Assets (Note 5)	102,808	283,509
Other Assets	68,315	77,216
Total noncurrent assets	<u>19,660,053</u>	<u>20,916,543</u>
Total assets	<u>20,711,478</u>	<u>21,743,900</u>
<b>Deferred Outflows</b>		
Relating to pensions (Note 5)	164,896	104,895
Relating to OPEB (Note 6)	70,307	71,090
Deferred loss on bond refunding	215,981	232,285
Total deferred outflows	<u>451,184</u>	<u>408,270</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	11,222	11,797
Accrued wages and benefits	67,617	68,741
Unearned revenue	27,533	30,891
Interest payable	101,033	106,333
Current portion of Net OPEB liability (Note 6)	11,745	11,187
Current portion of bonds payable (Note 4)	825,000	795,000
Total current liabilities	<u>1,044,150</u>	<u>1,023,949</u>
<b>Noncurrent liabilities</b>		
Compensated Absences	153,307	212,871
Net pension liability (Note 4, 5)	99,689	90,955
Net OPEB liability (Note 6)	453,618	668,571
Bonds payable, less current portion (Note 4)	16,548,432	17,662,480
Total noncurrent liabilities	<u>17,255,046</u>	<u>18,634,877</u>
Total liabilities	<u>18,299,196</u>	<u>19,658,826</u>
<b>Deferred Inflows</b>		
Relating to pensions (Note 5)	193,056	377,437
Relating to OPEB (Note 6)	379,075	155,171
Total deferred inflows	<u>572,131</u>	<u>532,608</u>
<b>Net Position</b>		
Net investment in capital assets	(1,674,936)	(1,798,001)
Restricted for pensions	116,936	63,938
Restricted for system renewals and replacements	3,277,348	3,277,348
Unrestricted	571,987	417,451
Total net position	<u>\$2,291,335</u>	<u>\$1,960,736</u>

**WADE KING STUDENT RECREATION CENTER**  
**STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION**

*For the Years Ended*  
*June 30, 2023 and 2022*

	<u>2023</u>	<u>2022</u>
<b>Operating Revenues</b>		
Service and activity fees, net of mandatory transfer	\$4,082,624	\$4,227,116
Staff, faculty and alumni membership fees	178,745	74,374
Instructional course fees	228,989	179,464
Other course fees	33,356	22,475
Rental revenue	50,970	24,163
Other revenues	23,057	16,710
Total operating revenues	<u>4,597,741</u>	<u>4,544,302</u>
<b>Operating Expenses</b>		
Salaries and benefits	2,054,997	1,785,918
Depreciation	944,679	952,830
Utilities	340,778	350,638
Repairs and maintenance	132,905	149,317
Equipment and furnishings	6,307	4,082
Supplies and materials	59,451	54,544
Administrative assessment	265,397	261,731
Insurance	40,994	37,142
Other	141,559	236,772
Total operating expenses	<u>3,987,067</u>	<u>3,832,974</u>
Income from operations	610,674	711,328
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	88,782	23,986
Interest expense	(368,857)	(663,251)
Total nonoperating (expenses) revenues	<u>(280,075)</u>	<u>(639,265)</u>
Increase/(Decrease) in net position	330,599	72,063
<b>Net Position, Beginning of Year</b>	<u>1,960,736</u>	<u>1,888,673</u>
<b>Net Position, End of Year</b>	<u><u>\$2,291,335</u></u>	<u><u>\$1,960,736</u></u>

**WADE KING STUDENT RECREATION CENTER**  
**STATEMENT OF CASH FLOWS**

*For the Years Ended*  
*June 30, 2023 and 2022*

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Cash received from students and other customers	\$4,606,676.00	\$4,462,104
Payments to employees	(2,160,340)	(1,817,687)
Payments to suppliers	(987,144)	(1,087,306)
Net cash flows provided by operating activities	1,459,192	1,557,111
<b>Cash Flows from Investing Activities</b>		
Net (purchases)/ sales/ of investments in internal investment pool	(250,577)	(813,332)
Investment income received	88,782	23,986
Net cash flows provided by/(used in) investing activities	(161,795)	(789,346)
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from bond issue	-	18,498,407
Interest paid on capital debt	(638,000)	(589,929)
Principal paid on capital debt	(795,000)	(19,368,407)
Net cash used in capital and related financing activities	(1,433,000)	(1,459,929)
Net (decrease)/increase in cash and cash equivalents	(135,603)	(692,164)
Cash and cash equivalents, beginning of year	914,834	1,606,998
Cash and cash equivalents, end of year	\$779,231	\$914,834
<b>Reconciliation of Operating Income to Net Cash Provided to Operating Activities</b>		
Income from operations	\$610,673	\$711,328
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	944,679	952,830
Change in operating assets and liabilities		
Accounts receivable	12,293	735
Accounts payable, accrued expenses, salaries and benefits	(61,263)	45,274
Prepaid Expense	-	45
Unearned revenue	(3,358)	(82,933)
Pension and OPEB liabilities and related deferred outflows and inflows of resources	(44,654)	(70,329)
Inventory	822	161
Net cash flows provided by operating activities	\$1,459,192	\$1,557,111

**NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Western Washington University Wade King Student Recreation Center (the Recreation Center) is a self-supporting, auxiliary enterprise of Western Washington University (WWU). The Recreation Center is an open recreation fitness and wellness facility for the benefit of eligible students and associated members of WWU. The facility includes a lap/leisure pool and a whirlpool, a three-court gym with elevated running track, a multi-activity court, a rock-climbing wall, weight, and cardio areas, two group exercise/aerobic rooms, locker rooms, an injury rehabilitation room, a retail food service and lounge area, a conference room, and administrative offices for the Department of Campus Recreation. The Recreation Center is located on WWU's main campus and is supported by a service and activity fee assessed to students quarterly. In addition, memberships are available for purchase by faculty/staff, alumni, and others closely associated with WWU.

The facility was named in memory of Wade King, a 10-year-old who died in 1999 in a pipeline explosion in Bellingham. Prior to FY 2011, Wade King's parents, Frank and Mary King, pledged a lifetime gift of \$50,000 per year to the Western Washington University Foundation, a related party, restricted for support to ensure continued quality facilities and programs at the Recreation Center. The Recreation Center requests funds from the Western Washington University Foundation when expenditures are incurred. This gift has been restructured to an estate gift.

Financial Statement Presentation

The financial statements are presented in accordance with generally accepted accounting principles and follow the guidance given by the Governmental Accounting Standards Board (GASB). These statements are special purpose reports reflecting the net position, results of operations and cash flows of the Recreation Center. These statements present only a selected portion of the activities of WWU. As such, they are not intended to and do not present either the financial position, results of operations, or changes in net position of WWU.

Basis of Accounting

The Recreational Center'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 an obligation has been incurred.

Cash, Cash Equivalents, and Investments

WWU records all cash, cash equivalents and investments at fair value. To maximize investment income, WWU combines funds from all departments into an investment pool. The Recreation Center records their share of cash, cash equivalents and investments in the same relation as WWU investment pool itself. Investment income is allocated to the Recreation Center in proportion to its average balance in the investment pool.

Inventory

Inventory consists primarily of athletic and other supplies. Inventory is stated at the lower of cost (first-in, first-out method) or market.

Accounts Receivable

Receivables are recorded at their principal balances and are due primarily from WWU students. The Recreation Center considers all accounts greater than 30 days old to be past due and uses the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is written off against the allowance.

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023 and 2022**

Management determined that an allowance of \$9,643 and \$6,728 as of June 30, 2023, and 2022 respectively, is adequate.

**Capital Assets, Net**

The building used for the Recreation Center's operations is located on WWU's Bellingham campus. Building and equipment are stated at cost, net of accumulated depreciation. The Recreation Center capitalizes any expenditure for buildings, improvements, and equipment that have a cost of at least \$5,000 and an estimated useful life of more than one year. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets, forty years for buildings and five to seven years for equipment.

**Deferred Outflows of Resources and Deferred Inflows of Resources-Bond Refunding**

The Recreation Center classifies losses on retirement of debt as deferred outflows of resources and amortizes such amounts as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter.

Changes in net pension liability, assets, and OPEB not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions, subsequent to the measurement date of the net pension liabilities, are reported as deferred outflows of resources.

**Unearned Revenue**

Summer quarter, which is the first quarter of WWU's fiscal year, begins shortly before June 30. The majority of the cash received for service and activity fees related to summer session are recorded as unearned revenue until the following fiscal year when the revenue is earned.

**Compensated Absences**

The accrued leave balances as of June 30, 2023, and 2022 are \$153,307 and \$212,871, respectively. This consists of unused vacation leave and compensatory time earned for exempt professionals and classified staff. It also includes a percentage of earned and unused sick leave for exempt professionals and classified staff. For reporting purposes, the entire balance of accrued leave is considered a noncurrent liability as more leave is accrued than what is used.

**Cost-Sharing Pensions Plans**

The net pension asset or liability is measured as the Recreation Center's proportionate share of the collective total pension liability, less the fiduciary net position, of the cost-sharing pension plans in which the Recreation Center participates. The total pension liability is determined by discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits. The Recreation Center's proportionate share is determined based on the relationship of the Recreation Center's contributions to total contributions to the plan by all participating employers. Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. Differences between expected and actual investment returns are reported as deferred inflows of resources or deferred outflows of resources and are recognized over five years.

Contributions made to the plan subsequent to the measurement date and prior to the University's fiscal year-end are reported as a deferred outflow of resources and recognized in the subsequent fiscal year. The measurement date for the net pension asset or liability is June 30 of the prior fiscal year.

Single Employer Pension Plan (WWU Supplemental Retirement Plan)

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, the Recreation Center is unable to modify the terms of the plan.

Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the Department of Retirement Systems will assume those duties in accordance with RCW 41.50.280. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the WWUSRP. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component unit of WWU.

The net pension liability is determined by discounting projected benefit payments for current participants and retirees, based on the benefit terms and legal agreements existing at the pension plan's fiscal year-end. The discount rate used for the total pension liability as of June 30, 2022, reflects the expected rate of return on investments, to the extent that plan assets are available to pay retiree benefits. The discount rate used for the net pension liability as of June 30, 2021, is the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average credit rating of AA/Aa or higher. The WWUSRP liability as of June 30, 2022, represents the total pension liability less the plan's fiduciary net position. The WWUSRP liability as of June 30, 2021, represents the total pension liability. Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors, are reported as deferred inflows of resources or deferred outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. Differences between expected and actual investment returns are reported as deferred inflows of resources or deferred outflows of resources and are recognized over five years. The measurement date for the WWUSRP liability is the same as the Statements of Net Position date.

Other Post-Employment Benefits (OPEB)

The total OPEB liability is measured as the Recreation Center's proportionate share of the state of Washington total OPEB liability, with the proportionate share determined based on the relationship of the Recreation Center's healthcare-eligible headcount to the total healthcare-eligible headcount for the state. The total OPEB liability is determined by discounting projected benefits subsidies for current employees and retirees based on the discount rate required by GASB Statement No. 75 for OEB plans that do not have assets residing in a qualified trust. OPEB expense is recognized for subsidies earned for the period, interest on the total OPEB liability and changes in benefit terms. Differences between expected and actual experience, and changes in assumptions about future economic or demographic factors are reported as deferred inflows of resources or deferred outflows of resource, and are recognized over the average expected remaining service period for the healthcare-eligible employees. Contributions made to the plan subsequent to the measurement date and prior to the Recreation Center's fiscal year-end are reported as a deferred outflow or resources, and recognized in the subsequent fiscal year. The measurement date for the total OPEB liability is June 30 of the prior fiscal year.

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023 and 2022**

**Net Position**

The Recreation Center's net position is classified as follows:

*Net investment in capital assets.* This represents the Recreation Center's total investment in capital assets, net of outstanding debt obligations related to those capital assets as well as unamortized bond issue costs. The deficit in this net position relates to depreciation expense exceeding the principal reduction on the outstanding bonds.

*Restricted for pensions.* Restricted net position represents resources restricted for pensions. This is calculated as follows: Net pension assets plus deferred outflows minus deferred inflows for those associated retirement plans that have net pension assets.

*Restricted for system renewals and replacements.* Restricted net position represents resources restricted in accordance with bond covenants for system renewals and replacements. Restricted assets are used in accordance with their requirements and where both unrestricted and restricted resources are available for use, unrestricted resources are used first and restricted resources only when the specific use arises.

*Unrestricted net position.* Unrestricted net position represents resources derived from operations and investing activities along with operating reserves established for future replacement of assets.

**Classification of Revenues and Expenses**

The Recreation Center has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating revenue includes activities that have the characteristics of exchange transactions, such as service and activity fees charged to students, staff, faculty, and alumni membership fees, and instructional course fees. Operating expenses are those costs incurred in daily operations, such as salaries, utilities, and depreciation.

Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as investment and gift income. Non-operating expenses include costs related to financing or investing activities such as interest on indebtedness.

**Student Recreation Center Fee, net of mandatory transfer.**

Per Revised Code of Washington Section 28B.15.820, WWU is required to transfer a minimum of 3.5% of revenues collected from tuition and services and activities fees into an institutional financial aid fund. The revenue shown on these statements is net of the 3.5% transfer.

This fund is only to be used to fund short- or long-term loans and grants to students in need. Service and activity fee revenue is reported net of this transfer.

**Bond Premiums**

Bond premiums are deferred and amortized over the term of the bonds using the effective interest method. The remaining balances of bond premiums are presented as an increase of the face amount of bonds payable.

**Administrative Assessment**

WWU provides support to the Recreation Center through cash and bond debt management, accounting, purchasing and disbursing services, risk management, human resources and other support services. The effects of these transactions are included as operating expenditures in these financial statements. The amount paid was



**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

\$265,397 and \$261,731 for years ended June 30, 2023, and 2022, respectively, and is based on 5.775% of revenues.

Tax Exemptions

WWU, and the Recreation Center as an auxiliary enterprise, are a tax-exempt instrumentality of the State of Washington under Section 115(a) of the Internal Revenue Code and are exempt from federal taxes on related income.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The Recreation Center's operating cash is part of WWU's internal investment pool. The pool is invested in demand deposits, time certificates of deposit, the Washington State Local Government Investment Pool (LGIP), corporate notes, commercial paper and U.S. Treasury and Agency securities. Bank balances (including time certificates of deposit) are insured by the Federal Deposit Insurance Corporation (FDIC) or by a collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

Credit (Quality) Risk

Credit risk is the risk that an issuer or other counterparty will not fulfill its obligations. Per Statute and policy, minimum ratings for all other investments by Standard & Poor's/Moody's respectively are as follows: corporate notes, A-/A3; commercial paper, A1+/P1; municipals, A-/A3; supranationals, AA-/AaA3; and US Treasury and Agency securities, AA+/Aaa.

WWU manages its exposure to fair value losses in the internal investment pool by targeting the portfolio duration to 2.25 years and limiting the weighted average maturity to a maximum of three years. WWU generally does not invest operating funds in securities maturing more than five years from the date of purchase.

Fair Value Measurement and Application

Fair value measurement and application establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

The three levels of the fair value hierarchy are described as follows:

- Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;
- Level 3 - Unobservable inputs that are significant to the fair value measurement.

The Recreation Center's investment in WWU's pool includes \$3,405,981 restricted for renewals and replacements.

Fair Value Measurements as of June 30, 2023 using:						
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total	Weighted Average Maturity (in years)	
Cash and Cash Equivalents	\$779,231	\$ -	\$ -	\$779,231	0.003	
Investments						
Corporate	565,618	-	-	565,618	2.673	
Certificates of deposit	185,698	-	-	185,698	0.541	
Municipals	278,462			278,462	2.792	
SupraNationals	197,810			197,810	2.973	
U.S. Treasuries	-	2,145,188	-	2,145,188	1.170	
U.S. Agencies	-	847,626	-	847,626	0.628	
	<u>\$2,006,819</u>	<u>\$ 2,992,814</u>	<u>\$ -</u>	<u>\$4,999,633</u>		

Fair Value Measurements as of June 30, 2022 using:						
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total	Weighted Average Maturity (in years)	
Cash and Cash Equivalents	\$914,834	\$ -	\$ -	\$914,834	0.003	
Investments						
Corporate	321,108	-	-	321,108	1.582	
Certificates of deposit	176,751	-	-	176,751	1.541	
Municipals	107,053			107,053	2.751	
SupraNationals	64,592			64,592	1.647	
U.S. Treasuries	-	2,927,675	-	2,927,675	2.485	
U.S. Agencies	-	372,646	-	372,646	1.793	
	<u>\$1,584,338</u>	<u>\$ 3,300,321</u>	<u>\$ -</u>	<u>\$4,884,659</u>		

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

**NOTE 3. CAPITAL ASSETS, NET**

The depreciation expense for the years ended June 30, 2023, and 2022 was \$944,679 and \$952,830, respectively.

Following are the changes in capital assets for the years ended June 30, 2023, and 2022:

	June 30, 2022	Additions	Reductions	June 30, 2023
Depreciable				
Building	\$27,947,761	\$ -	\$ -	\$ 27,947,761
Equipment	453,608	-	-	453,608
Improvements	<u>3,357,078</u>	<u>-</u>	<u>-</u>	<u>3,357,078</u>
	31,758,447	-	-	31,758,447
Less accumulated depreciation	<u>(15,331,253)</u>	<u>(944,679)</u>	<u>-</u>	<u>(16,275,932)</u>
Capital assets, net	<u>\$16,427,194</u>	<u>\$ (944,679)</u>	<u>\$ -</u>	<u>\$ 15,482,515</u>

	June 30, 2021	Additions	Reductions	June 30, 2022
Depreciable				
Building	\$27,947,761	\$ -	\$ -	\$ 27,947,761
Equipment	453,608	-	-	453,608
Improvements	<u>3,357,078</u>	<u>-</u>	<u>-</u>	<u>3,357,078</u>
	31,758,447	-	-	31,758,447
Less accumulated depreciation	<u>(14,378,423)</u>	<u>(952,830)</u>	<u>-</u>	<u>(15,331,253)</u>
Capital assets, net	<u>\$17,380,024</u>	<u>\$ (952,830)</u>	<u>\$ -</u>	<u>\$ 16,427,194</u>

**NOTE 4. NON-CURRENT LIABILITIES**

The Recreation Center issued \$15,950,000 in Revenue and Refunding Bonds, Series 2012, on February 1, 2022. The bonds bear interest rates of 4.0% and mature annually until 2037. The bonds have an aggregate face amount of \$15,155,000 and \$15,950,000 as of June 30, 2023, and 2022, which is reported net of the unamortized original issue premium of \$2,218,432 and \$2,507,480, respectively.

Current Refunding

On February 1, 2022, the Recreation Center issued \$15,950,000 in Series 2022 revenue and refunding bonds to refund and restructure all or a portion of the debt service that will be due and payable with respect to outstanding Series 2012 bonds with a par amount of \$18,985,000 and 4% interest rate. The Series 2022 bonds will have a gross debt service savings of \$2,943,687 and an economic gain of \$2,553,456.

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

Aggregate maturities or payments required for principal and interest under bond obligations for each of the succeeding five fiscal years and thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2024	825,000	606,200	1,431,200
2025	865,000	573,200	1,438,200
2026	900,000	538,600	1,438,600
2027	935,000	502,600	1,437,600
2028	970,000	465,200	1,435,200
2029-2033	5,465,000	1,711,400	7,176,400
2034-2037	5,195,000	529,600	5,724,600
	<u>15,155,000</u>	<u>4,926,800</u>	<u>20,081,800</u>
Plus unamortized premium	2,218,432		
Total	<u>\$17,373,432</u>	<u>\$4,926,800</u>	<u>\$20,081,800</u>

Following are the changes in liabilities:

	<u>Beginning Bal 6/30/2022</u>	<u>Additions/ Amortizations</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance 6/30/2023</u>	<u>Current Portion</u>
Non-current Liabilities					
BONDS PAYABLE:					
Series 2022 Revenue Refunding Bonds, net of unamortized original issue premium of \$2,150,118 at June 30, 2023	\$18,457,480	(\$289,048)	\$ (795,000)	\$17,373,432	\$825,000
Compensated Absences	212,871		59,564	153,307	
Net Pension Liability	90,955	8,734	-	99,689	
OPEB Liability	679,758		214,395	465,363	11,745
Total Non-current Liabilities	<u>\$19,441,064</u>	<u>(\$280,314)</u>	<u>(\$521,041)</u>	<u>\$18,091,791</u>	<u>\$836,745</u>

	<u>Beginning Bal 6/30/2021</u>	<u>Additions/ Amortizations</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance 6/30/2022</u>	<u>Current Portion</u>
Non-current Liabilities					
BONDS PAYABLE:					
Series 2012 Revenue Refunding Bonds, net of unamortized original issue premium of \$200,058 at June 30, 2021	\$19,185,058	(\$19,742)	(\$19,165,316)	\$ -	\$ -
Series 2022 Revenue Refunding Bonds, net of unamortized original issue premium of \$2,430,265 at June 30, 2022		\$18,457,480		\$18,457,480	\$795,000
Compensated Absences	188,723	24,148	-	212,871	
Net Pension Liability	142,674		(51,719)	90,955	
OPEB Liability	619,662	48,909	-	679,758	11,187
Total Non-current Liabilities	<u>\$20,136,117</u>	<u>\$18,510,795</u>	<u>(\$19,217,035)</u>	<u>\$19,441,064</u>	<u>\$806,187</u>

In accordance with resolutions of the Board of Trustees, WWU sold the Recreation Center Bonds to investors who have a first lien on and are to be paid solely from the gross revenue from the operation of the Recreation Center.

The amounts and limitations of this pledge are set forth in the resolutions of the Board of Trustees. The bond covenants require that the Recreation Center transfer monies each year to an account held as restricted net position for renewals and replacements of the facilities.

**NOTE 5. PENSION PLAN**

WWU offers four contributory pension plans: 1) the Washington State Public Employees' Retirement System (PERS) plans, 2) the Washington State Teachers Retirement System (TRS) plans, 3) the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) plan and 4) the Western Washington University Retirement plan (WWURP).

Recreation Center employees in eligible positions are participants in PERS and WWURP plans. The PERS is a cost sharing multiple employer defined benefit pension plans administered by the State of Washington Department of Retirement Systems (DRS). The WWURP is a single employer defined contribution plan with a supplemental defined benefit plan component currently administered by WWU.

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, WWU is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the DRS will assume those duties in accordance with RCW 41.50.280. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component of WWU. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the WWUSRP.

The Recreation Center's proportionate share of WWU's share of the total net unfunded liabilities associated with the defined-benefit pension plans administered by the DRS was \$59,295 as of June 30, 2023 and \$27,035 as of June 30, 2022. The liability associated with the defined-benefit pension plan administered by WWU was \$49,287 as of June 30, 2023 and \$63,921 as of June 30, 2022. The total pension expense recorded by the Recreation Center related to both the DRS and University plans was \$(3,643) and \$(70,725) for the years ended June 30, 2023, and 2022, respectively.

**PLANS ADMINISTERED BY DEPARTMENT OF RETIREMENT SYSTEMS**

**PLAN DESCRIPTION:**

**Public Employees' Retirement System**

PERS retirement benefit provisions are contained in chapters 41.34 and 41.40 of the Revised Code of Washington (RCW). PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting

purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. PERS members include higher education employees not participating in other higher education retirement programs.

### **Teachers' Retirement System**

TRS retirement benefit provisions are contained in chapters 41.32 and 41.34 of the Revised Code of Washington (RCW). 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 combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members. TRS eligibility for membership requires service as a certificated public-school employee working in an instructional, administrative or supervisory capacity.

### **VESTING AND BENEFITS PROVIDED:**

#### **PERS Plan 1 and TRS Plan 1**

PERS Plan 1 and TRS Plan 1 provide retirement, disability, and death benefits to eligible members. Both plans are closed to new entrants. All members are vested after the completion of five years of eligible service. The monthly benefit is 2.0% of the average final compensation (AFC) for each year of service credit, up to a maximum of 60.0%. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

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. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3% annually. To offset the cost of this annual adjustment, the benefit is reduced. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

#### **PERS Plan 2/3 and TRS Plan 2/3**

PERS 2/3 and TRS Plan 2/3 provide retirement, disability and death benefits. PERS Plan 2 and TRS Plan 2 members are vested after completing five years of eligible service. PERS Plan 3 and 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. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Defined Retirement benefits are determined as 2.0% of the member's AFC times the member's years of service for Plan 2 and 1.0% of the AFC times the member's years of service for Plan 3. The AFC is the average of the member's 60 highest paid consecutive months. There is no cap on years of service credit.

Members are eligible for normal retirement at the age of 65 with five years of service. Members have the option to retire early with reduced benefits. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3% annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

FIDUCIARY NET POSITION:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plans fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans. These pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB- adopted investment policies for the various asset classes in which the WSIB invests. Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, and TRS systems and plans was funded by an employer rate of 0.18% of employee salaries.

The DRS prepares a stand-alone financial report that is compliant with the requirements of Statement 67 of the Governmental Accounting Standards Board. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <https://www.drs.wa.gov/news/>.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the Recreation Center's financial statements.

The total pension liability for each of the plans was determined using the most recent actuarial valuation completed by the Washington State Office of the State Actuary (OSA). WWU's 2023 pension liability is based on the OSA valuation performed as of June 30, 2022, with a valuation date of June 30, 2021. Besides the discount rate, the actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS employer-resource GASB webpage. These assumptions reflect the results of OSA's 2013-2018 Demographic Experience Study Report and the 2021 Economic Experience Study.

The following actuarial assumptions have been applied to all prior periods included in the measurement:

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

Mortality rates were developed using the Society of Actuaries’ Pub.H-2010 mortality rates as the base table. OSA applied age offsets, 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. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member’s lifetime.

OSA selected a 7.00% long-term expected rate of return on pension plan investments using a building block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

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

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

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

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, 2022, are summarized in the following table:

<u>2023 - Measurement date 2022</u>		
Asset Class	Target Allocation	Long-Term
		Expected Rate of Return
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
<b>Total</b>	<b>100%</b>	

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



**DISCOUNT RATE:**

The discount rate used to measure the total pension liabilities was 7.00%, the same as the prior measurement date. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan’s fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.00% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.00% future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and TRS 2/3 employers whose rates include a component for the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liabilities). Based on those assumptions, the various pension plan’s fiduciary net positions were 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% on pension plan investments was applied to determine the total pension liability for each plan.

**SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:**

The following table presents the Recreation Center’s net pension liability/(asset) position by plan calculated using the discount rate of 7.00%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1.0% point lower (6.00%) or 1.0% point higher (8.00%) than the current rate.

Discount Rate Sensitivity - Net Pension Liability (Asset)						
(\$ in thousands)						
Plan	2023					
	Current					
	1% Decrease	Discount Rate		1% Increase		
	6.0%	7.0%		8.0%		
PERS 1	\$	79	\$	59	\$	42
PERS 2/3		121		(103)		(287)

**EMPLOYER CONTRIBUTION RATES:**

Employer contribution rates are developed in accordance with Chapter 41.45 of the RCW by the OSA. The statute provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates.

**WADE KING STUDENT RECREATION CENTER  
NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

**Required Contribution Rates**

The required contribution rates expressed as a percentage of current year covered payroll are shown below. The University and the employees made the required contributions.

	<b>Contribution Rates</b>									
	7/1/2021 thru 8/31/2021			9/1/2021 thru 8/31/2022			9/1/2022 thru 6/30/2023			
	Employee		University	Employee		University	Employee		University	
<b>PERS</b>										
Plan 2	6.36%		10.25%	6.36%		10.25%	6.36%		10.39%	
Plan 3	5.00-15.00%	**	10.25% *	5.00-15.00%	**	10.25% *	5.00-15.00%	**	10.39%	*

PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability (UAAL)

\* Plan 3 defined benefit portion only.

\*\* Variable from 5% to 15% based on rate selected by the member.

University contribution rate includes an administrative expense rate of 0.0018.

The University's required contributions for the years ending June 30 are as follows:

<b>PERS</b>	<b>Required Contributions</b>	
	<b>FY 2022</b>	<b>FY 2023</b>
Plan 2	\$ 26,115	\$ 30,935
Plan 3	9,318	7,527

**RECREATION CENTER PROPORTIONATE SHARE AND AGGREGATED BALANCES:**

Collective pension amounts are determined as of a measurement date, which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities recorded by the Recreation Center as of June 30, 2023, and 2022 was June 30, 2022, and 2021 (one year in arrears.) Employer contributions received and processed by the DRS during the measurement date fiscal year have been used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in their fiscal year ended June 30 Schedules of Employer and Non-employer Allocations. The Recreation Center's proportional share of WWU's share from DRS of the aggregated balance of net pension liabilities as of June 30, 2023, and June 30, 2022, is presented in the table below.

Proportionate Share of WWU's share	PERS 1	PERS 2/3
2023	0.7502%	0.7502%
2022	0.7504%	0.7522%

**Aggregate Pension Amounts**

	PERS 1	PERS 2/3
Net Pension Liability (Asset) June 30, 2023	\$ 59,295	\$ (102,808)
Net Pension Liability (Asset) June 30, 2022	\$ 27,035	\$ (283,509)

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

***June 30, 2023 and 2022***

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize the Recreation Center’s expense, deferred outflows of resources and deferred inflows of resources related to the DRS pension plans, together with the related future year impacts to pension expense from amortization of those deferred amounts. Note that deferred outflows of resources related to the Recreation Center’s contributions, subsequent to the measurement date, are recognized as a reduction of the net pension liability in the following year and are not amortized to pension expense.

Proportionate Share of Pension Expense (Income)				
	PERS 1	PERS 2/3	Total	
Year Ended June 30, 2023	\$ 25,137	\$ (33,920)	\$ (8,782)	
Year Ended June 30, 2022	\$ (3,713)	\$ (62,649)	\$ (66,362)	

Amounts reported as deferred outflows of resources, exclusive of contributions subsequent to the measurement date, and deferred inflows of resources will be recognized in pension expense in future periods as follows:

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

Deferred Outflows of Resources			
2023	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 25,473	\$ 25,473
Changes of assumptions	-	57,301	57,301
Change in proportion	-	1,558	1,558
Contributions subsequent to the measurement date	13,917	24,544	38,461
TOTAL	\$ 13,917	\$ 108,876	\$ 122,793

Deferred Inflows of Resources			
2023	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 2,327	\$ 2,327
Changes of assumptions	-	15,003	15,003
Net difference between projected and actual earnings on pension plan investments	9,827	76,006	85,833
Change in proportion	-	1,410	1,410
TOTAL	\$ 9,827	\$ 94,747	\$ 104,574

Amortization of Deferred Outflows and Deferred Inflows of Resources			
YEAR	PERS 1	PERS 2/3	Total
2024	\$ (4,159)	\$ (23,744)	\$ (27,903)
2025	(3,777)	(20,856)	(24,633)
2026	(4,738)	(25,159)	(29,897)
2027	2,847	34,945	37,792
2028	-	12,244	12,244
Thereafter	-	12,156	12,156
TOTAL	\$ (9,827)	\$ (10,414)	\$ (20,241)

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

Deferred Outflows of Resources			
2022	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 13,770	\$ 13,770
Changes of assumptions	-	414	414
Change in proportion	-	1,021	1,021
Contributions subsequent to the measurement date	13,051	22,382	35,433
<b>TOTAL</b>	<b>\$ 13,051</b>	<b>\$ 37,587</b>	<b>\$ 50,638</b>

Deferred Inflows of Resources			
2022	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 3,476	\$ 3,476
Changes of assumptions	-	20,134	20,134
Net difference between projected and actual earnings on pension plan investments	30,000	236,947	266,948
Change in proportion	-	2,066	2,066
<b>TOTAL</b>	<b>\$ 30,000</b>	<b>\$ 262,623</b>	<b>\$ 292,623</b>

PLANS ADMINISTERED BY WESTERN WASHINGTON UNIVERSITY

**Western Washington University Retirement Plan (WWURP)**

PLAN DESCRIPTION:

The WWURP is a defined contribution single employer pension plan with a supplemental payment when required. The plan covers faculty, professional staff, and certain other employees. It is administered by WWU. WWU's Board of Trustees is authorized to establish and amend benefit provisions.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees, at all times, have a 100% vested interest in their accumulations. The number of participants in the WWURP as of June 30, 2023 and 2022 was 1,168 and 1,154 respectively.

FUNDING POLICY:

Employee contribution rates, which are based on age, range from 5% to 10% of salary. WWU matches 100% of the employee contributions. All required employer and employee contributions have been made and the breakdown of the Recreation Center's proportional share of the WWURP contributions are included in the table below for the years ended June 30.

