HOUSING AND DINING SYSTEM

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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 4,000 students. Ten residential communities consist of sixteen 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, 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 provides an overview of the financial position and activities of the System for the years ended June 30, 2021, 2020 and 2019. 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 significant impact on the system revenues for fiscal year FY 2021. With most classes being delivered remotely on campus housing remained at 25% occupancy for the academic year. Summer occupancy was at less than 2%, and the summer conference housing season was cancelled. The COVID-19 effect on system revenues and expenditures are 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 will be used to refund, refinance and restructure all or a portion of the debt service ($11,540,000 principal and $9,214,288 interest) that will be due and payable during the period from October 1, 2020, through and including October 1, 2022. Bond costs and capitalized interest are included is 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 (FY) and reports all assets and liabilities of the System.

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 bond holders. The difference between 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, 2021, 2020 and 2019:

(Dollars in Thousands)

	2021	2020	2019
Assets			
Current assets	$11,220	$13,195	$9,371
Noncurrent assets	24,450	57,913	14,017
Capital assets, net	178,329	146,393	133,555
Total assets	213,998	217,501	156,943
Deferred outflows	10,157	1,419	1,316
Liabilities			
Current liabilities	5,707	9,588	11,945
Noncurrent liabilities	146,157	132,460	65,357
Total liabilities	151,864	142,048	77,303
Deferred inflows	2,004	1,496	1,704
Net Position			
Net investment in capital assets	59,878	67,591	69,323
Restricted, expendable	6,817	6,316	3,501
Unrestricted	3,592	1,469	6,428
Total net position	$70,288	$75,376	$79,252

The primary components in the asset category are cash, investments, receivables, and capital assets. Total assets decreased $3.5 million (-1.6%) in fiscal year FY 2021 and increased $60.6 million (39%) in fiscal year FY 2020.

Total Cash and Investments decreased $32.8 million (-48.3%) in FY 2021 primarily due to spending the remaining bond proceeds from the $68.7 million in Series 2019 revenue bonds. The System issued the bonds to construct a new residence building and renovate existing residence facilities. Total Cash and Investments for FY 2020 increased $46.4 million (216.5%) primarily due to the remaining bond proceeds from the $68.7 million in Series 2019 revenue bonds. 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. In FY 2021, unrestricted cash and cash equivalents increased $2.3 million (86.0%) primarily due to the economic relief provided by the issuance of the Series 2020 Refunding bonds. Unrestricted cash and cash equivalents decreased $1.3 million (-32.5%) primarily due to the effects of reduced operations from COVID-19. Restricted investments decreased $37.2 million due to the spending of the remaining Series 2019 bond proceeds. Restricted investments increased $48.1 million (718.2%), the net effect of expenditures of the remaining FY 2018 bond proceeds and the addition of FY 2020 bond proceeds.

Depreciable and non-depreciable capital assets increased $31.9 million (22%) and $12.8 million (9.6%) in FY 2021 and FY 2020, respectively, due primarily to increases in construction-in-progress of the new residence hall addition and renovations (e.g. Buchanan Towers) combined with the completion of the Multicultural Center and other capital additions (see Note 3).

The major project in process for FY 2021 was the New Residence Hall. Completion of the New Residence Hall is expected to be in FY 2022, in time for the Fall quarter. The other major project for FY 2021 was Access Control for University Residences buildings. Other major projects were temporarily put on hold due to the COVID-19 pandemic.

Current assets exceeded current liabilities by $5.5 million in FY 2021 primarily due to the restructuring of debt service that eliminated the current portion of bonds payable. In FY 2020, current assets exceeded current liabilities by $3.6 million as a result of a decrease in Accounts payable combined with an increase in Other receivables.

Current assets for FY 2021 decreased $2.0 million (-15.0%) primarily due to a decrease in Other receivables related to dining commissions. Reduced occupancy impacted revenues significantly. The dining commission for FY 2021 was renegotiated with the Systems dining contractor to account for the reduction of meal plan holders and the closure of all dining retail locations on campus. Current assets for FY 2020 increased $3.8 million (40.8%) due to increase in cash and cash equivalents and investments and an increase in Other Receivables due to deferred dining commissions and pre-payment reimbursement. Due to COVID-19, the contract with the System's dining service provider was renegotiated to account for the campus closure during Spring 2020. This included a refund of certain operating expenses and commission revenue.

Current liabilities for FY 2021 decreased $3.9 million (-40.5%) primarily due to the restructuring of bonds which deferred principal and interest payments on outstanding bonds combined with an increase in capital related accounts payable. Current liabilities for FY 2020 decreased $2.4 million (-19.7%) primarily due to decreases in accounts payable and residents' housing deposits.

Total noncurrent liabilities for FY 2021 increased $13.7 million (10.3%) primarily due to the Series 2020 refunding bonds that restructured the outstanding debt service of the System. Total noncurrent liabilities for FY 2020 increased $67.1 million (102.7%) due to the addition of the series 2019 bonds issued.

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 decreased $5,088,453 in FY 2021 and $3,876,083 in FY 2020. The decrease in net position is due to substantial declines in revenue due to COVID-19.

Net investment in capital assets decreased $7,712,713, (-11.4%) in FY 2021 due to $31.9 million increase in net capital assets offset by the corresponding Series 2019 debt combined with increases to long term debt as part of the Series 2020 bond restructuring. Net investment in capital assets decreased $1,731,947 (-2.5%) in FY 2020 due to an increase in bonds payable offset by depreciation and principal payments.

Restricted, expendable increased $500,700 and $2,814,991 during FY 2021 and FY 2020, respectively. These increases are primarily due to additional funds added to the Systems bond covenant renewal and replacement fund.

Unrestricted net position increased $2,123,560 (144.6%) in FY 2021 due to various economic relief strategies implemented to reduce the effects of COVID-19. Unrestricted net position decreased $4,959,126 (-77.2%) in FY 2020 due to the net impact of COVID-19-influenced operations combined with the transfer of funds to the renewal and replacement fund.

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.

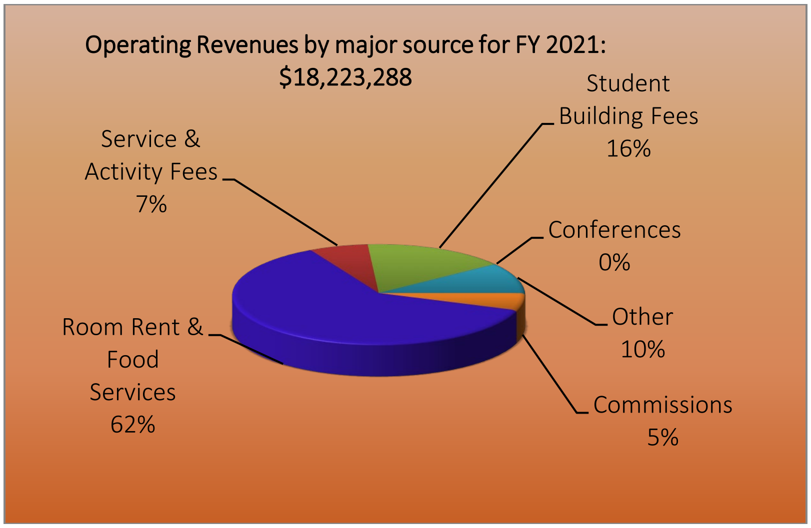
In general, operating revenues are those received for providing housing, dining and related services to the customers of the System, the majority of which consists of room and board services to students. Operating expenses are those expenses paid to provide the services and resources to the students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

