



Community Colleges of Spokane

**Washington State Community College District #17
(a component unit of the State of Washington)
Financial Statements**

For the fiscal year ended June 30, 2024

Community Colleges of Spokane
501 N. Riverpoint Blvd.
Spokane, Washington 99202

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Community Colleges of Spokane

Trustees and Administrative Officers

Trustees and Officer list effective as of June 30, 2024:

BOARD OF TRUSTEES

Mike Wilson, Chair
Todd Woodard, Vice Chair
Anna Franklin
Glenn Johnson
Steven Yoshihara

EXECUTIVE OFFICERS

Kevin Brockbank, Chancellor
Jenni Martin, Acting President, Spokane Community College
Kimberlee Messina, President, Spokane Falls Community College
Linda McDermott, Acting Chief Financial Officer
Greg Stevens, Chief Strategy Officer
Grace Leaf, Chief Information Officer
Carolyn Casey, Chief Institutional Advancement and External Affairs Officer
Lori Hunt, Provost/Chief Learning Officer
Amy McCoy, Chief Compliance Officer
Patrick McEachern, Vice President of Student Services, Spokane Falls Community College
James Brady, Vice President of Learning, Spokane Falls Community College
Jaclyn Jacot, Interim Vice President of Instruction, Spokane Community College
James Fitzgerald, Athletics Director
Heather Beebe-Stevens, District Development Officer

Independent Auditor's Report

Board of Trustees
Community Colleges of Spokane
Spokane, Washington

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, and the aggregate discretely presented component unit of the Community Colleges of Spokane (CCS), Spokane, Washington, a component unit of the State of Washington, as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise CCS' basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the District 17 Community Colleges Foundation (the Foundation) which represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. The Foundation's financial statements, which were prepared in accordance with accounting standards as issued by the Financial Accounting Standards Board, were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the financial statements of CCS, a component unit of the State of Washington, are intended to present the financial position, and the changes in the financial position, and where applicable, cash flows of only the respective portion of the activities of the State of Washington that is attributable to the transactions of CCS and its aggregate

discretely presented component units. They do not purport to, and do not, present fairly the financial position of the State of Washington as of June 30, 2024, the changes in its financial position, and where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

The financial statements for the year ended June 30, 2024, reflect certain prior period adjustments as described further in Note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCS' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CCS' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CCS' basic financial statements. The *Segmented Statement of Net Position* and the *Segmented Statement of Revenues, Expenses, and Changes in Net Position* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the *Segmented Statement of Revenues, Expenses, and Changes in Net Position* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the *Board of Trustees* and *Administrative Officers* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency

Board of Trustees
Community College of Spokane
Spokane, Washington

exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of CCS' 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 CCS' internal control over financial reporting and compliance.



Irvine, California
September 30, 2025

Community Colleges of Spokane Management's Discussion and Analysis

Community Colleges of Spokane

The following discussion and analysis provide an overview of the financial position and activities of Community Colleges of Spokane (CCS or the District) for the fiscal year (FY) ended June 30, 2024 (FY 2024).

This overview provides readers with an objective and easily readable analysis of the CCS's financial performance for the year, based on currently known facts and conditions. This discussion has been prepared by management and should be read in conjunction with the CCS's financial statements and accompanying note disclosures.

Reporting Entity

Community Colleges of Spokane is one of thirty public community and technical college Districts in the state of Washington. CCS serves six counties and approximately 30,000 students in Eastern Washington at two main campuses, as well as at six centers located throughout the District. CCS confers associates degrees, bachelor of applied science degrees, certificates, and high school diplomas through its two accredited colleges – Spokane Community College (SCC) and Spokane Falls Community College (SFCC). Founded in 1963, the mission of CCS is “To provide all students an excellent education that transforms their lives and expands their opportunities.”

The main campuses of SCC and SFCC and the CCS District offices are located in Spokane, Washington, a community of about 230,000 residents and part of a metropolitan area of over 550,000. SCC and their centers in Colville, Newport, Republic and Inchelium, focuses on career-technical programs, adult basic education and work force training, as well as college transfer opportunities. SFCC and its one center in Pullman offers an extensive array of college transfer associate degrees, professional technical degrees and programs, and several Bachelor of Applied Science degrees. CCS is governed by a five-member Board of Trustees appointed by the governor of the state with the consent of the state Senate. By statute, the Board of Trustees has full control of the District, except as otherwise provided by law.

Using the Financial Statements

The financial statements presented in this report encompass CCS and its component unit, the Community Colleges of Spokane Foundation. CCS's financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. The statement of net position provides information about CCS at a moment in time, at year-end. The statement of revenue, expenses, and changes in net position and the statement of cash flows provide information about operations and activities over a period of time. Together, these statements, along with the accompanying notes, provide a comprehensive way to assess CCS' financial health as a whole.

The statement of net position and statement of revenues, expenses, and changes in net position are reported under the accrual basis of accounting where all the current year's revenues and expenses are considered regardless of when cash is received, or payments are made. Full accrual statements are intended to provide a view of the CCS's financial position similar to that presented by most private-sector companies. These financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. The full scope of CCS' activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

Community Colleges of Spokane Management's Discussion and Analysis

Current liabilities include amounts payable to others for goods, services and leases, accrued payroll and related liabilities, the current portion of the Certificate of Participation (COP) debt, deposits held for others, unearned revenue, and liabilities for pension and other post-employment benefits. Current liabilities can fluctuate from year to year depending on the timeliness of vendor invoices and resulting vendor payments, especially in the area of capital assets and improvements. The decrease is a result of changes to liabilities related to other post-employment benefits and unearned revenue for 2024.

Noncurrent liabilities primarily consist of the value of sick leave earned but not yet used by employees and the long-term portion of COP debt and leases. This category also includes the required long-term OPEB liability, and pension liability. The increase in noncurrent liabilities was primarily due to the OPEB liability, net of current portion, which increased \$2,510,855 over the prior year. See additional details related to required disclosures within Notes 13 and 14.

Net position represents the value of CCS's assets and deferred outflows after liabilities and deferred inflows are deducted. CCS is required by accounting standards to report its net position in four categories:

Capital Assets, net – CCS's total investment in property, plant, equipment, and infrastructure net of accumulated depreciation and outstanding debt obligations related to those capital assets. Changes in these balances are discussed above.

Restricted Nonexpendable – The corpus of nonexpendable restricted resources is available only for investment purposes. These assets are held in perpetuity. CCS did not have any of these funds in FY 2024 or 2023

Restricted Expendable – Subject to external donor or grantor stipulations regarding their use. CCS may expend these assets for purposes as determined by donors and/or external entities. CCS holds restricted balances related to pension plan assets for 2024.

Unrestricted – Includes all other assets not subject to externally imposed restrictions, but which may be designated or obligated for specific purposes by the Board of Trustees or management.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses, and changes in net position accounts for CCS's changes in total net position during 2024. The objective of the statement is to present the revenues received, both operating and non-operating, and the expenses paid by CCS, along with any other revenue, expenses, gains, and losses of CCS.

Generally, operating revenues are earned by CCS in exchange for providing goods and services. Tuition, fees, grants, and contracts are included in this category. In contrast, non-operating revenues include monies CCS receives from another government without directly giving equal value to that government in return. Accounting standards require that CCS categorize state operating appropriations and Pell Grants as non-operating revenues.

Operating expenses are expenses incurred in the normal operation of CCS, including depreciation on property and equipment. When operating revenues, excluding state appropriations and Pell Grants, are measured against operating expenses, CCS shows an operating loss. The operating loss is reflective of the external funding necessary to keep tuition lower than the cost of the services provided.