**WADE KING STUDENT RECREATION CENTER  
NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

<b>Rec Center</b>	<b>2023</b>		<b>2022</b>	
Contributions made by:				
Employees	\$	43,837	\$	42,552
University		43,843		42,467

**Western Washington University Supplemental Retirement Plan (WWUSRP)**

PLAN DESCRIPTION:

The WWUSRP, the supplemental component of the WWURP plan, is a defined benefit plan currently administered by WWU and operates in tandem with the WWURP defined contribution pension plan to supplement the expected defined-contribution retirement savings accumulated under the WWURP. The plan covers faculty and certain other positions. The WWUSRP, the supplemental component of the WWURP, was closed to new entrants as of July 1, 2011. For purposes of measuring the June 30, 2021 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WWUSRP and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the state of Washington’s Annual Comprehensive Financial Report, which is available at <https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>. The Office of the State Actuary prepared the SRP GASB67/68 Retirement Plan Valuations for reporting the June 30, 2023 balances, which is available in the 2023 Actuarial Valuation report at <https://leg.wa.gov/osa/additionalservices/Pages/HigherEd.aspx>.

PLAN MEMBERSHIP:

Membership of the WWUSRP consisted of the following at June 30, 2022, and June 30, 2023, the date of the latest actuarial valuation for the plan:

	<b>Number of Participating Members</b>			
	Inactive Members (Or Beneficiaries) Currently Receiving Benefits	Inactive Members Entitled To But Not Yet Receiving Benefits	Active Members	Total Members
2023	84	50	402	536
2022*	79	3	483	565

\* same as prior year utilizing the 2021 SRP Actuarial Valuation Report

VESTING AND BENEFITS PROVIDED:

This supplemental component payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. This supplemental component is financed on a pay-as-you-go basis. WWU makes direct payments to qualified retirees when the retirement benefit provided by the fund sponsor does not meet the benefit goal.

WWSRP retirement benefits provisions are contained in RCW 28B.10.400, et. seq. which assigns the authority to establish and amend benefit provisions to the Western Washington University Board of Regents. Members are

eligible to receive benefits under this plan at age 62 with 10 years of credited service. The monthly amount of benefits payable at the time of retirement is the excess of one-twelfth of 2.0% of the member's average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of 50.0% of the member's average annual salary) over an assumed annuity benefit.

Assumed income must be calculated by an independent actuary and represents a theoretical amount of monthly income that would have been generated if actual employee and WWU contributions to the WWURP had been allocated equally between fixed and variable dollar annuities. When the goal income exceeds the assumed income, the participant is entitled to benefits under this plan. The Recreation Center's proportional share of the total University benefit payments made during the fiscal years ended June 30, 2023, and 2022 were \$2,834 and \$2,789, respectively.

**FIDUCIARY NET POSITION:**

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in FY 2021.

The plan Fiduciary Net Position is the fair value of plan assets held in a trust as defined by GASB. The Net Pension Liability is the difference between the Total Pension Liability and the plan Fiduciary Net Position. The plan Fiduciary Net Position represents the amount of assets collected as of the measurement date to pay for SRP benefits, per RCW 41.50.280. Plan assets and investments are measured at their fair value.

The WSIB has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

WWUSRP plan assets are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which WSIB invests.

Information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in footnote 3.B of the state of Washington's Annual Comprehensive Financial Report.

**ACTUARIAL ASSUMPTIONS:**

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the Recreation Center's financial statements.

The valuation date was changed from June 30 to January 1. This corresponds with the new data file being provided with participant information as of January 1, 2023. The total pension liability was determined by an actuarial valuation date of January 1, 2023, with the results projected forward to the June 30, 2023, measurement date using the following actuarial assumptions:

- Discount Rate: 7.00%
- TIAA Increase Rate: 4.00%
- CREF Increase Rate: (6.25)%
- Salary Growth: 3.75%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. The Office of the State Actuary (OSA) applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. The 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. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

The total salary growth assumption is based on the August 2021 Higher Education SRP Experience study. Some TIAA assumptions have been updated by OSA since that study based on input from TIAA and OSA's professional judgment. OSA determined the discount rate based on the 2021 Economic Experience Study for the Washington State retirement plans and based on the results of the GASB 67/68 required crossover test. As of this measurement date, all SRPs are projected to have sufficient assets to pay for current member benefits based on the assumptions and methods described by OSA.

The discount rate can be thought of as an assumed return on assets, with a lower discount rate leading to a higher total pension liability (TPL). The discount rate reflects OSA's long-term rate of return assumption for assets invested in the Commingled Trust Fund, which remained at 7.00%. TIAA and CREF are investments used in the assumed income calculation. Changes to these assumptions impact OSA's estimate of SRP benefits for future retirees. The new assumptions decreased expected benefits and the TPL for all institutions.

#### SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following presents the Recreation Center's proportional share of the pension liability for the WWUSRP for WWU as an employer, calculated using the discount rate of 7.0%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.0%) or 1.0% point higher (8.0%) than the current rate.



**Rec Center WWUSRP**  
**Discount Rate Sensitivity - Net Pension Liability/(Asset)**  
 \$ in thousands

Plan	1% Decrease		2023 Current Discount Rate		1% Increase	
	6.0%		7.0%		8.0%	
WWUSRP	\$	58	\$	49	\$	42

EMPLOYER CONTRIBUTION RATES:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. 2SHB 1661 outlines a funding policy for the SRP. Beginning July 1, 2020, the 0.5% required employer contribution rate was replaced with institution-specific contribution rates. These rates are developed by the OSA in accordance with RCW 41.45, which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. Money in the trust must be accounted for separately and attributed to each paying institution and may only be used to make benefit payments to the paying institution’s plan beneficiaries. Beginning July 31, 2020, the Pension Funding Council may review and revise the institution-specific contribution rates. Rates must be designed to keep the total cost at a more level percentage than a pay-as-you-go method. Accumulated funds will allow a portion of the cost of SRP benefits to be paid from those funds beginning in approximately 2035. When the trust has collected sufficient assets to begin making SRP benefit payments, administration of the SRP will transfer to the Department of Retirement Systems (DRS).

<b>WWUSRP</b>	<b>2023</b>	<b>2022</b>
<b>Employer required contribution rate</b>	<b>0.21%</b>	<b>0.21%</b>

The SRP benefit funds are currently restricted from paying SRP benefits and are not expected to pay benefits until 2035. Until this time, SRP benefits are paid out of the operating budget on a pay-as-you-go basis.

NET PENSION LIABILITY (NPL):

Consistent with GASB No. 67/68, plan assets are included in financial reporting. The June 30, 2023, asset amount offsets the total pension liability to yield the plan’s net pension liability.

Effective July 1, 2020, legislation signed into law created a trust arrangement for assets dedicated to paying WWUSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012, were transferred into the trust when this legislation became effective. As a result, WWU is now applying accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets as of June 30, 2021.

**WADE KING STUDENT RECREATION CENTER  
NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023 and 2022**

The components of the WWUSRP liability were as follows:

**Schedule of Changes in Net Pension Liability (NPL)**

	TPL (a)	Plan Fiduciary Net Position (b)	NPL (a) minus (b)
<b>Balance as of July 1, 2021</b>	\$ 53,457	\$ 23,695	\$ 29,762
Service Cost	1,108		1,108
Interest on TPL	4,670		4,670
Differences Between Expected and Actual Experience	25,028		25,028
Change in Assumptions	7,247		7,247
Employer Contributions		1,075	(1,075)
Investment Income		29	(29)
Benefit Payments	(2,792)		(2,792)
Net Changes	35,263	1,104	34,159
<b>Balance as of June 30, 2022</b>	<b>\$ 88,720</b>	<b>\$ 24,799</b>	<b>\$ 63,921</b>
Service Cost	1,560		1,560
Interest on TPL	6,942		6,942
Differences Between Expected and Actual Experience	(15,446)		(15,446)
Change in Assumptions	(10,745)		(10,745)
Employer Contributions		1,118	(1,118)
Investment Income		1,887	(1,887)
Benefit Payments	(2,834)		(2,834)
*Rounding	1		1
Net Changes	(20,522)	3,005	(23,527)
<b>Balance as of June 30, 2023</b>	<b>\$ 68,197</b>	<b>\$ 27,804</b>	<b>\$ 40,394</b>

\*For 2016 - 2021 OSA report data was provided rounded to the thousands.  
This has caused minor rounding issues in the activity and amort tabs.  
Rounding issues should resolve once the 2022 figures are fully amortized.

For June 30, 2023, TPL is based on an actuarial valuation performed as of January 1, 2023, with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2023, reflecting the expected service cost, assumed interest, and benefit payments made. The June 30, 2022, TPL is based on an actuarial valuation performed as of June 30, 2020, with update procedures performed by the OSA to roll forward the TPL to the measurement date. All valuations were prepared using the entry age actuarial cost method.

**PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:**

The tables below summarize the Recreation Center's proportionate share of the WWUSRP pension expense, deferred outflows of resources and deferred inflows of resources, together with the related future year impacts to pension expense from amortization of those deferred amounts:

**Rec Center Proportional Share WWUSRP  
Pension Expense (PE)**

	2023	2022
Service Cost	\$ 942	\$ 1,095
Interest Cost	4,191	4,873
Amortization of Differences between Expected and Actual Experience	(6,158)	(7,160)
Amortization of Changes of Assumptions	(1,219)	(1,417)
Expected Earnings on Plan Investments	(1,130)	(1,314)
Amortization of Differences between Projected and Actual Earnings on Plan Investments	(378)	(440)
Administrative Expenses	-	-
Other Changes in Fiduciary Net Position	-	-
<b>Net Pension Expense</b>	<b>\$ (3,753)</b>	<b>\$ (4,363)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense in future periods as follows:

**Rec Center Proportional Share**

**Deferred Outflows of Resources**

	<b>2023</b>		<b>2022</b>
Difference between expected and actual experience	\$ 23,495	\$	29,230
Changes of assumptions	\$ 17,491		23,602
Differences between Projected and Actual Earnings on Plan Investments	\$ 1,118		1,425
<b>TOTAL</b>	<b>\$ 42,103</b>	<b>\$</b>	<b>54,257</b>

**Deferred Inflows of Resources**

	<b>2023</b>		<b>2022</b>
Difference between expected and actual experience	\$ 54,870	\$	53,575
Changes of assumptions	\$ 31,608		28,414
Differences between Projected and Actual Earnings on Plan Investments	\$ 2,003		2,825
<b>TOTAL</b>	<b>\$ 88,482</b>	<b>\$</b>	<b>84,814</b>

**Amortization of Deferred Outflows and Deferred Inflows of Resources**

<b>Year</b>	
2024	\$ (9,154)
2025	\$ (9,105)
2026	\$ (14,286)
2027	\$ (10,789)
2028	\$ (2,199)
Thereafter	\$ (845)
<b>TOTAL</b>	<b>\$ (46,378)</b>

**NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

PLAN DESCRIPTION:

Health care and life insurance programs for employees of the State of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the State-wide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employees.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors.

The health care premiums for active employees, which are paid by the agency during employees' working careers, subsidize the "underpayments" of the retirees. An additional factor in the OPEB obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an "explicit subsidy"). For FY 2023, this amount was \$183 per member to cover retirees eligible for parts A and B of Medicare, per month. This rate will remain the same for calendar year 2024. This is also passed through to State agencies via active employee's rates charged to the agency.

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,

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**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

regardless of enrollment status. Based on the 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.

For 2022 and 2021, the total University’s headcount percentage membership in the PEBB plan consisted of the following:

<b>OPEB Plan Participants</b>				
	Active	Retirees	Retirees	Total
FYE	Employees	Receiving Benefits	Not Receiving Benefits	Participants
2021	2015	778	93	2886
2022	2006	798	NA***	2804***

\*\*\* Per FY23 PEFI report, HCA doesn't have data on this group and OSA doesn't have the methodology to reasonably estimate it. For FY23, we have no options, but to report this amount as not available.

**ACTUARIAL ASSUMPTIONS:**

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University’s auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the Recreation Center’s financial statements.

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 period:

- **Inflation:** 2.35%
- **Salary Increases:** 3.25% including service-based salary increases
- **Health Care Trend Rates:\*** Initial rate ranges from 2-11% adjusting to 3.8% in 2080
- **Post-retirement Participation:** 60.00%
- **Spouse Coverage:** 45.00%

Mortality rates were developed using the Society of Actuaries’ Pub.H-2010 mortality rates, which vary by member status. The Office of the State Actuary (OSA) applied age offsets as appropriate to better tailor the mortality rates to the demographics of the plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

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*June 30, 2023 and 2022*

The discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index. A discount rate of 2.16% was used for the June 30, 2021, measurement date and 3.54% for the June 30, 2022, measurement date.

The following presents the Recreational Center’s proportional share of the total University OPEB liability, calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate.

<b>Total OPEB Liability Discount Rate Sensitivity</b>	
1% Decrease	\$545,292
Current Discount Rate - 3.54%	\$465,363
1% Increase	\$401,046

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

<b>Total OPEB Liability Health Care Cost Trend Rate Sensitivity</b>	
1% Decrease	\$394,015
Current Discount Rate - 2-11%	\$465,363
1% Increase	\$556,640

\*For additional detail on the health care trend rates, OPEB plan information and actuarial computations please reference the Washington State Annual Comprehensive Financial Report on OFM’s website:

<https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>

and the Office of the State Actuary’s website:

<https://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx>

**WADE KING STUDENT RECREATION CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS**

*June 30, 2023 and 2022*

TOTAL OPEB LIABILITY:

As of June 30, 2023, and 2022, components of the proportionate share calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for the Recreation Center are represented in the following table:

FY23 Proportionate Share of WWU's share	0.700244%
FY22 Proportionate Share of WWU's share	0.678240%

**Schedule of Changes in Total OPEB Liability**

Total OPEB Liability	2023	2022
Service cost	\$34,330	\$33,975
Interest	15,928	14,684
Changes of benefit terms	-	-
Differences between expected & actual experience	(15,774)	-
Changes in assumptions	(266,338)	6,274
Benefit payments	(11,703)	(11,187)
Change in Proportionate share	7,109	(15,257)
Other	-	-
<b>Net Change in Total OPEB Liability</b>	<b>(\$236,448)</b>	<b>\$28,489</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$679,758</b>	<b>\$630,757</b>
Change in proportionate share	\$22,054	\$20,512
<b>Total OPEB Liability - Ending</b>	<b>\$ 465,363</b>	<b>\$679,758</b>

The Recreation Center's proportionate share of OPEB expense for the fiscal years ended June 30, 2023, and 2022 were \$22,042 and \$50,939 respectively.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The tables below summarize the Recreation Center's deferred outflows and inflows of resources related to OPEB, together with the related future year impacts to expense from amortization of those deferred amounts:

**Deferred Outflows of Resources**

	2023	2022
Change in proportion	\$ 10,720	\$ 4,927
Difference between expected and actual experience	9,701	11,628
Changes of assumptions	38,142	43,290
Transactions subsequent to the measurement date	11,745	11,222
<b>TOTAL</b>	<b>\$ 70,307</b>	<b>\$ 71,067</b>

**Deferred Inflows of Resources**

	2023	2022
Change in proportion	\$ 25,329	\$ 29,268
Difference between expected and actual experience	\$ 16,374	2,631
Changes of assumptions	337,372	123,243
<b>TOTAL</b>	<b>\$ 379,075</b>	<b>\$ 155,143</b>

**Amortization of Deferred Outflows and Deferred Inflows of Resources**

<b>Year</b>	
2024	\$ (52,209)
2025	(52,209)
2026	(52,208)
2027	(41,705)
2028	(27,812)
Thereafter	(94,370)
<b>TOTAL</b>	<b>\$ (320,513)</b>

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REQUIRED SUPPLEMENTARY INFORMATION



**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedule of Recreation Center's Proportionate Share of the Net Pension Liability

<b>Schedule of Recreation Center Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 1 Measurement Date ended June 30 *</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Recreation Center PERS 1 employers' proportion of the net pension liability	0.002365%	0.002311%	0.001825%	0.002223%	0.001867%	0.002058%	0.002182%	0.002265%	0.002213%
Recreation Center PERS 1 employers' proportionate share of the net pension liability	\$129,519	\$120,898	\$97,990	\$105,504	\$83,359	\$77,543	\$76,812	\$27,035	\$59,295
Recreation Center PERS 1 employers' covered-employee payroll	\$246,340	\$252,575	\$214,480	\$270,703	\$244,786	\$189,225	\$328,386	\$342,015	\$235,639
Recreation Center PERS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	52.58%	50.68%	41.97%	38.97%	34.05%	40.98%	23.39%	7.90%	25.16%
Plan fiduciary net position as a percentage of the total pension liability	61.19%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%	76.56%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.									

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**PENSION PLAN INFORMATION**

**Cost Sharing Employer Plans**

Schedule of Recreation Center’s Proportionate Share of the Net Pension Liability/(Asset)

<b>Schedule of Recreation Center Proportionate Share of the Net Pension Liability (Asset) Public Employees' Retirement System (PERS) Plan 2/3 Measurement Date ended June 30 *</b>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Recreation Center PERS 2/3 employers' proportionate share of the net pension liability (asset)	0.003045%	0.002986%	0.002336%	0.002860%	0.002388%	0.002594%	0.002781%	0.002900%	0.002839%
Recreation Center PERS 2/3 employers' proportionate share of the net pension liability (asset)	\$59,589	\$106,676	\$117,616	\$99,372	\$40,768	\$25,299	\$36,100	(\$283,509)	(102,808)
Recreation Center PERS 2/3 employers' covered-employee payroll	\$262,066	\$264,732	\$222,246	\$280,484	\$251,452	\$194,130	\$331,912	\$342,558	\$235,639
Recreation Center PERS 2/3 employers' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	22.74%	39.08%	52.92%	35.43%	16.21%	13.03%	10.88%	-82.76%	-43.63%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%	106.73%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.									

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

**PENSION PLAN INFORMATION**

**Agent Employer Plan**

Schedule of Changes in Recreation Center’s Proportionate Share of WWUSRP Total Pension Liability and Related Ratios

<b>Schedule of Changes in WWU's Net Pension Liability and Related Ratios</b>							
<b>WWUSRP - Recreation Center</b>							
Fiscal Year ended June 30*							
<i>(dollars in thousands)</i>							
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
WWUSRP total pension liability-Beginning	\$141	\$104	\$95	\$121	\$153	\$54	\$89
Service Cost	7	4	2	3	4	1	2
Interest	5	4	3	4	4	5	7
Difference between expected and actual experience	(34)	(11)	11	7	(68)	25	(16)
Changes in assumptions	(13)	(4)	12	20	(37)	7	(11)
Benefits payments **	(2)	(2)	(2)	(2)	(2)	(3)	(3)
Net change in total pension liability	(37)	(9)	26	32	(98)	35	(21)
WWUSRP total pension liability-Ending	<u>\$104</u>	<u>\$95</u>	<u>\$121</u>	<u>\$153</u>	<u>\$54</u>	<u>\$89</u>	<u>\$68</u>
Plan Fiduciary Net Position ***					<u>\$24</u>	<u>\$25</u>	<u>\$28</u>
WWUSRP net pension liability-Ending					<u>\$30</u>	<u>\$64</u>	<u>\$40</u>
WWU URP employers' covered-employee payroll	\$368	\$397	\$361	\$343	\$358	\$371	\$385
WWUSRP total or net pension liability as a percentage of its covered-employee payroll (net as of FY21)	28.30%	23.93%	33.45%	44.72%	8.38%	17.26%	10.40%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.							
** Includes amount to resolve OSA rounding issue							
*** Consistent with GASB No. 67/68, plan assets are included in financial reporting beginning in FY 21							

**WADE KING STUDENT RECREATION CENTER  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

PENSION PLAN INFORMATION

**Cost Sharing Employer Plans**  
Schedule of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 1 Fiscal Year Ended June 30 Recreation Center									
Fiscal Year	Contributions related to covered payroll of employees		UAAL Contributions related to covered payroll of employees	Total Contributions in relation to the Actuarially Determined Contributions		Covered payroll of employees participating in	Covered payroll of employees participating in	Total Covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Contractually Required Contributions	Participating in PERS plan 1	Participating in PERS plan 2/3	Contributions	Contribution deficiency (excess)	PERS 1	PERS 2/3		
2015	\$10,622	\$0	\$10,622	\$10,622	\$0	\$9,882	\$242,693	\$252,575	4.21%
2016	\$10,347	\$0	\$10,347	\$10,347	\$0	\$7,337	\$207,143	\$214,480	4.82%
2017	\$13,375	\$0	\$13,375	\$13,375	\$0	\$7,269	\$263,434	\$270,703	4.94%
2018	\$12,476	\$0	\$12,476	\$12,476	\$0	\$4,202	\$240,585	\$244,786	5.10%
2019	\$14,459	\$0	\$14,459	\$14,459	\$0	\$639	\$188,586	\$189,225	7.64%
2020	\$15,768	\$0	\$15,768	\$15,768	\$0	\$1,641	\$326,745	\$328,386	4.80%
2021	\$16,490	\$0	\$16,490	\$16,490	\$0	\$243	\$341,772	\$342,015	4.82%
2022	\$13,051	\$0	\$13,051	\$13,051	\$0	\$0	\$235,639	\$235,639	5.54%
2023	\$13,917	\$0	\$13,917	\$13,917	\$0	\$0	\$253,864	\$253,864	5.48%
2024									

Notes:  
This schedule will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans  
 Schedule of Contributions

<b>Schedule of Contributions</b> <b>Public Employees' Retirement System (PERS) Plan 2/3</b> Fiscal Year Ended June 30 <i>Recreation Center</i>					
Fiscal Year	Contractually Required Contributions	Contractually Required Contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2015	\$14,515	\$14,515	\$0	\$272,962	5.32%
2016	\$20,992	\$20,992	\$0	\$222,246	9.45%
2017	\$17,965	\$17,965	\$0	\$280,190	6.41%
2018	\$18,863	\$18,863	\$0	\$251,452	7.50%
2019	\$22,002	\$22,002	\$0	\$194,130	11.33%
2020	\$26,699	\$26,699	\$0	\$331,912	8.04%
2021	\$27,596	\$27,596	\$0	\$342,558	8.06%
2022	\$22,382	\$22,382	\$0	\$235,639	9.50%
2023	\$24,544	\$24,544	\$0	\$253,864	9.67%
2024					

Notes:  
 This schedule will be built prospectively until they contain ten years of data.

**WADE KING STUDENT RECREATION CENTER  
REQUIRED SUPPLEMENTARY INFORMATION**

*June 30, 2023 and 2022*

PENSION PLAN INFORMATION

**Cost Sharing Employer Plans**  
Schedule of Contributions

Schedule of Contributions Teachers' Retirement System (TRS) Plan 1 Fiscal Year Ended June 30 <i>Recreation Center</i>									
Fiscal Year	Contractually Required Contributions	Contributions related to covered payroll of employees Participating in TRS plan 1	UAAL Contributions related to covered payroll of employees Participating in TRS plan 2/3	Total Contributions in relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered payroll of employees participating in TRS 1	Covered payroll of employees participating in TRS 2/3	Total Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2015	\$7,806	\$7,806	\$0	\$7,806	\$0	\$23,157	\$116,956	\$140,113	5.57%
2016	\$794	\$794	\$0	\$794	\$0	\$483	\$11,231	\$11,715	6.78%
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
2024									

Notes:  
These schedules will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

**Agent Employer Plan**  
Schedule of Contributions

<b>Schedule of Contributions WWUSR Plan - Recreation Center Fiscal Year Ended June 30</b>						
<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in relation to the</b>			<b>Covered- employee payroll*</b>	<b>Contributions as a percentage of covered- employee payroll</b>
		<b>Contractually Required Contributions</b>	<b>Contribution deficiency (excess)</b>			
2021	\$884	\$884	\$	-	\$357,973	0.25%
2022	\$1,075	\$1,075	\$	-	\$370,820	0.29%
2023	\$1,118	\$1,118	\$	-	\$384,676	0.29%
2024						
2025						
2026						
2027						
2028						
2029						
2030						

Notes:  
These schedules will be built prospectively until they contain ten years of data.

OPEB INFORMATION

**Cost Sharing Healthcare Plans**

Schedule of Recreation Center’s Changes in Total OPEB Liability and Related Ratios

<b>Schedule of Recreation Center Changes in Total OPEB Liability and Related Ratios</b>						
<i>Measurement Date ended June 30 *</i>						
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total OPEB Liability-Beginning	\$806,291	\$702,251	\$624,096	\$703,048	\$630,757	\$679,758
Service Cost	\$108,031	\$35,054	\$28,467	\$26,175	\$33,975	\$34,330
Interest	\$50,602	\$24,100	\$24,693	\$21,895	\$14,684	\$15,928
Difference between expected and actual experience	\$0	\$21,998	\$0	-\$3,355	\$0	-\$15,774
Changes in assumptions	-\$246,839	-\$153,463	\$45,986	\$14,193	\$6,274	-\$266,338
Benefits payments	-\$25,788	-\$10,178	-\$11,296	-\$10,425	-\$11,187	-\$11,703
Change in proportionate share	\$9,954	\$4,334	-\$8,898	-\$98,473	\$5,256	\$29,162
Other				-\$22,302		
<b>Total OPEB liability-Ending</b>	<b>\$702,251</b>	<b>\$624,096</b>	<b>\$703,048</b>	<b>\$630,757</b>	<b>\$679,758</b>	<b>\$465,363</b>
Recreation Center employers' covered-employee payroll	\$755,074	\$761,413	\$820,918	\$837,427	\$876,412	\$890,662
Recreation Center employers' proportionate share of total OPEB liability as a percentage of its covered-employee payroll	106.78%	92.23%	76.02%	83.95%	71.97%	76.32%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.						



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**Plans administered by DRS**

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 in Chapter 41.45 RCW.

Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2017 valuation date, completed in the Fall of 2018, plus any supplemental contribution rates from the preceding legislative session, determines the ADC for the period beginning July 1, 2019, and ending June 30, 2021.

Additional Considerations on ADC for All Plans: The OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies.

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except that the CRC reflect the adopted contribution rates for the time period shown. These might differ from the contribution rates produced for the ADC.

**Plans administered by the University**

On July 1, 2020, the state of Washington established a trust for contributions paid by WWU for the benefit of Western Washington University's Supplemental Retirement Plan (WWUSRP) in accordance with Revised Code of Washington 41.50.075. As a result, the applicable accounting guidance for the WWUSRP has changed to GASB codification section P20 "Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria." This event gives rise to a change in WWU's estimates of future obligations, deferrals and pension expense related to the WWUSRP. WWU now reports the plan's net pension liability (total pension liability less the plan's fiduciary net position).

Several key assumptions during the fiscal year 2023 measurement period remained the same as in the fiscal year 2022 measurement period. This included the discount rate (7.00%), the TIAA Increase Rate (4.00%), and the Salary Growth Rate (3.75%). Under GASB 67/68, the discount rate is now based on the long-term expected rate of return on pension plan investments. The Total Pension Liability is now compared against the plan's Fiduciary Net Position to determine the Net Pension Liability.

Significant changes in plan provisions or actuarial assumptions and methods also impact the TPL. Significant factors that impacted the results of the actuarial valuation include the new January 1, 2023, participant data file. This update changed the valuation date from June 30 to January 1. The new data file decreased the TPL for all institutions. Some of the larger experience items that impacted the TPL was actual salary growth being generally lower than assumed and SRP benefits for new retirees were lower than estimated.

**OPEB Plan administered by the Healthcare Authority of Washington State**

The OPEB Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits. Material assumption changes during the fiscal year 2022 measurement period relate to an increase in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 2.16% for the June 30, 2021 measurement date, to 3.54% for the June 30, 2022 measurement date.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**DATE:** February 9, 2024  
**TO:** Members of the Board of Trustees  
**FROM:** Sue Sharpe, Chair, Finance, Audit and Enterprise Risk Management Committee  
**SUBJECT:** **FY 2024 Internal Audit Plan**  
**PURPOSE:** Action Item

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**Purpose of Submittal:**

Approval of the Internal Audit Plan for FY 2024.

**Proposed Motion:**

MOVED, that the Board of Trustees of Western Washington University, upon the recommendation of the Finance, Audit and Enterprise Risk Management Committee, and the President, approve the FY 2024 Internal Audit Plan.

**Supporting Information:**

This plan was developed by Priya Sall, Interim Executive Director of Audit & Consulting Services, and was reviewed and approved by the Board Finance, Audit and Enterprise Risk Management Committee, and referred to the full Board for action.

See attached FY 2024 Internal Audit Plan.



# Western Washington University

Internal Audit

FY 2024 Audit Plan

Finance, Audit, and Enterprise Risk Management

Committee of the Board of Trustees

January 2024

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## **EXECUTIVE SUMMARY**

The Western Washington University Audit Plan for fiscal year (FY) 2024 is designed to provide coverage across the entirety of the university, deploying Internal Audit resources effectively and efficiently. The department performs three primary activities: audits, advising and consulting services, and investigations. The Audit Plan contains key information on our planned activities through the June 30, 2024 FY. The plan was developed based on activities already being performed to reestablish the department and risk discussions with leadership.

### **Audit Goals**

Internal Audit's primary goals for FY 2024:

- Review high-risk processes requested by senior leadership.
- Complete the open investigations and inquiries resulting from the concerns received directly by the department.
- Provide investigation assistance to the institution as needed.
- Hire personnel for the department.

### **Audit Plan**

The audit plan for FY 2024 is based on the professional staffing of one FTE. Additional FTE will be hired for the department in the coming months. Internal Audit focuses on working actively with colleges and central administration to assist management in addressing emerging strategic, financial, reputational, operational, and compliance risks and ensuring that risk management processes function as intended. Internal Audit considers both university-wide and departmental-level processes and control systems. To focus our resources, we consider the work completed by external auditors, compliance officers, risk management professionals, and other regulatory agencies across the university in setting our overall audit plan and planning the work conducted on any specific project. The university's strategic plans and significant initiatives are considered as we identify areas to focus our audit efforts. We also acknowledge external forces such as talent shortages, decreases in enrollment, impacts to the supply chain, revisions to federal regulations, data breaches, changes in state funding, and growing economic uncertainty that could adversely impact internal control processes previously developed within the university. We expect to complete six projects in FY 2024 and have allotted a reserve for any unanticipated engagements or investigations that may arise throughout the year.

Western Washington University						
Internal Audit Plan FY 24						
Last Updated January 3, 2024						
Engagement	Area	Risk	Origination	General Objective/Description	Status	Expected Completion
<b>Assurance Engagements</b>						
Athletics	Operations	High	Management Request	To review the departmental processes for staff leave reporting.	Planning	June 2024
Presidents Expense Review	Finance	Medium	Required Per Contract	To review the President's expenses per contract requirements.	Planning	February 2024
<b>Advisory &amp; Consulting Engagements</b>						
Associated Students (AS) Audit	Student Governance	High	Management Request	To ensure accountability of funds the AS oversees, particularly funds collected from the service & activities (S&A) fee and the disbursement of the funds for student programs and activities.	Planning	June 2024
Inquiries	Ethics	Medium	Management Request	BFA and Facilities inquiries, and to follow up on any additional inquiries that may arise throughout the year.	Fieldwork	June 2024
<b>Investigations</b>						
Admissions Investigation	Admissions	High	Management Request	Purchasing card and travel status investigation.	Reporting	January 2024
<b>Follow-up</b>						
WACC Criminal History Check Process	Research Grants	Medium	Prior Audit	Assessed compliance with regulations and followed up on recommendations for process improvement.	Completed	October 2023
<b>Reserve</b>						
Reserve for Ad-hoc Engagements	University-wide	High	Internal Audit Strategic Plan	Reserved for any unanticipated engagements or investigations that may arise throughout the year.	N/A	N/A
<b>Operations</b>						
Department Personnel Hiring	Internal Audit	High	Internal Audit Strategic Plan	Recruit and hire for one of the vacancies in the department.	N/A	N/A

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** President Sabah Randhawa by Provost Brad Johnson  
**DATE:** February 9, 2024  
**SUBJECT:** **Approval of Degrees**  
**PURPOSE:** Action Item

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**Purpose of Submittal:**

It is the Board of Trustees' responsibility to approve the awarding of degrees.

**Proposed Motion:**

MOVED, that the Board of Trustees of Western Washington University, on recommendation of the faculty and subject to the completion of any unmet requirements, approves awarding undergraduate and graduate degrees to the candidates listed in the files of the Registrar and Graduate Dean, for Winter Quarter 2024, effective March 10, 2024.

**Supporting Information:**

Lists on file with the Registrar and Graduate Dean.

<b>Students</b>	<b>Winter 2024</b> <i>(Expected Number of Graduates)</i>	<b>Comparison: Winter 2023</b> <i>(Actual students graduated)</i>
<i>Undergraduates</i>	429*	531
<i>Masters</i>	40	50

*\*Final deadline to apply for Winter 2024 is February 16<sup>th</sup>.*

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Brad Johnson, Provost and Vice President for Academic Affairs and Robert Squires, Vice Provost for Outreach and Continuing Education

**DATE:** February 9<sup>th</sup>, 2024

**SUBJECT:** 2024 Summer Session Tuition

**PURPOSE:** Action Item

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**Purpose of Submittal:**

It is the Board of Trustees responsibility to approve Summer Session 2024 tuition.