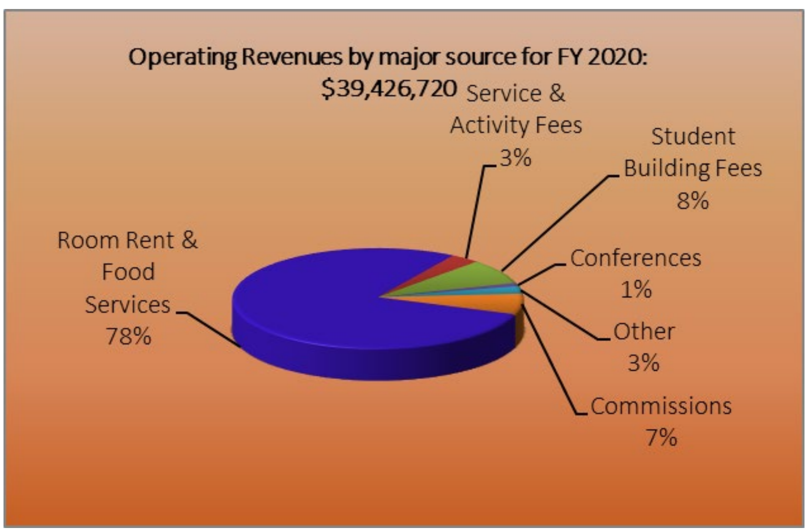
Non-operating revenues are monies received for which goods and services are not provided, such as investment income. Non-operating expenses include interest expense on outstanding debt and amortization of bond costs. Following is a condensed view of the Statements of Revenues, Expenses and Changes in Net Position for the FY years ended June 30, 2021, 2020, and 2019:

(Dollars in thousands)

	2021	2020	2019
Operating revenues	$18,223	$39,427	$49,887
Operating expenses	(24,720)	(41,098)	(45,870)
Income from operations	(6,497)	(1,671)	4,017
Nonoperating revenues	320	1,635	963
Nonoperating expenses	1,088	(3,840)	(2,511)
Increase in Net Position	(5,088)	(3,876)	2,469
Net Position, Beginning of year	75,376	79,252	76,783
Net Position, End of year	$70,288	$75,376	$79,252

Total operating revenue decreased for FY 2021 primarily influenced by decreases to room rent and food services revenue.





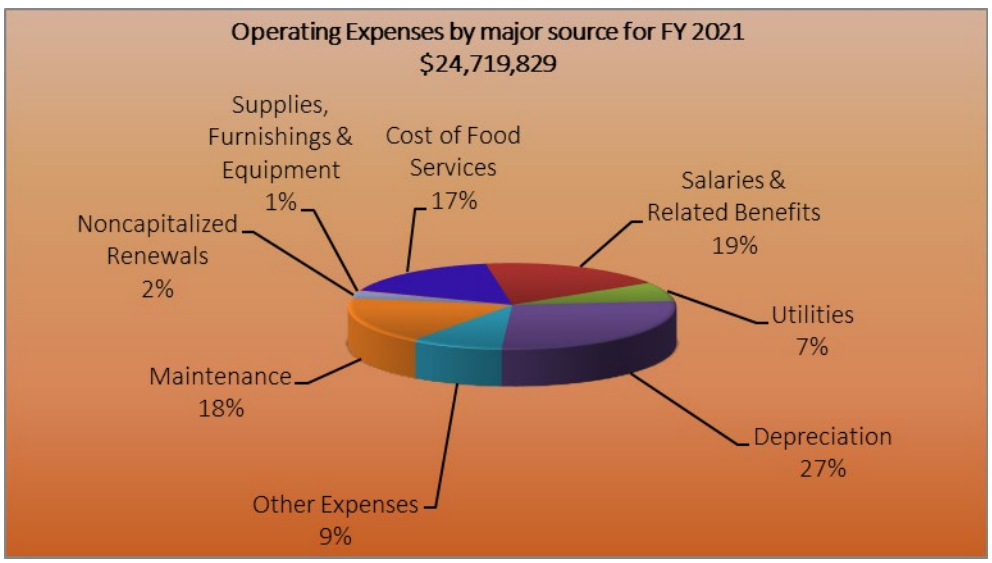
Room rent and food service revenues decreased $19.6 million (-63.7%) in FY 2021 due primarily to the COVID-19 pandemic. Occupancy remained steady at 25% for the academic year. The FY 2021 room rental fee average increase was 4.5%. The FY 2020 room rental fee increased 5%. Average FY 2020 occupancy through Winter Quarter was down 1.9% from the same two periods in FY 2019.

Student building fee revenue decreased $267,189 (-8.3%) due to reduced enrollment and a temporary reduction in student fees. In FY 2020 Student building fee revenue decreased $37,829 (1.2%) due to slight enrollment growth in Fall and Winter quarters.
Conference revenue decreased $419,860 (-98.3%) in FY 2021 due to the cancellation of summer conferences as a result of COVID-19 . Conference revenue decreased $174,681 (-29%) in FY 2020 primarily due to reduced June 2020 bookings during the COVID-19 pandemic.

Viking Union revenue decreased $179,257 (-47.6%) in FY2021 due to reduced operations of revenue-generating facilities and services like the Viking Union building, Lakewood, and Event Services in response to COVID-19. Viking Union revenue decreased $145,168 (-27.8%) in FY 2020 due to reduced operations in Spring quarter as a result of the COVID-19 outbreak.

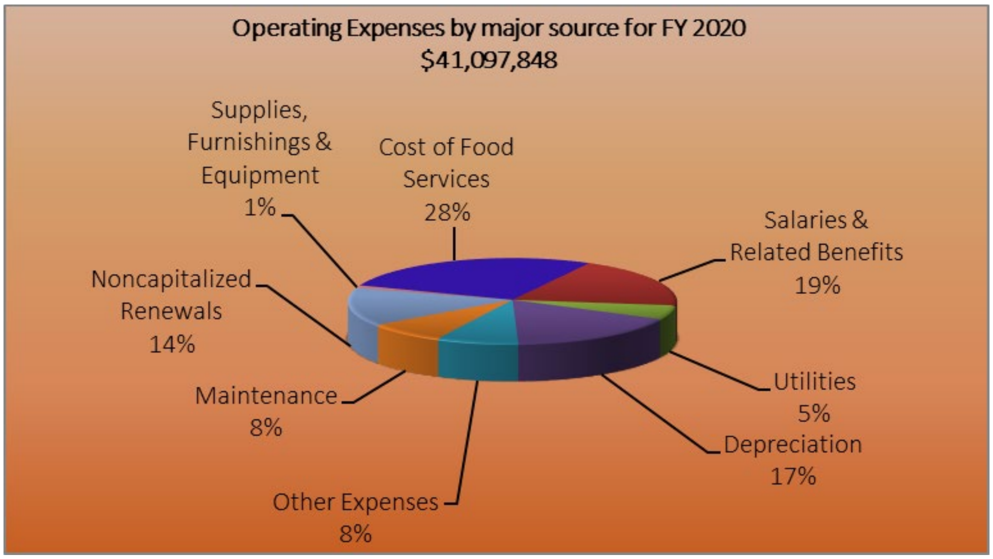
Commission revenue decreased $1,625,947 (-61.7%) in FY 2021 due to revised negotiated commission based on a reduced number of meal plan holders. Commission revenue decreased $292,916 (-10%) due to the impact on COVID-19 on Spring Quarter operations.

Fees, penalties, and other income increased $1,034,193 (236.8%) in FY 2021 and increased $159,673 (57.6%) in FY 2020 due to one-time payments from Dining Services (Aramark) which offset commissions which were reduced due to COVID-19 reductions.



Overall operating expenses for FY 2021 decreased by $16,378,019 (-39.9%) as a result of the COVID-19 pandemic. A decrease in occupancy resulted in reduced labor and food services costs. Noncapitalized renewals and replacements were deferred to a later date. Overall operating expenses for FY 2020 decreased a net of $4,772,355 (-10.4%) due to COVID-19-influenced operating reductions after netting out a $1,562,364 (28.7%) increase in depreciation.

Cost of food services for FY 2021 decreased by $7,109,634 (-63%). Although the cost of meal plans was increased by 3.8% the number of meal plan holders was significantly down from previous years. For FY 2020 Cost of food services decreased $3,169,422 (-22%) primarily due to reduced resident dining activity during the modified Spring quarter operations.