Community Colleges of Spokane

Management's Discussion and Analysis

Statement of Net Position

The statement of net position provides information about the CCS's financial position, and presents the District's assets, liabilities, and net assets at year-end and includes all assets and liabilities of CCS. A condensed comparison of the statement of net position is as follows:

Condensed Statement of Net Position	2024	2023	Change
As of June 30th			
Assets			
Current assets	\$ 176,127,211	\$ 168,389,193	\$ 7,738,018
Capital assets, net	227,525,569	221,276,663	6,248,906
Other assets, noncurrent	24,628,015	18,927,818	5,700,197
Total Assets	428,280,795	408,593,674	19,687,121
Deferred Outflows	17,722,847	19,535,152	(1,812,305)
Liabilities			
Current liabilities	25,785,759	30,750,247	(4,964,488)
Other liabilities, noncurrent	69,054,311	67,750,933	1,303,378
Total Liabilities	94,840,070	98,501,180	(3,661,110)
Deferred Inflows	46,187,506	54,332,168	(8,144,662)
<i>Net Position Restatement (Note 19)</i>		11,916,200	
Net Position	\$ 304,976,066	\$ 287,211,678	\$ 17,764,389

Current assets consist primarily of cash, short term investments, various accounts receivable, and inventories. The increase in current assets of \$7,738,018 in 2024 is attributable to Capital Assets, and cash increases compared to 2023.

Net capital assets increased by \$6,248,906 from fiscal year 2023 to 2024 due to capitalization of expenses related to various construction projects. The Fine and Applied Arts Building at SFCC and the Apprenticeship Center design at SCC account for much of the increase.

Other noncurrent assets consist of the long-term portion of certain investments, payments received for Leased Property, and Pension Plan Assets. CCS invests in Certificates of Deposits (CDs) and government securities to secure the highest rate of return. The investments fluctuate between current and non-current assets depending on their term and maturity dates. CCS is also a lessor in noncancelable leases for land used for two communication towers. The lessees are required to make fixed monthly payments over the lease term. A net pension asset was reported for fiscal year 2024.

Deferred outflows (and the related deferred inflow) as of June 30, 2024, represent changes in deferred contributions and changes of assumptions related to the District's pension, OPEB, State Board retirement plan, and leasing activities. See notes 1, 4, 13, and 14 for discussion of these items.

Community Colleges of Spokane Management's Discussion and Analysis

A condensed comparison of the CCS's revenues, expenses, and changes in net position for the years ended June 30, 2024 and 2023, is presented below.

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

For the year ended June 30th

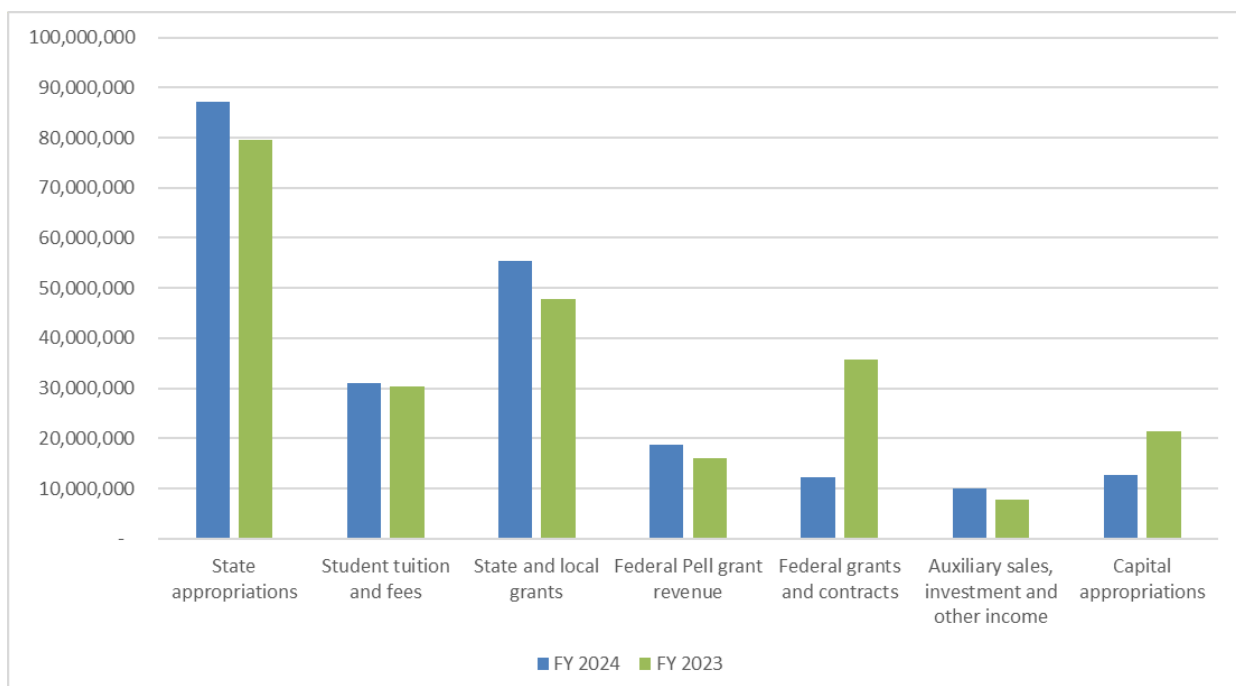
	2024	2023	Change
Operating revenues	\$ 103,502,356	\$ 118,958,957	\$ (15,456,601)
Operating expenses	204,849,525	215,839,756	(10,990,231)
Net Operating Income/Loss	(101,347,169)	(96,880,799)	(4,466,370)
Nonoperating revenues	111,216,223	98,335,847	12,880,376
Nonoperating expenses	4,817,575	4,002,729	814,846
Income/loss before other revenues and expenses	5,051,479	(2,547,681)	7,599,160
Capital appropriations	12,712,910	21,509,837	(8,796,927)
Change from revenues and expenses	17,764,389	18,962,156	(1,197,767)
Cumulative effect of a change in accounting principal	-	-	-
Restatements	-	-	-
Increase (Decrease) in Net Position	\$ 17,764,389	\$ 18,962,156	\$ (1,197,767)

*See Note 19

Revenues

Operating revenues decreased \$15,456,601 in 2024, primarily due to a decrease of \$20 million in federal grants and contracts. Student tuition and fees and state and local grants increased slightly in 2024.

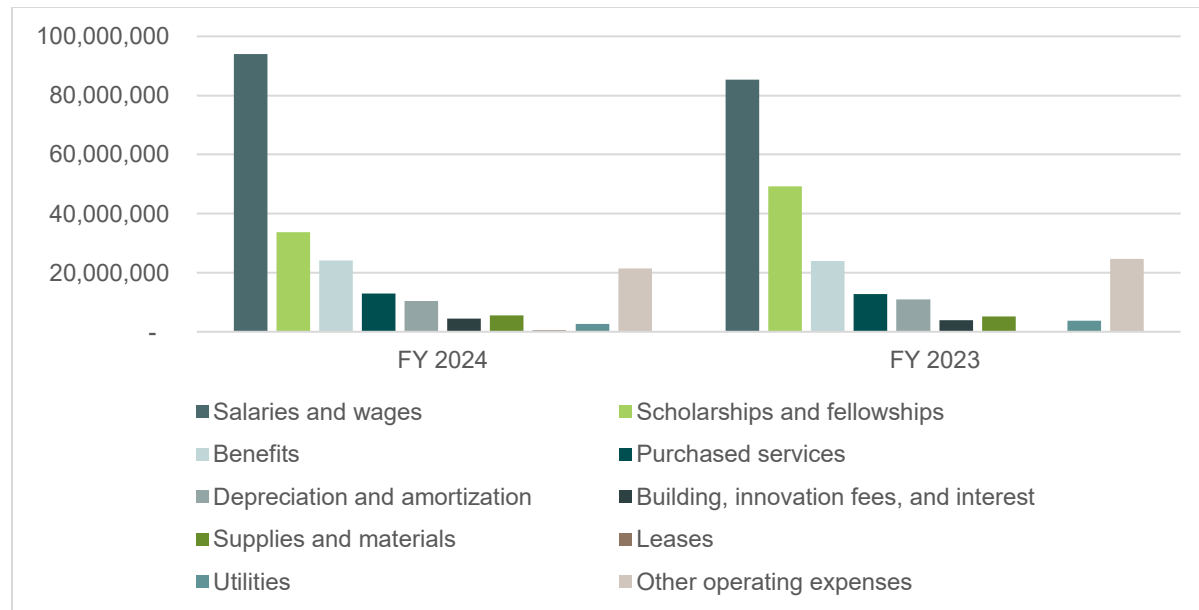
Nonoperating revenues increased by \$4,466,370 in 2024, which was primarily due to state appropriation increases of \$7 million.