**Proposed Motion:**

MOVED, that the Board of Trustees of Western Washington University, on recommendation of the President, approves the recommended Summer Session tuition for 2024 as a 3% across the board rate: specifically, that resident undergraduate and graduate tuition will rise to \$299 and \$381 per credit, respectively; and non-resident undergraduate and graduate tuition will increase to \$475 and \$557 per credit, respectively. Tuition rates for programs for the MBA program are estimated not to exceed the approved rates from the academic year: \$439 per credit for resident graduate and \$1,096 for non-resident. Student tuition will be charged on a per credit basis for Summer Session.

**Points to Consider:**

The proposed increases are necessary to cover increasing Summer Session operational costs, including salaries, benefits, and other expenses.

*Washington Resident Undergraduate Tuition*

If this motion is adopted, Summer Session tuition for resident undergraduates would increase by 3% to \$299 per credit. This population accounted for 85% of the Summer Session 2023 enrollment.

University of Washington (UW) will decrease tuition by 5.1%. Washington State University (WSU) will increase tuition by 2.6%. Eastern Washington University (EWU) will increase tuition by 6.2%. Central Washington University (CWU) and the Evergreen State College (TESC) have not yet finalized their Summer Session 2024 tuition rates.

*Washington Resident Graduate Tuition*

If this motion is adopted, Summer Session tuition for resident graduates will increase by 3% to \$381 per credit, to keep pace with the rate that resident graduate students are paying during the prior academic year.

UW will decrease tuition by 19.7%. WSU will increase tuition by 2.5%. EWU increase tuition by 9.6%. CWU and TESC have not yet finalized their Summer Session 2024 tuition rates.

*Non-resident Undergraduate and Graduate Tuition*

Washington's six public four-year institutions are divided in their respective approaches to establishing non-resident Summer Session tuition rates. Eastern Washington University and Washington State University have adopted a single Summer Session tuition rate by student level. The University of Washington offers resident and non-resident rates by student level. Central

Washington University and the Evergreen State College have not yet finalized their Summer Session 2024 tuition rates; however, have historically offered differential tuition rates.

The proposed motion continues Western’s practice of charging differential non-resident undergraduate and graduate tuition. If adopted, the tuition rate for non-resident undergraduates will increase to \$475 per credit (3%) and the tuition rate for non-resident graduates will rise to \$557 per credit (3%). These specific increases are necessary to maintain the previously established relationships between resident and non-resident tuition and between undergraduate and graduate tuition.

The proposed motion is consistent with the Board’s previous authorization of differential state-supported tuition during the academic year for the MBA program and will be banded between 10 and 18 credits. The tuition rate for resident graduate MBA will be \$439 per credit to 10 credits and \$1,096 for non-resident per credit to 10 credits. These figures are estimated not to exceed the approved tuition rates for the prior academic year in Summer Session.

*Source of funds: Self-supporting Dedicated Revenue*

**Supporting Information:**

<b>Summer Session 2024 - Proposed</b> <i>(Ordered by Resident Undergraduate Rates)</i>							
<b>Undergraduate</b>				<b>Graduate</b>			
Resident		Non-Resident		Resident		Non-Resident	
Institution	Tuition per credit	Institution	Tuition per credit	Institution	Tuition per credit	Institution	Tuition per credit
WSU <sup>1</sup>	\$577.75	WSU <sup>1</sup>	\$577.75	WSU <sup>1</sup>	\$662.70	WSU <sup>1</sup>	\$662.70
UW	\$421.40	UW	\$1,399.90	UW	\$706.20	UW	\$1,229.60
<b>WWU</b>	<b>\$299.00</b>	<b>WWU</b>	<b>\$475.00</b>	<b>WWU</b>	<b>\$381.00</b>	<b>WWU</b>	<b>\$557.00</b>
CWU <sup>2</sup>	\$279.18	CWU <sup>2</sup>	\$421.23	CWU <sup>2</sup>	\$346.34	CWU <sup>2</sup>	\$494.27
EWU	\$257.00	EWU	\$257.00	EWU	\$398.00	EWU	\$398.00
TESC <sup>2</sup>	\$239.60	TESC <sup>2</sup>	\$948.90	TESC <sup>2</sup>	\$386.10	TESC <sup>2</sup>	\$886.40

1 – WSU operates on the semester system  
 2 – 2024 rates to be determined; 2023 rates provided

**Supporting Information:**

<b>Summer Session 2023</b> <i>(Ordered by Resident Undergraduate Rates)</i>							
<b>Undergraduate</b>				<b>Graduate</b>			
Resident		Non-Resident		Resident		Non-Resident	
Institution	Tuition per credit	Institution	Tuition per credit	Institution	Tuition per credit	Institution	Tuition per credit
WSU <sup>1</sup>	\$563.35	WSU <sup>1</sup>	\$563.35	WSU <sup>1</sup>	\$646.25	WSU <sup>1</sup>	\$646.25
UW	\$444.00	UW	\$1,394.00	UW	\$879.00	UW	\$1,504.50
<b>WWU</b>	<b>\$290.00</b>	<b>WWU</b>	<b>\$461.00</b>	<b>WWU</b>	<b>\$369.00</b>	<b>WWU</b>	<b>\$540.00</b>
CWU	\$279.18	CWU	\$421.23	CWU	\$346.34	CWU	\$494.27
EWU	\$242.05	EWU	\$242.05	EWU	\$363.08	EWU	\$363.08
TESC	\$239.60	TESC	\$948.90	TESC	\$386.10	TESC	\$886.40

1 – WSU operates on the semester system



**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Melynda Huskey and Keara Ryan

**DATE:** **February 9, 2024**

**SUBJECT:** **Student Government Charter**

**PURPOSE:** Information Item

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The Associated Students of Western Washington University Charter has been updated and revised to reflect changes in the role and structure of the AS Student Government, and to re-affirm our commitment to shared governance which includes students as a key constituency. The Charter was signed by President Randhawa, AS Executive Board President Ryan, and AS Senate President Wong on February 1<sup>st</sup>, 2024, and is here presented to the Board of Trustees.

Attachment:  
Western Washington University  
Associated Student of WWU Student Government Charter (revised 2023)

Western Washington University  
Associated Students of WWU Student Government Charter  
(revised 2023)

Preamble:

The students of Western Washington University have the right and responsibility to participate in the shared governance of the university. The Associated Students of Western Washington University is the body created to represent students for this purpose. The Associated Students of Western Washington University (ASWWU), as defined in this Charter, is charged by the president to elect a student government (AS Student Government) which:

- Represents student interests and opinions to the university administration, Board of Trustees, and appropriate governmental agencies;
- Fosters participation and inclusion of the student body in university governance and operations as appropriate;
- Promotes the general welfare of students;
- Communicates with the ASWWU membership about institutional matters which affect them.

Article 1: ASWWU

- 1.1. Western Washington University recognizes the ASWWU as the sole recognized student association of Western Washington University.
- 1.2. The voting membership of ASWWU shall include all full-time, part-time, graduate, and undergraduate students who are registered for at least one academic credit at any WWU location where students pay Services and Activities Fees. Only voting members of ASWWU may vote in student government elections.
- 1.3. The ASWWU may only be abolished by a vote of the membership of the ASWWU. In such case, the powers granted in this charter shall become null and void at the end of the academic year in which the vote is held.

Article 2: ASWWU Student Government

- 2.1. Western Washington University recognizes the ASWWU Student Government as the sole student government association of Western Washington University and as the governing body of the ASWWU.
- 2.2. The ASWWU's authority to participate in shared governance of the university through the AS Student Government is established by the President of Western Washington University, with the consent of the ASWWU membership, and registered by the Board of Trustees.

- 2.3. The AS Student Government may only be abolished by a vote of the voting membership of ASWWU. In such case, the powers established in this charter become null and void at the end of the academic year in which the vote is held.
- 2.4. All amendments to this charter must be approved by the ASWWU Student Government and the University President.

### Article 3: ASWWU Student Government Duties

- 3.1. The AS Student Government shall make every effort to represent the needs and concerns of students through its participation in shared governance and representation to appropriate governmental agencies.
- 3.2. The AS Student Government shall hold annual elections open to all members of ASWWU for the purpose of selecting representatives and deciding referenda on matters of importance to the student body.
- 3.3. The AS Student Government shall consult with and report to university bodies on matters of concern to students.
- 3.4. The AS Student Government shall encourage student involvement in the development of institutional policies which impact students.
- 3.5. The AS Student Government shall inform the university community of actions taken by the AS Student Government.
- 3.6. The AS Student Government shall adopt bylaws and establish structures as necessary to govern its organization and carry out its responsibilities in a manner consistent with this charter and the regulations, policies, and procedures of the University. It shall review those bylaws and structures at least every 5 years.

### Article 4: Granted Authorities

The AS Student Government is granted the authority to fulfill its duties within the provisions set forth in this charter and within the constraints of University regulation, policy, and procedure. In addition, the AS Student Government shall have the following special authorities.

- 4.1. With regard to student fees, the AS Student Government has the authority to:
  - a. Ensure that monies allocated to the AS Student Government by the Services and Activities Fee Committee are used to support continuous, safe, and efficient operations, consistent with federal, state, and university policy.
  - b. Provide recommendations regarding any increases and/or renewals of mandatory and voluntary student fees.
  - c. Hold elections to determine changes to or establishment of voluntary student fees.
  - d. Review all information pertaining to the expenditure and usage of student fee dollars.

- e. Ensure a majority of student voting members on fee committees overseeing mandatory and voluntary student fees, with the exception of operating and building fees.
  - f. Exercise the right to appoint a student chair, with the concurrence of the University President or designee, on all committees overseeing and appropriating mandatory and voluntary student fee dollars, with the exception of operating and building fees.
- 4.2. To fulfill its administrative responsibilities, the AS Student Government has the authority to:
- a. Obtain and review information on the affairs of the University,
  - b. At the request of University committee chairs, to appoint student representatives to standing University committees, and to other bodies.
  - c. Allocate funds to support the employment of student and permanent staff as needed to fulfill the goals and maintain the operations of the AS Student Government, consistent with the regulations, policies, and procedures of the university.
  - d. Manage its allocated funds in accordance with regulations, policies, and procedures of the university and with fiduciary responsibility on behalf of students.
  - e. Participate in the management of the AS Bookstore's net operating revenues, where applicable.

[Signature block]

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Melynda Huskey

**DATE:** **February 9, 2024**

**SUBJECT:** **Enrollment Management**

**PURPOSE:** Information Item

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**I. Enrollment**

This period is marked by excitement around new initiatives, enrollment planning, a lessening of academic distress among students, the buzz of retention efforts, and FAFSA challenges that are impacting families across the country.

**Strategic Enrollment Management (SEM) Planning**

Our Strategic Enrollment Management planning effort is taking shape this year, as current strategies are being assessed and new initiatives are being launched with our enrollment goals in mind. Each of the councils that are a part of the SEM structure are meeting regularly and taking necessary steps to address pressing issues while outlining the process for producing their contributions to the institutional enrollment plan. Conversations around retention strategies are continuing to take place across campus and deep into our organizational structure, as we look ahead toward the writing of the plan.

**Winter 2024 Enrollment**

The winter quarter began on Tuesday, January 9<sup>th</sup>, and census day fell on Monday, January 22<sup>nd</sup>, so we are able to report official numbers in this report.

For Winter 2024, total enrollment is 13,784, down by only 24 students (.17%) from the year prior. You will recall that Fall 2023 was down .6% from Fall 2022, so the Winter 2023 to Winter 2024 results are an improvement on that, reflecting an increase in fall to winter retention.

*(See table on next page)*

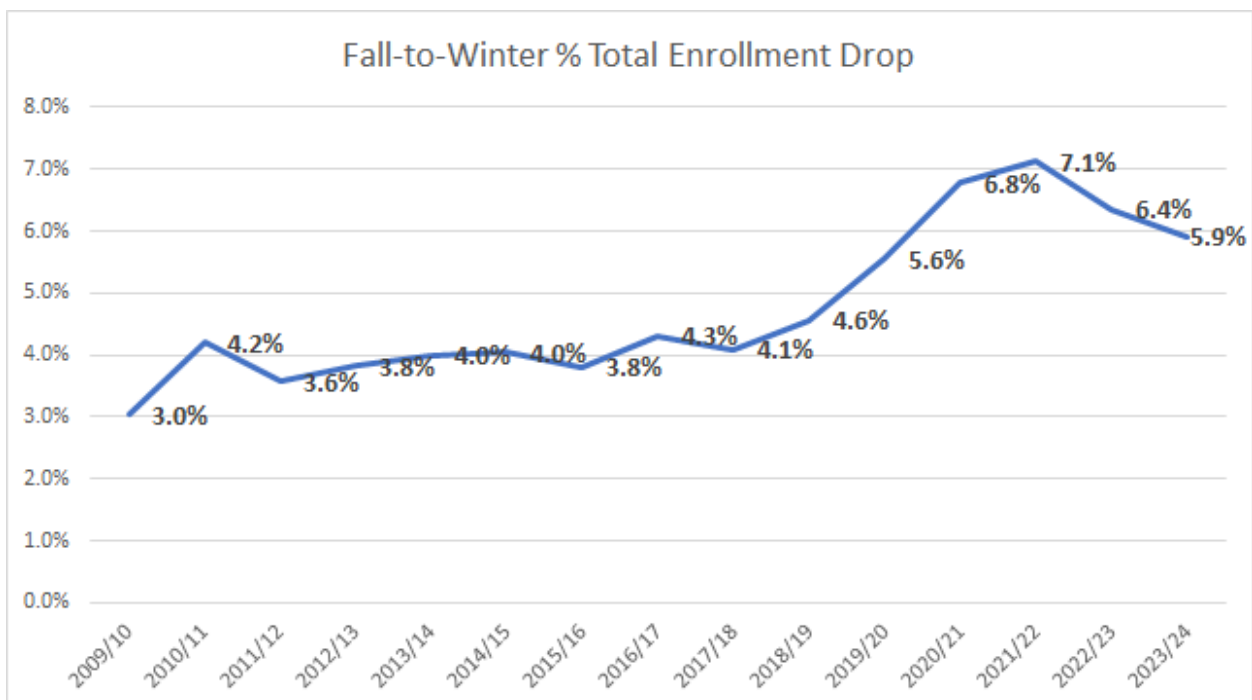
## Winter Enrollment - All Students

### Enrollment by Race/Ethnicity

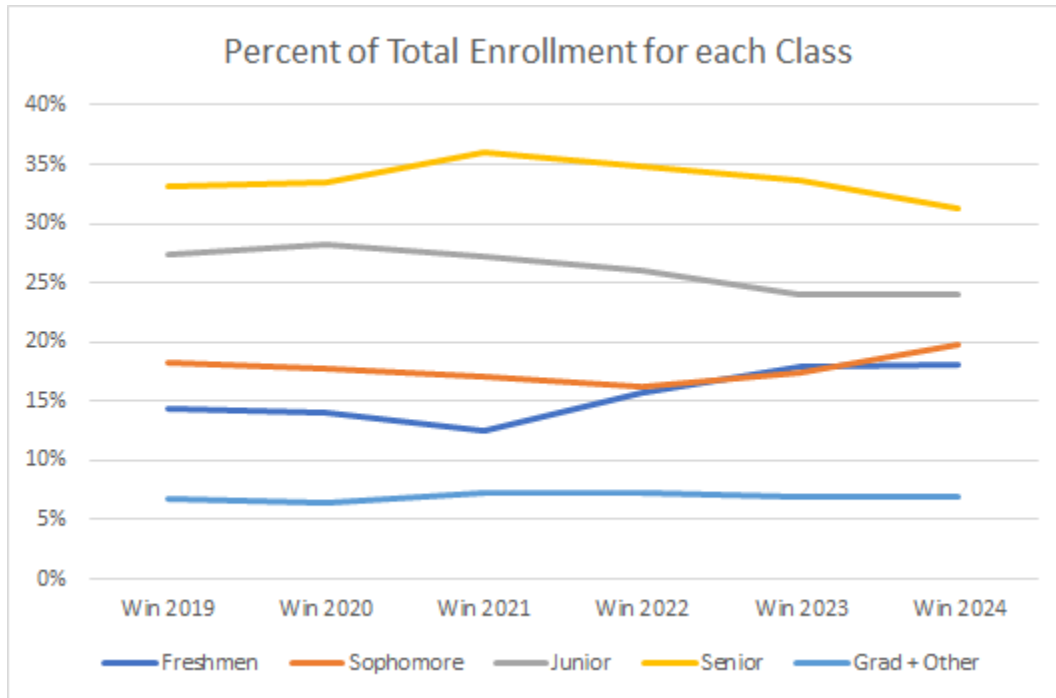
	Win 2019	Win 2020	Win 2021	Win 2022	Win 2023	Win 2024
Hispanic or Latino Ethnicity	1,437 (9.3%)	1,526 (10.0%)	1,469 (10.4%)	1,469 (10.5%)	1,462 (10.6%)	1,502 (10.9%)
American Indian or AK Native	306 (2.0%)	289 (1.9%)	259 (1.8%)	234 (1.7%)	214 (1.5%)	191 (1.4%)
Asian	1,637 (10.6%)	1,616 (10.6%)	1,614 (11.4%)	1,587 (11.3%)	1,521 (11.0%)	1,492 (10.8%)
Black or African American	406 (2.6%)	399 (2.6%)	427 (3.0%)	445 (3.2%)	465 (3.4%)	438 (3.2%)
Native HI or Other Pacific Isl	67 (0.4%)	56 (0.4%)	58 (0.4%)	60 (0.4%)	74 (0.5%)	86 (0.6%)
White	10,844 (70.5%)	10,635 (69.8%)	9,712 (68.6%)	9,623 (68.5%)	9,448 (68.4%)	9,500 (68.9%)
Two or more races: Other	182 (1.2%)	188 (1.2%)	177 (1.2%)	180 (1.3%)	170 (1.2%)	138 (1.0%)
International	179 (1.2%)	173 (1.1%)	108 (0.8%)	155 (1.1%)	170 (1.2%)	165 (1.2%)
Race and ethnicity unknown	327 (2.1%)	364 (2.4%)	343 (2.4%)	293 (2.1%)	284 (2.1%)	272 (2.0%)
<b>Total</b>	<b>15,385</b>	<b>15,246</b>	<b>14,167</b>	<b>14,046</b>	<b>13,808</b>	<b>13,784</b>
<b>Students of Color</b>	<b>4,035 (26.2%)</b>	<b>4,074 (26.7%)</b>	<b>4,004 (28.3%)</b>	<b>3,975 (28.3%)</b>	<b>3,906 (28.3%)</b>	<b>3,847 (27.9%)</b>
<b>Non-Resident</b>	<b>1,942 (12.6%)</b>	<b>1,870 (12.3%)</b>	<b>1,595 (11.3%)</b>	<b>1,841 (13.1%)</b>	<b>1,936 (14.0%)</b>	<b>1,977 (14.3%)</b>
<b>First Generation</b>	<b>4,884 (31.7%)</b>	<b>4,670 (30.6%)</b>	<b>4,217 (29.8%)</b>	<b>3,861 (27.5%)</b>	<b>3,187 (23.1%)</b>	<b>3,122 (22.6%)</b>
<b>PELL-Eligible</b>	<b>3,757 (24.4%)</b>	<b>3,470 (22.8%)</b>	<b>3,152 (22.2%)</b>	<b>2,961 (21.1%)</b>	<b>2,751 (19.9%)</b>	<b>2,813 (20.4%)</b>

New first-year students continue to be a relatively small portion of our new student population for winter (49 for Winter 2024, down from 63 in Winter 2023—which was unusually high). Of note, 49% of our new first-year students this winter have identified as first-generation college students, and 40.8% of them identified as students of color. The majority of our new student population in winter is consistently transfer students, and we continue to experience declines in transfer applications, confirmations, and enrollments. For Winter 2024, we enrolled 207 new transfer students, down from 224 last winter. Of our new transfer students, 33.3% identify as first-generation college students, and 24.2% identify as students of color.

With our enrollment of new students down modestly, the gains that we see in total enrollment are among our continuing students--retention. In mapping enrollment from fall to winter for the last decade (and more), you will see that this year the fall to winter enrollment drop is 5.9% -- a marked improvement on the last few years.



The following line graph provides a visual representation of how each class is represented in the student body, tracking across winter quarters. You will see that the sophomore class has risen to nearly 20% of the total student population, while the senior class represents a decreasing portion of total enrollment. The impact of the smaller entering cohorts of Fall 2020 and Fall 2021 with the record-breaking, much larger cohorts for Fall 2022 and Fall 2023 can be seen in these lines.



Important in our review of winter enrollment is an assessment of **academic performance** in fall quarter. You will see below that a larger percentage of our fall students maintained good standing after fall quarter grades were released than in recent fall quarters. In fact, fall has not completed with academic standing results this strong since Fall 2018 (ignoring Fall 2020, when our grading policies were temporarily modified for the pandemic).

All Students - Academic Standing						
Fall End of Term	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Good Standing	14,785	14,634	14,251	13,693	13,226	13,366
Warning - Academic Rules	1,131	1,284	766	1,178	1,244	1,035
Probation - Academic Rules	104	99	113	140	118	79
Continuing Probation	32	33	54	34	45	56
Drop - Academic Rules	62	87	6	70	100	100
Withdrawal/unk	7	5	7	10	13	15
<b>Total</b>	<b>16,121</b>	<b>16,142</b>	<b>15,197</b>	<b>15,125</b>	<b>14,746</b>	<b>14,651</b>
Percent Good Standing	91.7%	90.7%	93.8%	90.5%	89.7%	91.2%

Looking only at new first-year students for Fall 2023, the results are equally heartening.

<b>New First-Year Students - Academic Standing</b>						
<b>Fall End of Term</b>	<b>Fall 2018</b>	<b>Fall 2019</b>	<b>Fall 2020</b>	<b>Fall 2021</b>	<b>Fall 2022</b>	<b>Fall 2023</b>
<b>Good Standing</b>	<b>2,752</b>	<b>2,671</b>	<b>2,228</b>	<b>2,456</b>	<b>2,726</b>	<b>2,783</b>
AW Warning - Academic Rules	394	446	263	417	495	399
Withdrawal/unk	1		3	1	1	2
<b>Total</b>	<b>3,147</b>	<b>3,117</b>	<b>2,494</b>	<b>2,874</b>	<b>3,222</b>	<b>3,184</b>
Percent Good Standing	87.4%	85.7%	89.3%	85.5%	84.6%	87.4%

This year, 96.8% of new first-year students who completed fall quarter in good standing (not on warning) returned for winter quarter. The below table shows the retention to winter quarter for new first-year students who ended fall in good standing vs. low standing.

<b>New First-Year Students - Academic Standing</b>						
<b>Fall End of Term</b>	<b>201840</b>	<b>201940</b>	<b>202040</b>	<b>202140</b>	<b>202240</b>	<b>202340</b>
<b>Good Standing</b>	<b>2,752</b>	<b>2,671</b>	<b>2,228</b>	<b>2,456</b>	<b>2,726</b>	<b>2,783</b>
Enrolled	2,655	2,562	2,139	2,359	2,627	2,693
Not Enrl, No Degree	97	109	89	97	99	90
<b>% Enrolled</b>	<b>96.5%</b>	<b>95.9%</b>	<b>96.0%</b>	<b>96.1%</b>	<b>96.4%</b>	<b>96.8%</b>
<b>Low Standing/other</b>	<b>395</b>	<b>446</b>	<b>266</b>	<b>418</b>	<b>496</b>	<b>401</b>
Enrolled	343	379	196	358	432	340
Not Enrl, No Degree	52	67	70	60	64	61
<b>% Enrolled</b>	<b>86.8%</b>	<b>85.0%</b>	<b>73.7%</b>	<b>85.6%</b>	<b>87.1%</b>	<b>84.8%</b>
<b>Total</b>	<b>3,147</b>	<b>3,117</b>	<b>2,494</b>	<b>2,874</b>	<b>3,222</b>	<b>3,184</b>

For all students who were enrolled in Fall 2023 and did not complete a degree or other credential, 94.6% enrolled in winter classes. This is comparable to results we have not achieved since Fall 2018/Winter 2019.

	<b>Total Fall Enrollment</b>	<b>Fall Students Enrolled in Winter</b>	<b>Fall Credential Awarded</b>	<b>Not Enrolled &amp; no Credential</b>	<b>% Enrolled Winter, of those with no Fall Credential Awarded</b>
Fall 2018	16,121	14,589	730	802	94.8%
Fall 2019	16,142	14,493	710	939	93.9%
Fall 2020	15,197	13,460	762	975	93.2%
Fall 2021	15,125	13,405	751	969	93.3%
Fall 2022	14,746	13,188	725	833	94.1%
Fall 2023	14,651	13,239	660	752	94.6%

### **Fall 2024 Enrollment Outlook**

We are days away from the priority application date for first-year applicants (January 31<sup>st</sup>), so the level of application activity is peaking. Each day the applicant numbers change significantly, so the year-over-year comparisons may be misleading, with small changes in the calendar. (Last year the deadline fell on a Tuesday; this year it falls on a Wednesday.) Once we get into the first two weeks of February, better comparisons can be made. That said, we are still experiencing application volume comparable to the very high level achieved in last



year's cycle. Note that the deadline to apply for transfer admission is still a month away (March 1<sup>st</sup>).

Totals as of January 24, 2024:

New first-year students—Bellingham

	<b>Applied</b>	<b>Admitted</b>	<b>Confirmed</b>
<b>2024</b>	10,698	9,560	640
<b>2023</b>	10,684	8,936	681
<b>2022</b>	8,518	7,554	579
<b>2021</b>	8,051	6,988	616
<b>2020</b>	7,832	5,425	512

New transfers—Bellingham

	<b>Applied</b>	<b>Admitted</b>	<b>Confirmed</b>
<b>2024</b>	454	185	46
<b>2023</b>	491	104	36
<b>2022</b>	506	188	77
<b>2021</b>	427	154	45
<b>2020</b>	411	89	13

New transfers—other locations

	<b>Applied</b>	<b>Admitted</b>	<b>Confirmed</b>
<b>2024</b>	14	2	1
<b>2023</b>	19	4	4
<b>2022</b>	24	1	1
<b>2021</b>	60	6	6
<b>2020</b>	62	0	0

Important notes on New First-Year Applicants

- First-year application numbers are comparable to Fall 2023, after huge increases last year.
- The percentage of first-year applicants who have been offered admission is up modestly, but again each day can produce larger sways in those numbers and the year-over-year comparisons at this time in the process.
- The percentage of first-year admits who identify as students of color is up slightly from what it was at this time in the cycle for Fall 2023. (36.1% this cycle, compared to 35.8% for Fall 2023)
- The percentage of first-year admits who identify as first-generation college students is up slightly from what it was at this time in the cycle for Fall 2023. (21.4% this cycle, compared to 20.8% for Fall 2023)
- The percentage of first-year admits who self-identified as Running Start students is up slightly from what it was at this time in the cycle for Fall 2023. (21.3% this cycle, compared to 19.5% for Fall 2023)

As we move into the post-deadline phase of our work, our attention will turn towards important yield activities. Confirmations are coming in at a comfortable pace, despite the fact that we are still early in the process and that students and families are challenged by the FAFSA experience this year. As we might expect, the FAFSA delays are impacting different parts of our admitted pool in different ways.

We are experiencing strong increases in confirmations from non-resident, first-year students (currently up more than 37% at this stage in the cycle). We adopted a more aggressive scholarship recruitment strategy this year (in part to combat what we knew were going to be challenges with FAFSA). That and the fact that a larger portion of our non-resident applicant pool is less reliant on FAFSA outcomes and aid offers in their decision process is allowing earlier commitment activity among this group.

The other side of the coin is hesitation to commit at this stage in the process among those who are more dependent on FAFSA-derived aid. A larger portion of our Washington resident population is more sensitive to the financial considerations of college choice, with many students relying on grant dollars—federal and state—that contribute to the overall makeup of families' affordability packages. Technical and process delays associated with the FAFSA have created a frustrating experience for prospective students, effectively reducing the level of confidence that families have in making the commitment to enroll. At present, that is manifested in the fact that we have 14% fewer confirmations from in-state students at this point in the cycle than we did last year. This is recoverable, but the FAFSA issues are delaying our ability to get the information to students that will allow them and their families to make informed decisions.

In a January 23<sup>rd</sup> story on NPR, titled "[The Education Department says it will fix its \\$1.8 billion FAFSA mistake](#)," Christina Tangalakis, manager of student aid at Glendale Community College, in California, painted a challenging scenario for many students, when inquiring, "*How many students will be discouraged by what they see on paper and not even attend?*"

You will remember that nearly 85% of Western's incoming Fall 2023 first-year class submitted a FAFSA to Western (and 66% of transfers). The concerns expressed by Ms. Tangalakis' are real and are being felt across the nation. I offer here a direct quote from the parent of one of our admitted students, in an email received earlier today, expressing frustration: "*We are having so many problems with the FAFSA form and are being blocked from moving forward with our submission.*" - Rachel, mother of admitted student Max.

Internally, our social media team is monitoring activity associated with recent criticism of Western's dining services. This represents a potential threat to enrollment. In an email exchange with the parent of an admitted student, an impression of Western's food options was readily shared, expressing that "WWU's food doesn't get good reviews," and inquiring if there were "any plans to improve the food overall." We are supporting campus partners as they work with our food service provider to turn the tide on the dining experience and how it is reflected to future students and their families.

Our consortium's own Washington Guaranteed Admissions Program (WAGAP) has become a highlight of the state's work to increase college-going rates among the state's high school graduates, as is reflected by interest among legislators in codifying it into state law this session. The program has grown substantially since the 2021-2022 inaugural year, and we continue to work to increase participation among high schools and school districts. The Council of Presidents (WAGAP's operating partner) recently reported that over 14,000 students—from 130 participating high schools—were contacted in the first three months of the academic year, eclipsing the entire communications outreach for all of 2022-23.

Further underscoring our commitment to post-secondary access and achievement, Western is working with Ferndale High School and Mount Vernon High School and establishing with those schools a supplement to the statewide guaranteed admission program. These two high schools are new participants in WAGAP this year. Our supplemental programming extends admission to additional students from those schools and includes special college application completion events, FAFSA submission nights, and celebratory activities. We are pleased to be taking these

steps to enhance our relationships with these schools in our region, presenting more opportunities to serve students and families during the admission and enrollment journey.

Early indicators are encouraging, with applications from both counties tracking ahead of last year (as of January 27<sup>th</sup>):

Skagit County high schools: 154 compared to 151 (up 1.9%)

Whatcom County high schools: 303 compared to 281 (up 7.8%)

## **II. Registrar**

### **Diplomas**

Western's Fall 2023 graduates were the first to receive their diplomas in both a paper and a secure, digital format. Both paper and digital diploma issuance were handled in partnership with Parchment, Western's existing credentialing partner for secure electronic transcript issuance and transfer.

Digital diplomas were first made available to students on January 5<sup>th</sup>, less than three weeks after the end of the quarter and about three weeks sooner than had been standard for print and mailed copies. Within the first hour of issuance, over 100 students had already claimed their digital copies and begun downloading them and linking them to social media sites like Facebook, Twitter, and LinkedIn. After three weeks, almost two-thirds of recipients—over 480 graduates—had logged in and accessed their digital diplomas before their traditional paper diplomas had a chance to arrive at their homes.

Digital diplomas provide our new Western graduates and alumni a faster, easier way to share a verified credential as they move on to professional or academic life after completing their Western degree. It is exciting to have this available to students and, based on our first term of issue, it is clearly a service they value, as well.

## **III. Student Aid**

### **2024-25 FAFSA/WASFA Now Open**

The 2024-25 FAFSA opened on December 30, 2023. The opening was part of a 'soft launch', that resulted in the FAFSA only being available for extremely limited windows of time during the first few days in January. Due to the numerous downtimes, there were some challenges and frustrations among students and parents who were unable to access the form. As of January 9<sup>th</sup>, the Department of Education ended the 'soft launch' of the FAFSA and reported that the form would be open continuously. Although, this has provided some relief, there are still many technical issues with the new form that continue to cause challenges in completing and submitting the form. The Department of Education is monitoring these known issues and is working to resolve them, while members of the WWU financial aid team continue to assist students through troubleshooting.

The launch of the 2024-25 WASFA was delayed and opened on January 5, 2024. Unfortunately, the WASFA also experienced some technical issues that has impacted some students' ability to submit the application.

Although the FAFSA is now officially open, we continue to get regular notifications about changes and adjusted schedules. The Department of Education previously announced a delay in processing the files, which meant schools would not be receiving any FAFSA data until late January. As a result of these delays, the final Ellucian Banner software updates continue to be

delayed as well. On January 30<sup>th</sup>, all institutions of higher education received another notice—this one informing us that we will not receive any FAFSA data until early March. With the many delays, the financial aid team will have significant work to do in a very compressed timeline.