Salaries and benefit expense for FY 2021 was reduced by $3,204,001 (-40.7%) as a result of continued reduced operating levels. During FY 2021, five residence halls were non-operational and not staffed. Salaries and benefits expense for FY 2020 decreased $639,846 (-7.5%) due primarily to student employee reductions over the Spring quarter from reduced operation levels. FY 2021 and FY 2020 charges related to GASB statements No. 68 and 75 totaled $48,427 and ($402,787), respectively.

Utilities expense in FY 2021 decreased by $366,649 (-16.9%) due to continued reduced operating levels for the academic year as well as the summer conference season. Utilities expense decreased $345,362 (-13.7%) in FY 2020 due to Spring Quarter COVID-19 occupancy reductions.

Repairs and maintenance expense for FY 2021 increased $1,157,404 (36.4%) due to an increase in cleaning protocols and modifications needed due to COVID-19. Repairs and maintenance expense for FY 2020 increased $58,205 (1.9%) due to an increase on repair projects coupled with a decrease in maintenance contract expenses.

Furniture and Equipment expense for FY 2021 decreased by $65,309 (-51.8%). Non-essential purchases have been deferred until later due to reduced operations. Furniture and Equipment expense for FY 2020 decreased $226,413 (-64.2%) due primarily to reductions in residential furniture expenditures (pre-COVID-19) and Computer Equipment (during COVID-19).

Depreciation expense decreased by $212,456 (-3.0%) due to scheduled depreciation on existing assets. Depreciation expense increased $1,563,364 (28.7%) due to an increase in capital assets in FY 2020.

WWU's administrative services assessment fee (included in institutional services) decreased $664,976 (-44.2%). This is due to reductions in revenue and food service costs. WWU's administrative services assessment fee

decreased $517,060 (-25.6%) in FY 2020 due to decreased operating revenue caused by COVID-19. The rate charged against the System revenues (less food service contract) was 5.775% both years.
Other Expenses decreased $438,426 (-40.7%) and $105,035 in FY 2021 and FY 2020, respectively, due to reduced operating levels during COVID-19.

Non-operating expenses (interest & amortization) for FY 2021 decreased by $4,928,043. This is due to restructuring of the debt which deferred interest payments on outstanding bonds to FY 2023. Non-operating expenses (interest & amortization) for FY 2020 increased $1,329,306 (52.9%) due to increased bond interest expense.

Non-Operating revenue for FY 2021 decreased by $1,315,012 due to reduced investment earnings and the return of capital contributions offset by the receipt of Federal COVID-19 relief funds to provide assistance with reduced revenues. Non-Operating revenue for FY 2020 increased $672,376 (69.8%) due to investment earnings from increased bond proceeds.

Economic Factors and Significant Events

The COVID-19 pandemic will continue to influence FY 2022 enrollment, occupancy, and operations. Enrollment for Fall quarter 2021 is anticipated to similar Fall quarter 2021. With 62% of classes taught in person, Fall 2021 Housing capacity is expected to be at 85%. New for FY 2022, housing has introduced a tiered rate structure, based on available amenities in the various buildings. 60% of the rooms offered are at the lowest tier. The overall weighted average of room increases is 4.5% from FY 2021.

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 fiscal year 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.

Construction for the addition of an approximately 400-bed on-campus residence will be completed in September 2021 and will house 400 students for Fall 2021. The project is funded by revenue bonds issued September 2019.

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.

Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Western Washington University Housing and Dining System, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of basic of the Western Washington University Housing and Dining System, as of June 30, 2021 and 2020, 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.

Matters of Emphasis

As discussion in Note 1, the financial statements of the Western Washington University Housing and Dining System, a departemnt 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, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with repects to this matter.

As discussed in Note 8 to the 2021 financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the System. Management's plans in response to this matter are also described in Note 8.

As discussed in Note 6 to the financial statements, legislation created a trust arrangement for assets dedicated to paying the Western Washington University Retirement Plan (WWURP) benefits to plan members. Contributions previously paid to and accumulated by the Department of Retirement Systems since 2012 were transferred into the trust effective July 1, 2020. As a result, the University transitioned to accounting for the plan in accordance with Governmental Accounting Standards Board Statement. No. *68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements as a whole. The Other Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the System. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated November 24, 2021, 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,

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

November 24, 2021

Assets	2021	2020
Current assets		
Cash and cash equivalents (Note 2)	$4,873,698	$2,620,401
Investments (Note 2)	4,181,274	2,481,664
Restricted investments (Note 2)	1,571,503	4,857,210
Accounts receivable, net of allowance of $39,254 and $42,306 in 2021 and 2020, respectively	408,649	311,827
Interest receivable	81,916	360,286
Other receivables	102,643	2,563,360
Total current assets	11,219,683	13,194,748
Noncurrent assets		
Restricted cash and cash equivalents (Note 2)	7,408,105	8,478,781
Restricted investments (Note 2)	11,647,941	45,529,578
Investments (Note 2)	5,394,073	3,905,072
Nondepreciable capital assets (Note 3)	56,157,369	17,428,136
Depreciable capital assets, net (Note 3)	122,171,148	128,965,154
Total noncurrent assets	202,778,636	204,306,721
Total assets	213,998,319	217,501,469
Deferred Outflows		
Deferred loss on bond refunding	9,371,270	560,920
Related to pension (Note 6)	349,842	469,385
Related to OPEB (Note 7)	435,527	388,237
Total deferred outflows	10,156,639	1,418,542
Liabilities		
Current liabilities		
Accounts payable	4,356,648	3,072,427
Accrued expenses	168,850	222,586
Residents' housing deposits	830,129	271,717
Unearned revenues	167,576	56,747
Bonds interest payable	118,100	1,190,395
Current portion of bonds payable (Note 4)	-	4,600,000
Current portion of pension liability (Note 4, 6)	-	115,262
Current portion of OPEB liability (Note 7)	65,675	59,360
Total current liabilities	5,706,978	9,588,494
Noncurrent liabilities		
Compensated Absences	396,859	450,250
Bonds payable, less current portion (Note 4)	141,234,942	127,535,089
Net pension liability (Note 4, 6)	856,891	1,091,204
Net OPEB liability (Note 7)	3,668,117	3,383,189
Total noncurrent liabilities	146,156,809	132,459,732
Total liabilities	151,863,787	142,048,226
Deferred Inflows		
Related to bonds	477,939	-
Related to pension (Note 6)	534,808	488,661
Related to OPEB (Note 7)	990,848	1,007,095
Total deferred inflows	2,003,595	1,495,756
Net Position		
Net investment in capital assets	59,878,344	67,591,057
Restricted, expendable	6,817,000	6,316,300
Unrestricted	3,592,232	1,468,672
Total net position	$70,287,576	$75,376,029

 See Notes to Financial Statements

	2021	2020
Operating Revenues		
Room rent and food services	$11,213,517	$30,863,079
Service and activity fees	1,215,357	1,316,868
Student building fees	2,953,074	3,220,262
Conferences	7,383	427,244
Viking Union income	197,681	376,938
Rent	157,674	151,974
Commissions	1,007,638	2,633,584
Fees, penalties, and other income	1,470,964	436,771
Total operating revenue	18,223,288	39,426,720
Operating Expenses		
Cost of food services	4,148,096	11,257,730
Salaries and related benefits	4,665,747	7,869,748
Utilities	1,804,291	2,170,940
Repairs and maintenance	4,337,665	3,180,261
Communications	134,986	184,649
Insurance	610,136	512,236
Supplies	97,247	314,352
Furniture and equipment	60,746	126,055
Institutional services	839,233	1,504,209
Depreciation	6,799,398	7,011,854
Noncapitalized renewals and replacements	583,911	5,889,014
Other	638,374	1,076,800
Total operating expenses	24,719,829	41,097,848
(Loss)/Income from operations	(6,496,541)	(1,671,128)
Nonoperating Revenues (Expenses)		
Investment income	227,792	1,373,269
Other Capital Contribution	(822,252)	262,010
Federal COVID-19 relief revenue	914,727	-
Interest expense	1,072,295	(4,297,459)
Amortization of bond discounts and premiums	15,525	457,226
Total nonoperating (expenses) revenues	1,408,087	(2,204,954)
(Decrease)/Increase in net position	(5,088,453)	(3,876,082)
Net Position, Beginning of Year	75,376,029	79,252,112
Net Position, End of Year	$70,287,576	$75,376,029