Community Colleges of Spokane Management's Discussion and Analysis

Expenses

Operating expenses decreased \$10 million 2024, led by a \$15 million decrease in Scholarships and fellowships.



Capital Assets and Long-Term Debt Activities

The community and technical college system submits a single prioritized request to the Office of Financial Management and the Legislature for appropriated capital funds, which includes major projects, minor projects, repairs, emergency funds, alternative financing, and major leases. The primary funding source for college capital projects is state general obligation bonds. In addition, a component of student tuition revenue called the building fee, is remitted back to the State for use in project funding. In recent years, declining student tuition revenue, including the building fee component, has significantly reduced the dollars available from this funding source.

At June 30, 2024, CCS had \$227,522,540 in capital assets, net of accumulated depreciation. This represents an increase of \$6 million from fiscal year (FY) 2023, as shown in the table below. The increase in capital assets is primarily the result of an increase in construction in progress associated with the Fine and Applied Arts Building on the Spokane Falls Community College campus. See Note 5 for further discussion.

At June 30, 2024, CCS had \$12,896,572 in outstanding debt, which includes a balance \$1,461,572 in unamortized premium. CCS entered into a COP for the renovation of the Spokane Falls Gymnasium during 2017 and had an outstanding COP for the Spokane Community College Student Services Building remodel the balance of which was paid off in FY23. Also see Notes 11 and 12.

Community Colleges of Spokane Management's Discussion and Analysis

	2024	2023	Change
Asset Type as of June 30th			
Land	\$ 3,664,474	\$ 3,664,474	\$ -
Construction in progress	37,040,344	29,530,711	7,509,633
Buildings, net	167,388,481	173,083,375	(5,694,894)
Leased Assets, Buildings, net	8,139,279	4,957,032	3,303,289
SBITA Assets, net	118,013	274,454	(156,441)
Other improvements and infrastructure, net	5,373,743	4,826,636	547,108
Equipment, net	5,762,326	4,901,377	860,949
Library resources, net	35,879	38,604	(2,725)
Total Capital Assets, Net	\$ 227,522,540	\$ 221,276,664	\$ 6,245,876

	2024	2023	Change
Debt as of June 30th			
Certificates of Participation (COP)	\$ 11,435,000	\$ 12,050,000	\$ (615,000)
Unamortized premium	1,461,572	1,633,922	(172,350)
Total Long Term Debt	\$ 12,896,572	\$ 13,683,922	\$ (787,350)

Economic Factors That Will Affect the Future

The Coronavirus pandemic that emerged in March of 2020 initially caused a decline in enrollment at the Community Colleges of Spokane. However, since then, there has been a steady increase in enrollment, with the trend continuing to improve each year. The enrollment numbers have steadily risen since the downturn in fiscal years 2022 and 2023, and this growth is expected to continue into future fiscal years, showing a strong recovery from the pandemic's impact.

Community Colleges of Spokane

Statement of Net Position

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	June 30, 2024	Discrete Component Unit District 17 Foundation
CURRENT ASSETS		
Cash and cash equivalents	\$ 137,210,696	\$ 617,287
Short term investments	14,191,094	-
Accounts receivable, net of allowance for doubtful accounts	24,394,131	214,297
Interest receivable	191,146	-
Lease receivable, current portion	140,144	834,914
Other assets	-	27,265
Total current assets	176,127,211	1,693,763
NONCURRENT ASSETS		
Long-term investments	12,107,012	30,222,100
Lease receivable, net of current portion	3,337,928	-
Pension asset	9,183,075	-
Non-depreciable capital assets	40,704,818	-
Depreciable capital assets, net of depreciation	178,560,429	7,383,416
Leased asset, Buildings, net of amortization	8,260,322	-
Total noncurrent assets	252,153,584	37,605,516
Total assets	428,280,795	39,299,279
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to OPEB	4,159,216	-
Deferred outflows of resources related to pensions	13,563,631	-
Total deferred outflows of resources	17,722,847	-
Total assets and deferred outflows	\$ 446,003,642	\$ 39,299,279

Community Colleges of Spokane

Statement of Net Position (continued)

LIABILITIES, DEFERRED INFLOWS AND NET POSITION		Discrete Component Unit District 17 Foundation
	June 30, 2024	
CURRENT LIABILITIES		
Accounts payable	\$ 2,812,383	\$ 604,847
Accrued liabilities	9,842,510	-
Compensated absences, current portion	4,029,960	-
Unearned revenue	5,387,434	-
Pension liability, current portion	236,987	-
OPEB liability, current portion	955,438	-
Right-to-use lease liability, current portion	1,757,177	-
SBITA Liability, current portion	118,870	-
Notes payable, current portion	645,000	3,650,922
Total current liabilities	25,785,759	4,255,769
NONCURRENT LIABILITIES		
Deposits payable	-	1,772,448
Compensated absences, net of current portion	4,987,349	60,507
Pension liability, net of current portion	7,890,485	-
OPEB liability, net of current portion	36,960,431	-
Right-to-use lease liability, net of current portion	6,964,474	-
Notes payable, net of current portion	12,251,572	-
Total noncurrent liabilities	69,054,311	1,832,955
Total liabilities	94,840,070	6,088,724
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to OPEB	32,011,134	-
Deferred inflows of resources related to pensions	10,835,111	-
Deferred inflows of resources related to leases	3,341,261	-
Total deferred inflows of resources	46,187,506	-
NET POSITION		
Net investment in capital assets	205,788,476	5,235,855
Restricted for District 17 Foundation	-	27,974,700
Restricted for pension plan assets	13,519,940	-
Unrestricted	85,667,650	-
Total net position	304,976,066	33,210,555
Total liabilities, deferred inflows, and net position	\$ 446,003,642	\$ 39,299,279

Community Colleges of Spokane

Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30, 2024	Discrete Component Unit District 17 Foundation
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances and discounts	\$ 31,066,013	\$ 222,797
Auxiliary enterprise sales	3,362,177	-
State and local grants and contracts	55,481,769	125,200
Federal grants and contracts	12,301,300	-
Rental income	-	2,418,937
Other operating revenues	236,506	793,699
Leased property interest	153,035	-
Interest on loans to students	901,556	-
Total operating revenues	103,502,356	3,560,633
OPERATING EXPENSES		
Operating expenses	21,501,240	2,493,785
Salaries and wages	93,923,425	682,907
Benefits	24,148,456	-
Scholarships and fellowships	33,732,729	-
Supplies and materials	5,550,626	-
Depreciation and amortization	10,364,703	-
Purchased services	13,020,578	-
Utilities	2,607,768	-
Total operating expenses	204,849,525	3,176,692
INCOME (LOSS) FROM OPERATIONS	(101,347,169)	383,941
NONOPERATING REVENUES		
State appropriations	87,142,311	-
Federal Pell grant revenue	18,667,971	-
Gain (Loss), sale of capital assets	(7,982)	-
Investment income, gain (loss)	5,413,923	3,194,481
Total nonoperating revenues	111,216,223	3,194,481
NONOPERATING EXPENSES		
Building and innovation fees	3,769,514	-
Lease interest	420,369	-
Interest on indebtedness	627,692	-
Total nonoperating expenses	4,817,575	-
INCOME (LOSS) BEFORE CAPITAL APPROPRIATIONS	5,051,479	3,578,422
Capital appropriations	12,712,910	-
Increase (decrease) in net position	17,764,389	\$ 3,578,422
NET POSITION		
Net position, beginning of year	275,295,478	\$ 29,632,133
Restatements (Note 19)	11,916,200	-
Net position, beginning of year, as restated	287,211,678	29,632,133
Net position, end of year	\$ 304,976,066	\$ 33,210,555