### **2024-25 FAFSA/WASFA Completion Efforts**

Recognizing the significant delays and changes to the new FAFSA, the Financial Aid team has been hosting and participating in a number of FAFSA/WASFA outreach efforts to assist in completing the forms. Starting on January 12<sup>th</sup>, financial aid counselors have been hosting FAFSA Fridays which include both in person and online sessions for students to receive individual assistance in completing their FAFSA. We are pleased (though not surprised) that attendance has been more robust than in prior years. Additionally, through collaborative efforts with the Blue Group, Western Success Scholars, Black Student Coalition, WCE's Diversity, Recruitment and Retention Office and various others, Financial Aid team members will be hosting in-person FAFSA & WASFA sessions for targeted student populations.

Financial aid counselors have also begun participating in FAFSA workshops in collaboration with Futures Northwest at the following high schools: Bellingham, Squalicum, Ferndale, Nooksack Valley, Meridian, Blaine, Lynden and Burlington-Edison, Sehome, Options, Concrete, and Mount Vernon. These events are held with ready computer access, thereby allowing students and parents/guardians to simply raise a hand to receive the help they need to complete and file electronically. We anticipate follow-up requests from high schools and will continue to provide assistance as it is requested.

Financial Aid has supported the work of WWU's marketing team to launch this year's FAFSA completion campaign. The campaign was redesigned to address the needs of the current year and seeks to educate students on the changes for the new FAFSA and encourage them to complete the FAFSA. Western's marketing team has created a landing page with additional information. This has been a successful endeavor for the past few years and is again aiding in encouraging students to take the necessary steps to access financial resources to support their educational goals.

### **Legislative Bills Aimed at Increasing State Need Grant Eligibility**

With great interest, we have been monitoring several bills during the current legislative session that are aimed at expanding eligibility for state need grants. SB 5999 would expand eligibility for the maximum Washington College Grant to students up to 70 percent of the state median family income, which is an increase from the current 65 percent. Additionally, SB 5904 would extend the timeframe students have to utilize the state grant programs. We are excited to see many efforts at the state level to increase grant funding opportunities for WWU students.

### **Student Loan Indebtedness Decreasing at WWU**

Loan indebtedness is decreasing among WWU students graduating with a bachelor's degree. The percentage of WWU students graduating with loan debt has dropped from 56% in 2015, to 41% in 2023. Additionally, the total average debt has decreased, despite continued increases in costs. In 2015 the average debt for WWU students was \$22,357 while in 2023 the average debt was \$21,162. Both figures are well below the national average. Nationally, 58% of students seeking a bachelor's degree graduate with student loan debt that averages \$32,829 (Source: <https://educationdata.org/average-debt-for-a-bachelors-degree>). These reductions are largely a reflection of both our institutional and state initiatives that have resulted from our commitment to reducing student loan borrowing.

### **Student Employment Update**

The Student Employment Center worked collaboratively with the Human Resources Department to implement the new Washington State minimum wage. Effective Jan. 1, 2024, the minimum wage is \$16.28/hour, having increased from \$15.74 the year before. Additionally, the Student Employment Center will be working to make the necessary updates to the new Bellingham minimum wage that resulted from a voter-approved measure in November 2023. Starting May 1, 2024, minimum wage in Bellingham will increase to \$17.28/hour.

## **IV. New Student Services/Family Outreach**

### **Orientation, Advising, and Registration (OAR) Programs for New Students**

The last Winter Advising & Registration (A&R) Session was on January 8<sup>th</sup>, with a total attendance of 240 new students (186 transfer and 54 first year). Reservations for Spring A&R Sessions opened in late January, featuring four session dates for new transfer and first-year students over February, March, and April. Additionally, one Summer A&R Session has already been scheduled for early May to complete the academic year cycle.

Fall A&R 2024 planning is well underway in a collective effort with the Academic Advising & Student Achievement (AASAC) staff and the Office of Admissions. We are working on planning for new first-year, transfer, and post-baccalaureate students. Early projections, while fluid estimates, serve a significant role in decision-making for the number of A&R Session dates to offer, capacity of sessions, large-volume publication print numbers, and other materials and resources for new students. Tentative dates have been set and will be shared once all partners have confirmed. Dates are typically published in mid- to late March, prior to the spring Admitted Student Day events hosted by Admissions. NSSFO participates robustly in the Admitted Student Day events with resource fair tabling, panel discussions, presentations, informational giveaways, and consultations with prospective and confirmed students and families.

### **Strategic Planning & Assessment Development**

NSSFO recently completed a review and series of revisions to its departmental strategic plan. The plan is currently still in development, but it now more accurately and completely aligns with the point-in-time work NSSFO does with students and families, as well as the strategic plan for the ESS division, including subsets of plans (e.g., Okanagan Charter and Shared Equity Leadership Model). Additionally, 2024 is the year-in-cycle (3-year cycle) for NSSFO to complete a Council for the Advancement of Standards (CAS) in Higher Education review. The CAS review is currently scheduled to be completed February – April 2024, results of which will also influence and contribute to the final draft of the new departmental strategic plan.



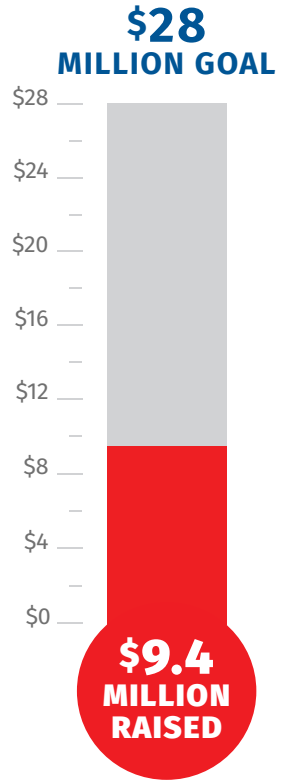
# UNIVERSITY ADVANCEMENT REPORT FEBRUARY 2024

## FUNDRAISING TO DATE

As of January 29, \$9.4 million has been raised toward our overall goal of \$28 million by June 30.

## UPCOMING EVENTS

On March 8 at 7:30 PM in the Performing Arts Center, WWU, in partnership with CASCADIA International Women’s Film Festival, will host “Love Letters: A Film Screening and Conversation” with 2018 Distinguished Campus School Awardee Catharine R. Stimpson, her partner Elizabeth Wood, and director Greta Schiller. The screening and discussion will be in celebration of International Women’s Day. Stimpson is a noted author and foundational feminist scholar. Born in Bellingham, she has honored WWU with the decision to donate her archival papers to Western Libraries Archives & Special Collections. Her spouse, Elizabeth Wood, is one of the founders of new directions in modern musicology, and also a writer and novelist.



### WWU Alumni Awards

The WWU Alumni Awards and Volunteer Recognition Celebration will be on May 10, 2024. This newly conceptualized event will focus on the accomplishments of Western graduates and celebrate the many contributions of volunteers who serve on boards across campus. The Foundation for WWU & Alumni is currently accepting nominations from alumni, faculty,

staff, students and the general public in four categories: Alumni Achievement Award, Alumni Humanitarian Award, Alumni Distinguished Service Award, and Outstanding Young Alumni Award. The deadline to [nominate](#) is February 29, 2024.

## PAST EVENTS

On January 4, The Foundation for WWU & Alumni joined with alumni and friends at a special pre-game event in Anchorage and then attended the women’s basketball game versus the SeaWolves. Attendees included WWU parent Don Stuart, whose son played soccer for WWU and now plays for Gibraltar, Joni Slagle ('78 and 2018



Hall of Fame inductee), both of whom were celebrating their birthdays! Also in attendance were WWU women’s basketball giants Keri Von Moos (‘80), Suzanne Thomas, and Jo Metzger-Levin (‘81, ‘85, ‘86 and 1990 Hall of Fame inductee).



### **Marketing Alumni Holiday Social**

In December, WWU Marketing alumni, students, and faculty gathered in Seattle for the annual holiday social and networking event. A total of 90 guests, including Foundation board member Nabeel Chowdhury (‘12) and 50 current students, celebrated together.

### **WWU Theatre Seattle Meetup**

The College of Fine and Performing Arts theatre chair Rich Brown, dean Christopher Bianco, emeritus faculty Jim Lortz, and several current theatre faculty members celebrated WWU theatre alumni in the Seattle area. Brown updated the 71 attendees on all the recent accomplishments of the students and faculty.

## **IMPACT STORY**

### **Tom Roehl’s Two Endowments**

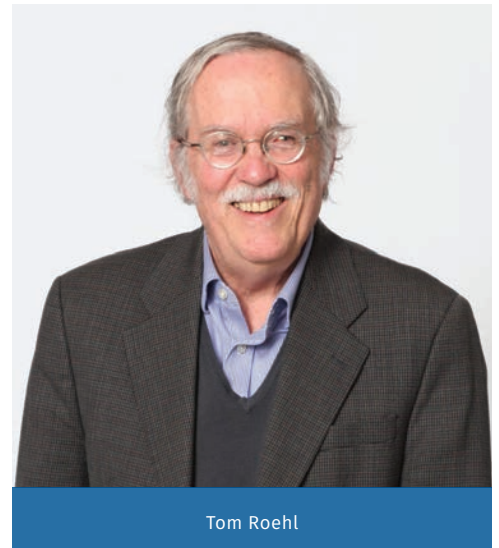
Unsurprising, perhaps, for a professor of international business, Tom Roehl of the College of Business and Economics has a passion for enhancing student experiences through study abroad. To that end, Roehl has established two endowments: the Junko and Tom Roehl Study Abroad Fund for Students in International Business; and the Roehl Family Scholarship for International Students.

“The study abroad endowment is intended for students studying in a non-English speaking country for longer-term study. It’s for those who don’t join a group of US or WWU students who study abroad together, but who register with one of our partner schools as a regular student,” Roehl says.

Dropping students into the deep end of studying abroad? That’s the Roehl Way.

The second endowment will go toward community college students born outside the U.S. with an interest in attending Western. Roehl’s goal is to provide some support for students who would benefit from going abroad but are financially challenged by the cost, and to create an exchange with students born overseas.

Roehl’s motto for his students (and his own life) is to “be comfortable being uncomfortable.” A professor with a sense of adventure, he moved to Japan right after receiving his master’s degree neither knowing a word of the language nor a person there. He jumped in and made a life for himself, learning about Japanese business and familiarizing himself with the culture. After teaching English abroad, he was a Fulbright scholar and wrote his PhD about Japanese business. He began his teaching career at the Foster School of Business at the University of Washington. He then taught for several years at the Ross School of Business at the University of Michigan where he taught courses on Japanese business and helped train executives in dealing with Japanese partners. In 1999, he came to Western to teach in the College of Business and Economics.



Tom Roehl

Roehl has been inspiring students to plunge out of their comfort zones into new experiences ever since. His course on projects teaches undergraduates how to source products for export, finding markets overseas that have potential for products with very few instructional parameters. The students work as consultants with CEOs of larger companies or with the founders of a smaller firms.

During his time at Western, his students have completed 175 projects, giving more than 500 students the real-world experience of international market research. He has twice won the Chase Franklin Award for teaching innovation in CBE.

While studying with Professor Roehl in his projects course, marketing major and IBUS minor Helen Olivares Fernandez worked with Saku Tea, a company that wants to market alternatives to caffeine for lattes.

“Something I really appreciated about this project was the freedom we had. We could go any route we wanted, and I think that’s really cool,” said Fernandez. “In other projects, I would like to take a different route but because of grade constrictions that might be slightly frowned upon. So I had the chance to take part in a team where I could do my part and have it shared with the team.”

“I hope more people take this class because it is unique in the process and tasks you get to do,” Fernandez said.





## Capital Program Report

Board of Trustees

February 9, 2024

### MAJOR / INTERMEDIATE CAPITAL PROJECTS

#### **Electrical Engineering and Computer Science (Kaiser Borsari Hall)**

Western is working with Perkins&Will, the design consultant, and Mortenson Company, the GC/CM contractor. Notice to proceed to start work was given to the contractor on April 14, 2023. Installation of the new staircase has begun in the Communications Facility (CF). Heavy Timber support beams, steel brace frames, and Cross Laminated Timber (CLT) wood panel installation was completed in November. The building is expected to be enclosed and dry by the end of February. The steel for the bridge connecting to CF is installed. The project crane was dismantled at the end of November. Upcoming work includes installation of curtainwall frames and glass window systems in the CF stairwell, completion of the permanent roof, the rough-in for mechanical, electrical, and plumbing systems, and the electrical room build-out. Permanent building power is scheduled to be available in June 2024. The building is scheduled for occupancy in Winter Quarter 2025.



Figure 1: South elevation



Figure 2: Bridge to CF

#### **Birnam Wood Siding & Bridges**

Phase 1 was completed in the fall of 2023, and Phase 2 design is now underway. This phase of the project will replace the bridges and siding at Stacks 1 & 2, and the laundry building at Birnam Wood. The architect, Cornerstone Architectural Group, is expected to be ready for bidding in the Spring for summer 2024 construction.

#### **Science, Math & Technology Education Building (SMATE) Envelope Remediation**

This project was completed in December 2023, at the Science, Math, and Technology Education Building (SMATE); Tiger Construction replaced roofing, repaired leaks in the south façade, and replaced the glass curtainwall system at the south stairwell. The design firm was HKP Architects.

### **Fairhaven Recording Studio**

This project has created a recording studio adjacent to the lobby of the Fairhaven Academic Building. The general contractor reached substantial completion in early January. Acoustic finishes and wall graphics will be completed by early in the spring quarter.

### **Multiple Building (MB) University Residences (UR) Access Controls & Telecom**

This project will provide new access controls to existing doors and new telecom room power receptacles in multiple University Residences buildings across campus. The project was awarded to Valley Electric. The contractor has finished all major construction and is currently correcting items noted on the punch list. Construction began in June 2022 and is scheduled to be completed in the Winter of 2024.

### **Multiple Building (MB) Security, Access Controls, and Fiber Upgrades**

This project will provide new access controls in existing academic buildings and upgrade fiber backbone cabling between buildings. The project designer is Hargis Engineers, and the general contractor is Dutton Electric Company. The contractor has completed all pathway and pre-work and is awaiting the access control components. The project is scheduled to be completed in summer 2024.

### **Fairhaven Hydronic Pipe and Valve Replacements**

Phase 2 of this project replaced heating water valves and below-slab piping throughout Fairhaven stacks 1, 3, 6, 7, 8, and 9. Phase 2 work is complete and was performed by CDK Construction Services. The third and final phase is scheduled for summer 2024 and will have a similar scope of work in stacks 2, 4, 10, 11 and 12.

### **House of Healing**

This project will provide a Coast Salish-inspired facility in an open meadow at the edge of Sehome Hill Arboretum. The project is currently in design with the Design Build team of Wellman-Zuck/Jones & Jones/Rolluda Architects. We anticipate submitting a request for delegated authority to approve the Phase 2 Contract Amendment establishing the Guaranteed Maximum Price to the Board at their February 2024 meeting. Construction is scheduled to start early spring 2024 and to be complete by end of summer 2025.



*Figure 3: Architect's rendering of the House of Healing*

### **Heating Conversion Project**

The Request for Proposal for an Owner's Advisor has begun, with proposals due January 30, 2024. The Owner's Advisor will refine the plan, phasing, delivery methods, surveys, and geotechnical information in determination of the strategies to move the project into the design phase.

### **Student Development and Success Center**

Facilities Development and Operations has been approved by the State to use Progressive Design Build (PDB) as the project delivery method. The Request for Qualifications process for the PDB teams is underway with Statement of Qualification submissions due on January 30, 2024.

### **Capital Development and Strategic Visioning Plan**

The team from NAC Architecture and Walker Macy have begun work on the project. The consultant team is transitioning from a robust stakeholder engagement effort during Fall Quarter 2023, largely with staff and faculty leadership, into the early stages of development on the Plan itself. Engagement with students and the broad faculty/staff body is beginning with a survey and open house in February 2024. The plan is expected to be completed around the end of 2024.

### **Predesign Studies: Environmental Studies Renovation & Academic Building at OC-Poulsbo**

The discovery stage began with leadership and stakeholder engagement in December and January. The predesign for the renovation of the ESC building will assess program needs and establish facility modernization goals. It will also outline a viable strategy for swing spaces or permanent relocations of programs, functions, and occupants to vacate the building ahead of and during the extensive construction period. The predesign for a WWU academic facility to be located on Olympic College's Poulsbo campus will establish the program, facility, and technical needs to house Western's Cybersecurity and Cyber Range programs and establish a physical presence for "Western on the Peninsulas" programs. The predesign reports will be due July 1, 2024, to OFM for funding consideration in the 2025 legislative session.

### **2023-2025 Capital Budget**

The final 2023-2025 Capital Budget, ESSB (Engrossed Substitute Senate Bill) 5200 includes the following appropriations for Western:

- Student Development and Success Center: \$47,950,000
- Minor Works Preservation: \$4,888,000
- Access Control Security Upgrades: \$6,250,000
- Environmental Studies Renovation: \$500,000
- Classroom, Lab, and Collaborative Space Upgrades: \$1,500,000
- Minor Works Program: \$3,000,000
- Heating Conversion Project: \$10,000,000 (funded with the Climate Commitment Account)
- Preventative Facility Maintenance and Building System Repairs: \$3,614,000

Western submitted a supplemental capital budget request consisting of \$500,000 in additional funding for Minor Works Preservation and \$1.5 million in additional funding for Classroom, Lab, and Collaborative Space Upgrades. The supplemental request also includes authorization of up to \$4.9 million in certificate of participation (COP) financing to cover the fundraising gap for Kaiser Borsari Hall. The Board of Trustees approved the 2024 Supplemental Capital Budget Request at the August meeting. The Governor's proposed budget includes the appropriation for the Minor Works Preservation and the authorization to use COP proceeds.

For more information regarding the process and development of the Plan, as well as a comparison worksheet that compares Western's capital request to the various budgets, please visit the following website: [2023-25 Capital Budget | Facilities Development & Operations | Western Washington University](https://fdo.wvu.edu/2023-25-capital-budget) (<https://fdo.wvu.edu/2023-25-capital-budget>)

Western has initiated the review and discussion of the 2025-27 Capital Request (Request) and 2025-2035 Ten Year Capital Plan (Plan). A draft of the Request and Plan will be presented to the Board at their April 2024 meeting.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Donna Gibbs V.P. University Relations & Marketing

**DATE:** February 9, 2024

**SUBJECT:** University Relations & Marketing Report

**PURPOSE:** Information Item

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**Purpose of Submittal:**

A written report is provided on the recent activities of University Relations & Marketing.

**Supporting Information:**

Report Attached

## OFFICE OF THE VICE PRESIDENT FOR UNIVERSITY RELATIONS & MARKETING

In December and January, we collaborated with members of WWU's Facilities Development & Operations team in negotiations with a team from the City of Bellingham Parks and Planning departments to complete the ground lease for the House of Healing longhouse on a city parcel in the Sehome Hill Arboretum. Of particular note were detailed conversations on the proposed lot line that will enable outdoor educational, and ceremonial uses while keeping the overall footprint of the project to approximately 2 acres of the 180-acre park, as requested by the City of Bellingham to honor the commitment that the Arboretum remain an open space for public use.

We also engaged in detailed conversations on how to balance the need for the longhouse to be open for public use, while also honoring, first and foremost, the university's educational mission and the culturally sensitive nature of the project for Native American and First Nations Peoples. We have made good progress and expect to present the final lease draft for review by the Sehome Hill Arboretum Board of Governors on February 5, followed by a review by the City of Bellingham Parks Board and a final vote by the City Council, allowing us to stay on track for a ground blessing ceremony on April 11 attended by several dignitaries including U.S. Representative Rick Larsen and Washington State Representative Debra Lekanoff, among others.

President Randhawa will meet with new Bellingham Mayor Kim Lund in mid-February to reconfirm our shared commitments on this project and discuss other shared priorities.

The final days of 2023 were also consumed with helping our colleagues in Enrollment Management and the Admissions Office respond to the delayed launch of the simplified Federal Application for Student Aid (FAFSA) form. The FAFSA has traditionally opened on October 1, but this year's launch was delayed until December 31 to allow the U.S. Department of Education to complete work on the modified form.

In November, University Marketing created a [new landing page](#) focused on educating students and their families about the changes to the FAFSA. The new page also allowed students and their families to sign up for updates and reminders. The page has been updated to reflect the changes in the FAFSA form's status and to highlight emerging information. As of January 23, nearly 500 students and parents have signed up for FAFSA updates.

In December, WWU began running a campaign focused on FAFSA education and completion. The campaign launched with targeted display ads and website pop-ups that direct students and their families to the [www.wvu.edu/financial-aid](http://www.wvu.edu/financial-aid) landing page to learn more. After the FAFSA opened on December 31, WWU began running a follow-up campaign encouraging students and families to complete their FAFSA before the February 28 deadline. For the first time in 2023, we also engaged in an on-campus campaign to offer financial aid counseling resources to continuing students and family members through the WWU Families newsletter.

We have also begun work on a new WWU-Peninsulas website and marketing landing page as a necessary prerequisite for more robust and targeted digital outreach to build enrollments for Fall 2024 and beyond. As new 2+2 programs make their way through the internal faculty approval process and external review by the Northwest Commission on Colleges and Universities (NWCCU), our immediate outreach efforts will be limited to direct messaging to current Olympic and Peninsula College students with more broad-based efforts starting after all necessary approvals are completed.

## MARKETING & COMMUNICATIONS

### UNIVERSITY COMMUNICATIONS

Industry trends are showing that LinkedIn is attracting more traditionally college-aged student users, and in recent months, WWU's new followers have been reflecting this trend, with roughly 1 in 3 new followers identifying as WWU students.

Our content strategy will shift to include more WWU stories, events, and insights that appeal to our students. Specifically, we will be working regularly with the Career Services Center to create content centered around professional development, career advice, trends, etc. that are most useful to students and young alumni. In addition, we are also looking at targeting specific LinkedIn profiles through limited boosting campaigns highlighting stories that appeal to students and recent alumni.

Overall, WWU's social media platforms continue to grow as we find more engaging ways to connect our audiences to our best student, faculty, staff, and alumni stories, impactful university news, and various earned media articles. The engagement on both Instagram and LinkedIn at between 5-15 percent are performing well above higher education benchmarks of 1-3 percent engagement. Additionally, the three primary channels – Instagram, LinkedIn, and Facebook continue to log close to two million organic impressions. Facebook and Instagram reflect the previous 90 days and LinkedIn reflects the previous 60 days.

WWU's LinkedIn channel is second out of all four-year public institutions in Washington state in terms of engagement rate, second only to Washington State University. Over the past year, WWU's LinkedIn channel's engagement has been either first or second place among state peers.

WWU's earned media outreach in November and December centered on research and standout faculty and student profiles, as well as promoting important community engagement initiatives and programs. WWU's Capital Development and Strategic Visioning program, initiatives during Native American Heritage Month, Fall Commencement, National Science Foundation grants, local environmental studies with community impact, and Kaiser Borsari Hall's global recognition were all highlighted and covered by WWU channels and by local, state, and some national media.

Work has also been completed in collaboration with our colleagues in Web Communication Technologies to make the archive functionality of the WWU News portal more robust. Users can now easily search for any content that has been tagged by college, department, center, topic, or by individuals in the stories, allowing those offices to quickly gather all the Western Today/WWU News content for their uses including alumni newsletters, advisory board outreach, and other direct constituent communications. Visit [news.wvu.edu](https://news.wvu.edu) to view the WWU News Portal.

The Fall 2023-Winter 2024 print edition of Window magazine was distributed in the last week of November to more than 130,000 recipients. Complementing the print edition, Window's digital edition was distributed in early December and in mid-January to 148,000 and 149,000 subscribers, respectively. The digital site for Window Magazine continues to see high engagement rates at more than 80% (this means that users on the site spent more than one minute there, navigated to at least two pages, clicked on related stories or clicked through to WWU or the WWU Foundation websites). Visit [window.wvu.edu](https://window.wvu.edu) to view the latest features.

The Family Connection Newsletter maintains open rates near 50 percent. FAFSA delays and counseling resources for students and families, scholarship opportunities, and housing and transportation information rounded out its most popular topics among families of WWU students.

## WESTERN TODAY / WWU NEWS PORTAL

Total Sessions

38,615

### Nov-Dec 2023 Data

WWU News November sessions: 22,701

WWU News December sessions: 16,426

Total sessions: 38,615 (vs. 44,840 sessions for the previous reporting period)

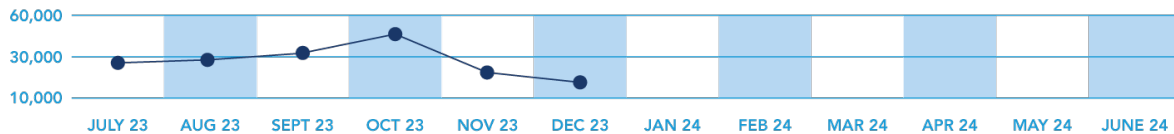
Highest Western Today email open rate: 29%

### Most-read stories

Participants needed for a study on the use of ChatGPT in learning and higher education (1,205 views)

Applications for WWU's Sustainability Pathways summer program in the Methow Valley are now open (994 views)

What to expect when it snows at Western (867 views)



### Earned Media

1,418

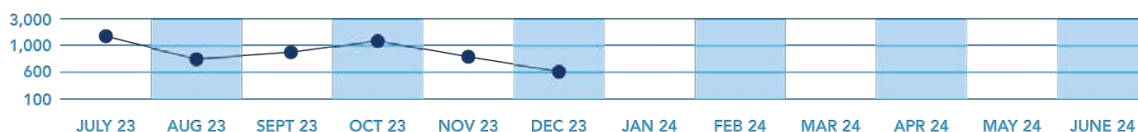
Total media mentions

- November stories: 801
- December stories: 617
- Total stories (Nov.-Dec.): 1,418 (vs 1,349 Sep.-Oct.)
- Key media mentions: The Economist, Politico, Quanta Magazine, Seattle Times

### Top Stories

- [The excitement of 70,000 Swifties can shake the Earth](#) / The Economist (U.K.)
- [It's only a matter of time before a tsunami hits the Northwest. Why is it missing from FEMA's risk analysis?](#) / Politico
- [The Scientist Who Decodes the Songs of Undersea Volcanoes](#) / Quanta Magazine

Visit [news.wvu.edu](https://news.wvu.edu) for more WWU stories and coverage information



## Social Media

Most engaged post on Instagram in the last 90 days with a 16.4 percent engagement rate:

<https://www.instagram.com/p/C2NvveCygep/>

Most engaged post on LinkedIn in the last 90 days with a 47 percent engagement rate:

<https://www.linkedin.com/feed/update/urn:li:activity:7147658240225345536>

## Performance for WWU Primary Social Media Channels

Period measured: 11/21/23 – 1/21/24

### LinkedIn

- Total followers: 104,861k vs. 104k (11/21/23)
- New followers: 2k vs. 2.5k (Oct-Nov)
- Organic impressions: 267k vs. 280k (Oct-Nov)
- Engagement rate: 10.6% vs. 6.8% (Oct-Nov)
- (Source: LinkedIn Analytics)

### Instagram *(measured in 90-day cycles – period measured: Oct 24 – Jan 21)*

- Total followers: 32.2k (+2.6% over previous 90 days)
- Total impressions: 1,498,459 (-22% over the previous 90 days)
- Accounts engaged: 16.5k (+5.7% over previous 90 days)
- Accounts reached: 76.1k (-41.1% over the previous 90 days)
- Non-followers reached: 52.1k (-25% over the previous 90 days)
- (Source: Instagram Analytics)

### Facebook *(measured in 90-day cycles – period measured: October 25 – Jan 22)*

- Total followers: 54,555 vs 54,335 (11/21/23)
- New followers: 611 (-15% over the previous 90 days)
- Page reach: 350.8k (+77% over previous 90 days)
- Engagement: 52.3k (-12% over the previous 90 days)
- (Source: Meta)

## Wind Magazine

### Print Magazine

Physical copies sent to USA addresses November 20-30, 2023: 134,483.

Visit [window.wvu.edu](http://window.wvu.edu) to view the magazine.

### Website

Total visitors: 6,920

- Engagement rate: 89.5 percent
- Engagement measured by users who do at least one of the following:
  - Visit two or more pages.
  - Spend more than one minute on [window.wvu.edu](http://window.wvu.edu).
  - Click through to another WWU link or a WWU Foundation link.
  - Scroll down at least 10 percent of the page.
  - Click on a related story.
  - Visit [window.wvu.edu](http://window.wvu.edu) for the first time.

Top-viewed stories:

- She Was Beautiful, Loyal and Tough
- Immersive Future of Language
- Aperture of Empathy
- Amazon to the Galapagos
- In Her Father's Memory



## **Digital Window Magazine**

**December Recipients: 148,732**

Opens: 38,685 / 26 percent

Clicks: 592 / 2 percent

Most-clicked stories

- Western Wrapped
- Immersive Future of Language
- Video: Glacier Research with Drones
- Water Watchdogs
- Video: Institute for Watershed Studies

**January Recipients: 149,045**

- Opens: 26,800/18 percent
- Clicks: 502/2 percent
- Most-clicked stories
- Plastic Trash Upcycler
- Where the Whales Are
- Video: Caitlyn Blair and the Salish Sea
- Video: Russian Pianist Mikhail Voskrosensky
- Event: Protecting the Salish Sea

## **Family Connection Newsletter**

**November recipients: 12,567**

Opened: 47.6 percent

Clicked: 6.5 percent

Top content:

- Financial Aid
- Scholarship Center
- Regional Transportation Information
- Student Transportation Information
- Housing During Holiday Breaks

**January recipients: 11,717**

- Opened: 42.4 percent
- Clicked: 4.9 percent
- Top content:
- Off Campus Living
- Financial Aid FAFSA FAQs
- Ready, Set, Rent! Online course
- Scholarship Center
- Financial Aid FAFSA Fridays

## **UNIVERSITY MARKETING**

The University Marketing team is a group of creative professionals dedicated to engaging Western Washington University's audiences through strategic marketing, branding and advertising. The team is responsible for advancing, managing, and protecting the Western brand. In addition to leading institutional campaigns, Western's University Marketing team works collaboratively to support the branding and marketing needs of our schools, centers, institutes, and administrative departments.

## Launch of the New FAFSA

For the past three years, WWU has devoted a portion of the digital marketing budget to the promotion of the Free Application for Federal Student Aid (FAFSA) and the Washington Application for State Financial Aid (WASFA) to prospective students. This year's overhaul of the FAFSA processes and systems used to award federal aid revealed a need to expand this effort to include current students and families. University Marketing worked with Financial Aid to plan and deploy additional strategies aimed at clarifying the process and eliminating confusion with our students and their families.

The FAFSA has traditionally opened on October 1, but this year's launch was delayed until December 31 to allow the U.S. Department of Education to complete work on the modified form. In November, University Marketing created a [new landing page](#) focused on educating students and their families about the changes to the FAFSA. The new page also allowed students and their families to sign up for updates and reminders. The page has been updated to reflect the changes in the FAFSA form's status and to highlight emerging information. As of January 23, 452 students and parents have signed up for FAFSA updates.

In December, WWU began running a campaign focused on FAFSA education and completion. The campaign launched with targeted display ads and website pop-ups that direct students and their families to the [www.wvu.edu/financial-aid](http://www.wvu.edu/financial-aid) landing page to learn more. After the FAFSA opened on December 31, WWU began running a follow-up campaign encouraging students and families to complete their FAFSA before the February 28 deadline.

After the start of the Winter Quarter, University Marketing worked with Financial Aid to develop several assets to bolster student outreach efforts. Creative Services developed a set of digital signs and flyers highlighting the extended FAFSA deadline and the new FAFSA Friday events. The signs and flyers will be displayed across campus through the February 28 deadline.

## FAFSA Display Creative (Animated Ads)



**FINANCIAL AID  
HELP FOR  
FAMILIES.**



**Let WWU help you  
get the most out of  
your aid application.**

[Submit your FAFSA](#)



**NEED MONEY  
FOR COLLEGE?  
Don't miss your  
chance to apply!**




**Submit your FAFSA  
by February 28.**


[Get Started](#)



**Facebook/Instagram Campaign Creative (In-Feed Ad)**

 **Western Washington University**  
Sponsored

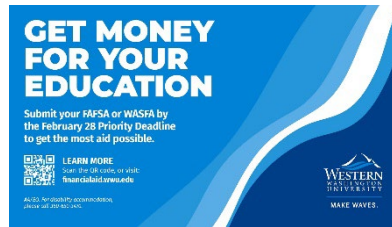
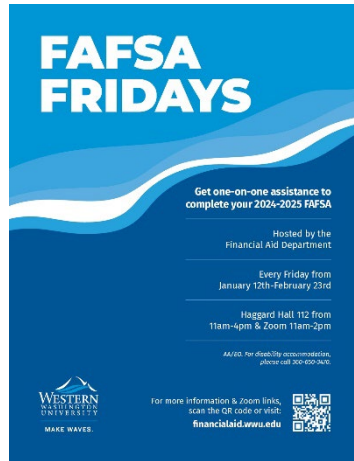
A friendly reminder from Western Washington University: please file for financial aid. Your student (and wallet) will thank you!