See Notes to Financial Statements

	2021	2020
Cash Flows from Operating Activities		
Cash received from students and other customers	21,256,425	$37,240,861
Cash paid to employees	(4,728,641)	(8,289,913)
Cash paid to suppliers	(13,146,413)	(26,452,102)
Net cash flows provided by operating activities	3,381,371	2,498,846
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	-	72,199,070
Interest earned on bond proceeds	401,274	756,641
Capital Contribution	(822,252)	262,010
Payment of long-term debt	305,028	(4,400,000)
Interest payments	477,939	(3,742,759)
Purchase of capital assets	(37,559,087)	(21,498,064)
Net cash flows provided/(used) by capital and related financing activities	(37,197,098)	43,576,898
Cash Flows from Noncapital Financing Activities		
Federal COVID Relief Funds	914,727	-
Net cash flows provided/(used) by noncapital financing activities	914,727	-
Cash Flows from Investing Activities		
Investment income received	104,888	351,102
Net proceeds (purchase) of restricted investments	42,734,772	(49,115,394)
Net proceeds (purchase) of investments	(3,188,611)	4,341,029
Net cash flows (used in) provided by investing activities	39,651,049	(44,423,263)
Net change in cash and cash equivalents	6,750,049	1,652,481
Cash and Cash Equivalents, Beginning of Year	5,531,754	3,879,273
Cash and Cash Equivalents, End of Year	$12,281,803	$5,531,754
Reconciliation of Operating Income to Net Cash Provided to Operating Activities		
Operating income	(6,496,541)	(1,671,128)
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	6,799,398	7,011,854
Loss on disposal of fixed asset	-	-
Change in operating assets and liabilities		
Accounts receivable	(96,822)	76,779
Other receivables	2,460,717	(1,104,864)
Accounts payable	108,272	(235,857)
Accrued salaries and benefits	(106,715)	(17,376)
Residents' housing deposits	558,412	(964,095)
Pension and OPEB liabilties and related deferred outflows and inflows of resources	43,822	(402,787)
Unearned revenue	110,829	(193,680)
Cash flows from operating activities	$3,381,371	$2,498,846
Supplemental Disclosure of Noncash Capital and Related Financing Activities		
Change in capital asset additions included in accounts payable	$1,175,539	($1,648,248)

 See Notes to Financial Statements

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
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 WWU 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, 2021, and 2020 are $396,859 and $450,250, 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 used.

Deferred Outflows of resources and Deferred Inflows of resources.
The System classifies gains on retirement of debt as deferred inflows 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.

Change in net pension liability 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 liability are reported as deferred outflow of resources.

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.

Net Pension Liability
The System records pension liabilities equal to the net pension liability for its defined benefit plans. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the defined benefit plans has been measured consistent with the accounting policies used by the plans. The total pension liability is determined based upon 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 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, and a tax-exempt, high- quality municipal bond rate when plan assets are not available.

Pension expense is recognized for benefits earned during the measurement period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

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, Expendable* - Restricted net position represent resources restricted by bond covenants for system renewals and replacements.

- *Unrestricted* - Unrestricted net position represent 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 $629,233 and $1,286,539 which was 5.775% of revenues (less food service contract) for the years ending June 30, 2021, and 2020, 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 $13,219,444 and $50,386,789 at June 30, 2021 and 2020 respectively are restricted for unspent bond proceeds and renewals and replacements. Restricted investments include $9,620,616 and $43,290,052 at June 30, 2021 and 2020 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 and Poors/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.

	Fair Value Measurements as of June 30, 2021 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					
Unrestricted	$4,873,698			$4,873,698	0.003
Restricted	1,322,769			1,322,769	0.003
Restricted - Bonds	6,085,336			6,085,336	0.003
Investments					
Unrestricted					
Certifciates of deposit	730,361			730,361	1.247
Corporate	1,578,234			1,578,234	1.328
Municipals		94,832		94,832	2.422
Supranationals		288,525		288,525	2.646
U.S. Agencies		5,447,317		5,447,317	0.986
U.S. Treasuries		1,436,078		1,436,078	2.711
Restricted					
Certifciates of deposit	1,944,567		-	1,944,567	1.600
Corporate	428,348			428,348	0.770
Municipals		504,477		504,477	2.700
Supranationals		78,308		78,308	1.530
U.S. Agencies		2,125,583		2,125,583	1.940
U.S. Treasuries		389,766		389,766	1.560
Bond Certificates of deposit	76,274			76,274	0.136
Bond Corporate	164,820			164,820	0.145
Bond Municipals		9,904		9,904	0.264
Bond Supranationals		30,132		30,132	0.289
Bond U.S. Agencies		568,882		568,882	0.108
Bond U.S. Treasuries		6,898,383		6,898,383	0.412
	$17,204,407	$17,872,187	$ -	$35,076,594	

	Fair Value Measurements as of June 30, 2020 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					
Unrestricted	$2,620,401			$2,620,401	0.005
Restricted	2,911,353			2,911,353	0.005
Restricted - Bonds	5,567,428			5,567,428	0.005
Investments					
Unrestricted					
Certifciates of deposit	447,327			447,327	1.031
Corporate	868,915			868,915	1.924
Municipals				-	
U.S. Agencies		1,348,432		1,348,432	1.474
U.S. Treasuries		3,722,062		3,722,062	0.243
Restricted					
Certifciates of deposit	2,105,967			2,105,967	0.238
Corporate	965,511			965,511	0.962
Municipals		497,636		497,636	1.544
U.S. Agencies		4,793,652		4,793,652	1.709
U.S. Treasuries		1,892,004		1,892,004	0.621
Bond U.S. Treasuries		40,132,018		40,132,018	0.642
	$15,486,902	$52,385,804	$ -	$67,872,706	

NOTE 3. CAPITAL ASSETS, NET

The depreciation expense for the years ended June 30, 2021 and 2020 was $6,799,398 and $7,011,854, respectively.

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

Description	June 30, 2020	Additions	Reductions	June 30, 2021
Non-depreciable capital assets				
Construction in progress	$17,428,136	$38,729,234	-	$56,157,370
Total non-depreciable capital assets	17,428,136	38,729,234	-	56,157,370
Depreciable capital assets				
Buildings	179,651,846	-		179,651,846
Buildings improvements	34,405,455			34,405,455
Furniture, fixtures, and equipment	8,953,503	5,391	-	8,958,894
Infrastructure	4,492,564			4,492,564
Total depreciable capital assets	227,503,368	5,391	-	227,508,760
Less Accumulated Depreciation				
Buildings	69,828,525	4,817,897		74,646,422
Buildings improvements	19,026,822	1,388,170		20,414,992
Furniture, fixtures, and equipment	7,248,399	514,449	-	7,762,848
Infrastructure	2,434,469	78,882		2,513,351
Total accumulated depreciation	98,538,214	6,799,398	-	105,337,612
Capital assets, net	146,393,290	$31,935,228	-	$178,328,517

Following are the changes in capital assets for the year ended June 30, 2020:

Description	June 30, 2019	Additions	Reductions	June 30, 2020
Non-depreciable capital assets				
Construction in progress	$42,076,981	$15,308,638	($39,957,483)	$17,428,136
Total non-depreciable capital assets	42,076,981	15,308,638	(39,957,483)	17,428,136
Depreciable capital assets				
Buildings	136,125,120	43,526,726		179,651,846
Buildings improvements	34,405,455			34,405,455
Furniture, fixtures, and equipment	8,196,657	971,935	(215,089)	8,953,503
Infrastructure	4,492,564			4,492,564
Total depreciable capital assets	183,219,796	44,498,661	(215,089)	227,503,368
Less Accumulated Depreciation				
Buildings	65,012,750	4,815,774		69,828,525
Buildings improvements	17,422,942	1,603,879		19,026,822
Furniture, fixtures, and equipment	6,950,168	513,319	(215,089)	7,248,399
Infrastructure	2,355,587	78,882		2,434,469
Total accumulated depreciation	91,741,448	7,011,854	(215,089)	98,538,214
Capital assets, net	$133,555,329	$52,795,446	$0	$146,393,290

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.