Community Colleges of Spokane

Statements of Cash Flows

	Year Ended June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 32,819,400
Grants and contracts	66,544,068
Payments to vendors	(39,733,720)
Payments for utilities	(2,607,768)
Payments to employees	(92,697,569)
Payments for benefits	(32,802,762)
Auxiliary enterprise sales	3,362,177
Leased property principal	140,143
Leased property interest	153,035
Payments for scholarships and fellowships	(33,732,729)
Interest on loans to students and employees	901,556
Other receipts	236,506
Net cash from operating activities	(97,417,663)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	87,142,311
Pell grants	18,667,971
Building and innovation fees	(3,769,514)
Net cash from noncapital financing activities	102,040,768
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital appropriations	12,712,910
Purchases of capital assets	(13,441,839)
Proceeds from sale of capital assets	1,559,151
Principal paid on long-term debt	(2,105,783)
Interest paid	(1,045,600)
Net cash from capital and related financing activities	(2,321,161)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(9,955,270)
Proceeds from sales and maturities of investments	13,387,000
Income from investments	4,788,768
Net cash from investing activities	8,220,498
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,522,442
CASH AND CASH EQUIVALENTS, beginning of year	126,688,254
CASH AND CASH EQUIVALENTS, end of year	\$ 137,210,696

Community Colleges of Spokane

Statements of Cash Flows (continued)

	Year Ended June 30, 2024
OPERATING LOSS	\$ (101,347,169)
Adjustments to reconcile net loss to net cash used by operating activities	
Depreciation expense	8,649,146
Amortization expense	1,715,557
Changes in assets and liabilities	
Receivables, net	(1,116,212)
Lease receivable	140,143
Accounts payable	(759,446)
Accrued liabilities	1,408,600
Unearned revenue	1,630,598
Compensated absences	915,427
Deferred inflows	(8,144,662)
Deferred outflows	1,812,305
OPEB liability	(414,668)
Net pension asset	(1,907,282)
Net cash used by operating activities	<u>\$ (97,417,663)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Net unrealized gains	5,413,923

Community Colleges of Spokane

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Financial reporting entity – Washington State Community College District #17, also known as the Community Colleges of Spokane (CCS or District), is a comprehensive, two campus community college District offering open-door academic programs, workforce education, basic skills, and community services. CCS confers associate degrees, limited bachelor's degrees, certificates, and high school diplomas. It is governed by a five-member Board of Trustees appointed by the Governor and confirmed by the state Senate.

CCS is an agency of the State of Washington, as part of the community and technical college system, which is directed by the State Board for Community and Technical Colleges. The financial activity of CCS is included in the State's Annual Comprehensive Financial Report.

The Community Colleges of Spokane Foundation (the Foundation) is a separate but affiliated non-profit entity, incorporated under Washington law in 1972 and recognized as a tax exempt 501(c)(3) charity. The Foundation's primary charitable purpose is to solicit and receive contributions to provide enhancements at the Community Colleges of Spokane and scholarship assistance to its students. Because the majority of the Foundation's income and resources are restricted by donors and may only be used for the benefit of CCS or its students, the Foundation is considered a component unit based on the criteria contained in Governmental Accounting Standards Board (GASB) Statement Nos. 61, 39, and 14. A component unit is an entity, which is legally separate from CCS, but has the potential to provide significant financial benefits to CCS or whose relationship with CCS is such that excluding it would cause CCS's financial statements to be misleading or incomplete.

The Foundation's financial statements are discretely presented in this report. The Foundation's statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Intra-entity transactions and balances between CCS and the Foundation are not eliminated for financial statement presentation. During the fiscal year ended June 30, 2024, the Foundation distributed \$988,736 to CCS for restricted and unrestricted purposes, such as program support and student scholarships.

Basis of presentation – For financial reporting purposes, CCS is considered a special-purpose government engaged only in Business Type Activities (BTA). In accordance with BTA reporting, CCS presents a Management's Discussion and Analysis; a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; a Statement of Cash Flows; and Notes to the Financial Statements. The format provides a comprehensive, entity-wide perspective of CCS's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position, and cash flows.

Basis of accounting – The financial statements of CCS have been prepared 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, regardless of the timing of the cash flows.

Community Colleges of Spokane

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue recognition – Nonexchange transactions, in which CCS receives (or gives) value without directly giving (or receiving) equal value in exchange includes state and federal appropriations, and certain grants and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

Intercompany transactions – During the course of operations, numerous transactions occur between funds for goods provided and services rendered. For the financial statements, interfund receivables and payables have generally been eliminated. However, revenues and expenses from CCS's auxiliary enterprises are treated as though CCS were dealing with private vendors. For all other funds, transactions that are reimbursements of expenses are recorded as reductions of expense.

Cash, cash equivalents, and investments – Cash and cash equivalents include cash on hand, bank demand deposits, and deposits with the Washington State Local Government Investment Pool (LGIP). Cash in the investment portfolio is not included in cash and cash equivalents as it is held for investing purposes. Cash and cash equivalents that are held with the intent to fund college operations are classified as current assets along with operating funds invested in the LGIP. CCS records all cash, cash equivalents, and investments at amortized cost, which approximates fair value or at fair value.

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

Accounts receivable – Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. This also includes amounts due from federal, state, and local governments or private sources as allowed under the terms of grants and contracts. Accounts receivable are shown net of estimated uncollectible amounts.

Investments – Investments are recorded at fair value. Unrealized gains or losses on the carrying value of investments are reported as a component of net investment income in the statement of revenues, expenses, and changes in net position.

Capital assets – In accordance with state law, capital assets constructed with state funds are owned by the state of Washington. Property titles are shown accordingly. However, responsibility for managing the assets rests with CCS. As a result, the assets are included in the financial statements because excluding them would have been misleading.

Community Colleges of Spokane

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Land, buildings, and equipment are recorded at cost, or if acquired by gift, at estimated acquisition value at the date of the gift. Capital additions, replacements, and major renovations are capitalized. The value of assets constructed includes all material direct and indirect construction costs. Any interest costs incurred are capitalized during the period of construction. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. In accordance with the state capitalization policy all land, intangible assets, and software with a unit cost of \$1,000,000 or more, buildings and improvements with a unit cost of \$100,000 or more, library collections with a total cost of \$5,000 or more, and all other assets with a unit cost of \$5,000 or more are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as defined by the State of Washington's Office of Financial Management. Useful lives range from 15 to 50 years for buildings and improvements, 3 to 50 years for improvements other than buildings, 7 years for library resources, 2 to 10 years for most equipment, and 11 to 40 years for heavy duty equipment. Useful lives of leased assets follow the ranges above depending on asset type (building, equipment, etc.).

CCS reviews assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value. For the year ended June 30, 2024, no assets had been written down.