WWU.EDU  
Get More \$\$\$ for College  
WWU is here to help!

[Learn More](#)

## On-Campus Digital Signage and Flyers



The digital marketing campaign for FAFSA is performing well, with Meta (Facebook/Instagram) delivering a very high click-through rate and a high number of conversions. Last year's Meta campaign, by comparison, only generated 12 conversions over its run. The addition of the RFI form as an opt-in for more information likely had a role in the dramatic jump in conversions.

DEC 1. - JAN. 20 FAFSA CAMPAIGN PERFORMANCE				
Strategy	Impressions	Clicks	Click-Through Rate	Conversions
Display	4,369,221	11,472	0.26%	6
IP Targeting	1,114,515	1,250	0.11%	0
Meta	213,063	1,367	0.64%	58

### Admissions Recruitment First-Year Undergraduate

In November, WWU launched a digital marketing campaign centered around "[A New Life for Ocean Plastics](#)" story, which explores how Polymer Materials Engineering students and faculty played a role in Alaska's Ocean Plastics Recovery Project. The campaign is set to continue through the January 31 Regular Decision Deadline and will reach both in-state and out-of-state prospective students through display, Snapchat, pre-roll advertising, and generate conversions in the form of requests for inquiry (RFI), visit registrations, and applications from [the campaign landing page](#).

**November - January First-Year Undergraduate Creative**



NOV 1. - JAN. 20 FIRST YEAR UNDERGRADUATE CAMPAIGN PERFORMANCE				
Strategy	Impressions	Clicks	Click-Through Rate	Conversions
Pre-Roll	18,775,447	17,342	0.06%	2
Snapchat	6,598,372	23,617	0.35%	64
IP Targeting	1,866,759	2,486	0.13%	3
Display	980,511	454	0.05%	296
PPC	70,527	10,645	15.09%	279

**Transfer**

In November, WWU launched its digital campaign aimed at in-state transfer students. This year, the University Marketing team created a set of ads showcasing Western's Bellingham campus and student life.

The campaign will run through February 29 and consists of display, mobile location targeting, PPC, and Snapchat advertising.

## November - January Transfer Creative



NOV 1. - JAN. 20 TRANSFER CAMPAIGN PERFORMANCE				
Strategy	Impressions	Clicks	Click-Through Rate	Conversions
Mobile Location Targeting	639,149	702	0.11%	4
Display	328,139	151	0.05%	11
Snapchat	278,426	4,797	1.72%	2
PPC	7,475	1,408	18.83%	50

### Brand Management and Creative Services

In addition to providing the creative for campus-level campaigns, the University Marketing team works with academic and administrative teams across Western's various campuses and locations to manage the University's brand. This includes developing design elements and ensuring adherence to Western's brand standards.

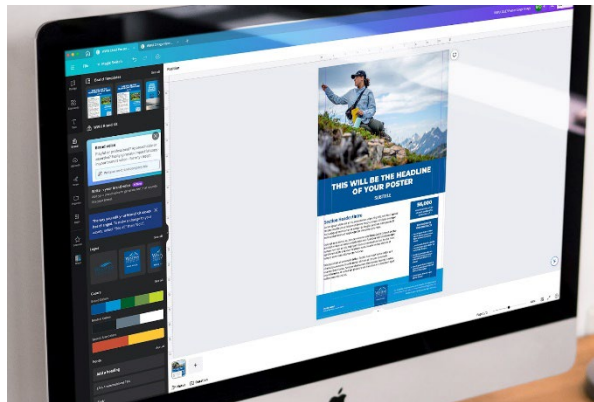
In December and January, the University Marketing team created brand identities and provided creative services for the following Western offices:

- Academy for Lifelong Learning
- Accounting Services
- Anthropology Department
- Bias Response Team
- Career Services Center
- Community Relations
- Community Service Center
- Conference Services
- Emergency Management and Business Continuity
- Enrollment and Student Services

- Financial Aid
- Global Humanities and Religions
- History Department
- Morse Leadership Institute
- Multicultural Student Services
- Outreach and Continuing Education
- Professional and Continuing Education
- Registrar's Office
- SEA Discovery Center
- Student Publications
- Student Success Initiatives
- University Communications
- Western Libraries
- Woodring College of Education
- WWU Athletics

### **New Branded Template System**

Starting February 1, 2024, a new document creation tool will be made available. Using the Canva platform, users will have access to several Western-branded documents in both print and digital formats. The platform allows for flexible editing within a user-friendly interface. Along with the templates, the Canva account will include access to the Western brand kit for easy access to WWU's logos, fonts, and color palette.



In addition to the Canva templates, Creative Services is offering greater flexibility in branded document creation by developing templates for the Microsoft Suite and the Adobe Creative Suite. These alternative templates will be made available to those who would prefer using their existing software applications rather than using Canva.

## **VISUAL MEDIA PRODUCTION**

### **Optimizing and Facilitating Efficiencies**

The VMP Team continues to hone workflows on our EVO NAS Media Storage system. The entire server is 100 terabytes, and, in the past, we could use at most 60% of that space. In collaboration with Academic Technology & User Services (ATUS) and the Digital Media Center, we have come to an agreement for URM to utilize the entire server for our workflow and futureproofing our assets. This will also include a physical move of servers to a new area at Bond Hall. This will allow for quicker connection speeds and create better information security.

## Studio Upgrades

The OM 370 Suite is becoming unlike any other suite on campus as it will be providing multiple studios, offices, secure gear rooms, and editing desks in a single suite, in the middle of Old Main. We have made a series of software and hardware upgrades that allow us to have a studio that is both a 4K recording system and will also have chroma key and artificial background ability. Additionally, we have upgraded our cameras in Studio A (OM370B) to be 4K resolution. We also purchased new editing computer systems and are utilizing our previous machines for asset ingestion and a student worker editing station. All of these computers also have access to our media server, and all can be connected simultaneously. We now have five LED lights in the Studio to mitigate heat issues and also allow for more consistent light color. These upgrades will have a significant positive impact on the types of projects that we can create, further increasing both our efficiency and quality. Studio B (OM370D) is next up, and this will be a purely photo-based space with paper backgrounds using equipment recycled from the first iteration of Studio A. We pride ourselves on almost nothing going to waste or being sent to disposition. This keeps our costs low and our footprint light.



## Creating Content

VMP submitted 13 projects from 2023 to the Northwest Chapter of the National Academy of Television Arts and Sciences (NATAS) EMMY Awards. This is a great accomplishment in its own right to be able to submit so many diverse entries across a range of categories. This increases our overall submissions from the previous year of three. We continue to be one of the only schools in our chapter to submit projects to the EMMY's, alongside a couple of R1 universities and large TV networks. We will be notified of possible nominations in April.



## Fall/Winter Productions



### Projects Recently Completed:

- MLK Day Opening Presentation
- Western Wrapped 2023
- Getting to Know: Mikhail Voskresensky (Visiting Pianist)

### Projects in Production/Post-Production

- Alum Spotlight: Caitlyn Blair (Salish Sea Minor Graduate)
- Faculty Spotlight: Richard Hodges (appearing in the Seattle Opera production of X: The Life & Times of Malcom X & Vocal Studies Professor)
- Student Spotlight: Melaku Akawold (Music / Woodring Student)
- Northwest Avalanche Center x WWU – Snow School
- WWU Energy Studies: Oliver Singbo (from Benin in West Africa, working on an off-grid solar project to help his home village)
- Above Bellingham 2.0 (Drone video, showcasing the WWU community)
- Sculpture Garden Short Documentary
- WWU Building Repository

### Future/Potential Projects About to Begin

- Outdoor Center Field Experiences
- Longhouse Planning & Building Documenting

## WEB COMMUNICATION TECHNOLOGIES (WEBTECH)

### Summary December - January

Though campus quiets down during much of December and early January, WebTech work continued apace. The most prominent change for users of websites implemented during this period was switching search engine providers to a Google service named Custom Search Engine (CSE). The CSE is providing more relevant and accurate search results than our prior vendor and through collaboration with Google it is offered at no cost to Western and other institutions of learning. This change has been a focus of WebTech to better support student retention by making resources and offices on campus via web searches more effective.

CampusWeb was shut down. This is the culmination of a project which began in the middle of 2021 in collaboration with Enterprise Infrastructure Services (EIS), the goal of which was to either move, fold-into another website, or to turn off over 200 little-used websites. This creates a less fragmented browsing experience for users, makes it easier to maintain a consistent brand and voice, and improves security. The final sites to migrate were ten faculty teaching sites, the [Teaching Handbook](#), and the Design department website.

Campus Recreation completed a major migration from WordPress to Drupal and brought the employee wellness website into their site as well. This change is making it much easier for Campus Recreation staff to maintain the content on the site as well as developing new content.

Behind the scenes from most, we were able to deliver an updated tool for faculty that makes it easier to request Canvas course shells and Panopto video services for their courses. This should allow the teaching and learning team within ATUS to offer more support to faculty. We also helped the Career Services Center synchronize what they post on the Western Involvement Network (WIN) with their website, so they only have to make updates in one place, increasing their efficiency and reducing the possibility of any misinformation in one spot.

WebTech also worked alongside the Martin Luther King Jr. Day committee to produce the [MLK webpage](#) linked to from many sources around the county, mentioned on the radio, and shared in local papers. We also helped the Time, Place, and Manner website use a more on-brand theme along with the Institute for Watershed Studies site.

We collaborated with the College of Business and Economics to develop the initial [Merriman Financial Literacy Program](#) website. This will be the launching point for students, staff, and faculty to engage with current and future course and resource offerings.

### Institutional Website Traffic

In contrast to the last reporting period, web traffic was down across the Slate admissions portal throughout December compared to this time last year. This is due to the delayed rollout of FAFSA this year. Typically, Admissions runs email and SMS outreach during this period, but this year did not as there was no FAFSA to fill out until December 31. Within Admissions the cost of attendance page has seen a 20.29% increase in traffic, the transfer page is up 1.92%, while the first-year out-of-state scholarship page is seeing a 19.82% increase, as well as the net price calculator increased 17.03%.

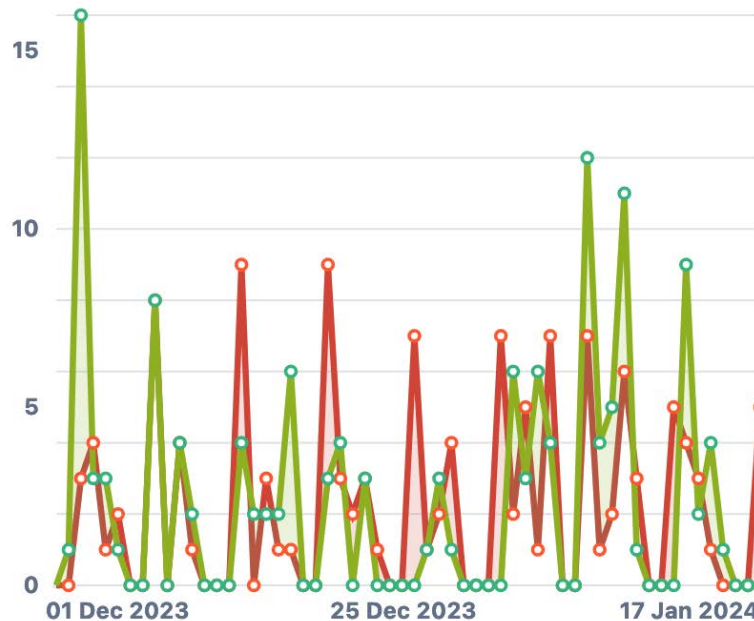
Looking beyond just the overall traffic visiting WWU, Western's typical top-trafficked page showed good growth year over year as measured by visits and engagement with the content. The majors landing page is up 9.32% y-o-y, the Make Waves campaign landing page is up 14.75% and Work at Western is up 10.46%. The Make Waves Locally campaign is up 68.85% and the MLK event page this year saw a 22.16% increase in y-o-y traffic.

The major with the most increased traffic is Biology, showing a 25.46% increase. Engineering is up 14.94% and Business Administration saw an 11.67% increase.

Across all Western websites, traffic did increase .5% and average engagement time increased 29.8% to 1 minute and 30 seconds.

## WebTech Workload

Created vs. Resolved Chart: Updated within the ...



### Issues in the last 56 days (grouped daily)

[View in Issue navigator](#)

- Created issues (128)
- Resolved issues (137)

Our work queue relaxed over the holiday period. We resolved 137 issues and created 128 new issues this period. The WebTech inbox received 201 fewer emails than last period, totaling 347 further requests for support.

## UNIVERSITY RELATIONS

### COMMUNITY RELATIONS

Notable projects and connections that enhance WWU visibility, improve community access, and increase community-to-university partnerships.

#### Martin Luther King Jr. Day

January 15, 2024, marked the fourth consecutive year that WWU led a growing group of community partners to fund, organize and execute Bellingham and Whatcom County's key MLK Day of Service event. The community partnership is called the Community Consortium for Cultural Recognition and includes WWU, Whatcom Community College, Bellingham Technical College, Northwest Indian

College, Bellingham Public Schools, Ferndale School District, Peace Health and the City of Bellingham. The Consortium is convened by Western's director of Community Relations. This year's Martin Luther King Jr. event was held at Bellingham's Sehome High School. A recording of the event is available for viewing on the MLK Day web page at [www.wwu.edu/mlk](http://www.wwu.edu/mlk).

### **Event Highlights**

- 400 people attended which is an increase of 160% over last year. Key attendees included Bellingham's Mayor, City Council members, business leaders, K-16 students, and community members.
- A free community breakfast was offered to all attendees and featured performances by the Lummi Blackhawk Singers and Dancers.
- Tabling by six local vendors including black-owned businesses and local nonprofits.
- 40 youth attended age-appropriate youth programming for those ages six to 22 sponsored by the local nonprofit Whatcom C.A.R.E.
- Artwork was displayed by 35 third graders at Bellingham's Happy Valley Elementary.
- Two local student MCs – a senior at WWU and a Running Start student at WCC.
- Two inspiring keynote speakers - A freshman at WWU and a teacher from the Bellingham School District.
- Due to the event's success and the Consortium's ongoing local community impact, the Chuckanut Health Foundation has committed to joining as the Consortium's ninth partner which will allow for additional resources for future programs.

### **Expanded Community Service Expanded Community Service Opportunities**

- An inaugural community food drive distributed a total of 600 lbs of food to the food pantries at WWU, Northwest Indian College, Whatcom Community College, and Bellingham Technical College.
- A hygiene drive brought in hundreds of hygiene products supporting Squaticum High School's Latinos in Action student club. Items are being distributed to those in need.
- 150 attendees of all ages worked together to make 50 blankets for the homeless which are being distributed to those in need by the local nonprofit Road2Home.
- 50 attendees worked together to assemble 100 kits for the homeless. The kits were donated to the local nonprofit Road2Home to be distributed to those in need.
- 15 attendees cleaned up the emergency cold weather shelter at Bellingham's Civic Field, more than the 12 requested by the shelter's facilitator.

### **WWU's Holiday Season Community Presence**

The director of Community Relations attended numerous holiday functions and end-of-year celebrations on behalf of WWU. Examples include Bellingham Mayor Fleetwood's farewell party, Neighborhood Association holiday gatherings, Chamber of Commerce end-of-year celebration, Downtown Bellingham Partnership CEO farewell, and Bellingham Whatcom County Tourism holiday party.

## **TRIBAL LIAISON**

### **Events and Planning**

The priority for the Tribal Relations Department continues to be guiding the planning and development of the House of Healing longhouse project. The base scope and building portion of the project continue to be processed by the contractors and design team. We remain committed to being able to break ground in April and open the facility in the fall of 2025.

In December, the longhouse design team prepared a mock-up of the proposed kitchen for the longhouse. This process enabled Native American Student Union students, faculty, staff, and community members to provide effective feedback for the build team. This was an exciting and fun process for all participants involved with this project.

The Tribal Liaison is working with Hafthor Yngvason, Western Gallery director, and Michael Sweney of the Washington State Arts Commission on the House of Healing longhouse artwork, including commissioning a Native artist to carve two doors for the entryway of the longhouse and/or two poles for the entryway.

The Tribal Liaison has entered a proposed project in collaboration with James McCafferty, director of the Center for Economics and Business Research at WWU, and the Washington State Department of Commerce on a study that analyzes how the economic impact of reduced oil refining in Washington state is likely to impact Washington refineries, refinery workers and local communities including several local tribal communities. This study is to be finalized by December 31, 2024, and distributed to the energy and environment committees of the state legislature.

### **Training**

The Tribal Liaison maintains a monthly meeting with Human Resources to inform new Western employees regarding the operations of the Tribal Relations Office. This practice facilitates informing the university community of current activities and functions of the Tribal Relations Department.

### **Advisory Functions**

The Tribal Liaison continues to be actively involved in consultation with students, staff, faculty, and administrative leaders regarding issues and policies regarding tribal nations and pathways for building inclusive and collaborative relationships.

### **Relationship-Building**

The Tribal Liaison is working with Maxine Alex in the Tribal Consultation Program, Office of Native Education, in planning for a Government-to-Government Training conference at WWU in July 2024.

## **SMALL BUSINESS DEVELOPMENT CENTER**

### **WWU SBDC BELLINGHAM Q4 HIGHLIGHTS**

<b>Businesses Served</b>	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>YTD 2023</b>
Business Counseling Received	155	141	466
SBDC Sponsored Training Participants	17	7	52
Research or Students Projects	0	0	6
Information or Resources Provided	68	67	271

<b>Clients' Economic Impacts</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>YTD 2023</b>
Capital Formation	\$356K	\$90K	\$11.3M
Business Starts	10	1	31
Jobs Created or Retained	17	20	996

**Top Areas of Counseling:** Start-up Assistance, Managing a Business, Buy/Sell Business, Human Resources/Managing Employees, Financing/Capital

### **Rolling 12-month Demographics**

**Top Industries:** Retail, Accommodation & Food Services, Health Care & Social Assistance, Service Establishment, Manufacturing

**Annualized Sales:** \$174M

**Jobs Supported:** 1,566

### Highlights

#### Welcoming Allijah Motika

The WWU Small Business Development Center (SBDC) is pleased to announce Allijah Motika has joined our team as Marketing Coordinator and Program Specialist. Allijah supports both the Whatcom and Kitsap centers' marketing and outreach efforts while providing resources for community inquiries and new-client assistance. Coming to us from the Viking Union at WWU, Allijah's background in marketing and customer service made him a perfect fit to assist our team in reaching and serving small business owners across Kitsap and Whatcom counties.

#### Spanish-language Resource Partnership with Sustainable Connections

Our team has partnered with Sustainable Connections to provide guidance and resources to small business owners navigating the changing regulations following the City of Bellingham's single-use plastics ordinance. Community Business Development Director and Certified Business Advisor Liliana Deck teamed up with Katy Tiernan of Sustainable Connections to develop and produce a Spanish-language video to explain the changing regulations. The "Residuos Y Más: Plásticos Desechables" video is available at: [sustainableconnections.org/single-use-plastics/](https://sustainableconnections.org/single-use-plastics/).

#### Cybersecurity in Government Contracting

WWU SBDC Executive Director CJ Seitz joined Cara Buckingham of Washington APEX Accelerator to cohost a cybersecurity workshop on October 19, 2023. Kelly Sowards of Impact Washington and Brent Lundstrom, director of the Cybersecurity Center for Excellence at Whatcom Community College, joined Cara to provide an overview of cybersecurity vulnerabilities, specific regulations, and useful resources for small businesses contracting with the government.

#### Washington State SBDC Biannual Conference

WWU SBDC advisors joined their colleagues in the bi-annual statewide SBDC conference in Ellensburg, WA in October. Advisors from around the state shared resources, and best practices, and discussed methods to enhance the quality and effectiveness of our services.

#### WWU SBDC KITSAP Q4 HIGHLIGHTS

<b>Businesses Served</b>	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>YTD 2023</b>
Business Counseling Received	56	52	160
SBDC Sponsored Training Participants	40	13	121
Research or Students Projects	0	0	8
Information or Resources Provided	97	18	282

<b>Clients' Economic Impacts</b>	<b>Q4 2023</b>	<b>Q4 2022</b>	<b>YTD 2023</b>
Capital Formation	\$174K	\$80K	\$2M
Business Starts	3	0	12
Jobs Created or Retained	21	32	118

**Top Areas of Counseling:** Managing a Business, Start-up Assistance, Financing/Capital, Business Accounting/Budget, Human Resources/Managing Employees

**Rolling 12-Month Demographics**

**Top Industries:** Retail, Health Care & Social Assistance, Construction, Professional/Scientific/Technical Services, Accommodation & Food Services

**Clients' Annualized Sales:** \$34M

**Jobs Supported:** 501

**Highlights**

**Cybersecurity Awareness**

Certified Business Advisor Melissa Tanno joined Angela Henderson of the WWU Cyber Range in presenting to the Greater Kingston Chamber of Commerce. The presentation reviewed cybersecurity vulnerabilities and mitigation strategies for small businesses. As the cybersecurity threat continues to evolve, our team will remain a resource to support the small business community.

**Kitsap Community Resources/ BE\$T Program**

The WWU SBDC continuously partners with Kitsap Community Resources, especially with the BE\$T entrepreneurship education and support program. At the invitation of Business Education and Support Manager Jon King, Joyce Oswald presented an overview of federal tax planning and IRS resources to the current BE\$T cohort.

**WASHINGTON CAMPUS COALITION FOR THE PUBLIC GOOD**

**Re-Compete Grant Proposal Submitted**

Washington Campus Coalition for the Public Good submitted an AmeriCorps grant proposal that, if funded, will focus on:

- Providing 10,000 underrepresented and underserved (low-income, communities of color, people with disabilities, LGBTQIA+, formerly incarcerated, rural, marginalized) individuals with interventions to improve enrollment and persistence in postsecondary education.
- Providing 5,000 underrepresented and underserved K-12 students with interventions to improve academic engagement.
- Providing 1,500 underrepresented and underserved individuals with interventions to improve access to quality healthcare services.
- Collecting and distributing 115,000 pounds of food to underrepresented and underserved individuals on campuses and in communities.
- Providing 3,000 underrepresented and underserved communities with education and training in environmental stewardship.

Funding would be for three years. The first-year grant request is for \$3,084,986 to serve Washington and Idaho campuses and communities. Notification of funding will be sent in April 2024.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees

**FROM:** President Sabah Randhawa on behalf of Vice President Melynda Huskey

**DATE:** February 9, 2024

**SUBJECT:** Mid-Year Housing and Dining Report

**PURPOSE:** Information Item

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**Purpose of Submittal:**

To provide the annual programmatic and fiscal report to the Board on the University's Housing and Dining System.

**Supporting Information:**

Mid-Year Housing and Dining Report



# WESTERN WASHINGTON UNIVERSITY ENROLLMENT AND STUDENT SERVICES

## Mid-Year Housing and Dining Report February 2024



### EXECUTIVE SUMMARY

APPENDIX I: Occupancy

APPENDIX II: Housing and Dining System Financials (through December 2023)

APPENDIX III: Residential Facilities

APPENDIX IV: Dining Services

APPENDIX V: Residence Life

## EXECUTIVE SUMMARY

**Western's Residential Communities** — Campus housing, an auxiliary enterprise, provides competitively-priced housing in an affordable, safe, developmentally appropriate, and educationally-focused environment.

### OCCUPANCY (Appendix I)

**Fall 2023 Note:** We returned to our regular practice of comparing this Fall (Fall 2023) to last Fall (Fall 2022).

○

#### Academic Year 2023-2024

○

- Opening Numbers: Fall 2023 Peak Report Occupancy was 4,133, a decrease of 17 students from Fall 2022 Peak.
  - *Fall 2022 Peak occupancy was 4,150.*
- Academic Year 2023-2024: Fall 2023 occupancy of 4,133 compared to Winter 2024 of 4031 resulted in a fall-to-winter decrease of 102 for this year.
  - *Fall 2022 Peak occupancy of 4,150 compared Winter 2023 Peak of 4,014 making a fall-to-winter decrease of 168.*
- 
- Students residing on campus Fall 2023 included:
  - 2,714 First-Year Freshmen in Housing = 85% of all first year freshmen (1% decrease from 2022)
  - 232 in Housing = 28% of all first-year transfers (6% decrease from 2022)
  - 1,197 in Housing = 29% of all students of color (1% decrease from 2022)
- Disability Accommodations
  - Fall 2023: 6% of all residents had accommodations on file from DAC (256 of 4,133).
  - Fall 2022: 5% of all residents had accommodations on file from DAC (193 of 4,150).
  - Fall 2021: 2% of all residents had accommodations on file from DAC (91 of 3,781)
- OCAS Initiatives
  - Improved Transfer Process: Many students seek a room transfer to improve their mental health, meet new people, or to relocate to a space that meets their disability accommodation. Recent years have seen an uptick in student mental health concerns as well as disability accommodations. In response, OCAS streamlined the transfer request process, creating an online transfer request process via the self-serve housing portal. This new process allows for more efficient use of staff time, as students receive automated updates on their status of their transfer, and one dedicated staff member can facilitate this process.
  - Meal Plan System Integration: Meal plans are a central part of the on-campus resident experience. Students highly value the ability and flexibility to change their meal plan to best suit their routine and budget. Previously, when a student changed their meal plan, this information had to be manually updated in the transaction system which could sometimes take multiple days and is very time consuming for University Residences staff. With the adoption of Chartwells Dining and the Transact transaction system, OCAS collaborated with the Housing Business Office, Enterprise Application Services, and Enterprise Infrastructure services to begin developing an integration between StarRez and Transact. When completed

(expected Winter 2024), meal plan changes will be automatically reflected in the transaction system in 30 minutes or less, allowing students to begin using their new plan almost immediately and with minimal staff intervention.

## **HOUSING & DINING SYSTEM FINANCIALS (Appendix II)**

The Housing and Dining System's FY24 six-month financial performance is comparable to FY23 with a slight increase in overall operating revenue (2.9%) and a slight decrease in overall operating expenses (-5.5%). Occupancy and meal plan enrollment numbers are trending at similarly elevated levels (over 95%) to FY23. Non-debt funded renovation and maintenance projects increased by \$2.8M (210%). The system has no active debt financed projects in FY24 and new debt funded projects are projected to resume in FY28.

Year-to-Date Revenue (July 2023- Dec 2023)

- Revenue from Operations to date is \$31.38M which is \$884K (2.9%) above FY23.

Year-to-Date Operating Expenses (July 2023- Dec 2023)

- Operating expenses to date are \$17.6M which is \$1M (-5.5%) less than FY23.

Year-to-Date Net Operating Revenue (July 2023- Dec 2023)

- Net Operating revenue to date is \$13.8M which is \$1.9M (16.1%) more than FY23.

Year-to-Date Non-Operating Expenses (July 2023- Dec 2023) (OBJ)

- Non-Operating Expenses (debt service, non-debt funded projects and renovations, and debt funded projects) are \$8.4M which is \$2.2M (35.6%) more than FY23.

## **RESIDENTIAL FACILITIES (Appendix III)**

- 5 projects worth \$7.2M related to security and life safety upgrades to building electronic door access, fire alarm and mass notification, and emergency / standby generator power systems.
- 11 projects worth \$13.9M repairing and replacing aging building envelope and utility systems.
- Project worth \$5.0M to enhance residential network services to current technology.
- 36 projects worth \$1.1M focused on Facilities Excellence to upgrade residential community amenities (television / media rooms, bike storage, laundry equipment, furniture) and to refinish bathroom showers / tubs.
- University Dining Services (UDS) projects worth \$2.5M to revitalize food service spaces used by Chartwells.

## **DINING SERVICES (Appendix IV)**

- Starting September 1, 2023 saw a new campus dining provider, the first time in 13 years. Chartwells replaced Aramark.
- After a relatively satisfactory opening and fall 2023 beginning, a series of staffing shortages, significant personnel challenges, and quality-controlled items surfaced.
- Efforts are underway, in collaboration with Chartwells' most senior leadership, of re-aligning Chartwells operations with Western's expectations in a manner centering health and safety of community members.

## RESIDENCE LIFE (Appendix V)

- ADEI initiatives this academic year includes development of Latiné Housing, which will open in Alma Clark Glass in Fall 2024. Additionally, Inclusion Assistants have begun community conversations to outreach to underrepresented students living in residential communities across campus.
- Professional staff began academic success conversations with residential students placed on academic warning from fall 2023 in early January to address progress and strategies for success. Residence Life staff will provide outreach to over 400 students on academic warning through this initiative.
- Residence Life continued to adapt our Fall training for over 100 student staff members in centering work responsibilities around academic success, clarification on role expectations and responsibilities and a variety of learning modalities such as large group, small group, practical, online and CANVAS trainings. We met those goals by the following metrics
  - Centering Academic success in the job – built in academic check ins with supervisors to existing progress reports so we can have early intervention to any student staffer struggling.
    - Fall 2023 staff average GPA 3.4
    - 25 staff had a 4.0 GPA
    - Only 3 out of 124 staff fell below a 2.0.

### APPENDIX I: OCCUPANCY

*Note: Covid-19 Isolation/Quarantine Restrictions in place\*  
(Peak = Third Wednesday of the Housing Quarter)*

	Operating Beds	Heads	Beds Rented	% Beds Filled
Fall 2023 Peak	4,342	4,133	4,134	95.2%
Fall 2022 Peak	4,342	4,150	4,152	95.6%
Fall 2021 Peak	4,438	3,781	3,831	86.3%
Fall 2020 Peak*	1,400	1,051	1,051	75.0%
Fall 2019 Peak	4,045	3,953	3,953	97.7%
Winter 2024 Peak	4,342	4031	4031	92.84%
Winter 2023 Peak	4,342	4,014	4,017	92.5%
Winter 2022 Peak	4,438	3,714	3,764	84.8%
Winter 2021 Peak*	1,400	1,072	1,072	77.2%
Winter 2020 Peak	4,045	3,785	3,787	93.6%
Winter 2019 Peak	4,144	3,851	3,856	93.0%

## APPENDIX II: HOUSING AND DINING SYSTEM FINANCIALS

APPENDIX II: HOUSING AND DINING SYSTEM FINANCIALS July 1st - December 31st 2023 comparison to 2022								
H&D SYSTEM	YTD 2023-24			YTD 2022-23			Var \$\$	Var %
	Viking Union / Multicultural Center	University Residences	Total System	Viking Union / Multicultural Center	University Residences	Total System		
Revenue from Operations	2,652,197	28,731,538	31,383,735	2,627,746	27,871,097	30,498,843	884,891	2.9%
Operating Expenses	1,440,948	16,142,261	17,583,209	1,358,573	17,255,058	18,613,630	-1,030,421	-5.5%
<b>Net Operating Revenue</b>	<b>1,211,248</b>	<b>12,589,277</b>	<b>13,800,525</b>	<b>1,269,174</b>	<b>10,616,039</b>	<b>11,885,213</b>	<b>1,915,312</b>	<b>16.1%</b>
Debt Service	361,253	2,652,189	3,013,442	391,238	2,773,029	3,164,267	-150,825	-4.8%
Non-Debt Funded Projects and Renovations	170,056	5,221,726	5,391,782	50,544	2,517,719	2,568,262	2,823,520	209.9%
<b>SYSTEM NET REVENUE</b>	<b>679,940</b>	<b>4,715,362</b>	<b>5,395,302</b>	<b>827,392</b>	<b>5,325,291</b>	<b>6,152,684</b>	<b>-757,382</b>	<b>-12.3%</b>
Debt Financed Projects	0	44	44	0	464,125	464,125	-464,081	-100.0%

### Year-to-Date Revenues (July 2023-Dec 2023)

- Total System revenue to date (including student fees, commissions, conferences, and one-time revenues) is \$31.4M or 2.9% higher than FY23.
- Room and Meal Plan revenue is \$27.7M or 5.1% higher than prior year due to an increase in fee rates. The BoT approved room and board fee increase is 4.73% on FY23 rates.
- Conference and Facility Rental revenue is \$251K which is a 172% increase from \$92K in FY23. Conferences are returning to campus after several down years during and following COVID-19 pandemic.
- Meal Plan revenue is \$7.1M which is a 5.6% increase from \$6.7M in FY23.
- Housing revenue is \$13.4M which is a 4.5% increase from \$12.9M in FY23.
- Commission revenue is \$214K which is a -335% decrease from \$931K FY23, due to the transition to new dining vendor. Reconciliation payments were made to Western in FY23 and Western made settlement payments to previous vendor in FY24.