	June 30, 2021	June 30, 2020
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, 2021.	$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 $1,465,000 to $3,295,000 through April 1, 2049. The Series 2019 bonds have an aggregate face value of $67,180,000 at June 30, 2021 which is reported net of the unamortized original issues premium of $3,050,678.	$70,230,678	$ 72,029,836
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 $985,000 to $2,050,000 through April 1, 2043. The Series 2018B bonds have an aggregate face value of $30,510,000 at June 30, 2021 which is reported net of the unamortized original issues premium of $800,875.	31,310,875	33,294,917
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 $570,000 to $985,000 through April 1, 2034. The Series 2018A bonds have an aggregate face value of $9,600,000 at June 30, 2021 which is reported net of the unamortized original issues premium of $694,167.	10,294,167	11,255,070
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 $1,315,000 to $1,530,000 through October 31, 2026. The Series 2015 bonds have an aggregate face value of $5,675,000 at June 30, 2021 which is reported net of the unamortized original issues premium of $332,740.	6,007,740	8,761,490
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 amounts ranging from $790,000 to $825,000 through October 31, 2023. The Series 2012 bonds have an aggregate face value of $1,615,000 at June 30, 2021 which is reported net of the unamortized original issues premium of $16,482.	1,631,482	3,585,519
Series 1998 Housing and Dining Junior Lien Revenue Refunding Bonds (original issue price of $17,225,000) with an interest rate of 5.5%, and principal payments due in annual amounts that range from $1,210,000 to $1,270,000 through October 1, 2022. The Series 1998 bonds have an aggregate face value of $0 at June 30, 2021, which is reported net of the unamortized original issue premium of $0.	-	3,208,257
	141,234,942	132,135,089
Less current portion	-	(4,774,622)
	$141,234,942	$127,360,467

Following are the changes in non-current liabilities for the year ended June 30, 2021:

Non-current Liabilities	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
BONDS PAYABLE					
Series 2020 Revenue Bonds	$0	$21,760,000		$21,760,000	
Series 2019 Revenue Bonds	68,575,000	-	(1,395,000)	67,180,000	-
Series 2018B Revenue Bonds	32,370,000	-	(1,860,000)	30,510,000	-
Series 2018A Refunding Bonds	10,345,000	-	(745,000)	9,600,000	-
Series 2015 Refunding Bonds	8,110,000	-	(2,435,000)	5,675,000	-
Series 2012 Refunding Bonds	3,520,000	-	(1,905,000)	1,615,000	-
Series 1998 Junior Lien Revenue Refunding	3,200,000	-	(3,200,000)	-	-
	126,120,000	21,760,000	(11,540,000)	136,340,000	-
Plus unamortized premium	6,015,089		(1,120,147)	4,894,942	-
Less unamortized discount	-	-	-	-	-
Total Bonds Payable	132,135,089	21,760,000	(12,660,147)	141,234,942	-
Compensated Absences	450,250	-	(53,391)	396,859	-
Pension Liabilities	1,206,466	-	(349,575)	856,891	-
OPEB Liability	3,442,549	229,533		3,672,082	61,710
Total Non-current liabilities	$137,234,354	$21,989,533	($13,063,113)	146,160,774	61,710

Non-current Liabilities	June 30, 2019	Additions	Reductions	June 30, 2020	Current Portion
BONDS PAYABLE					
Series 2019 Revenue Bonds	$ -	$68,575,000	$ -	68,575,000	$ -
Series 2018B Revenue Bonds	33,265,000	-	(895,000)	32,370,000	915,000
Series 2018A Refunding Bonds	10,695,000	-	(350,000)	10,345,000	365,000
Series 2015 Refunding Bonds	9,240,000	-	(1,130,000)	8,110,000	1,185,000
Series 2012 Refunding Bonds	4,395,000	-	(875,000)	3,520,000	925,000
Series 1998 Junior Lien Revenue Refunding	4,350,000	-	(1,150,000)	3,200,000	1,210,000
	61,945,000	68,575,000	(4,400,000)	126,120,000	4,600,000
Plus unamortized premium	3,019,301	3,624,070	(628,282)	6,015,089	-
Less unamortized discount	-	-	-	-	-
Total Bonds Payable	64,964,301	72,199,070	(5,028,282)	132,135,089	4,600,000
Compensated Absences	392,652	57,598	-	450,250	-
Pension Liabilities	1,289,682	-	(83,216)	1,206,466	115,262
OPEB Liability	3,279,944	162,605		3,442,549	59,360
Total Non-current liabilities	$69,926,579	$72,419,273	($5,111,498)	137,234,354	4,774,622

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

	Principal	Interest	Total
2022	-	472,402	472,402
2023	5,160,000	4,666,158	9,826,158
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
2027-2031	32,485,000	16,304,530	48,789,530
2032-2036	30,255,000	10,873,621	41,128,621
2037-2041	22,765,000	6,916,000	29,681,000
2042-2046	19,405,000	3,058,300	22,463,300
2047-2051	9,600,000	581,700	10,181,700
	136,340,000	55,461,378	$191,801,378
Plus unamortized premiums	4,894,942		
	$141,234,942		

NOTE 5. COMMITMENTS

The System regularly enters into contracts and purchase orders that commit fund balances for future purchases of goods and services. At June 30, 2021 and 2020, these commitments totaled $8,944,101 and $45,763,847 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 $741,046 as of June 30, 2021 and $725,974 as of June 30, 2020. The liability associated with the defined-benefit pension plan administered by WWU was $115,845 as of June 30,2021 and $480,672 as of June 30, 2020. The total pension expense recorded by the System related to both the DRS and University plans was ($26,936) and $135,339 for the years ended June 30, 2021 and 2020 respectively. The negative total pension expense as of June 30, 2021 was a result of the Fiscal Year 2021 GASB No. 67/68 reporting change for WWU's supplemental defined benefit plan component.
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.

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 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

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

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/wp-content/uploads/2021/06/2020-CAFR.pdf.

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 Housing & Dining'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 2021 pension liability is based on the OSA valuation performed as of June 30, 2020, with a valuation date of June 30, 2019. 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 2019 Economic Experience Study. The following actuarial assumptions have been applied to all prior periods included in the measurement:

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary Increases:** salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.40%

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

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

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

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

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:

2021 - Measurement date 2020

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
Total	100%	

The 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 7.40 percent, 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 7.40 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 7.40 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 7.40 percent on pension plan investments was applied to determine the total pension liability for each plan.

SENSITIVITY OF THE NET PENSION LIABIILTY TO CHANGES IN THE DISCOUNT RATE:

The following table presents Housing & Dining's net pension liability position by plan calculated using the discount rate of 7.40 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.40%) or 1.0% point higher (8.40%) than the current rate.

Discount Rate Sensitivity - Net Pension Liability			
($ in thousands)		**2021**	
Plan	**1% Decrease 6.4%**	**Current Discount Rate 7.4%**	**1% Increase 8.4%**
PERS 1	$ 631	$ 504	$ 393
PERS 2/3	1,474	237	(782)

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					
	7/1/2019 thru 6/30/2020		7/1/2020 thru 8/31/2020		9/1/2020 thru 6/30/2021	
	Employee	University	Employee	University	Employee	University
PERS						
Plan 2	7.90%	12.86%	7.90%	12.86%	7.90%	12.97%
Plan 3	5.00-15.00% **	12.86% *	5.00-15.00% **	12.86% *	5.00-15.00% **	12.97% *

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 2020	FY 2021
PERS		
Plan 2	$ 228,450	$111,350
Plan 3	50,258	38,611

HOUSING & DINING 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, 2021, and 2020 was June 30, 2020 and 2019 (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. Housing & Dining's proportional share of WWU's share from DRS of the aggregated balance of net pension liabilities as of June 30, 2021 and June 30, 2020 is presented in the table below.