Leases - At the inception of a lease contract, the College assess whether the agreement qualifies as a lease. Lessee Agreements in which the College lease assets owned by a third party, the related lease assets are included in Capital Assets on the Statement of Net Position, along with the current and long-term portions of the corresponding lease liability.

Lease assets represent the College's right to use an underlying asset during the lease term, as specified in the contract, in an exchange or exchange-like transaction. These assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the start of the lease term, and certain direct costs. Lease assets are amortized on a straight-line basis over the lease term.

Lease liabilities represent the College's obligation to make lease payments as specified in the contract. These liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized on a straight-line basis over the lease term. The lease term may include options to extend or terminate the lease if it is reasonably certain that the College will exercise such options.

Payments for short-term leases (those with a term of 12 months or less) are recognized as expense in the period incurred.

For agreements in which the College lease assets to a third party, the related amounts are included in Accounts Receivable and Deferred Inflows of Resources on the Statement of Net Position.

Lease receivables represent the College's right to receive lease payments over the lease term, in an exchange or exchange-like transaction. These receivables are recognized at the commencement date based on the present value of expected lease payments, adjusted for any estimated uncollectible amounts. Interest revenue is recognized evenly over the lease term using the straight-line method.

Community Colleges of Spokane

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred inflows of resources related to leases are also recognized at the commencement date. These are measured based on the initial value of the lease receivable, plus any payments received from the lessee at or before the start of the lease term that pertain to future periods, and reduced by any lease incentives paid to, or on behalf of, the lessee before or at the start of the lease term.

Subscription-Based Information Technology Arrangements (SBITA) – SBITAs are a contract that grants the College control of the right to use another party's information technology (IT) software—either alone or in combination with tangible capital assets—as specified in the contract, in an exchange or exchange-like transaction, for a term greater than 12 months. At the commencement of the subscription term—when the subscription asset is placed into service—a right-to-use subscription asset and a corresponding subscription liability are recognized.

SBITA assets are amortized on a straight-line basis over the term of the contract. SBITA liabilities represent the obligation to make payments under the terms of the agreement, and interest expense is recognized evenly over the contract term. The contract term may include options to extend or terminate the arrangement, provided it is reasonably certain that the College will exercise those options.

Payments for short-term SBITAs, defined as those with a term of 12 months or less, are recognized as expense in the period incurred.

Unearned revenues – Unearned revenues occur when funds have been collected prior to the end of the fiscal year but related to the subsequent fiscal year, including tuition and fees paid with financial aid funds. CCS has recorded 2024 summer and fall quarter tuition and fees and advanced grant proceeds as unearned revenues.

Tax exemption – CCS is a tax-exempt organization under the provisions of Section 115(1) of the Internal Revenue Code and is exempt from federal income taxes on related income.

Net pension liability (asset) – For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position, additions to/deductions from PERS's and TRS's fiduciary net position have been determined on the same basis as they are reported by PERS and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CCS also reports its share of the pension liability for the State Board Retirement Plan in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions and Related Assets*. This is a change in assumptions from prior years.

Deferred inflows of resources (Leases) – Deferred inflows related to future lease revenue is recorded at present value at the point of inception and is recognized over the life of each lease term.

Community Colleges of Spokane

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred outflows of resources and deferred inflows of resources (Pensions) – Deferred outflows of resources represent consumption of net position that is applicable to a future period. Deferred inflows of resources represent acquisition of net position that is applicable to a future period. Changes 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 outflows of resources.

Post-Employment Benefits Other Than Pensions (OPEB) – For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CCS' OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, CCS' OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred outflows of resources and deferred inflows of resources (OPEB) – Deferred outflows of resources represent consumption of net position that is applicable to a future period. Deferred inflows of resources represent acquisition of net position that is applicable to a future period. Changes in net OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Additionally, changes in Employer contributions after the measurement date of the net OPEB liability are reported as deferred outflows of resources.

Net position – CCS's net position is classified as follows:

Capital Assets, net – This represents CCS's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Restricted – This represents balances held for net pension assets

Unrestricted – These represent resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises.

Classification of revenues and expenses – CCS has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues – This includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees, net of waivers and scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) most federal, state, and local grants and contracts that primarily support the operational/educational activities of CCS.

Operating expenses – Operating expenses include salaries, wages, fringe benefits, utilities, supplies and materials, purchased services, and depreciation.

Nonoperating revenues – This includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, investment income, and grants received from the federal government.

Community Colleges of Spokane

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Nonoperating expenses – Non-operating expenses include state remittance related to the building fee and the innovation fee, along with interest incurred on the COP debt.

Scholarship discounts and allowances – Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by CCS, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, State, or non-governmental programs are recorded as either operating or non-operating revenues in CCS's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, CCS has recorded a scholarship discount and allowance.

State appropriations – The state of Washington appropriates funds to CCS on both an annual and biennial basis. These revenues are reported as non-operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position, and recognized as such when the related expenses are incurred.

Capital appropriations – The state of Washington appropriates funds to CCS for capital projects on an annual and biennial basis which is accounted for in the same manner as state appropriations.

Building and innovation fee remittance – Tuition collected includes amounts remitted to the Washington State Treasurer's office to be held and appropriated in future years. The Building Fee portion of tuition charged to students is an amount established by the Legislature and is subject to change annually. The fee provides funding for capital construction and projects on a system wide basis using a competitive biennial allocation process. The Building Fee is remitted on the 35th day of each quarter. The Innovation Fee was established in order to fund the State Board of Community and Technical College's (SBCTC) Strategic Technology Plan. The use of the fund is to implement new Enterprise Resource Planning (ERP) software across the entire system. On a monthly basis, CCS's remits the portion of tuition collected for the Innovation Fee to the State Board. These remittances are non-exchange transactions reported as an expense in the non-operating revenues and expenses section of the statement of revenues, expenses, and changes in net position.

Recent adoptions of accounting standards and changes in accounting principle –

In June 2022, the GASB issued Statement No. 100, *Accounting for Changes and Error Corrections*, which prescribes the accounting and reporting for each type of accounting change and error correction to provide more understandable, reliable, relevant, consistent, and comparable information for decision making and assessing accountability.

In 2024, the colleges changed the way the State Board Retirement Plan is reported in the financial statements. Previously the measurement date and reporting date were the same but there is now a one-year lag between the measurement date and reporting date which causes an increase in deferred outflows for 2024 contributions made after the measurement date of June 30, 2023. This change is necessary to allow the actuaries sufficient time to gather information for the net pension liability

Community Colleges of Spokane

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

calculations. This change does not alter the methodology for the calculations, it only alters the reporting timeline. The previous reporting timeline required that periodically estimates had to be made for returns on investments and this new timeline will allow final investment activity to be utilized. Net Pension Liabilities, Deferred Inflows, and pension expense will be reported for FY24 as the same values reported in FY23. Deferred outflows will now include contributions and payments made subsequent to the measurement date.

Accounting Standards Impacting the Future –

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective FY25. It provides guidance for measuring liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. CCS is following the State Office of Financial Management directives to prepare for the implementation of this Statement.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective FY25. This statement requires disclosure of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. The statement defines concentration and constraints and whether an event that could cause the substantial impact has begun or is more likely than not to begin within 12 months of financial statement issuance. The college will be implementing this statement as required.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective FY26. It changes and clarifies requirements of information presented in the MD&A, clarifies operating vs. non-operating revenues and expenses, presentation of major component unit information, and budgetary comparison presentation as RSI. The college has not determined the full impact of this statement.

Note 2 – Cash and Investments

Cash and cash equivalents include bank demand deposits, petty cash held at CCS, and unit shares in the Local Government Investment Pool (LGIP). The LGIP is comparable to a Rule 2a-7 money market fund recognized by the Securities and Exchange Commission (17 CFR 270.2a-7). Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both the market and credit risk. The LGIP is an unrated investment pool.