### Year-to-Date Operating Expenses (July 2023 - Dec 2023)

- Total System Operating expenditures are \$17.6M which is a decrease of \$1.0M (-5.5%).
- Salary and Benefit expenditures are \$4.1M which is an increase of \$205K (5.3%) due to across-the-board salary increases to staff and an increase in the local minimum wage for our student staff.
- Goods and Services expenditures are \$13.7M which is a decrease of \$1.2M (8.22%).
- Actual Contracted Food Service expenditures are \$5.7M which is an increase of \$666K (13% higher) which reflects the change in business model with our new dining vendor.
- Total Utility expenditures are comparable to the previous FY23.
- Operating Maintenance expenditures are \$3.17M which is an increase of \$399K (14.41%) due to additional residence hall maintenance performed this fall.

### Net Operating Revenues (July 2023- Dec 2023)

- Net Operating revenue to date is \$13.8M which is \$1.9M (16.1%) more than FY23.

### Non-Operating Expenses (July 2023- Dec 2023)

- Debt Service Payments are \$3M which is comparable to last year.
- Non-debt funded renovation and construction expenditures are \$5.4M which is \$2.8M (210%) more than last year. These expenditures reflect planned project work to renovate Birnam Wood Apartments this year.
- There are no active debt financed projects in FY24. Renovations on Buchanan Towers were completed in FY23. Additional bond funded projects are planned to commence in FY28.

### System Net Revenue (July 2023- Dec 2023)

- System Net revenue decreased to \$5.4M compared to \$6.15M (-12.3%) last year which reflects the additional planned renovation expenses to Birnam Wood Apartments.

## APPENDIX III: RESIDENTIAL FACILITIES

- Project Design / Study efforts **in progress**:
  - Project worth \$2.0M in design to replace outdated fire alarm / mass notification system at Edens Hall. In addition, wall mounted circuit provisions support future Wireless Access Point (WAP) device installation increasing network bandwidth for residents. Work is planned to be completed in Summer 2024.
  - Phase 2 project worth \$4.2M in design to replace Birnam Wood Apartments external siding (Stacks 1 and 2 along with the Remote Laundry Building) and deteriorating bridges (Stacks 1 and 2) supporting continued renewal efforts of aging infrastructure. Work is expected to start in Spring 2024 and to be completed during Fall 2024.
  - Project worth \$4.5M in design (state funded) to repave / upgrade deteriorated Birnam Wood parking lot amenities. Phased work planned to be done in the Summer 2024 (Phase 1) and Summer 2025 (Phase 2).
- Public Works / In-House construction **in progress**:
  - Emergency repair project worth \$0.7M (split funded with the state) in progress to address continued sanitary sewer line deficiencies at the Fairhaven complex mitigating environmental concerns. Phase 1 repair efforts were completed in Fall 2023 (Residential Stacks 1 thru 3). Phase 2 repairs planned for Winter 2024 (Residential Stacks 5 plus Stacks 9 through 12) and Phase 3 repairs planned for Summer 2024 (Residential Stacks 4 plus Stacks 6 through 8 along with the Academic Building).
  - Projects collectively worth \$5.0M in progress to upgrade residential network IDF/MDF room spaces to facilitate needed power / fiber connectivity requirements and to install network gear to replace obsolete units ultimately providing residents with faster, more reliable network services. Phase 1 work for all North residential communities along Fairhaven was completed in Summer 2023. Phase 2 work for the Ridgeway complex along with Birnam Wood Apartments will be completed in Summer 2024.
- Public Works / In-House construction **completed**:
  - Phase 1 project worth \$4.7M was completed in Fall 2023 to replace Birnam Wood Apartments external siding (Stacks 3 and 4 along with the Community Building),

windows (Community Building), and deteriorating bridges (Stacks 3 and 4) supporting continued renewal efforts of aging infrastructure.

#### **APPENDIX IV: DINING SERVICES**

- Projects worth \$1.9M in design to support food service dining halls and retail location upgrades to be performed between Winter 2024 and Summer 2024 providing campus patronage enhanced dining experiences.
- Project worth \$1.6M in progress to upgrade emergency generator and standby power distribution system capabilities at all residential dining hall facilities (Viking Commons, Ridgeway Commons, Fairhaven Commons) to support sustained food service operations in the event of an extended power outage or other contingency scenarios. Work is expected to be completed by Winter 2025.
- 15 projects worth \$135K were completed by Fall 2023 opening to ensure campus food service dining halls / retail locations were upgraded as needed to support inaugural University Dining System (UDS) vendor operations by Chartwells.
- Projects worth \$0.7M was completed in Summer 2023 to repair / replace roofing systems at Viking Commons and Ridgeway Commons and to upgrade failing grease interceptor unit at Ridgeway Commons increasing residential dining facilities reliability.

#### **APPENDIX V: RESIDENCE LIFE**

##### **Residential Education/Leadership**

- During the Fall 2023 quarter, residential staff completed intentional conversations with over 93% of on campus residents. The average duration of all conversations was 30 minutes each and addressed topics such as transition to college, wellness, goals for academic and personal success, and how to get connected at Western. All conversations are focused on the three URISE goals of:
  - Inclusive community building
  - Career preparedness
  - Personal wellness
- The National Residence Hall Association (NRHH) is planning a student leadership conference for February 2023. NRHH has partnered with local community organizations such as Skookum Kids to provide service opportunities to students living in the residence halls. Opportunities to further collaborate on service projects with the Viking Union are in development.

##### **Accessibility, Diversity, Equity, and Inclusion**

- Residence Life is working on several critical initiatives to incorporate the values of ADE&I into daily practice. Initiatives in the Fall 2023 quarter include:

- The advisory committee for Latiné Housing has met throughout the Fall 2023 quarter to develop the Latiné Housing program, which will be called La Comunidad. La Comunidad will open in Alma Clark Glass in the Fall of 2024.
- Pride Housing and Black Affinity Housing expanded the number of rooms available to accommodate the high demand. Residence Life has partnered with LGBTQ+ Western, the Black Student Coalition, and VU Multicultural Center to collaborate on several programs for affinity housing residents.

## **Health and Residential Environment**

- Fall 2023 witnessed a moderate increase in alcohol transports and cases where paramedics evaluated students for alcohol toxicity or health related concerns due to alcohol consumption. However, no individual got to the point this fall of having housing contract termination for non-compliance or repeat violations.
- Overall Alcohol and Drug cases are still lower than pre-COVID numbers
  - 74 Total Alcohol Incident Reports (69 unique students with only 2 students having repeat alcohol charges)
    - 40 students were found “responsible” for “Alcohol, Possession or Use.”
    - 50 Total Drug, Possession or Use cases (46 unique students with only 1 student having repeat drug charges)
    - 22 students found “responsible” for “Drugs, Possession or Use”
- Fall 2024 has also seen an increase in vandalism cases – particularly in Kappa Hall. Staff have been actively documenting incidents, as well as engaging in community conversations around the issues (including impact on students and staff). Finding information on who is responsible has been challenging.
- Fall 2024 CARE cases generated by Residence Life have been on par with Fall 2023, Mental Health concerns continue to be our largest number of cases.
  - We continue to outreach/case manage to all these students to follow-up, create action plans, and provide referrals to campus and community resources.
  - We have also engaged in proactive outreach during the Fall and (now) Winter quarter openings to reach out to all returning students who have multiple past Care cases. This outreach reintroduces the students to our Care Specialist support team and provides campus resources and ways to reach out when/if needed. We have seen a reduction in the number of Care cases among returning students



# WESTERN WASHINGTON UNIVERSITY

## SUSTAINABILITY ACTION PLAN PROGRESS REPORT 2023



MAKE WAVES.



SUSTAINABILITY  
ENGAGEMENT  
INSTITUTE



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## Executive Summary

On behalf of the Sustainability Engagement Institute, we respectfully submit this 2023 progress report on Western Washington University's 20-year Sustainability Action Plan (SAP). Educational scholar, Ernest Boyer, believed that the role of higher education is to promote the public good.<sup>1</sup> The world's climate crisis necessitates bold action from higher education entities, and Western Washington University is well-positioned to take leadership.

The intentions of this report are to celebrate the sustainability and climate change work many members of the Western community have dedicated their time, attention, and resources to, and to encourage more of the Western community to work towards Western's shared sustainability goals moving forward. Addressing sustainability and climate change challenges must be the work of everyone. This work requires collaboration, innovation, creativity, experimentation, and grassroots through leadership support.

This report outlines progress provided by contributors to the Sustainability Engagement Institute and the President's Sustainability Council. To learn more, ask a question, or get engaged, visit the SEI website at <https://sustain.wvu.edu/>, or send us an email at [sustain@wvu.edu](mailto:sustain@wvu.edu).

### Highlights

This report includes significant progress made in many aspects of Western's SAP. A few of these points of progress are highlighted below:

- 145 students enrolled in sustainability-related majors, minors, or certificate programs.
- In partnership with tribal organizations, Western hosts a number of programs focused on indigenous-settler relationship-building and healing, and integrating sustainability and tribal sovereignty into education systems.
- The Sustainability, Equity, and Justice Fund (SEJF) funded 17 grants amounting to \$338,000. More than half of these proposals were led by students.
- Western continued to support student, staff, and faculty community learning opportunities through the Sustainability Pathways fellowship program, the Climate Leadership Certificate program, Community Engagement Fellows, and the Students in Community program.
- Western began managing two community farms, which has included initiating a seed-saving project, providing produce to a local community health center's free farm stand, and connecting with nearby neighborhoods.
- Western continued to establish itself as a leader in researching and advocating for social, environmental, and economic improvements in the Salish Sea region and along the Canada-U.S. border.
- Western purchases 95% of its electricity from renewable sources through Puget Sound Energy's Green Direct program. FDO is continuing to develop a community solar project at the Administrative Services Building, and is analyzing purchasing additional green power to cover 100% of Western's electricity usage.
- Western committed to and began planning for hosting the regional Washington Oregon Higher Education Sustainability Conference (WOHESC), which will be occurring in March 2024.

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<sup>1</sup> Rice, Eugene, Ernest Boyer's "Scholarship of Engagement" in Retrospect, *Journal of Higher Education Outreach and Engagement*, Volume 20, Number 1, p. 29, (2016), <https://files.eric.ed.gov/fulltext/EJ1097218.pdf>,

- Western received funding to install three micromobility counters on campus and has committed to developing and integrated University Transportation Plan beginning in 2025.
- Western has successfully transitioned most of its grounds management fleet to electric equipment, and has continued transitioning its vehicle fleet to electric by adding batter electric vans and a battery electric truck to its fleet in FY2023.
- Western is developing a sustainable purchasing guide, which will provide purchasers with product diversity classifications, company sustainability statements, and eco-certifications or ecolabels.

### Common themes


In collecting feedback from those working on implementing the SAP, we heard some common themes come up from these practitioners.

- **Lack of leadership support and funding:** many individuals and groups mentioned that lack of funding and perceived lack of leadership support are the biggest barriers to progress on Western’s SAP.
- **The COVID-19 pandemic:** the COVID-19 pandemic brought significant changes to Western’s programs and operations, and to the needs of its students, staff, and faculty. In FY2023, many programs that were operating before the COVID-19 pandemic have restarted or regained momentum. However, there are some programs that were put on hold during the COVID-19 pandemic that have still not been restarted. In FY2023, Western also responded to new ways of operating and meeting student, staff, and faculty needs that have changed or become more apparent since the COVID-19 pandemic began.
- **Food insecurity:** numerous groups mentioned food insecurity as a significant, persistent sustainability issue that Western students are facing and that groups on campus are working to address. However, food security is not a part of Western’s SAP, so progress on food insecurity work has been included in this progress report at the end of the Campus and Community Engagement section. This is a topic that could be included in a future update to the SAP.

### About this report

This report outlines known progress made in FY 2023 (July 2022 – June 2023) on Western’s [20-year SAP](#), adopted in 2017. Western’s Sustainability Engagement Institute (SEI) collects feedback on SAP progress from members of campus annually, as it has done in this report (previous annual reports can be found [here](#)).

This year’s progress report includes contributions from 15 groups at Western. These contributors are among the many individuals and groups doing the on-the-ground work to make Western’s commitments to social, environment, and economic sustainability a reality. Contributors' titles are included in parentheses following the narrative about progress that they have reported. In some cases, contributors noted that objectives were high priority, or were in need of leadership support or additional funding. These objectives have been marked with the following symbols These symbols do not indicate all objectives that are in need of additional resources and support, just those that were noted by contributors.

 more resources needed

 additional leadership support needed

 high priority

Some of the objectives in this report are marked with the statement “no known progress in FY2023”. This statement does not necessarily mean that no progress on these objectives has been made. It simply means that, in the outreach that the SEI did in collaboration with the President’s Sustainability Council, nothing was reported in these areas. If readers are aware of progress on not included in this report, please reach out to [sustain@wwu.edu](mailto:sustain@wwu.edu) to report on them.

### Contributors

- The President’s Sustainability Council
- Sustainability Engagement Institute (SEI)
- Facilities, Development & Operations (FDO)
- Transportation Services
- Travel Services
- Sustainable Pathways
- Foundation for WWU & Alumni
- The Center for Community Learning (CCL)
- Office of Tribal Relations
- Institute for Energy Studies
- College of the Environment
- College of Business and Economics (CBE)
- Human Resources
- The Boarder Policy Research Institute (BPRI)
- Entrepreneurship & Innovation Academic Programs
- Procurement and Contract Administration
- University Residences

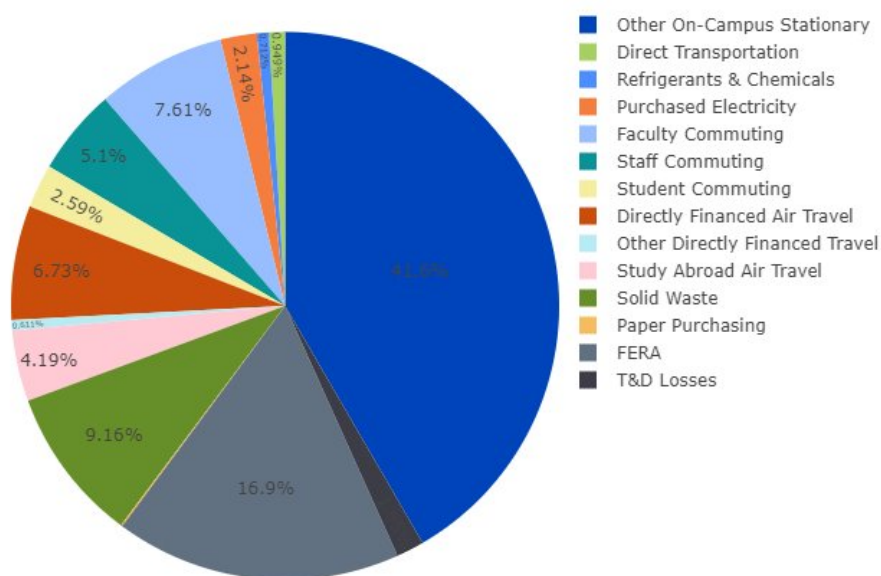
## Sustainability and Greenhouse Gas Reporting

In FY2023, Western recertified itself through the Sustainability Tracking Assessment and Rating System (STARS), a program the Association for the Advancement of Sustainability in Higher Education (AASHE) operates. The program acts as a comprehensive and standardized means for universities across the United States and Canada to measure and compare their unique sustainability programs and performances relative to other institutions. Western received a Silver ranking in 2023, in line with the ranking it received in 2019 and 2013. Western’s STARS report is available [here](#).

Western tracks its greenhouse gas emissions through SIMAP, an internationally used campus-specific greenhouse gas tracking platform. Although SIMAP methodologies and Western’s tracking methodologies have changed since Western began using the platform to track emissions in 2013, this data provides a general picture of how Western’s emissions compare over time. FY2023 data is still being reported, so the following graphs so data up to FY2022.

Western’s main source of carbon emissions come from fuel- and energy-related activities (FERA), which are upstream emissions for natural gas activities from assets not owned or controlled by Western but that the Western indirectly affects in its value chain (scope 3 emissions).<sup>2</sup> The next largest source of carbon emissions comes from Western-related commuting and travel (see Western’s carbon emissions, 2022 graph).

**Western’s Carbon Emissions, 2022 as tracked on SIMAP**

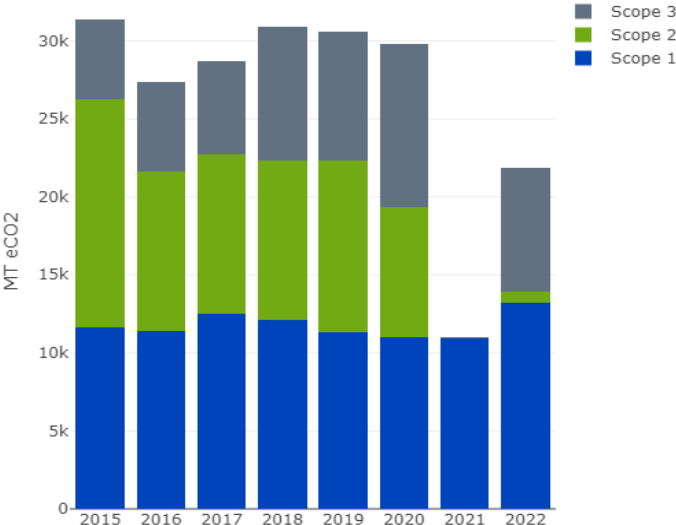


Western’s carbon emissions are broken down into scope 1, 2, and 3 emissions. Scope 1 emissions are direct GHG emissions that are released from sources that are owned by Western, for example, emissions associated with Western-owned furnaces or vehicles. Scope 2 emissions are GHG emissions associated with Western’s purchase of electricity, heat, or

<sup>2</sup> <https://unhsimap.org/cmap/resources/fera-naturalgas>, <https://www.epa.gov/climateleadership/scope-3-inventory-guidance>.

cooling. As described above, scope 3 emissions are emissions released from assets that are not owned or controlled by Western, but that Western contributes to through other activities, such as purchasing, commuting, travel, or waste generation.<sup>3</sup> The graph below shows changes in Western’s scope 1, 2, and 3 emissions tracked on SIMAP from FY2015 – 2022.

**Western’s Carbon Emissions, 2015-2022 as Tracked on SIMAP**



<sup>3</sup><https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance>,  
<https://unhsimap.org/cmap/resources/scope3-mapping>

# Curriculum and Research

**Goal 1: Western’s curricula provide all students opportunities to nurture and create the conditions for a thriving society, economy, and environment (SEE).**

1.1: Increase enrollment to 50 students in the Sustainability Studies minor.<sup>4</sup>

*Intended completion date: fall 2021*

- In 2023, 145 students were enrolled in a sustainability-related program. Western added a Food Security and Policy Minor in 2023, and Western is working on a major update to the Business and Sustainability degree in Winter/Spring 2024.

**Number of Students Enrolled in Sustainability-Related Programs, 2023**

Sustainability-related program	Number of students enrolled
Urban Planning and Sustainable Development	52
Business and Sustainability Major	46
Urban Sustainability	20
Disaster Risk Reduction	5
Environmental Education Minor	4
Environmental Justice minor	4
Climate Change minor	4
Sustainability Studies minor	4
Sustainable Design minor	4
Food Security minor	2
Total	145

1.2: Every major has curricular options that include sustainability content.

*Intended completion date: 2020*

- As of 2023, every college at Western has at least one sustainability-related class. However, every department does not yet have a minimum of one sustainability-related class. The Sustainability Fellows program works towards achieving this objective by supporting faculty in developing new sustainability curriculum. (SEI)
- Students participating in the Sustainability Pathways fellowship and the Climate Leadership Certificate, described in more detail in objective 1.3 and 1.4, complete a 3-credit Campus Sustainability Planning Studio Course. Both programs are open to all majors and are interdisciplinary. (Sustainable Pathways)

1.3: Identify and promote opportunities for engaged learning in the area of sustainability.

*Intended state date: 2020*

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<sup>4</sup> Since the Sustainability Action Plan was adopted in 2017, new curricular options in sustainability have emerged and expanded. We now report on enrollment in all sustainability-related programs.



- Learning Environment Action Discovery (LEAD), a longstanding eco-restoration and service-learning program at Western that is co-directed by College of the Environment graduate students, furthers sustainability education in both the curricular and co-curricular environment, through a spring quarter seminar class and regular volunteer work parties. (College of the Environment)
- Sustainability Pathways supports undergraduate students pursuing careers in the emerging green economy while advancing sustainability initiatives in the Methow and Okanogan Valleys of North Central Washington. The 11-week residential program pairs paid practicum work experiences in a wide range of sustainability fields with aligned coursework in community-based project management. Sustainability Pathways awarded over \$60,000 in FY2023, bringing capacity to 19 organizational partners in the Methow and Okanogan Valleys while providing immersive experiential learning for students. The students and program partners come from interdisciplinary fields connected to sustainability. This structure helps students develop and apply systems thinking skills. Professional practicum experiences included town planning, ecological restoration, public health, regenerative agriculture, circular economy development, zero waste, rare carnivore research, among others. The third cohort completed their fellowships in August 2022 had 18 students. (Sustainable Pathways)
- The Border Policy Research Institute (BPRI) was awarded a partnership grant with collaborators at Simon Fraser University to conduct a 2-year study on the equity impacts of the Canada – US pandemic border restrictions. (BPRI)

1.4: Expand sustainability-related student research opportunities, Independent Study Projects (ISP), to all interested students.

*Intended start date: 2020*

- The [Climate Leadership Certificate](#) program, started in 2021, includes an independent study or senior project component that allows those students to pursue sustainability research and leadership of their choosing on an annual basis (4-8 credits/student).
- Students are eligible to work on sustainability projects for their Climate Leadership Certificate or SEJF grant application through ISP credits, typically overseen by either the Sustainability Engagement Institute's Associate Director or the Business & Sustainability program. In 2023, students worked on variety of ISP projects, including determining the feasibility of installing an anaerobic digester on campus. (SEI)
- Students participating in the Sustainability Pathways fellowship all complete the 3-credit Campus Sustainability Planning Studio Course which is centered around a needed community-engaged project sponsored by an organization in the Methow Valley. The project teams are interdisciplinary and develop project management skills while completing the necessary background research, analysis, and ability to generate recommendations and materials to advance their projects. Final reports and presentations are delivered for the course, sponsors, and interested community members. Examples of past projects can be viewed on the [Campus Sustainability Planning Studio website](#). (Sustainable Pathways)

**Goal 2: Western supports scholarship and teaching that contribute to the understanding and promotion of sustainability.**

2.1: Commit resources to promote Washington Higher Education Sustainability Conference (WAHESC).<sup>5</sup>

*Intended state date: 2020*

- Through a grant from the SEJF, 13 students were able to attend the Washington Oregon Higher Education Sustainability Conference (WOHESC) at Oregon State University in 2023.
- As of 2024, it is unclear whether SEJF funds can continue to support this objective. Additional funds are needed.



*Students and SEJF staff attending the Washington Oregon Higher Education Sustainability Conference (WOHESC) at Oregon State University in March 2023. (Photo source: SEI)*

2.2: Provide funding for three faculty and staff across disciplines to attend conferences that promote sustainability.

*Intended start date: 2018*


- An SEJF-funded grant project allowed faculty and students from the Morse Leadership Institute (MLI) to travel to the International Leadership Association global conference in Vancouver, BC, in 2023. This conference provided an opportunity for the faculty members to present about MLI's Community Engagement Projects, which are student-

led projects grounded in the pedagogy of the UN Sustainable Development Goals and the University of BC's Okanogan Charter. (SEI)

**Goal 3: Western recruits and retains faculty and staff who focus on sustainability.**

3.1: Maintain annual funding of a total of \$10K for up to ten Sustainability Fellows.

- The Sustainability Fellows program supported five faculty fellows in 2023. The program is in hiatus in 2024, and will return in 2025. (SEI). This program is a faculty learning community, facilitated by the SEI Director, to “train” teaching faculty to infuse sustainability into their disciplinary curricula.

3.2: Create a tenure-track faculty line devoted to sustainability. 

*Intended completion date: next biennium (2019-2021)*

- Due to budgetary constraints, there is no progress on this objective. To the best of our knowledge, it is unlikely that there will be funding to achieve this objective in the next five years. (SEI)

3.3: Increase faculty capacity to offer sustainability-related curriculum

*Intended start date: 2019*

- The Sustainability Fellows program (objective 3.1) increases faculties’ capacity to offer sustainability-related curriculum, and SEI’s director offers informal support to faculty who reach out for assistance in developing sustainability-related curricula. (SEI)

**Goal 4: Western is home to an institute for sustainability (the Sustainability Engagement Institute – SEI).**

4.1: Develop a 5-year strategic plan for the SEI.

*Intended completion date: 2019*

- In progress. (SEI)



4.2: Begin fundraising campaign for SEI.

*Intended state date: 2019*

- The SEI director is in contact with the Foundation staff regarding grant writing and fundraising. (SEI)

# Campus and Community Engagement

## **Goal 1: Western is internally organized to support university and community engagement to advance sustainability.**

1.1: Complete a university-wide public engagement alignment process to enhance Western's structure and function for public engagement.  

*Intended completion date: Fall 2019*

- No known progress has been made on this objective. The objective is high priority for those working in public engagement at Western, but there has been little support from leadership to focus on this objective. Other universities have developed similar systems that Western could model a public engagement alignment process after.

1.2: Commit to a university-wide system for qualitative and quantitative assessment of public engagement efforts.

*Intended completion date: fall 2019*

- No known progress has been made on this objective. Objective 1.1 should be completed before this objective is addressed.

1.3: Follow recommendations of alignment process to incentivize community engagement for faculty, staff, and students throughout the university.

*Intended start date: fall 2021*

- No known progress has been made on this objective. Objective 1.1 must be prioritized before focusing on this objective.

## **Goal 2: Western's culture and community engagement efforts reflect a strong commitment to sustainability.**

2.1: Redevelop student, staff, faculty, and visitor orientation programs to emphasize Western's commitment to education for sustainability.

*Intended start date: spring 2017*

- New staff orientation includes a presentation on community partnerships by Center for Community Learning (CCL). (Human Resources, CCL)
- Staff and faculty orientation include links to sustainability initiatives, including information about getting to campus using sustainable transportation. (Human Resources, AVP for AA, SEI)
- See progress for objective 2.2 below for information regarding student orientation programs.

2.2: Expand courses and co-curricular programs for first-year students that teach about local and regional sustainability issues through community engagement.

*Intended start date: fall 2018*

- First year interest group programs (FIGs) include a number of sustainability related streams, including Environmental Justice, the Salish Sea, Diverse Voices/Distinct Voices, Global Citizenship, Leading for a Sustainable Future, Climate Change Cognition, Marketing for Social Change, and Clean Energy Transitions (<https://firstyear.wvu.edu/first-year-interest-group-courses>)
- First year students are also able to participate in a number of Viking Launch courses that focus on sustainability, including Introduction to the Science of Sustainable Energy, Digging into Bellingham, and Mount Baker Geology (<https://firstyear.wvu.edu/viking-launch-courses>)
- New Student Experience Seminars are designed to support new students establish their place and direction at WWU. These seminars aim to develop students' social and financial wellbeing on campus (<https://firstyear.wvu.edu/new-student-experience-seminars>).
- Prior to the COVID19 Pandemic, Western had a robust Sustainability Student Representatives (SReps) program in its first-year residence halls. In this program, students received credit and funding to lead activities with and communicate sustainability best practices to other first-year students. This program has been discontinued due to lack of funding. However, multiple contributors noted the importance of this program in establishing sustainability as a priority early on in students' time at Western and supported bringing this program back. 🗑️➕

2.3: Improve interpretation of Western-owned grounds to enhance understanding and appreciation of the unique cultural and environmental history of the area.

*Intended start date: 2020*

- Facilities Development and Operations (FDO) is evaluating a tree identification and mapping program to better share the various species on campus with the public. (FDO)
- Western has made headway on the development of the traditional Coastal Salish Long House, the House of Healing, on campus. (FDO)
- The Sehome Arboretum Board of Governors is updating the arboretum website to better share the history of the Sehome Arboretum. (FDO)

2.4: Establish sustainability-related interactive experiences, cooperatively designed, and supported by WWU and community partners, to help build relationships among members of Western, and with the broader community.

*Intended start date: 2019*

- The Viking Supported Agriculture program, a community supported agriculture program serving the campus community, expanded operations to both summer and fall/winter farm subscriptions in 2023. (SEI)
- An SEJF-funded grant project, Furniture Fest, established a program aimed at reducing waste in Bellingham by redistributing quality furniture to students in need; this project team partnered with local community partners, such as SSC and Re-Store, developing and strengthening relationships in efforts to collaborate on common goals (SEI).

- CCL began initiating and co-hosting a series called Connect & Learn Downtown, which was a monthly forum series in collaboration with Spring Church, Reconciliation Anglican Church, and First Baptist Church. CCL began this series in response to the numerous challenges and rapid changes occurring in downtown Bellingham. (CCL)
- Community Engagement Fellows, a longstanding program that connects educators and community partners across organizational boundaries, returned to in-person cohorts after a 2.5-year hiatus due to the COVID-19 pandemic. CCL supported five cohorts (three in downtown Bellingham, one at the Deming Library, one at Northwest Indian College), including over 75 Fellows. (CCL)
- CCL hired a program coordinator focusing on community-based food justice and food systems education. CCL began managing both the York Community Farm and City Sprouts Farm in the Birchwood neighborhood. Several students are part of the urban farm team during the summer and academic year. The urban farm team's accomplishments include:
  - Initiating a seed-saving project.
  - Conducting York neighborhood survey about the farm in collaboration with Power, Privilege, and Environment course.
  - Providing produce to SeaMar Community Health Center's free farm stand.
  - Helping Western SEJF grant recipients with native plant restoration at York Farm.
  - Supporting Birchwood Harvest Celebration Days.
  - Improving York Farm infrastructure, including new compost bays and picnic tables, and removing an old greenhouse. (CCL)
- BPRI has undertaken a series of research projects through in partnership with the University of Victoria that focus on the British Columbia-Washington cross-border region. The themes span multiple aspects of cross-border collaboration, including:
  - Transboundary Flood Emergency Management Networks in the Salish Sea: this project seeks to understand how emergencies, crises, and disasters are managed in the Salish Sea transboundary environment at the prevention, response, and recovery stages, using the Nooksack River flood events as a focus.
  - A forthcoming book chapter for *Companion to North American Trade and Integration on Cross-Border Regionalism along the Canada-US Border* will explore multi-level partnerships and collaborations, which include subnational governments (cities, counties, and states/provinces), and private sector initiatives. The chapter highlights the strengths and vivacity of regional actors in pursuing cross-border governance and collaboration from the ground up.
  - Stories from the Canada – U.S. border during COVID-19: this project is an online mapping project that collects personal stories of people who live in the borderlands and how their daily lives were impacted by the border restrictions. (BPRI)
- BPRI is working with partners at the Future Borders Coalition and Pacific NorthWest Economic Region (PNWER) regarding research to support the upcoming FIFA World Cups, to be hosted by Seattle and Vancouver, including analyzing how to streamline

border processes and collaboration to facilitate increased flows and bi-national tourism during this major sporting event hosted on both sides of the border. (BPRI)

- BPRI participates in the [Cascadia Innovation Corridor](#) (CIC) initiative, which has expanded over the last several years and shifted away from a focus on the tech sector to developing the ‘world’s most sustainable cross-border mega-region.’ This is a very broad goal, but the relevance for this discussion was the momentum and high-level interest in more cross-border integration between Western Washington and British Columbia. BPRI participated in two events in 2023 supporting this initiative, a celebration at Peace Arch Park, which highlighted the region's longstanding cross-border collaboration, and a roundtable with Washington’s Lieutenant Governor, Denny Heck, which brought together key stakeholders to discuss goals and the values of strengthening collaboration and integration between Washington and British Columbia. (BPRI)
- BPRI participated in a fireside chat with the Deputy Minister of Transport Canada in 2023, in which BPRI discussed many cross-border issues related to cross-border trade recover post-COVID, supply chain recovery, environmental issues like flooding, forest fires, and climate change and their impacts on transportation, and how Transport Canada is working with stakeholders and U.S. Government partners to respond to these issues.



*Students hosting an end-of-summer event to redistribute furniture to incoming WWU students. (Photo source: SEI)*

2.5: Create a system for continually learning about (listening and dialoguing) evolving local to global sustainability opportunities and challenges.

*Intended completion date: 2020*

- Western's Outreach and Continuing Education offers numerous sustainability-related courses and experiential learning opportunities for community members, including adults and youth. These included [place-based community learning classes](#), [sustainability-related courses and programs for professionals](#).
- CCL offered Engaging Places Tours, which provided meaningful, place-based learning opportunities for members of the public and Western students, faculty, and staff. In 2023, the program grew to include work parties. CCL partnered with the following community groups in FY2023 to host these tours: Whatcom Museum, ReSources, Common Threads Farm, Kulshan Community Land Trust, and City Sprouts Farm. (CCL)
- CCL also hosted monthly Place Matters gatherings for community members interested in place-based learning. (CCL)
- College of the Environment continues to host the Environmental Speaker Series, and the Institute for Energy Studies hosts the Energy Speaker Series.