Proportionate Share of WWU's share	PERS 1	PERS 2/3
2021	4.7306%	4.8054%
2020	4.7012%	4.8393%

Aggregate Pension Amounts		PERS 1		PERS 2/3		Total
Net Pension Liability June 30, 2021	$	504,120	$	236,926	$	741,046
Net Pension Liability June 30, 2020	$	547,248	$	178,546	$	725,794

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

The tables below summarize Housing & Dining'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		PERS 1		PERS 2/3		Total
Year Ended June 30, 2021	$	26,603	$	23,976	$	50,579
Year Ended June 30, 2020	$	39,093	$	64,630	$	103,724

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

2021		PERS 1		PERS 2/3		Total
Difference between expected and actual experience	$	-	$	84,816	$	84,816
Changes of assumptions		-		3,374	$	3,374
Change in proportion		-		8,190	$	8,190
Contributions subsequent to the measurement date		56,092		93,869	$	149,961
TOTAL	$	56,092	$	190,249	$	246,341

Deferred Inflows of Resources

2021		PERS 1		PERS 2/3		Total
Difference between expected and actual experience	$	-	$	29,692	$	29,692
Change in assumptions		-		161,842	$	161,842
Net difference between projected and actual earnings on pension plan investments		2,807		12,032	$	14,839
Change in proportion		-		10,334	$	10,334
TOTAL	$	2,807	$	213,901	$	216,707

Amortization of Deferred Outflows and Deferred Inflows of Resources

YEAR		PERS 1		PERS 2/3		Total
2022	$	(12,737)	$	(99,963)	$	(112,700)
2023	$	(401)	$	(25,153)	$	(25,553)
2024	$	3,886	$	2,558	$	6,444
2025	$	6,444	$	21,615	$	28,060
2026	$	-	$	(7,223)	$	(7,223)
Thereafter	$	-	$	(9,354)	$	(9,354)
TOTAL	$	(2,807)	$	(117,520)	$	(120,326)

Deferred Outflows of Resources

2020	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	$ -	$ 51,154	$ 51,154
Changes of assumptions	-	4,572	$ 4,572
Change in proportion	-	3,710	$ 3,710
Contributions subsequent to the measurement date	103,485	175,222	$ 278,707
TOTAL	$ 103,485	$ 234,658	$ 338,143

Deferred Inflows of Resources

2020	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	$ -	$ 38,386	$ 38,386
Change in assumptions	-	74,912	$ 74,912
Net difference between projected and actual earnings on pension plan investments	36,561	259,890	$ 296,451
Change in proportion	-	13,394	$ 13,394
TOTAL	$ 36,561	$ 386,582	$ 423,143

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 have at all times a 100% vested interest in their accumulations. The number of participants in the WWURP as of June 30, 2021 and 2020 was 1,154 and 1,193 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 Housing & Dining's proportional share of the WWURP contributions are included in the table below for the years ended June 30.

Housing & Dining	2021	2020
Contributions made by:		
Employees	$ 114,033	$ 115,233
University	114,008	115,262

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, 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.

PLAN MEMBERSHIP:

Membership of the Western Washington University Supplemental Retirement Plan consisted of the following at June 30, 2018, and June 30, 2020, the date of the latest actuarial valuation for the plan:

Number of Participating Members				
WWUSRP	Inactive Members (Or Beneficiaries) Currently Receivng Benefits	Inactive Members Entitled To But Not Yet Receivng Benefits	Active Members	Total Members
2020	79	3	483	565
2018	63	21	562	646

The 2020 and 2018 census data were used for actuarial valuations that were used to project the Total Pension Liability to the measurement date of June 30, 2021 and 2020 respectively.

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, 2021 and 2020 were $6,990 and $6,591 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 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 Fiscal Year 2021.

The total pension liability was determined by an actuarial valuation as of June 30, 2020, with the results projected forward to the June 30, 2021, measurement date using the following actuarial assumptions:

- Discount Rate: 7.40%
- 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. 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. The TIAA and CREF increase rates represent the assumed investment return on primary investments that play a key role in the SRP benefit calculation.

OSA updated assumptions consistent with the 2021 Demographic Experience Study and modified the TIAA CREF investment assumptions based on TIAA input and OSA's expectation for the future. This includes future growth in the investment's and how the projected account balances are converted to annuities. The assumption update generally led to increases in total pension liability.

A decrease in total pension liability was caused by two experience items. The CREF Stock Account returned approximately 42% for Fiscal Year 2021, which is significantly higher than the assumed return of 6.25%. Higher than expected returns on TIAA and CREF investments lead to lower supplemental benefits. The larger CREF return reduced the total pension liability. The 2020 Census data file had varied impacts, but was generally less impactful than the CREF returns.

DISCOUNT RATE:

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. Because of this reporting change, the discount rate has been set consistent with the expected long-term rate of return on the trust.

Given the creation of dedicated funds to pay SRP benefits under HB 1661, the discount rate is now based on the long-term expected rate of return on the pension plan investments rather than the bond index rate. This led to an increase in the discount rate used to measure the liability from 2.21% as of June 30, 2020, to 7.40% as of June 30, 2021, and a significant decrease in Total Pension Liability. The 7.40% rate is consistent with OSA's long-term expected rate of return assumption for assets invested in the Commingled Trust Fund. The discount rate change reduced the Total Pension Liability by an additional 50%.

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

The following presents Housing & Dining's proportional share of the pension liability for the WWUSRP for WWU as an employer, calculated using the discount rate of 7.4%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.4%) or 1.0% point higher (8.4%) than the current rate.

Housing & Dining WWUSRP
Discount Rate Sensitivity - Net Pension Liability/(Asset)
$ in thousands

		2021	
		Current	
	1% Decrease	Discount Rate	1% Increase
Plan	**6.4%**	**7.4%**	**8.4%**
WWUSRP	$ 136	$ 116	$ 99

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	**2021**	**2020**
Employer required contribution rate	0.21%	0.50%

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, 2021 asset amount offsets the total pension liability to yield the plan's net pension liability. Preliminary investment earnings of approximately 29% exceeded the current assumption of 7.40%. Investment earnings greater or less than expected are recognized over a five year period in the pension expense.
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)**
Balance as of July 1, 2020	**$ 480,672**	**$ 49,759**	**$ 430,913**
Service Cost	12,290	-	12,290
Interest on TPL	10,637	-	10,637
Differences Between Expected and Actual Experience	(200,609)	-	(200,609)
Change in Assumptions	(110,101)	-	(110,101)
Employer Contributions	-	2,613	(2,613)
Investment Income	-	17,675	(17,675)
Benefit Payments *	(6,997)	-	(6,997)
Net Changes	(294,781)	20,287	(315,068)
Balance as of June 30, 2021	**$ 185,891**	**$ 70,046**	**$ 115,845**

Schedule of Changes in Total Pension Liability (TPL)	
Balance as of July 1, 2019	**$ 363,419**
Service Cost	9,751
Interest on TPL	13,420
Differences Between Expected and Actual Experience	27,357
Change in Assumptions	73,505
Benefit Payments	(6,780)
Balance as of June 30, 2020 **	**$ 480,672**

* Includes -580 to resolve OSA rounding issue

** Represents TPL as of June 30, 2020 reported under GASB 73

The June 30, 2021 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 of June 30, 2021. The June 30, 2020 TPL is based on an actuarial valuation performed as of June 30, 2018 with update procedures performed to roll forward the TPL to the measurement date of June 30, 2020. Both 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 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:

Housing & Dining Proportional Share WWUSRP
Pension Expense (PE)

		2021	2020
Service Cost		$ 38,863	$ 10,660
Interest Cost		33,636	14,671
Amortization of Differences between Expected and Actual Experience		(112,711)	(6,527)
Amortization of Changes of Assumptions		(16,565)	12,811
Expected Earnings on Plan Investments		(11,929)	
Amortization of Differences between Projected and Actual Earnings on Plan Investments		(8,810)	
Administrative Expenses		-	
Other Changes in Fiduciary Net Position		-	
Pension Expense FY21		**$ (77,515)**	**$ 31,615**
GASB 68 from GASB 73 reporting change effect	$ (165,610)		
Net Pension Expense		**$ (243,125)**	