Community Colleges of Spokane

Notes to Financial Statements

Note 2 – Cash and Investments (continued)

As of June 30, 2024, the carrying amount of CCS's cash and equivalents was as follows:

Cash and cash equivalents	
Petty cash and change funds	\$ 12,600
Bank demand and time deposits	33,639,169
Local government investment pool	<u>103,558,927</u>
 Total cash and cash equivalents	 <u>\$ 137,210,696</u>

Investments consist of time certificates of deposit, U.S. Treasury and Agency securities, and bond funds. Time certificates of deposit have re-purchase agreements with the respective financial institutions balances at June 30, 2024 were:

	June 30, 2024		
	Fair Value	One Year or Less	One to Five Years
Investment maturities			
Time certificates of deposit	\$ 9,219,113	\$ 9,219,113	-
U.S. agency obligations	14,310,253	2,991,532	11,318,721
U.S. treasury notes	<u>2,968,557</u>	<u>1,980,449</u>	<u>988,108</u>
 Subtotal	 26,497,923	 14,191,094	 12,306,829
Premium (Discount)	<u>(199,817)</u>	<u>-</u>	<u>(199,817)</u>
Total investments	<u>\$ 26,298,106</u>	<u>\$ 14,191,094</u>	<u>\$ 12,107,012</u>

Fair value measurement – CCS categorizes its fair value measurements within the fair value hierarchy established by GASB Statement 72. CCS does not hold any securities that would be classified as Level 1, quoted in active markets, for fair value. CCS's time certificates of deposit, U.S. government treasuries, and U.S. agency obligations are classified in Level 2 of the fair value hierarchy. These securities, as shown above, are valued using a variety of pricing techniques, including but not limited to fundamental analytical data related to the securities, values of baskets of securities, market interest rates, matrix calculated prices, and purchase price. CCS does not hold any securities that would be classified as Level 3, significant unobservable inputs, for fair value measurement.

Custodial credit risks, deposits – Custodial credit risk for bank demand deposits is the risk that in the event of a bank failure, CCS's deposits may not be returned to it. The majority of CCS's demand deposits are with the Bank of America. All cash and equivalents, except for change funds and petty cash held by CCS, are insured by the Federal Deposit Insurance Corporation (FDIC) or by collateral held by the Washington Public Deposit Protection Commission (PDPC).

Interest rate risk, investments – CCS manages its exposure to fair value losses resulting from changes in interest rates by structuring the entire portfolio time horizon. Unless matched to a specific cash flow, CCS generally will not directly invest in securities maturing more than five years from the date of purchase.

Community Colleges of Spokane

Notes to Financial Statements

Note 2 – Cash and Investments (continued)

Concentration of credit risk, investments – State law limits CCS's operating investments to the highest quality sectors of the domestic fixed income market and specifically excludes corporate stocks, corporate and foreign bonds, futures contracts, commodities, real estate, limited partnerships, and negotiable certificates of deposit. CCS's policy does not limit the amount CCS may invest in any one issuer. At June 30, 2024 CCS held the following reportable investments in the amounts listed.

Investment Type	Issuer	Reported Amount
US agency securities	Federal farm credit bank	\$ 4,916,750
US agency securities	Federal home loan bank	5,393,161

Custodial credit risk, investments – Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, CCS will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2024, none of CCS's operating fund investments, held by US Bank, were held in the bank's name as agent for CCS, therefore none of the investments are exposed to custodial credit risk.

	Rating			
	Amount	Not Rated	Aaa	AA+
Investments				
Time certificates of deposit	\$ 9,219,113	\$ 9,219,113	\$ -	\$ -
US agency obligations	14,310,253	1,996,615	-	12,313,638
US treasury notes	2,968,557	-	2,968,557	-
Total investments	<u>\$ 26,497,923</u>	<u>\$ 11,215,728</u>	<u>\$ 2,968,557</u>	<u>\$ 12,313,638</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 3 – Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. It also includes amounts due from federal, state, and local governments or private sources in connection with reimbursements of allowable expenditures made according to sponsored agreements.

At June 30, 2024, accounts receivable were as follows:

Accounts receivable	
Student tuition, and fees	\$ 8,369,127
Due from the federal government	4,447,529
Due from other governments	6,300,424
Due from other state agencies	<u>5,877,007</u>
Subtotal	24,994,087
Less allowance for uncollectible accounts	<u>(599,956)</u>
Accounts receivable, net	<u>\$ 24,394,131</u>

Note 4 – Lease Receivable

CCS is a lessor in noncancelable leases for land used for two communication towers. The lessees are required to make fixed monthly payments of \$14,316 over the lease term. CCS recognized \$153,035 in lease revenue and \$31,645 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2024 the lease receivable is \$3,478,071 and deferred inflow of resources is \$3,341,261.

Community Colleges of Spokane

Notes to Financial Statements

Note 5 – Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2024, is presented as follows:

Capital assets	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Non-depreciable capital assets					
Land	\$ 3,664,474	\$ -	\$ -	\$ -	\$ 3,664,474
Construction in progress	29,530,711	9,212,709	-	(1,703,075)	37,040,344
Total non-depreciable capital assets	33,195,185	9,212,709	-	(1,703,075)	40,704,818
Depreciable capital assets					
Buildings	310,777,135	1,309,881	-	-	312,087,016
Leased Asset, Buildings	10,275,033	4,741,363	-	(2,551,318)	12,465,078
SBITA Assets	663,861	-	-	-	663,861
Other improvements and infrastructure	7,722,254	935,851	-	-	8,658,105
Equipment	23,525,189	1,977,908	-	(212,413)	25,290,685
Library resources	2,507,542	-	-	-	2,507,542
Subtotal depreciable capital assets	355,471,014	8,965,003	-	(2,763,731)	361,672,286
Less accumulated depreciation					
Buildings	137,693,760	7,004,774	-	-	144,698,535
Allow for Amort - Leased Bldg	5,318,000	1,559,116	-	(2,551,318)	4,325,799
Allow for Amort - SBITA	389,407	156,441	-	-	545,848
Other improvements and infrastructure	2,895,618	388,744	-	-	3,284,362
Equipment	18,623,811	1,252,903	-	(348,355)	19,528,359
Library resources	2,468,938	2,725	-	-	2,471,663
Total accumulated depreciation	167,389,534	10,364,703	-	(2,899,673)	174,854,565
Total depreciable capital assets	188,081,480	(1,399,700)	-	135,943	186,817,722
Capital assets, net of accumulated depreciation	\$ 221,276,664	\$ 7,813,009	\$ -	\$ (1,567,132)	\$ 227,522,540

Note 6 – Accrued Liabilities

At June 30, 2024, accrued liabilities are the following:

Amounts owed to employees	\$ 5,851,034
Amounts held for others and retainage	3,991,476
Total accrued liabilities	<u>\$ 9,842,510</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 7 – Unearned Revenue

At June 30, 2024, unearned revenue consists of receipts that have not yet met revenue recognition criteria, as follows:

	2024
Summer & Fall quarter tuition and fees	\$ 1,112,279
Grants and contracts	4,275,143
Other/Auxiliary sales	12
	<hr/>
Total unearned revenue	\$ 5,387,434

Note 8 – Risk Management

CCS is exposed to various risks of loss related to tort liability, injuries to employees, errors and omissions, theft of, damage to, and destruction of assets, and natural disasters. CCS purchases insurance to mitigate these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks.

CCS, in accordance with state policy, pays unemployment claims on a pay-as-you-go basis. CCS finances these costs by assessing a monthly payroll expense to all funds for unemployment compensation coverage for all employees.