2.6: Support the efforts of regional campuses to enhance their sustainability activities.

- SEI meets with other universities in the regional to discuss sustainability initiatives, share resources, and learn from one another.
- Western participates in two university reporting systems, Sustainability Tracking, Assessment & Rating System (STARS), a campus sustainability scoring program, and SIMAP, a university campus focused carbon and nitrogen-accounting platform, both of which Western reported on in 2023. SEI actively participates in forums through the Association for Advancement in Sustainability in Higher Education (ASHEE), and WOHESC. SEI is hosting the WOHESC conference in 2024. (SEI)

**Goal 3: Western's sustainability resources are easily accessed by the public.**

3.1: Enhance web materials that enable the public to access sustainability resources.

*Intended start date: fall 2017*

- SEI continues to have a student employee dedicated to updating sustainability resources online. SEI also has a staff who supports the sharing of campus sustainability resources on social media and through email newsletters. (SEI)
- FDO maintains [campus energy dashboards](#), and is looking to upgrade these dashboards. (FDO) Western publishes publicly available research and data on sustainability-related issues. (SEI)

3.2: Increase use of vibrant, visible, and accessible venues across the Salish Sea Region for community sustainability events

*Intended start date: fall 2018*


- In 2023, Western committed to and began planning for hosting the WOHESC conference, taking place March 4-6, 2024. (SEI, College of the Environment)
- CCL hosted the Community Engagement Fellows workshop in May, which focused on teaching system convening methods and modeling the social learning practices of Community Engagement Fellows. Participants came from universities in Australia, California, Oregon, and Washington. The workshop included an evening event with



over 75 local people and our workshop participants. CCL explored possibilities for decolonization and cultural healing at the mouth of Xwotquem (Whatcom Creek). (CCL)

- CCL is managing two community farms, further described in objective 2.2, that act as vibrant, visible, and accessible venues in Bellingham. (CCL)
- The [Outback Farm](#) continues to act as a venue for social gatherings for the campus and the greater Bellingham community.

**Goal 4: Western engages respectfully with Coast Salish Peoples in recognition that the university occupies traditional Coast Salish lands.**

! 4.1: Create a university-wide tribal advisory committee to advise the President and University community on issues such as curriculum, campus life and gathering spaces, interactive facilities and operations, and engagement opportunities. 

*Intended start date: 2018*

- no known progress.

4.2: Establish a permanent tribal liaison position to build relationships between Western and the Coast Salish communities.

*Intended completion date: 2018*

- Complete. Laural Ballew, Western's Tribal Liaison, works to ensure that Western engages respectfully with Coast Salish peoples in recognition that the university occupies traditional Coast Salish lands.

4.3: Expand and enhance institutional partnerships and collaborations with tribal institutions.

*Intended start date: fall 2017*

- Co-facilitating the NXT Gen cohort of CE Fellows with indigenous-led Whiteswan Environmental (WE)--focused on indigenous-settler relationship-building and healing--was especially challenging and rewarding. The cohort was quite large (~20-25 in-person) and hybrid (~5-8 online members) with several WE facilitators online. We included 3 field experiences to local indigenous sites. In August, we're co-hosting a multi-day transboundary workshop in the San Juan Islands with WE. (CCL)
- Western is in the development process of the [House of Healing](#), a traditional Coastal Salish Long House, on campus.
- During FY2023, Sustainability Pathways convened a Sustainability & Sovereignty community of practice for high school Career and Technical Education teachers and administrators interested in integrating sustainability and tribal sovereignty education into their programs. The community of practice became a collaboration with the Washington State Office of Superintendent of Public Instruction Office of Native Education, the Confederated Tribes of the Colville Reservation Youth Development Program, North Central Educational Services District, and Methow Valley School District, with 9 school districts and 6 community education/youth services organizations participating. (Sustainable Pathways)

**Other progress: Food insecurity**  

Food security is a major sustainability issue that the Western community and the regional community is currently facing but is not included in Western's 20-year Sustainability Action Plan. Many groups on campus are making significant strides to address food insecurity within the campus community.

- A Food Insecurity working group has been developed, which include members Leadership & Community Engagement, Student Life, the Food Insecurity Network student group, and SEI.
- There are seven food pantries on campus that are heavily used by students, particularly since the COVID-19 pandemic began. More information on the food pantries can be found [here](#).
- Viking Supported Agriculture has expanded to provide both summer and fall/winter farm subscriptions. (SEI)
- CCL's new community farms and the Outback Farm help to provide students with space to learn about agriculture and food insecurity.
- Members of the Students for Climate Action club focused efforts to address food insecurity on campus in FY2023.

Despite all of the progress being made on this topic, food insecurity is a significant, long-term issue that requires additional leadership support and long-term funding.



Members of the Students for Climate Action club at their free produce pop-up stand during Earth Week in April 2023. (Photo source: SEI)

# Built Environment

**Goal 1: Carbon Neutrality: Reduce the carbon intensity of university energy supply sources and achieve 100% net university carbon reduction.**

1.1: In the short term, identify and implement financially viable carbon reduction projects to reduce carbon emissions by 15%, per state requirements.

*Intended completion date: 2020*

- This objective has been met. Western’s next state mandated goal is a 45% Greenhouse Gas (GHG) reduction by 2030. In 2023, we reported on emissions through SIMAP GHG reporting, State Agency GHG reporting, and the Clean Buildings Act. (FDO)

1.2: In the mid-term, where reduction is not yet technologically feasible, seek and commit to credible carbon offsets for all continuing direct hydrocarbon.

*Intended completion date: 2030*

- Western purchases 95% of its electricity from renewable sources through Puget Sound Energy’s Green Direct program. FDO is continuing to develop a community solar project at the Administrative Services Building, and is analyzing purchasing additional green power to cover 100% of Western’s electricity usage. (FDO)



*The Skookumchuck Wind project, a renewable energy project that is part of Puget Sound Energy’s Green Direct Program, which Western purchases 95% of its electricity from.<sup>6</sup>*

<sup>6</sup> <https://www.pse.com/en/green-options/Renewable-Energy-Programs/green-direct>

1.3: In the long term, achieve carbon neutrality, first through reduction and secondly through offset.

*Intended completion date: 2035*

- Exterior LED lighting retrofits were completed at Fairhaven Complex and Ridgeway Complex, replacing 177 lamps on exterior wall packs with LEDs. Dark Sky Compliant LED retrofits were completed on 45 light poles in many parking lots on campus. (FDO)
- The residence halls continue to participate in The Go for the Green competition, an annual competition to promote energy conservation and sustainability.
- The annual Go For The Green competition that occurs in the university residence halls reduced energy consumption across 7 residential communities by a total of 13,259 kWh in electrical usage and 1,301.1 MMBTU in steam usage during a one-month (February 2023) duration compared to the average usage between February 2018, February 2019, and February 2020.
  - Note: Buchanan Towers residence halls were discounted in the evaluation due to renovation and Birnam Wood Apartments were also excluded due to a lack of full metering capabilities.
  - Metering for Go for the Green was captured in collaboration with Facilities Development and Operations staff and translated to digesting metrics for competition purposes.
  - With an 11% overall reduction in energy for February and 10% of the residents pledging to adopt sustainability practices, Mathes Hall won the 2023 Go for the Green competition. (University Residences)
- American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Level 2 Energy Audits were completed on 12 of the largest buildings on campus and FDO is evaluating the recommended energy efficiency measures from these audits. (FDO)

*Help us to*

# GO FOR THE GREEN!

*all February long!*

**WHAT IS GO FOR THE GREEN?**

Go for the Green is a month-long energy-saving competition between on-campus residential communities. The community that conserves the most energy compared to previous years wins an all-you-can-eat dessert and hot drink bar during dead week!

**WHY SHOULD I PARTICIPATE?**

To help your hall get free desserts, of course! Also, if you pledge to help reduce energy in your community, you receive a free poster and sticker pack for the event.

**HOW DO I PLEDGE?**

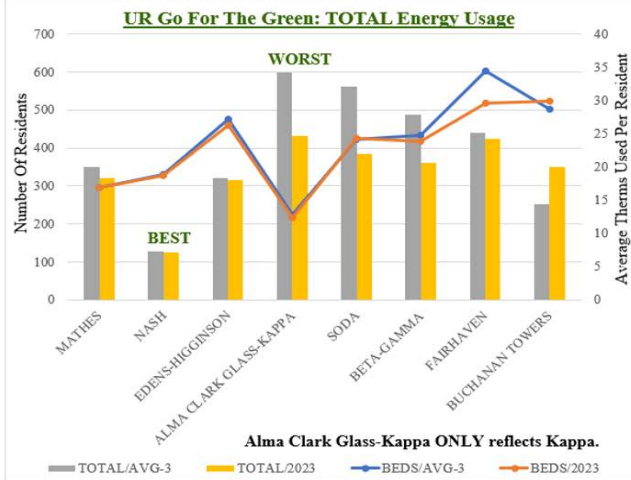
You can pledge by accessing the GFTG web page through the QR code below! All pledges will receive weekly updates during February on how their community is doing compared to other communities.

Help win an all-you-can-eat dessert bar for your community by conserving energy this February!

WWU Housing Sustainability   UNIVERSITY RESIDENCES   WESTERN UNIVERSITY MAKE WAVES

## Go For The Green! Total Blended Usage Results

**NOTE:** AVG-3 reflects the 3-year average calculated for the months February 2018, February 2019 & February 2020.

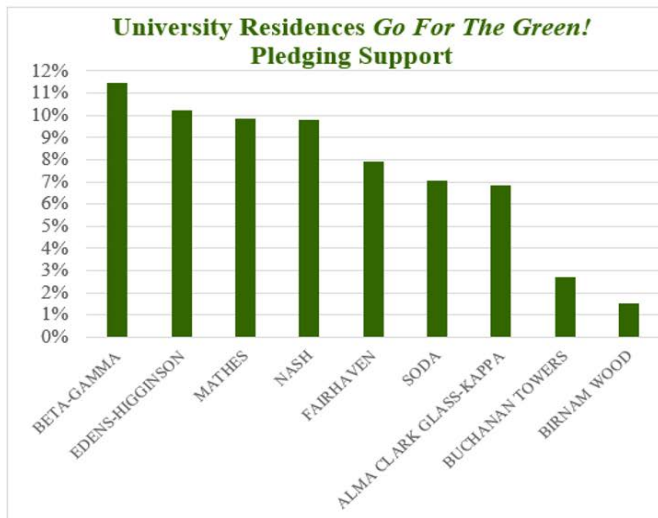


### COMMENTS

- 2023 GFTG Winner is **NASH**.
- Buchanan Towers usage increased in 2023 when compared to past 2018 thru 2019 average (AVG-3).
- Data collected through February 24, 2023.

RESIDENTIAL COMMUNITY	BEDS/AVG-3	BEDS/2023	TOTAL/AVG-3	TOTAL/2023
MATHES	295	295	20.1	18.3
NASH	331	326	7.4	7.1
EDENS-HIGGINSON	476	460	18.3	18.1
ALMA CLARK GLASS-KAPPA	225	216	34.1	24.6
SODA	421	424	32.0	21.9
BETA-GAMMA	433	418	27.8	20.6
FAIRHAVEN	601	519	25.1	24.2
BUCHANAN TOWERS	503	522	14.4	20.0
BIRNAM WOOD	483	463	TBD	TBD
<b>TOTAL</b>	<b>3,768</b>	<b>3,643</b>		

## Go For The Green! Pledging Support Results



### COMMENTS

- Biggest pledging support provided for **BETA-GAMMA**.
- We look forward to an even greater competition next year.
- We appreciate your efforts in saving energy this month and encourage you to do remain focused on this effort.

RESIDENTIAL COMMUNITY DATA		PLEDGING SUPPORT		
NAME	BUILDING CODES	PLEDGES	TOTAL	RATE
1A. MATHES	MA	29	295	9.83%
1B. NASH	NA	32	326	9.82%
1C. EDENS-HIGGINSON	EH, EN, HG	47	460	10.22%
2A. ALMA CLARK GLASS-KAPPA	CG, RK	41	599	6.84%
2B. SODA	RS, RO, RD, RA	30	425	7.06%
2C. BETA-GAMMA	RB, RG	48	418	11.48%
3A. FAIRHAVEN	FX01 - FX12	41	518	7.92%
3B. BUCHANAN TOWERS	BT, BQ	14	520	2.69%
3C. BIRNAM WOOD	BW01 - BW07, BC, BL	7	463	1.51%
<b>TOTAL</b>		<b>289</b>	<b>4,024</b>	<b>7.18%</b>

**Goal 2: Maximize cost-effective energy efficiency investments in university buildings, while steadily improving building performance and occupant comfort and health.**

2.1: Continue to reduce the need for new construction by prioritizing the use of current facilities.

- No known progress in FY2023.

2.2: Develop energy performance targets and sustainable design standards.

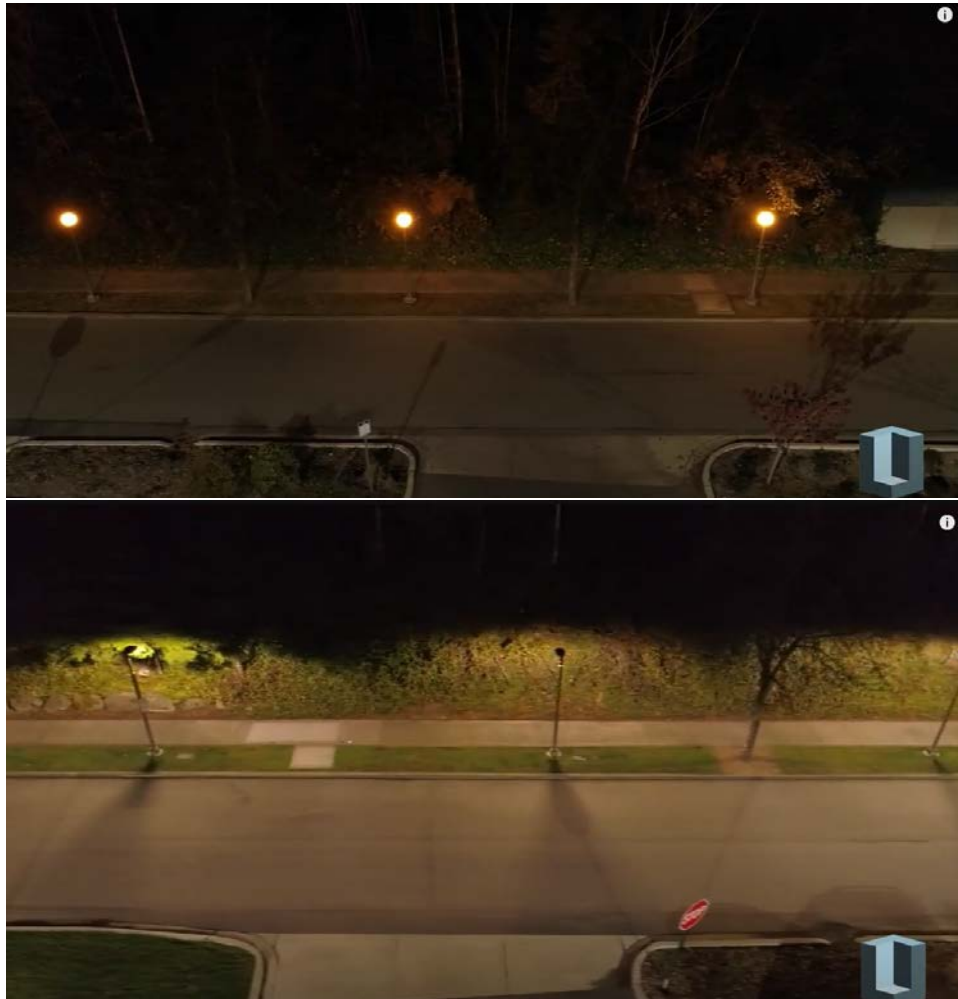
Intended completion date: 2018

- No known progress in FY2023.

2.3: Minimize light pollution while maximizing energy efficiency in exterior lighting.

*Intended completion date: 2025*

- As reported in objective 1.3, exterior LED lighting retrofits were completed at Fairhaven Complex and Ridgeway Complex, replacing 177 lamps on exterior wall packs with LEDs, Dark Sky Compliant LED retrofits were completed on 45 pole light many parking lots on campus, ASHRAE Level 2 Energy Audits were completed on 12 of the largest buildings on campus and recommended energy efficiency measures are being further evaluated (FDO)



*Before and after photos of LED lighting retrofits described in objective 1.3 and 2.3. (Photo source: FDO)*

2.4: Adopt policies or guidelines designed to minimize energy use and emissions from non-fixed assets such as refrigerators, freezers, custodial, and other mobile equipment.


*Intended completion date: 2025*

- As part of FDO's compliance with the Washington Clean Buildings Performance Standard, FDO will be developing operation and maintenance plans for non-fixed assets in FY2024. (FDO)

2.5: Employ clean, renewable energy sources on- or off-campus to offset existing and new demands.

*Intended completion date: 2030*

- Western offsets 95% of electricity usage through a Green Direct contract with PSE, as explained in objective 1.2. In 2023, this was met through wind power but will increasingly include solar energy. A community solar project is in development on the Administrative Services building. Kaiser Bosari Hall will have a large solar array designed to offset 100% of its energy usage when it is built. (FDO)

2.6: Design a university plan to support deep, holistic renovations and energy efficiency investments. 

*Intended completion date: 2035*

- A feasibility study was conducted to transform the district heating system from natural gas boilers and steam distribution to a low carbon source using hot water distribution. A request for proposal (RFP) process is underway to hire an owner's representative to assist in the design and planning process. (FDO)

2.7: Design, construct, renovate, and operate buildings using a closed-loop process involving minimal to no waste in all processes.

*Intended completion date: 2035*

- No known progress in FY2023.

**Goal 3: Green Building Certification: Acquire third party certification of the environmental performance of new and existing university buildings through the USGBC's LEED certification or equivalent process.**

3.1: Complete the USGBC's LEED Gold certification or equivalent for all new and fully renovated university buildings.

*Intended start date: 2018*

- No known progress in FY2023.

**Goal 4: Utilize accepted Low Impact Development (LID) practices as standard to reduce rainwater/storm-water volume, improve outgoing water quality, and make on-campus use of collected rainwater.**

4.1: Apply LID to all new construction, major renovation and other projects that increase paved surface area or otherwise significantly change university grounds.

*Intended completion date: 2035*

- No known progress in FY2023.

**Goal 5: Build and maintain publicly accessible databases of energy use, water consumption, and carbon emissions for all university buildings.**

5.1: Build and maintain a publicly accessible database of available information for ongoing energy consumption and emissions for all university buildings.

*Intended completion date: 2018*

- Complete. FDO is currently seeking a new energy management platform with more robust dashboard features. (FDO)

5.2: Build and maintain a publicly accessible database of available information for ongoing water consumption for all university buildings.

*Intended completion date: 2018*

- Complete. FDO is currently seeking a new energy management platform with more robust dashboard features. (FDO)

5.3: Build and maintain a publicly accessible database of available information for ongoing carbon emissions for all university buildings.

*Intended completion date: 2018*

- Complete. FDO is currently seeking a new energy management platform with more robust dashboard features. (FDO)

**Goal 6: Develop an active learning, living laboratory within Western's built environment.**

6.1: Expand support for courses and co-curricular programs for students that teach about local and regional stewardship solutions through skill development and campus and community engagement.

*Intended start date: fall 2017*

- An SEJF funded grant project, "Project ZeNETH Construction Phase," funded the construction of a net-zero, energy efficient mobile tiny house on campus, which will serve as a tangible design project and test bed for students in courses related to design, urban planning, business and sustainability, biology, electrical engineering, and more. (SEI)
- Multiple Institute for Energy Studies (IES) courses offer opportunities for students to develop skills about local and regional stewardship solutions since the Institute's founding in 2012. New additions in 2023 include an Energy Assessment Program (EAP), led by IES Professor Nipun Goel, in which students will conduct no-cost energy efficiency assessments for local facilities (such as schools and small- and medium-sized industries). Students will gain hands-on experience and help address local and regional climate and energy goals. Professor Froylan Sifuentes also joined the Puget Sound Energy Resource Planning and Advisory Group, which enabled him to bring timely, real-world experience with local utility resource planning into his teaching. (Institute for Energy Studies)





A design of what the Project ZeNETH net-zero tiny house will look like when construction is completed. (Photo source: SEI)

## Student Life

### **Goal 1: Students have a solid foundation for understanding cultural and global interdependence.**

1.1: Increase participation in programs that connect students to sustainability in the local, regional, and global community beginning fall 2017.

- The SEJF grant program funded a project, "LEAD Reforestation Demonstration Project," which brought the Western community together through the planting of a native climax mini-forest on campus. This project was led by LEAD, and allowed students and volunteers to better understand global environmental interdependence and be empowered to engage in local actions that contribute to global solutions. (SEI)
- CCL hosted "Cultivating Communities of Practice" workshop in July 2022 in collaboration with Beverly and Etienne Wenger-Trayner – world leaders in social learning theory and practice. CCL is currently the only host for their workshops in North America and will be co-hosting and co-facilitating another workshop in July 2023. Travis Tennesen became the first "honorary member" of the Wenger-Trayner's Social Learning Lab because of the CCL's innovative social learning work. The "design clinic" process that the CCL has refined was featured as a recommended social learning practice in Wenger-Trayner et. al's newly published *Communities of Practice within and across Organizations: A Guidebook (2023)*.
- CCL hosted Dominic Savio, from Uganda, in November for two days in Bellingham. Dominic is our co-convenor of the Community Engagement Fellows: Africa program, which CCL facilitated in fall and spring for African community leaders from 10+ countries. CCL introduced him to a variety of colleagues in the CE Fellows network and discussed ways to advance our partnership. In 2023-2024, CCL will explore ways to create joint learning opportunities for Western students, faculty, and staff and our CEF: Africa network. (CCL)

- CCL further formalized and restructured the Students in Community program, which involved 11 students this year. These work-study student employees serve at a CCL community partner organization, contribute to CCL-hosted events, and provide community learning opportunities for each other and the campus. This program provides students with a strong sense of belonging, an opportunity for authentic community and challenging work. This program holds great promise for student retention, mental health, career discernment, and community impact. (CCL)



*Students and community members planting seedlings during a work party as part of the LEAD Reforestation Demonstration project, funded by the SEJF grant program. (Photo source: SEI)*

1.2: All first-year Western students, including transfers, will engage in co-curricular programs around social, economic, and environmental (SEE) justice as part of their first year of experience at Western.

*Intended start date: fall 2020*

- First year interest group programs (FIGs) include a number of sustainability related streams, including Environmental Justice, the Salish Sea, Diverse Voices/Distinct Voices, Global Citizenship, Leading for a Sustainable Future, Climate Change Cognition, Marketing for Social Change, and Clean Energy Transitions (<https://firstyear.wvu.edu/first-year-interest-group-courses>)

- First year students are also able to participate in a number of Viking Launch courses that focus on sustainability, including Introduction to the Science of Sustainable Energy, Digging into Bellingham, and Mount Baker Geology (<https://firstyear.wvu.edu/viking-launch-courses>)
- New Student Experience Seminars are designed to support new students, including first generation new students, in establishing their place and direction at WWU. These seminars aim to develop students' social and financial wellbeing on campus (<https://firstyear.wvu.edu/new-student-experience-seminars>).
- Western is developing first year programming specifically for first generation students. This program will have multiple tracts, including a sustainability tract. This program will be offered in 2024.
- First-year residents are invited to engage in a 9-month sustainability co-curriculum in the residence halls, with three quarterly themes: solid waste reduction, energy consumption, and water resources, as described below. (University Residences)
  - Solid waste reduction:
    - See objective 1.3 in Waste Objectives as it relates to the Residence Hall Reuse Program, integrating residents into the sustainable practice of reusing in a cyclical borrowing program, diverting dorm-specific living essentials from the landfill during on-campus move-in.
      - The Residence Hall Reuse Program prioritizes reservations to students that fall into the categories of PEL Grant-eligible, First-Generation, out-of-state, and international. Reservations for the program are opened to the general audience once priority groups have secured access to in-demand items, prioritizing the affordability and accessibility goals of the program. In-store checkout was made available after the AS Info Fair for reserved items that has unsuccessful checkouts (no-show pick up appointments) and residents who did not take advantage of reservations before arriving on campus.
    - Students regularly engage in education on proper waste sorting with digestible material:
      - Fliers were distributed to all residents upon moving in, located in their welcome bags detailing participation opportunities and
      - Students engaged with effective compost sorting at the annual AS Info Fair, learning what is and is not compostable.
      - Increased signage at drop-off depots and digital maps of drop-off locations supported the proper disposal of compost in the residence halls.
      - Sorting guides and Compost 101 infographics were placed in residents' rooms to share the importance and effective strategies for composting in such spaces.
    - During Fall 2022, the Sustainability Extravaganza event was hosted to instill confidence in proper sorting on campus, with the collaboration of the AS Recycle Center and Zero Waste Western, through interactively simulating waste sorting. Additionally, the event promoted other campus partners' work with sustainable practices.

- During Fall 2022, Housing Sustainability hosted an event in collaboration with the WWU Makerspace to teach residents how to sew their own reusable utensil pouch, providing the materials and second-hand utensils to reduce single-use utensil use while eating on and off campus.
  - During Fall 2022, Housing Sustainability hosted sustainable pumpkin carving in collaboration with University Residences and New Student Services and Family Outreach as a part of Fall Family Weekend. The event encompassed:
    - An educational zine (micro magazine) that included facts regarding the waste of jack-o-lanterns, ways to repurpose pumpkin scraps, and how to sustainably carve a jack-o-lantern during the event hosted by Residence Life.
    - Composting resources provided during the event to divert food scraps from the landfill.
    - Following the event, Zero Waste Western provided an interactive “Pumpkin Smash” to encourage students to compost their jack-o-lantern after the holiday, diverting food waste from the landfill.
  - See objective 2.5 of Waste Objectives regarding the efforts of the Residence Hall Reuse Program as part of the 9-month sustainability curriculum.
- Energy consumption:
  - The annual Go For The Green competition encouraged residents to reduce energy consumption with small behavior changes. 289 residents pledged during tabling engagements to: wash laundry on cold, turn off the lights when leaving a room, bundle up before turning up the heat, take shorter and colder showers, and unplug electronics when not in use.
    - These practices were informed by collaborations with Facilities Development and Operations insight on high-impact practices.
  - The Go For The Green website and posters distributed in residence communities detailed the importance of reducing energy consumption and how it will support them after they no longer live on campus.
  - Residents who reduced their consumption the most compared to previous years’ baseline data one an all-you-can-eat dessert bar, incentivizing action, and participation.
- Water resources:
  - During Spring 2023 Earth Fair, Housing Sustainability hosted a table repurposing water bottles from the AS Lost and Found to promote the reduction of single-use water bottles purchased on campus and the use of water bottle refill stations with the distribution of location maps.
  - With a focus on resource-intense consumerism, Housing Sustainability hosted a Spring Clothing Swap, diverting unwanted items from the landfill, encouraging the exchange of used goods, and reducing the need for resources in the production of new items.

- Additionally, the event asked residents to donate non-perishable food and hygiene products to be redirected through the WHOLE pantry.
- Housing Sustainability supported the efforts of the Dining Dollars Project, a student-founded program intended to allow students to redirect unused dining funds to purchase non-perishable items from on-campus eateries for peers, increasing food security.



*Go for the Green flyer, tabling, and final event. (Photo credit University Residences)*

1.3: Begin and/or enhance collaborations with other local education institutions in developing and supporting SEE justice co-curriculum: local schools, Whatcom Community College (WCC), Northwest Indian College (NWIC), and Bellingham Technical College (BTC).  
*Intended start date: 2020*

- During FY2023, Sustainability Pathways convened a Sustainability & Sovereignty community of practice for high school Career and Technical Education teachers and administrators interested in integrating sustainability and tribal sovereignty education into their programs. The community of practice became a collaboration with the Washington State Office of Superintendent of Public Instruction Office of Native Education, the Confederated Tribes of the Colville Reservation Youth Development Program, North Central Educational Services District, and Methow Valley School District, with 9 school districts and 6 community education/youth services organizations participating. (Sustainable Pathways)

**Goal 2: Through structured community and campus-based co-curricular learning experiences, students gain knowledge and insight of sustainability in practice.**

2.1: Enhance and increase co-curricular opportunities for student participation in campus-based sustainable practices.  
*Intended start date: fall 2017*

- Campus Sustainability Planning Studio and CCL co-hosted Learning Together Through Climate Upheaval monthly forum series in collaboration with the Sustainability Engagement Institute and Explorations Academy. The group hosted six forums, each

focusing on work being done locally and opportunities for involvement related to one of the United Nations Sustainable Development Goals. (CCL and SEI)

- Residence Hall staff received training and continued education regarding the 9-month sustainability co-curriculum during regular engagements with Housing Sustainability, educating and empowering hall staff to engage in conversation regarding participation in sustainable practices. (University Residences)
  - These engagements were also followed up with emails detailing information that could be used in sessions with their residents to educate and advertise engagement opportunities.
- Engaging residents in co-curricular opportunities with campus-based sustainable practices is bolstered by Housing Sustainability's 12-month consistent collaboration with Facilities Development and Operations, the Sustainability Engagement Institute (SEI), and the AS Recycle Center. (University Residences)
  - Education opportunities with campus-based sustainability practices included the SEI's Earth Fair for Earth Day, cross-promotion of events with the Zero Waste Western, AS Recycle Center's Recovery Drive, the opportunity for engagement with cross-campus partners at the Sustainability Extravaganza, and promotion of the quarterly Swipe Out Hunger, Dining Dollars Project, and sustainable dining practices.
  - Additional partnerships with various campus and student groups are integrated as needed. These partnerships, such as being included into the efforts of the Sustainability 471 course save Western University Residences money and increase promotion of University Residences programmatic value.



Earth Day fair (photo credit University Residences)

2.2: Increase student participation in service learning and civic engagement that connects to SEE sustainability.

*Intended start date: fall 2017*

- Ten students serve (in both voting and non-voting capacities) on the SELF committee, developing skills in civic engagement while voting to approve funding for grant projects, updating rules of operation, and adapting to the ever-changing sustainability needs on campus (SEI)

- Two students sit on Western's [President's Sustainability Council](#).
- The [Climate Leadership Certificate](#) program, started in 2021, includes an independent study or senior project component that allows those students to pursue sustainability research and leadership of their choosing (4-8 credits/student).
- The [Morse Leadership Institute](#) offers classes and student research opportunities that focus on interdisciplinary sustainability topics.
- College of Business and Economics (CBE) started the [Entrepreneur-Innovator-Changemaker's' Story Projects \(ESP\)](#), a 10-year voyage of discovery to seek out, explore, collect and share lesser-known human-centered, experiential stories of entrepreneurs, innovators and changemakers as they individually and collectively self-discover, understand, grow, change and impact themselves and the world around them based in the U.S.'s Sustainable Development Goals. (CBE)

2.3: Improve sustainability literacy throughout co-curricular learning.

*Intended start date: 2018*

- No progress in FY2023. Western used to assess sustainability literacy of its student body through the [Western Educational Longitudinal Study \(WELS\) survey](#). However, sustainability literacy questions were recently removed from this survey, and, as a result, Western no longer has a way to measure improvements in sustainability literacy.

2.4: Increase the number and quality of opportunities for undergraduate and graduate students to engage in co-curricular SEE sustainability focused projects, research, and grants.

*Intended start date: 2020*

- In FY2023, 17 grant projects were funded through SEJF; more than half of these proposals were led by students. All of these grants add up to over \$338,000 in funding awarded for projects aimed at positively impacting students on campus. (SEI)
- The Climate Leadership Certificate program offers students opportunities to complete summer practicums with organizations in the Bellingham area and in the Methow Valley. Students can focus their final projects on co-curricular, community-based topics. In 2023, Climate Leadership Certificate students completed final projects on mapping wetland restoration in Bellingham, zero waste events in Bellingham, and addressing food insecurity and adapting local food systems in Bellingham. (SEI)
- CCL further formalized and restructured the Students in Community program, which included 11 students in FY2023. These work-study student employees serve at a CCL community partner organization, contribute to CCL-hosted events, and provide community learning opportunities for each other and the campus. This program provides students with a strong sense of belonging, an opportunity for authentic community and challenging work, and holds great promise for student retention, mental health, career discernment, and community impact. (CCL)

2.5: Increase and further develop co-curricular education and outreach programs targeting sustainable living practices.