The tables below summarize Housing & Dining'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:

Housing & Dining Proportional Share

Deferred Outflows of Resources

		2021		2020
Difference between expected and actual experience	$	34,847	$	44,295
Changes of assumptions		68,654		86,947
TOTAL	**$**	**103,501**	**$**	**131,242**

Deferred Inflows of Resources

		2021		2020
Difference between expected and actual experience	$	201,520	$	47,183
Changes of assumptions		105,459		18,336
Differences between Projected and Actual Earnings on Plan Investments		11,122		-
TOTAL	**$**	**318,101**	**$**	**65,518**

Amortization of Deferred Outflows and Deferred Inflows of Resources

Year		
2022	$	(43,311)
2023	$	(38,922)
2024	$	(28,702)
2025	$	(28,557)
2026	$	(42,915)
Thereafter	$	(32,193)
TOTAL	**$**	**(214,600)**

NOTE 7. 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 years 2020 and 2019, this amount is the lesser of $183 or 50% of the plan premium per retiree eligible for parts A and B of Medicare, per month. 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, 2020, and 2019, the total University'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
2019	2032	742	97	2871
2020	2066	797	95	2958

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.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement period:

- **Inflation:** 2.75%
- **Salary Increases:** 3.50% including service-based salary increases
- **Health Care Trend Rates:*** Initial rate ranges from 2-11% adjusting to 4.3% in 2075
- **Post-retirement Participation:** 65.00%
- **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.

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 3.50% was used for the June 30, 2019 measurement date and 2.21% for the June 30, 2020 measurement date.

The following presents Housing & Dining's proportional share of the total University OPEB liability, calculated using the discount rate of 2.21%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

Total OPEB Liability Discount Rate Sensitivity	
1% Decrease	$4,520,701
Current Discount Rate - 2.21%	$3,733,792
1% Increase	$3,121,071

The following represents the total OPEB liability of Housing & Dining, calculated using the health care trend rates of 2-11% decreasing to -1.21%-8.79%, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10% decreasing to -1.21%-7.79%) or 1 percentage point higher (3-12% decreasing to 1.79%-9.79%) than the current rate:

Total OPEB Liability Health Care Cost Trend Rate Sensitivity	
1% Decrease	$3,042,644
Current Discount Rate - 2-11%	$3,733,792
1% Increase	$4,660,402

*For additional detail on the health care trend rates, please see Office of the State Actuary's 2020 Other Postemployment Benefits Actuarial Valuation Report located here
https://leg.wa.gov/osa/additionalservices/Documents/2020_PEBB_OPEB_Report.pdf
https://leg.wa.gov/osa/additionalservices/Documents/OPEBActuarialValuationCertLetterRevised.pdf

TOTAL OPEB LIABILITY:

As of June 30, 2021, and 2020, components of the proportionate share calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for Housing & Dining are represented in the following table:

FY21 Proportionate Share of WWU's share		3.888417%
FY20 Proportionate Share of WWU's share		3.658225%
Schedule of Changes in Total OPEB Liability		
Total OPEB Liability	**2021**	**2020**
Service cost	$154,941	$139,391
Interest	129,611	120,913
Changes of benefit terms	-	-
Differences between expected & actual experience	(19,862)	-
Changes in assumptions	84,017	225,173
Benefit payments	(61,710)	(55,311)
Change in Proportionate share	(80,358)	(7,583)
Other	(132,018)	-
Net Change in Total OPEB Liability	**$74,621**	**$422,582**
Total OPEB Liability - Beginning	**$3,442,549**	**$3,279,944**
Change in proportionate share	**$216,621**	**($259,977)**
Total OPEB Liability - Ending	**$ 3,733,792**	**$3,442,549**

Housing & Dining's proportionate share of OPEB expense for the fiscal years ended June 30, 2021 and 2020 was $293,381 and $(193,467) respectively.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The tables below summarize Housing & Dining'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

		2021		2020
Change in proportion		31,190	$	36,796
Difference between expected and actual experience		81,913		91,927
Changes of assumptions		256,748		200,154
Transactions subsequent to the measurement date		65,675		59,360
TOTAL	**$**	**435,527**	**$**	**388,237**

Deferred Inflows of Resources

		2021		2020
Change in proportion	$	92,611	$	8,952
Difference between expected and actual experience	$	17,655		-
Changes of assumptions		880,583		998,143
TOTAL	**$**	**990,849**	**$**	**1,007,095**

Amortization of Deferred Outflows and Deferred Inflows of Resources

Year		
2022	$	(116,398)
2023	$	(116,398)
2024	$	(116,398)
2025	$	(116,398)
2026	$	(116,398)
Thereafter	$	(39,078)
TOTAL	**$**	**(621,068)**

NOTE 8. SUBSEQUENT EVENT

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and university, cancelling public events, prohibiting public and private gatherings, and require people to stay home unless they are leaving for an essential function.

For Spring quarter 2020 the university moved all classes to remote instruction. The Housing and Dining System responded to the reduced occupancy demand by consolidating all residents into one residential area. Cost reduction measures included a hiring freeze, freeze on travel, significant reductions to planned operating expenditures, renegotiation of third-party service contracts, and deferral of several renovation projects. Reserves were used to support operating needs.

The COVID-19 pandemic will influence FY 2022 and FY 2021 enrollment and System occupancy and operations. Enrollment is anticipated to be reduced approximately up to 7% in Fall Quarter 2020 given the shift to remote learning and limitations of on campus operations. The System is adhering to applicable external guidelines and recommendations for its operations with regard to health and safety and will adjust operations throughout the year as needed. Housing occupancy is limited to 33% of capacity and one residential area has been closed, all rooms are single occupancy, public spaces and restrooms are adapted for safe use, and a de-densified dining program is planned. The length of time these measures will be in place, and the full extent of the financial impact on the System is unknown at this time.

RSI

REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Housing and Dining System's Proportionate Share of the Net Pension Liability

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 *

	2014	2015	2016	2017	2018	2019	2020
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%
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
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
Housing & Dining System PERS 1 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%
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%

* 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 Housing and Dining System's Proportionate Share of the Net Pension Liability

Schedule of Housing and Dining System Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS) Plan 2/3
Measurement Date ended June 30 *

	2014	2015	2016	2017	2018	2019	2020
Housing & Dining PERS 2/3 employers' proportion of the net pension liability	0.017383%	0.017106%	0.017670%	0.016991%	0.017818%	0.018304%	0.018252%
Housing & Dining System PERS 2/3 employers' proportionate share of the net pension liability	$351,380	$611,214	$889,666	$590,345	$304,222	$178,546	$236,926
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
Housing & Dining System PERS 2/3 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.48%	39.49%	52.92%	35.43%	16.21%	13.03%	10.88%
Plan fiduciary net position as a percentage of the total pension liability	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%

* 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 Housing and Dining System's Proportionate Share of the WWUSRP Net Pension Liability and Related Ratios

Schedule of Changes in WWU's Net Pension Liability and Related Ratios
WWUSRP - Housing & Dining
Fiscal Year ended June 30*
(dollars in thousands)

	2017	2018	2019	2020	2021
WWUSRP total pension liability-Beginning	$379	$350	$269	$363	$481
Service Cost	5	32	9	10	12
Interest	4	36	13	13	11
Difference between expected and actual experience	(26)	(96)	35	28	(201)
Changes in assumptions	(11)	(36)	44	74	(110)
Benefits payments **	(1)	(17)	(7)	(7)	(7)
Net change in total pension liability	(29)	(81)	94	118	(295)
WWUSRP total pension liability-Ending	$350	$269	$363	$481	$186
Plan Fiduciary Net Position ***					$70
WWUSRP net pension liability-Ending					$116
WWU URP employers' covered-employee payroll	$486	$500	$499	$403	$381
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%

*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
Schedule of Contributions

Schedule of Contributions
Public Employees' Retirement System (PERS) Plan 1
Fiscal Year Ended June 30
Housing and Dining System

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	$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									
2023									
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

Schedule of Contributions
Public Employees' Retirement System (PERS) Plan 2/3
Fiscal Year Ended June 30
Housing and Dining System

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	$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	$170,659	$170,659	$0	$2,178,332	7.83%
2021	$91,704	$91,704	$0	$1,165,232	7.87%
2022					
2023					
2024					

Notes:
This schedule will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Agent Employer Plan
Schedule of Contributions

Schedule of Contributions
WWUSRP Plan - Housing & Dining
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	$2,613	$2,613	$ -	$381,428	0.68%
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					

Notes:
This schedule will be built prospectively until they contain ten years of data.