CCS purchases commercial property insurance through the master property program administered by the Department of Enterprise Services for buildings that were acquired with COP proceeds. The policy has a deductible of \$250,000 per occurrence and the policy limit is \$100,000,000 per occurrence. CCS has had no claims in excess of the coverage amount within the past three years. CCS assumes its potential property losses for most other buildings and contents.

CCS participates in a state of Washington risk management self-insurance program, which covers its exposure to tort, general damage, and vehicle claims. Premiums paid to the State are based on actuarially determined projections and include allowances for payments of both outstanding and current liabilities. Coverage is provided up to \$10,000,000 for each claim with no deductible. CCS has had no claims in excess of the coverage amount within the past three years.

Note 9 – Compensated Absences

Community Colleges of Spokane

Notes to Financial Statements

Note 9 – Compensated Absences (continued)

Accrued sick leave is categorized as a noncurrent liability. Annual Vacation leave is categorized as a current liability.

Note 10 – Leases and SBITA Payable

CCS has leases for facilities and office equipment with various vendors. The lease liability at June 30, 2024, was \$8,721,651. Interest rates range from 0.89% - 2.13%. The future principal and interest payments related to these agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,757,177	\$ 184,290	\$ 1,941,467
2026	1,468,407	155,366	1,623,773
2027	1,111,387	127,279	1,238,666
2028	1,067,299	98,805	1,166,104
2029	654,481	73,962	728,443
2030-2034	1,578,261	210,003	1,788,264
2035-2039	622,400	86,797	709,197
2040-2044	365,601	25,959	391,560
2045-2047	96,637	3,288	99,925
Total	<u>\$ 8,721,651</u>	<u>\$ 965,748</u>	<u>\$ 9,687,399</u>

As of June 30, 2024, CCS had various subscription-based IT arrangements conveying the right to use technology resources based on contractual terms and conditions. The SBITA liabilities are reported at net present value using the State of Washington's incremental borrowing rate unless otherwise noted in the contract terms. Payments for FY25 were \$119,928 and the minimum payments under these subscription-based agreements are as follows:

Year Ending June 30, 2024	Principal	Interest	Total
2025	<u>118,870</u>	<u>1,058</u>	<u>119,928</u>
Total	<u>\$ 118,870</u>	<u>\$ 1,058</u>	<u>\$ 119,928</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 11 – Notes Payable

In February 2017, CCS obtained financing to renovate the Gymnasium on the Spokane Falls Community College campus through a COP, issued by the OST in the amount of \$14,930,000. The interest rate charged is 3.41%. The principal and interest obligations related to this payable are being paid out of Community Colleges of Spokane local funds over a term of 20 years.

CCS's debt service requirements for notes payable for the next five years and thereafter are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 645,000	\$ 571,750	\$ 1,216,750
2026	680,000	539,500	1,219,500
2027	710,000	505,500	1,215,500
2028	745,000	470,000	1,215,000
2029	785,000	432,750	1,217,750
2030-2034	4,555,000	1,534,000	6,089,000
2035-2037	3,315,000	337,000	3,652,000
Subtotal	11,435,000	4,390,500	15,825,500
Add unamortized premium	1,461,572	-	1,461,572
Totals	<u>\$ 12,896,572</u>	<u>\$ 4,390,500</u>	<u>\$ 17,287,072</u>

Note 12 – Schedule of Long-Term Liabilities

Long term liabilities are as follows for the year ending June 30, 2024:

Description	Beginning Balance*	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 8,101,882	\$ 9,017,308	\$ (8,101,881)	\$ 9,017,309	\$ 4,029,960
Certificates of participation	12,050,000	-	(615,000)	11,435,000	645,000
Unamortized premium	1,633,921	-	(172,349)	1,461,572	108,928
Leases	5,142,471	4,526,770	(947,590)	8,721,651	1,757,177
SBITA	275,119	-	(156,249)	118,870	118,870
Total pension obligation (asset)	(1,663,957)	26,193,319	(23,473,758)	1,055,604	345,546
OPEB Liability	38,330,538	-	(414,669)	37,915,869	955,438
Total	<u>\$ 63,869,974</u>	<u>\$ 39,737,397</u>	<u>\$ (33,881,496)</u>	<u>\$ 69,725,875</u>	<u>\$ 7,960,919</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans

The following table represents the aggregate pension amounts for all plans for the fiscal year ended June 30, 2024:

	PERS 1	PERS 2/3	TRS 1	TRS 2/3	Supplemental Plan	Total
Pension assets (liabilities)	\$ (3,944,240)	\$ 9,137,357	\$ (470,423)	\$ 45,719	\$ (3,712,809)	\$ 1,055,604
Deferred outflows of resources	1,042,893	\$ 8,221,251	\$ 89,537	\$ 1,143,331	\$ 3,066,619	13,563,631
Deferred inflows of resources	(444,927)	\$ (4,725,897)	\$ (68,101)	\$ (301,821)	\$ (5,294,364)	(10,835,110)
Pension expense (revenues)	(957,873)	\$ (3,245,872)	\$ (153,615)	\$ (225,385)	\$ (301,808)	(4,884,553)

Substantially all of CCS' full-time and qualifying part-time faculty participate in either the PERS or the TRS. These cost-sharing, multiple-employer defined benefit pension plans are statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS). The State Legislature establishes and amends laws pertaining to the creation and administration of all public retirement systems.

The DRS, a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov.

TRS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are calculated using two percent of the member's AFC times the member's years of service – up to a maximum of 60 percent. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Other benefits include temporary and permanent disability payments, an optional COLA, and a one-time duty-related death benefit, if found eligible by the Washington State L&I. TRS 1 members are vested after completion of five years of eligible service.

TRS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's AFC times the member's years of service for TRS Plan 2, and one percent of AFC times the member's years of service for TRS 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. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65.

TRS Plan 2/3 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a COLA based on the CPI, capped at three percent annually, and a one-time duty related death benefit, if found eligible by the Washington State L&I. TRS Plan 2 members are vested after completing five years of eligible service. TRS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service, or after five years of service if 12 months of that service are earned after age 44.

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

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

Contributions

CCS's required contribution rates (expressed as a percentage of covered payroll) for the fiscal year ended June 30, 2024, are as follows:

	CCS	Employee
PERS		
Plan 1	10.39%	6.00%
Plan 2/3	10.39%	6.36%
TRS		
Plan 1	14.69%	6.00%
Plan 2/3	14.69%	8.05%

PERS and TRS

Plan Descriptions

PERS members include elected officials, state employees, employees of the Supreme, Appeals, and Superior Courts, employees of the legislature, employees of District and municipal courts, employees of local governments, and higher education employees not participating in higher education retirement programs. TRS members include those employed at a certified public school in an instructional, administrative, or supervisory capacity. PERS and TRS is comprised of three separate pension plans for membership purposes. PERS and TRS Plans 1 and 2 are defined benefit plans, and PERS and TRS Plan 3 is a defined benefit plan with a defined contribution component.

Pension Benefits

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

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's AFC times the member's years of service for PERS Plan 2, and 1 percent of AFC times the member's years of service for PERS 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. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65.

PERS Plan 2/3 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a COLA based on the Consumer Price Index (CPI), capped at three percent annually, and a one-time duty-related death benefit, if found eligible by the Washington State L&I. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service, or after five years of service if 12 months of that service are earned after age 44.

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

PERS Plan 1 and TRS Plan 1-member contribution rates are developed by the Office of the State Actuary (OSA) and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts the PERS Plan 1 and TRS Plan 1 contribution rates.

PERS Plan 2/3 and TRS Plan 2/3-member and employer contribution rates are developed by the OSA to fully fund Plan 2 and the defined benefit portion of Plan 3. The PERS Plan 2/3 and TRS Plan 2/3 employer rates include components to address the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liability, respectively, and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 and Plan 3 employer and employee contribution rates.