*Intended start date: 2018*

- The SEJF project, Furniture Fest, a student-led initiative housed within the Office of Off-Campus Living, helps students develop sustainable living practices by recycling and reusing furniture that would otherwise end up in landfills. Look at residence hall programs, all residence units have compost bins. (SEI)

**Goal 3: Social, Economic, and Ecological (SEE) sustainability principles are integrated in student career and lifelong practices.**

3.1: Cultivate student capacity and efficacy in creating positive change in SEE sustainability.

*Intended start date: 2025*

- The sustainability-related majors and minors, Sustainability Pathways program, and the Climate Leadership Certificate program, described in detail in the Curriculum and Research section, all aim to build students' capacity and efficacy to create positive change in their careers and in lifelong practices.
- Western also hosts a sustainable jobs career fair every year in February.

3.2: Increase the number of pathways into SEE sustainability-based careers available to Western students.

*Intended start date: fall 2017*

- SEJF funded three projects in FY2023 that allowed students to attend regional and/or national conferences, including the American Planning Association's national conference pictured below. Students had an opportunity to network with like-minded professionals, expand their perspectives and build professional opportunities.
- As mentioned in objective 3.2, Western also hosts a sustainable jobs career fair once per year.



*Dr. Tammi Laninga and Urban Planning students attending the American Planning Association's*

3.3: Graduating students have a demonstrated commitment to lifelong SEE sustainability.

*Intended start date: 2035*

- SEI runs a sustainability pledges program that can be accessed [here](#).



# Dining Services

In Fall 2023, Western switched dining vendors from Aramark to Chartwells. Because of this transition, we were not able to collect any information on FY2023 progress in Dining services. Chartwells and the Western Dining Services teams are prepared to report on progress in the following areas for fiscal year 2024. There is limited known progress in any of the Dining Services goals or objectives. The goals and objectives are explained below.

**Goal 1: Research and explore new and emerging technologies, practices, and policies to increase sustainable performance in existing and new dining facilities.**

1.1: Create a more efficient model to deliver food service to campus.  
*Intended completion date: 2019*

1.2: Achieve sustainable maintenance and renovation practices, and equipment purchasing.  
*Intended completion date: 2035*

1.3: Reduce resource consumption (such as water, energy) by 10% of current baseline.  
*Intended completion date: 2035*

**Goal 2: Increase environmental best practices for dining service providers and vendors.**

2.1: Ensure 100% packaging of goods that University Dining Services produces is compostable/recyclable.  
*Intended completion date: 2020*

2.2: Increase local/regional food purchasing; WA, OR, ID, BC to 25%.  
*Intended completion date: 2020*

2.3: increase REAL food purchases to 25% by 2020. o Rationale: The University formally signed the Real Food Challenge in April 2016. We will continue working with student groups to meet our objective.

2.4: Implement a vendor environmental practices survey  
*Intended completion date: 2020*

**Goal 3: Provide resources and opportunities for the campus and community to increase understanding and engage in sustainable food practices.**

3.1: Continue educating campus and surrounding community about healthy and sustainable consumption practices.

- Food insecurity has been a significant focus on the campus community in FY2023 and into 2024. Additional information on food insecurity can be found in the Campus and Community Engagement section.

3.2: Develop a mutually-enhancing relationship between Outback and University Dining Services.

*Intended start date: 2017*

3.3: Explore funding options for offsetting increased costs to students as UDS works to meet Real Food Challenge and other local, regional food commitments.

*Intended start date: 2017*

3.4: Continue to engage with the local and regional community to develop a sustainable food system model that links local producers with larger consumer entities.

**Goal 4: Become zero-waste in all campus dining locations.**

4.1: Develop a recycling and compost program for all retail (dining) locations and their offices that results in zero waste.

*Intended completion date: 2020*

4.2: Develop a recycling and compost program for all residential dining halls and their offices that results in zero waste

*Intended completion date: 2020*

4.3: Develop a recycling and compost program for all catering sites and their offices that results in zero waste.

*Intended completion date: 2020*

4.4: Establish a monitoring system to identify base-line waste metrics.

*Intended completion date: 2025*

## Grounds

### **Goal 1: Reduce the consumption of natural resources in grounds maintenance.**

1.1: Develop and implement the use of a preferred plant species list to reduce water consumption for each landscape type—formal, semi-formal, and native.

*Intended start date: fall 2017*

- This specific objective has been met. Additional work on this topic includes two separate SEJF grant projects - "LEAD Reforestation Demonstration Project" and "Native Landscapes Phase II: Art Annex". Both of these focused on planting native species on campus in efforts to reduce water consumption for both plots of land. (FDO)

1.2: Develop a dashboard of irrigation water consumption per irrigated area.

*Intended completion date: fall 2017*

- This objective is complete. However, FDO is exploring replacement software systems. (FDO)

1.3: Evaluate the viability of rain and soil moisture sensors to reduce excess water consumption.

*Intended start date: fall 2017*

- Complete. (FDO)

1.4: Increase and enhance the use of compost and yard debris used on campus for moisture retention and weed suppression.

*Intended start date: 2018*

- FDO composts Western leaf debris starting in October and continually turns the pile through winter to help break down the organic material. By May, FDO usually has a good 30-40 yards of Leaf Compost. FDO will periodically start a new compost pile with spent annuals and perennial die back. This pile is also used but not as frequently as the leaf debris because the pile is often compromised by weed seeds that float about during the grow season. (FDO)

### **Goal 2: Reduce air and noise pollution using sustainable landscape equipment.**

2.1: Evaluate all equipment requests to determine whether a viable electric alternative exists.

*Intended start date: 2017*

- This objective is implemented and ongoing. FDO has implemented an all-electric fleet of combi motors. These combi motors have attachments that are frequently used for weed trimmers, stick edging, hedge trimmers, brushes, and blades. FDO has also introduced four electric backpack blowers. FDO has four handheld electric blowers that are used for quick applications and clean ups. FDO tests electric walk-behind and riding lawn mowers but has found that these models are not quite at the level needed for Western's use. FDO is waiting for the technology to improve on these models

before replacing gas mowers. Once there are commercial grade electric mowers that can handle the workload like FDO's gas mowers, FDO will then push to replace the mower fleet with electric mowers (see objective 2.2 for more details). (FDO)

2.2: Reduce carbon impact of vehicles and equipment to the Outdoor Maintenance shop as budget allows.

- Four battery powered backpack blowers (described in objective 2.1) have been fully implemented with great success. Areas where battery powered push mowers could be used have been identified with plans to move toward these options in FY2024 and FY2025. FDO has purchased a Battery Electric Vehicle (BEV) pickup truck (described in the Transportation section) and supposed outdoor maintenance at Western. (FDO)

### **Goal 3: Reduce pesticide use through Integrated Pest Management.**

3.1: Continuing education classes in Integrated Pest Management for all gardeners, annually.

- Pest management continues to be an important part of the grounds management operations and continuing education. Gardeners participate in education/recertification with Washington State University's Integrated Pest Management program at Whatcom Community College. (FDO)

3.2: Establish baseline of pesticide reduction.

*Intended completion date: 2018*

- All pesticides and fertilizers are tracked through AiM for reporting and management purposes. The use of herbicides has greatly decreased in the past years. There are certain applications where using an herbicide is absolutely paramount in controlling aggressive noxious weeds. Besides treating Japanese Knotweed and Lesser Celendine with Glyphosate (as recommended by the Whatcom Noxious Weed Board), FDO does as much as possible to reduce weeds using mulching, planting beneficial plants to out compete weeds, and using horticultural vinegar and mechanical controls. (FDO)

### **Goal 4: Enhance stormwater treatment and reduce pollutant runoff from impervious surfaces across campus.**

4.1: Continue to protect water quality by complying with all DOE-required stormwater maintenance activities.

- Western is compliant in stormwater maintenance activities. Western owns its own street sweeper and completes regular street cleaning to reduce storm water pollutants from impervious surfaces. FDO is coming up with a plan to get the Happy Valley bioswales working so that FDO can regularly maintain them.

4.2: Establish regular street-sweeping contract to reduce potential pollution runoff to surface waters.

*Intended completion date: 2020*

- This objective is complete. FDO purchased street sweepers and uses the street sweeper to reduce contaminate runoff. FDO also tested a battery powered street

sweeper for the new South College Drive area, and is evaluating the benefits and costs of that system. This battery powered unit is currently cost prohibitive. Continual research is being done to identify other options to fill the need for a compact sweeper in addition to FDO's full-size unit. (FDO)

**Goal 5: Provide education on sustainable practices and utilize campus grounds to foster environmental stewardship.**

5.1: Continue goal of employing at least six (6) seasonal student employees in the Outdoor Maintenance shop.

- FDO has been employing four seasonal student workers per quarter. They have been a crucial part of the outdoor maintenance team and strategy to maintain campus. (FDO)

5.2: Continue to improve the educational component of the student employee program.

- Every quarter, FDO works with students to educate them on our horticultural practices, plant identification, and general landscape maintenance and management. (FDO)

5.3: Make available educational opportunities on and around Western-owned grounds to enhance understanding and appreciation of the unique environmental setting of Western and its relationship to other global ecosystems.

- Two separate SEJF grant projects - "LEAD Reforestation Demonstration Project" and "Native Landscapes Phase II: Art Annex" - focused on planting native species on campus, all while providing educational opportunities to promote an understanding of restoration, stewardship, and the local environment. FDO works closely with SEJF grant proposals that focus on this topic. There is one SEJF project that was recently approved to replace unused lawn areas with native plantings. There will be a plaque installed with information on the plants and a



*Members of the Students for Climate Action club focused efforts on addressing food insecurity on campus in FY2023. (Photo source: SEI)*

# Procurement

## **Goal 1: Encourage the use of sustainable businesses.**

1.1: Develop “Sustainable Purchasing Guidelines” within Procurement processes, inclusive of lifecycle accountability, vendor information, embodied energy and emissions, and social equity practices.

- In partnership with the SEI, the Procurement Office has established a model list of products and services with their associated environmental and equity concerns, as well as a cross-reference to State of Washington Green Purchasing guidelines and State requirements associated with those products. This model list is to provide content and preparation for a Sustainable Purchasing Website. (Procurement and Contract Administration)
- Procurement has issued a request for proposal for a Supplier/Vendor Onboarding and Management System that incorporates required and preferred features to obtain data from university suppliers and vendors to complete reporting of supplier/vendor diversity classifications, company sustainability statements, and eco-certifications or ecolabels that apply to goods and services supplier/vendors provided to Western. There are systems that address higher education needs regarding sustainability by providing customization and flexible reporting tools, and/or additional partnerships to vet suppliers/vendors regarding sustainable business practices. (Procurement and Contract Administration)

1.2: Acknowledge the importance of purchases from local and regional business.

- Business Services has developed a Local Vendor Website in order for campus purchasers to search for a local business that provide goods and services they require. (Procurement and Contract Administration)
- Business Services continue to partner with the Washington State Office of Minority and Women Owned Business Enterprises (OMWBE), including regular meetings and sharing bid opportunities. (Procurement and Contract Administration)

## **Goal 2: Increase the percentage of use of sustainable products and natural resources throughout our supply chain.**

2.1: Increase the use of recycled and reclaimed products.

- Western’s Procurement and Contract Administration has been working on reducing the use of individual printers on campus, and replacing them with fewer large printers to be shared across a group of users. (Procurement and Contract Administration)
- Procurement and Facilities Procurement staff have been focusing on reducing packing materials in delivered goods. (Procurement and Contract Administration)
- An SEJF-funded project, "Furniture Fest," combated furniture waste that accumulates on the streets whenever students move out of their housing, by collecting furniture, refurbishing it, and redistributing it to future students for free. (SEI)



Furniture available for students, free of charge, during Furniture Fest's end-of-summer distribution event. (Photo source: SEI)

**Goal 3: Increase the number of sustainable materials and supplies available in the bookstore for students and greater campus.**

3.1: Increase percentage of purchases from local and regional businesses by 10%.

*Intended completion date: fiscal year 2018*

- In addition to the OMWBE protocols developed in 2022, Business Services has developed a local vendor website for campus purchasers to look for local providers (as described in objective 1.2). (Procurement and Contract Administration)
- A team from Business Services reached out to local businesses to encourage them to register with OMWBE and to work with Western. (Procurement and Contract Administration)
- Westing is working with the new Western dining provider (Chartwells) to establish contracts with local food vendors to offer more options to campus event organizers. (Procurement and Contract Administration)

3.2: Increase sustainable textbook options by 10%.

*Intended completion date: fiscal year 2018*

- No known progress in FY2023.

3.3: Develop key criteria to evaluate suppliers when we consider the introduction of new products and the replenishing of existing ones.

*Intended completion date: fiscal year 2018*

- Sustainability statements and questions have been incorporated into Procurement RFP processes.

- RFP for Supplier / Vendor Onboarding and Management System included questions about functionality to vet suppliers/vendors with regard to their sustainability practices. The University hopes to have a System that provides vetting and/or allows customization of collection of supplier/vendor data with regard to sustainability.

3.4: Continue to improve the visibility of the bookstore's sustainable offerings.

- No known progress in FY2023.

**Goal 4: Prioritize methods of accessing library materials that have a smaller carbon footprint.**

*Library Services is currently restructuring their sustainability goals to better align with borrowing and acquisition practices that have the lowest carbon footprint and are the most ethical, therefore, the objectives below are on hold for FY2023.*

4.1: Encourage faculty to request and use materials purchased in e-form rather than paper.

4.2: Encourage faculty to use resource sharing opportunities like document delivery and Inter-Library Loan (ILL), rather than ordering materials.

4.3: Encourage publishers to use more sustainable materials in their publications.

**Goal 5: Designate the Facilities Management Fleet Services as the institutional office responsible for coordinating and supporting all university vehicle (specialized, departmental, and fleet) purchase and life-cycle decisions.**

5.1: Consolidate the coordination of university vehicle purchases and life cycle management.

- FDO considers vehicle sustainable vehicle purchasing and fleet management, as described in the Transportation section and in the Grounds section.
- FDO has developed an electrification plan including infrastructure improvements needed for charging and full fleet conversion.

5.2: Develop a vehicle procurement guide as part of the greater university e-procurement process.

- No known progress in FY2023.



## Transportation

### **Goal 1: Western recognizes its role as a member of the larger transportation community and engages in local, regional, and state transportation issues and solutions.**

1.1: Develop an integrated University Transportation Plan, including all components of campus transportation.

*Intended completion date:* fall 2018.

- A Western transportation plan or transportation demand management (TDM) plan is scheduled to begin in 2025. (Transportation Services)

1.2: Pursue Western representation on the City of Bellingham Transportation Commission for sharing data, providing input on planning processes, and cooperation on shared goals.

*Intended start date:* 2017

- This objective was deemed to currently not be an appropriate objective by Transportation Services because the Transportation Commission is a mayor appointed position. Western and City of Bellingham Public Works staff met ad hoc to discuss cooperation, shared goals, and City of Bellingham Pedestrian and Bicycle Master Plan updates. These groups are working towards regular quarterly meetings. (Transportation Services)

1.3: Pursue an integrated relationship between Western and Whatcom Transportation Authority (WTA) executive and planning staff, and the WTA Board, establishing a framework for collaboration on current and future goals.

*Intended completion date:* 2017

- Quarterly meetings between WTA and Western occurred in FY2023. Shelby Zimmerman, Director of Transportation at Western, attended WTA's Rapid Transit work group meetings and met with WTA for monthly operational updates and several ad hoc meetings. (Transportation Services)

1.4: Include Western employee and student transportation options in community resilience and disaster preparedness planning, and in communication to the broader campus community.

*Intended completion date:* 2020.

- Transportation Services is working on completing this objective with Western's Director of Emergency Preparedness. (Transportation Services)

1.5: Identify and measure the current efficacy of transportation options for equitable access to local institutions of higher education, including Western's extension campuses.

*Intended completion date:* 2025

- An SEJF-funded grant project, "Campus Micromobility Counters," funded the installation of three micromobility counters on major bike routes on Western's main campus in an effort to collect data on micromobility ridership; the goal is to allow campus and regional planners, as well as decision makers, to have the data necessary

to understand current use patterns and determine how changes to programming and infrastructure can affect ridership. (SEI)

- A student travel survey will take place in February 2024. The most recent survey to identify and measure current efficacy was completed in 2018. (Transportation Services)



Future location of campus micromobility counters, which will be installed in Spring/Summer 2024. (Photo source: SEI)

1.6: Begin advocacy at the state level for regional connectivity that supports reduced student reliance on automobile travel.

*Intended completion date: fall, 2017*

- This objective was deemed to currently not be an appropriate objective by Transportation Services because this objective is the responsibility of both WTA and Skagit Transit. These entities are the transportation authorities for their respective counties. While Western Transportation Services coordinates with both agencies on this, it is the agencies' responsibility to advocate at the state level for regional transportation.

## **Goal 2: Improve safety for users of all transportation modes through education and infrastructure improvements, prioritizing by vulnerability.**

2.1: Adopt Vision Zero for campus.

*Intended completion date: fall, 2018*

- This objective was deemed to currently not be an appropriate objective by Transportation Services because Vision Zero would need to be adopted by the City of Bellingham, and it currently utilizes "Complete Streets" methodology. (Transportation Services)

2.2: Identify and develop a list of pedestrian and bicycle access and safety improvements to campus infrastructure, including service roads.

*Intended completion date: June 2018*

- Transportation Services has received a Western SEJF grant to install 3 bike counters (2 south campus, 1 north campus). (Transportation Services, SEI)
- ADA upgrades to address curb cuts and stairs were completed in summer 2023. Rectangular rapid flashing beacons were installed on Bill McDonald Parkway near Buchanon Towers, and bike lanes on South College Drive were installed in FY 2023. (Transportation Services)

- Western’s Transportation Services has participated in City of Bellingham's Pedestrian and Bicycle Master Plan Update, which will identify improvements that will be made over the next 10 years. (Transportation Services)

**Goal 3: Reduce climate impacts of employee and student Western-related ground travel.**

3.1: Reduce employee drive alone commute rates by 10% annually over the next five years improving bus, bicycle, walking, and carpooling options.

- Employees have free bus passes on their Western Cards that can be used for all fixed routes in WTA and Skagit Transit buses and WTA paratransit trips. Western has priority carpool parking. Employees can purchase pay-by-day permits to encourage alternative transportation one or more days a week. Employees can work hybrid, remotely, or flexed schedules to reduce commutes (4-10's or 9-80). Employees have the opportunity to participate in Smart Trips and Love to Ride programs, which encourage alternative transportation through incentives. Every new employee receives a personal email encouraging alternative transportation. In 2023, neighborhood guides were developed and published on Western’s Transportation Website on ways in which to get to Western by bike or bus. (Transportation Services)
- Measurement of progress on this objective is currently unknown. However, an employee survey will be conducted (per Washington state law) in spring 2024. (Transportation Services)

3.2: Reduce commuter student-driving rates by 10% annually for the next five years improving bus, bicycle, walking, rideshare and car-share, and carpooling options.

- Students taking six or more credits on campus are automatically charged the Active Transportation Fee and provided a WTA bus pass, Skagit Bus pass, and access to the Starlight Shuttle. All other students can opt-in to this fee and be granted access to these services. (Transportation Services)
- Western-supported bike events have encouraged biking to and from campus (Bike Month, Bike to Work and School Day, bike classes, and group rides). (Transportation Services)
- Measurement of progress on this objective is unknown. However, a student survey will be conducted in February 2024. The last student survey was completed in 2018 and, due to the COVID-19 pandemic, was not continued on its 3-year schedule. (Transportation Services)

3.3: Reduce impacts of regional university-related ground travel 10% annually over the next five years.

- In 2023, Travel Services adopted new travel budget restrictions and [requirements for supervisors who approve](#) travel that included a requirement to implement alternatives to travel, such as video and teleconferencing, and encourage carpooling and public transportation. (Travel Services)

**Goal 4: Reduce climate impacts of Western-related air travel.**

4.1: Collect and make publicly available, data on all air travel.

*Intended completion date: fall, 2018*

- Western’s air travel data is collected and tracked through its SIMAP platform. Efforts are underway to make this information more publicly available. Air travel from 2013-2023 are included below:

<b>Miles of Air Travel, 2013-2023 as tracked on SIMAP</b>			
	<b>Air for Faculty/Staff</b>	<b>Student Study Abroad Air Travel</b>	<b>Total</b>
2023	6,748,281	not currently reported	N/A
2022	4,740,235	2,946,578	7,686,813
2021	246,415	not reported	N/A
2020	5,382,892	4,215,008	9,597,900
2019	6,116,205	7,755,498	13,871,703
2018	5,469,721	9,025,878	14,495,599
2017	2,697,748	7,373,046	10,070,794
2016	3,372,166	6,131,972	9,504,138
2015	2,465,844	5,521,168	7,987,012
2014	2,929,372	5,051,364	7,980,736
2013	3,969,671	5,415,982	9,385,653

4.2: Provide options to travelers for off-setting carbon.

*Intended completion date: 2020*

- No progress in FY 2023.

4.3: Pursue a carbon off-setting system that benefits the local community.

*Intended start date: 2020*

- No progress in FY 2023.

**Goal 5: Annually decrease impacts of university fleet vehicles.**

5.1: Reduce the GHG emissions of the university fleet [by 10%].

*Intended completion date: fall, 2018*

- In FY2023, FDO received its first battery electric vehicles (BEV) vans and the BEV pickup truck, which are now in use on campus. Western continues to optimize vehicle use while focusing on a central management process. Currently, FDO is reviewing grant opportunities that would allow additional charging stations to be installed at the Physical Plant as the battery electric fleet continues to grow. (FDO)



Two of Western's new battery electric vehicles. (Photo source: FDO)


5.2: All Western-owned vehicles continually meet WA State requirements for greenhouse gas emissions.

- Western-owned vehicles are continuing to meet Washington State requirements for greenhouse gas emissions. (FDO)

5.3: Collect information for all university fleet vehicle usage and energy consumption.

*Intended completion date: 2018*

- All information for Western fleet vehicle usage and energy consumption is tracked by FDO. (FDO)

5.4: Carbon neutrality for every university-owned vehicle. 

*Intended completion date: 2035*

- As described in objective 5.1, two BEV Ford Transit vans have been delivered and are in use within the trades at FDO. One Ford BEV pickup has been delivered and is in use within FDO as a shared support vehicle. In FY2022, Four Nissan Leafs were purchased and are being used by FDO and as shared support vehicles. (FDO)

## Waste

At the time this report was written, SEI had not received progress information from any waste management services. If progress is submitted, this report will be updated and posted to the Sustainability Action Plan webpage.

### **Goal 1: Create uniform waste collection receptacle standards across Western, providing compost, recycling, and landfill bins.**

1.1: Provide portable recycling and composting receptacles with appropriate signage for all events hosted on Western property and by Western-affiliated groups.

*Intended start date: fall, 2018*

- No known progress for FY2023.

1.2: Eliminate paper towel waste.

*Intended completion date: 2020*

- No known progress for FY2023.

1.3: Expand and improve collection of non-traditional recyclable materials.

*Intended start date: fall, 2020*

- The annual Recovery Drive hosted in the residence halls, as a collaboration between the AS Recycle Center and Housing Sustainability, offered an opportunity to divert unwanted items during residential move out to various community resource hubs and the Residence Hall Reuse Program.
  - The Residence Hall Reuse Program collected items into a circular borrowing program, increasing the affordability and accessibility of higher education at WWU. During the 2022-23 academic year, the Residence Hall Reuse Program collection accrued a total of 600 items diverted from landfills, added over \$3,00 worth of inventory through collected donations totaling over \$20,000 worth of inventory: expanding the program from 379 available items to 411 and from 46% to 83% of inventory in use by residents.
    - Note: Not all items collected were circulated for borrowing, as the curated inventory accepts high-demand items. The remaining donations were distributed to community partners such as Wise-Buys, DVSAS, and the Tiny Home Village. (University Residences)
- During the 2022-23 academic year, Housing Sustainability collected abandoned bikes from on-campus residential communities to integrate into the circular borrowing program, increasing accessibility and affordability of higher education. (University Residences)



Residence Reuse Program inventory (photo credit University Residences)

### Residence Reuse Program Inventory Use, 2022-2023 school year

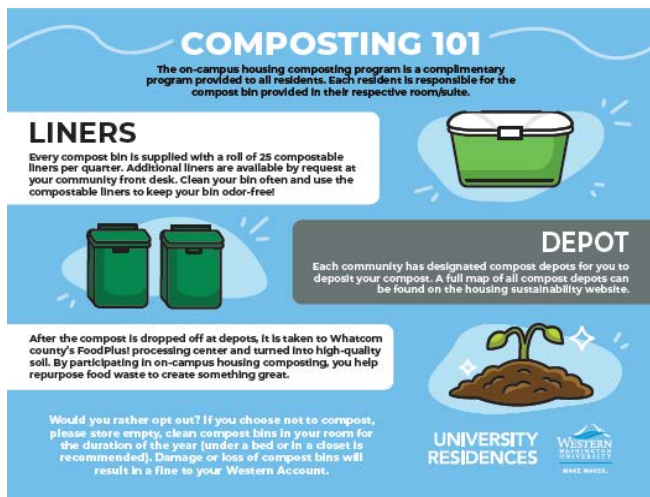
2022-23			
SUB-CATEGORY	Checkouts	Inventory	% checked out of inventory
A1. APPLIANCES	26	31	84%
A1. MICROWAVES	73	79	92%
A1. MINI FRIDGES	97	98	99%
A3. OTHER	9	14	64%
A3. TUPPERWARE	10	11	91%
X. LIGHTING	25	26	96%
X. OTHER	22	26	85%
X. RUGS	6	7	86%
X. STORAGE SOLUTIONS	65	79	82%
X. TECHNOLOGY	18	22	82%
Y. TWIN XL MATTRESS PADS	3	5	60%
<b>Grand Total</b>	<b>354</b>	<b>398</b>	<b>89%</b>

1.4: Divert waste from the landfill by providing opportunities for campus to recycle and compost effectively and efficiently.

*Intended completion date: 2025*

- Data from bi-weekly waste audits assessed the capacity and contamination of compost totes; analysis to be used in rightsizing the frequency of collection and improving the efficacy of composting to avoid contamination hindering the possibility of composted food scraps being repurposed. These efforts are directly applicable to a reduction in financial expenditure for waste collection services.

- Data identified around 37% contamination and common contaminants such as misplaced trash bags, single-use food packaging, metal/plastic-lined paper cartons, etc. (University Residences)
- Residence halls increased waste signage at waste depots and paper towel composting locations (kitchenettes, restrooms, etc.) and have improved the composting efforts in on-campus residential communities. (University Residences)
- The opt-out residential composting program was complemented with in-room education for more effective waste sorting. (University Residences)



1.5: Identify funding sources to expand Big Belly recycling program.  
*Intended completion date: 2017-2019 biennium*

- No known progress for FY2023.

**Goal 2: Institutionalize management practices and policies for waste collection.**

2.1: Create mechanisms to connect the different departments that manage waste.  
*Intended completion date: fall, 2020*

- No known progress for FY2023.

2.2: Institute quarterly waste management meetings across stakeholders to address issues and propose improvements to waste reduction systems.  
*Intended start date: fall 2017.*

- No known progress for FY2023.



Residence Hall Compost Program infographic and tabling event. (photo credit: Residence Halls)



2.3: Formalize, with Facility Design and Capital Budget staff, Big Belly recycling stations as a university standard for outdoor bins.

*Intended start date: 2018*

- No known progress for FY2023.

2.4: Formalize Western's Ban on Single-Use water bottle sales.

*Intended start date: fall, 2017*

- No known progress for FY2023.

2.5: Create an engaged citizenry, consistent expectations, and student buy-in to waste reduction.

*Intended start date: fall, 2020*

- As part of the Residence Hall Reuse Program, participating residents gain an understanding of how circular borrowing can impact their consumption habits and diversion of unwanted items from alternative waste streams. With 225 participating residents and capturing the demand of 660 residents, the consistent growth of the Residence Hall Reuse Program exemplifies the reliance on such a program and encourages the institutionalization of like programs. See the additional verbiage in Objective 1.3 of Waste Objectives as it relates to the Residence Hall Reuse Program. (University Residences)
- The Residence Compost Program in-room materials and new installation of supplemental educational resources (Compost 101 and Sorting Guide) in the living spaces provide a consistent expectation as an opt-out program, where residences are equipped with the materials and knowledge to integrate sustainable practices for diverting food waste from the landfill. (University Residences)

2.6: Manage waste wisely at all events hosted on Western property and by Western-affiliated groups by fall 2020.

- No known progress for FY2023.

2.7: Initiate systematic waste data-collection.

*Intended start date: winter, 2019*

- No known progress for FY2023.

2.8: Implement a Zero Waste Certification program.

*Intended start date: winter, 2020*

- No known progress for FY2023.

**Goal 3: Provide opportunities for waste reduction education to Western faculty, staff, students, and visitors on accepted waste reduction practices.**

3.1: Continue to create and improve opportunities for students to be directly involved with Zero Waste Western.

- Climate Leadership Certificate students researched the prospect of bringing an anaerobic digestion system to Western, and researched waste management challenges in Western's on-campus housing. (SEI)

3.2: Provide waste reduction training to all staff and faculty.

*Intended start date: 2020*

- Students, in partnership with On-Campus Housing, have been working on designing and implementing a waste training course that eventually everyone at Western will be required to take; the first iteration of the course will be taken by staff members of certain offices around campus, to test for efficacy.

**Goal 4: Reduce electronic and hazardous waste.**

4.1: Develop a framework for a university-wide centralized chemical purchasing system.

*Intended completion date: 2022*

- No known progress for FY2023.

4.2: Reduce quantity of hazardous academic lab waste per student.

*Intended completion date: 2030*

- No known progress for FY2023.

4.3: Improve university-wide usage and replacement of computers, especially in general use computer labs.

*Intended completion date: 2022*

- No known progress for FY2023.

## Investments

### **Goal 1: Increase awareness and adoption of environmental, social, and governance (ESG) criteria in the selection of WWU investments.**

1.1: Give due consideration to ESG criteria exercised by the companies and/or funds in which University investments are made.

- No known progress in FY 2023.

1.2: Make investment holdings information publicly available, including but not limited to fund performance against ESG metrics (as available).

- No known progress in FY 2023.

### **Goal 2: Through its decision-making and communication processes, the university will ask the Foundation Board to consider including additional investment criteria, including ESG, in its selection of investments or investment managers, and communicate those decisions to the university community.**

2.1: Support the Foundation in publicizing its Climate Aware Investment option to prospective donors.

*Intended start date: end of 2018*

- No known progress in FY 2023.

2.2: Ask the Foundation Board to consider setting a goal to have a meaningful amount of endowment holdings invested in the Climate Aware Fund.

*Intended start date: June 30, 2021*

- No known progress in FY 2023.

2.3: Ask the Foundation Board to consider requiring investment advisors to include ESG criteria as part of their due diligence process when hiring investment managers that may manage Foundation funds, either directly or indirectly.

*Intended completion date: end of 2018*

- This objective has been met. (The Foundation for WWU and Alumni)

2.4: Ask the Foundation Board to consider mandating that any investment advisor responding to a Request for Proposals (RFP) be a signatory to the United Nations Principles for Responsible Investment (UNPRI).

*Intended completion date: end of 2018*

- The current management company of the Foundation's portfolio, Russell Investments, is a signatory to the UNPRI and Carbon Disclosure Project (CDP) and supports the Task Force on Climate-Related Financial Disclosures (TCFD). (The Foundation for WWU and Alumni)

2.5: Ask the Foundation Board to consider inclusion in any agreement with an investment advisor that if the advisor ceases to be a signatory to UNPRI or follow those principles, the Foundation may terminate the agreement.

*Intended completion date: end of 2018*

- No known progress in FY2023.

2.6: Ask the Foundation Board to consider, at such time as the Foundation makes investments itself, becoming a signatory to UNPRI.

- The Foundation does not (and likely will not) make investments itself. (The Foundation for WWU and Alumni)

**Goal 3: Students understand both Western's and the Foundation's investment processes.**

3.1: Advance educational opportunities for greater student learning in the management and oversight of endowments and sustainable investing.

- No known progress in FY2023.

3.2: Provide learning opportunities for students to evaluate the critical difference(s) between various types of sustainable investing and traditional investments.

- No known progress in FY2023.

**WESTERN WASHINGTON UNIVERSITY  
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

**TO:** Members of the Board of Trustees  
**FROM:** Faith Pettis, Chair of the Board of Trustees  
**DATE:** February 9, 2024  
**SUBJECT:** Board of Trustees Remarks  
**PURPOSE:** Information Item

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**Purpose of Submittal:**

Chair Pettis will provide time to members of the Board of Trustees and the University President for any final remarks, questions, or observations.

**20. DATE FOR NEXT REGULAR MEETING**

- **April 11-12, 2024 in Bellingham, Washington**

## **21. ADJOURNMENT**