OPEB INFORMATION

Cost Sharing Healthcare Plans
Schedule of Housing & Dining System's Changes in Total OPEB Liability and Related Ratios

Schedule of Housing and Dining System Changes in Total OPEB Liability and Related Ratios
Fiscal Year ended June 30 *

	2018	2019	2020	2021
Total OPEB Liability-Beginning	$3,663,726	$3,577,005	$3,279,944	$3,442,549
Service Cost	$90,045	$133,243	$139,391	$154,941
Interest	$42,178	$91,602	$120,913	$129,611
Difference between expected and actual experience	$0	$83,615	$0	-$19,862
Changes in assumptions	-$205,746	-$583,308	$225,173	$84,017
Benefits payments	-$21,495	-$38,688	-$55,311	-$61,710
Change in proportionate share	$8,297	$16,475	-$267,560	$136,264
Other				-$132,018
Total OPEB liability-Ending	$3,577,005	$3,279,944	$3,442,549	$3,733,792
Housing and Dining System employers' covered-employee payroll	$3,257,555	$3,567,358	$3,921,083	$2,719,872
Housing and Dinning employers' proportionate share of total OPEB liability as a percentage of its covered-employee payroll	109.81%	91.94%	87.80%	137.28%

*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, 2019 valuation date, completed in the fall of 2020, determines the ADC for the period beginning July 1, 2021, and ending June 30, 2023.

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 instance, for the period beginning July 1, 2019 and ending June 30, 2021, the contribution rates that the Pension Funding Council adopted, which the Legislature did not change, reflect a phasing in of the increase to contribution rates that resulted from a change to the mortality assumption. This is the second of three biennia over which this increase is expected to be phased-in for PERS 1, PERS 2/3, TRS 1, and TRS 2/3.

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 will now report the plan's net pension liability (total pension liability less the plan's fiduciary net position). Prior to this change in estimate WWU reported the plan's total pension liability. In addition, under GASB P20 the discount rate used to value the ending liability has changed to the expected investment return on plan assets. As such, WWU has changed from using the Bond Buyer's 20 Bond Index (2.21% for the fiscal year 2020 liability) to using the expected investment return on plan assets (7.40% for the fiscal year 2021 liability).

Material assumption changes during the fiscal year 2021 measurement period include an increase in the total salary growth rate (3.50% to 3.75%), an increase in the discount rate (2.21% to 7.40%), an increase in the TIAA rate (4.00% to 4.25%), and an increase in the CREF rate (6.25% to 6.50%). Under GASB 67/68, the discount rate is now based on the long-term expected rate of return on pension plan investments, which led to the increase in the discount rate used to measure the Total Pension Liability (7.40%). The Total Pension Liability is now compared against the plan's Fiduciary Net Position to determine the Net Pension Liability.

Material assumption changes during the fiscal year 2020 measurement period include updating the GASB 73 discount rate from 3.50% to 2.21% ("Change in assumption" which increased the TPL). Additionally, the fiscal year 2020 returns for the Teachers Insurance and Annuity Association of America (TIAA) and CREF investments were used to determine a member's assumed income. Those returns were 4.12 percent for TIAA and 2.31 percent for CREF. This resulted in an increase in the TPL.

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 2020 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.50%

for the June 30, 2019 measurement date, to 2.21% for the June 30, 2020 measurement date. Other material assumption changes included lowering the forecast of future healthcare cost trends. This resulted in an increase in the TOL. Legislation under H.R. 1865 repealed the excise tax after the previous measurement date. The impact of removing trends that include Excise Tax resulted in a decrease in TOL.

Material assumption changes during the fiscal year 2019 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.87% for the June 30, 2018 measurement date, to 3.50% for the June 30, 2019 measurement date.

OTHER INFORMATION

SCHEDULE OF ROOM AND BOARD RATES
YEAR ENDED JUNE 30, 2021

(Unaudited)

RESIDENCE HALLS

	Meals per Quarter			
	Unlimited	125	100	80
Room and Board Academic Year Contracts				
Double room/double occupancy	$13,007.00	$12,518.00	$12,039.00	$11,545.00
Single room/single occupancy	14,342.00	13,853.00	13,374.00	12,880.00
Double room/single occupancy (super single)	15,116.00	14,627.00	14,148.00	13,654.00
Triple room/triple occupancy	11,381.00	9,894.00	9,415.00	8,921.00

APARTMENTS

	Double with 2/bedroom	Super single 1/bedroom	Family rate
Apartment only Academic Year Contracts			
Birnam Wood - 2 bedroom units	$4,128.00	$8,256.00	$16,512.00

SCHEDULE OF OCCUPANCY
Year Ended June 30, 2021

(Unaudited)

	OCCUPANCY CAPACITY		ACTUAL	ACTUAL OCCUPANCY AS A PERCENT OF	
	Designed (1)	Operating (2)	OCCUPANCY (3)	Designed Capacity	Operating Capacity
Fall 2020	4,137	4,015	1,042	25.2%	26.0%
Winter 2021	4,137	4,015	1,041	25.2%	25.9%
Spring 2021	4,137	4,015	328	7.9%	8.2%
Average	4,137	4,015	804	19.4%	20.0%

(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 accomodated 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 2020-2021 all classes were taught remorely due to the COVID-19 pandemic.

SCHEDULE OF INSURANCE COVERAGE FY 2021

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, 2021 is summarized as follows:

	Values Used for Fire and Extended Coverage of Buildings
Ridgeway Residences and Commons	$114,942,613
Fairhaven Residences and Commons	89,898,129
Buchanan Towers	64,987,393
Edens Hall and Edens Hall North	41,690,515
Viking Union, Addition and Commons	76,491,067
Birnam Wood Residences	63,795,754
Nash Hall	35,580,898
Mathes hall	34,882,153
Higginson hall	23,330,196
Commissary	21,729,563
Lakewood Recreational Facility	2,957,075
Building Insured Values	570,285,356
Insured Contents	15,238,761
Total	$585,524,117

EXPENDED FOR PLANT FACILITIES FY 2021 and FY 2020

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.

	2021	2020
Capitalized Projects		
VU Multicultural Center		(836,349)
Buchanan Towers Renovation		4,993,193
New Residence Hall / Planning	38,636,683	15,148,533
Other capitalizable	92,550	544,438
	$38,729,234	$19,849,814
Non-Capitalized Projects		
ADA Upgrades		
Bathroom & Shower renovations		47,469
Stormwater & Site Drainage		
RC Sewer Repair	223	586,512
Painting	20,863	98,623
Equipment	23,689	
Viking Union Projects	39,213	587,064
Fire Safety / Safety Corrections	36,199	1,634
Other Residence Planning		
Plumbing, heating and electrical	93	
Access Control	296,190	1,135,645
Network & WiFi projects		101,578
Furniture & Carpet		341,552
Other	73,761	1,050,327
Roof Repair/Recoat/Replace	93,680	1,686,573
Dining Equipment / Upgrades		67,864
Birnam Wood Siding Replacement		224
Birnam Wood Moisture Mitigation		
Carver Dining Addition		62,480
Comprehensive UR Bldg Audit		
Birnam Wood Balcony & Deck Rep/Rplcmt		121,468
	$583,911	$5,889,014

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