Actual contributions to the plans for the FY ended June 30, 2024, are as follows:

	<u>Contributions</u>
PERS	
Plan 1	\$ 1,042,893
Plan 2	1,634,110
Plan 3	613,007
TRS	
Plan 1	\$ 89,538
Plan 2	47,771
Plan 3	295,882

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows on pensions are recorded when projected earnings on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the state's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. State contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

Deferred inflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the state's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

TRS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are calculated using two percent of the member's AFC times the member's years of service – up to a maximum of 60 percent. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Other benefits include temporary and permanent disability payments, an optional COLA, and a one-time duty-related death benefit, if found eligible by the Washington State L&I. TRS 1 members are vested after completion of five years of eligible service.

TRS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's AFC times the member's years of service for TRS Plan 2, and one percent of AFC times the member's years of service for TRS 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. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65.

TRS Plan 2/3 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a COLA based on the CPI, capped at three percent annually, and a one-time duty related death benefit, if found eligible by the Washington State L&I. TRS Plan 2 members are vested after completing five years of eligible service. TRS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service, or after five years of service if 12 months of that service are earned after age 44.

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

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

Contributions

CCS's required contribution rates (expressed as a percentage of covered payroll) for the fiscal year ended June 30, 2024, are as follows:

	CCS	Employee
PERS		
Plan 1	10.39%	6.00%
Plan 2/3	10.39%	6.36%
TRS		
Plan 1	14.69%	6.00%
Plan 2/3	14.69%	8.05%

At June 30, 2024, CCS reported deferred outflows of resources and deferred inflows of resources related to pensions for its PERS plans from the following sources:

	PERS 1		PERS 2/3	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -	\$ 1,861,269	\$ 102,092
Net difference between projected and actual investment earnings on pension plan investments	-	444,928	-	3,443,508
Changes of assumptions	-	-	3,836,179	836,136
Changes in proportion and difference between contributions and proportionate share of contributions	-	-	276,686	344,160
Contributions subsequent to the measurement date	1,042,893	-	2,247,117	-
Total	<u>\$ 1,042,893</u>	<u>\$ 444,928</u>	<u>\$ 8,221,251</u>	<u>\$ 4,725,896</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

The average of the expected remaining service lives of all faculty in PERS 1 and PERS 2/3 that are provided with pensions through CCS (active and inactive) is 1.00 year and 7.00 years, respectively.

At June 30, 2024, CCS reported deferred outflows of resources and deferred inflows of resources related to pensions for its TRS plans from the following sources:

	TRS 1		TRS 2/3	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -	\$ 398,126	\$ 6,441
Net difference between projected and actual investment earnings on pension plan investments	-	68,101	-	219,286
Changes of assumptions	-	-	363,193	35,995
Changes in proportion and difference between contributions and proportionate share of contributions	-	-	38,359	40,099
Contributions subsequent to the measurement date	89,537	-	343,653	-
Total	<u>\$ 89,537</u>	<u>\$ 68,101</u>	<u>\$ 1,143,331</u>	<u>\$ 301,821</u>

The average of the expected remaining service lives of all faculty in TRS 1 and TRS 2/3 that are provided with pensions through the System (active and inactive) is 1 year and 10 years, respectively.

Deferred outflows of resources related to pensions resulting from CCS' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the measurement period ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

FY	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
2025	\$ (302,710)	\$ (1,658,243)	\$ (47,590)	\$ (46,177)
2026	(380,694)	(2,036,799)	(60,164)	(80,460)
2027	234,730	2,848,288	38,450	227,249
2028	3,746	1,028,408	1,203	93,442
2029	-	1,036,530	-	91,239
Thereafter	-	30,052	-	212,565
Totals	<u>\$ (444,928)</u>	<u>\$ 1,248,236</u>	<u>\$ (68,101)</u>	<u>\$ 497,858</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined by an actuarial valuation as of June 30, 2022. The actuarial assumptions used in the valuation were based on the results of the OSAs 2013 - 2018 Experience Study Report and the 2022 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest, and actual benefit payments.

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

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

Discount Rate

The discount rate used to measure the TPL for all DRS plans provided by CCS was 7.00 percent. To determine that 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 the long-term expected rate of return, a 7.00 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, whose rates include a component for the PERS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00 percent was used to determine the total liability.

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.00 percent was determined using a building-block method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expenses, including inflation) to develop each major asset class. Those expected returns make up one component of WSIBs capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to stimulate future investment returns at various future times. The long-term expected rate of return of 7.00 percent approximately equals the median of the stimulated investment returns over a 50-year time horizon, adjusted to remove or dampen any short-term changes to WSIBs capital market assumptions (CMAs) that aren't expected over the entire 50-year measurement period.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the table below. The inflation component used to create the table is 2.20 percent and represents the WSIBs most recent long-term estimate of board economic inflation.

Asset Class	Target Allocation	Percent Long-Term Expected Real Rate of Return
Fixed income	20.00%	1.50%
Tangible assets	7.00%	4.70%
Real estate	18.00%	5.40%
Global equity	32.00%	5.90%
Private equity	23.00%	8.90%
Inflation component		2.20%
Investment rate of return		7.00%

Sensitivity of the Net Pension Liability (Asset)

The table below presents CCS's proportionate share of the net pension liability (NPL) calculated using the discount rate of 7.00 percent, as well as what CCS's proportionate share of the NPL would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate.

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

	Employer's Proportionate Share of the Net Pension Liability / (Assets)		
	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
PERS Plan 1	\$ 5,510,403	\$ 3,944,241	\$ 2,577,350
PERS Plan 2/3	9,937,972	(9,137,358)	(24,808,947)
TRS Plan 1	716,062	470,422	255,702
TRS Plan 2/3	1,476,200	(45,719)	(1,283,017)
Totals	<u>\$ 17,640,637</u>	<u>\$ (4,768,414)</u>	<u>\$ (23,258,912)</u>

Pension Plan Fiduciary Net Position

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

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

At June 30, 2024, CCS reported a total pension liability (asset) for its proportionate share of the net pension liabilities/(assets) as follows:

	Net Pension Liability (Asset)
PERS Plan 1	\$ 3,944,240
PERS Plan 2/3	(9,137,357)
TRS Plan 1	470,423
TRS Plan 2/3	(45,719)
Total	<u>\$ (4,768,413)</u>

There were no College or faculty contribution payables to the DRS at June 30, 2024.

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

At June 30, 2024, CCS's proportionate share of the collective net pension liabilities (assets) were as follows:

	<u>2024</u>
PERS Plan 1	0.172786%
PERS Plan 2/3	0.222934%
TRS Plan 1	0.037143%
TRS Plan 2/3	0.037226%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2023, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Non-employer Allocations* for all plans.

Pension Expense (Revenue)

The table below shows the components of each plan's pension expense (revenue) as it is affected by faculty benefits:

<u>2024</u>	<u>PERS Plan 1</u>	<u>PERS Plan 2/3</u>	<u>TRS Plan 1</u>	<u>TRS Plan 2/3</u>	<u>Total Plans</u>
Actuarially determined pension expense	\$ 36,697	\$ 1,068,820	\$ 96,887	\$ (113,677)	\$ 1,088,727
Contributions subsequent to measurement date	1,042,893	2,247,117	89,538	343,653	3,723,201
Amortization of prior year change in proportion previously recorded as deferred outflows	-	(195,272)	-	(11,102)	(206,374)
Amortization of prior year change in proportion previously recorded as deferred inflows	-	125,207	-	6,511	131,718
Amortization of change in proportionate pension expense	<u>(121,718)</u>	<u>-</u>	<u>(32,810)</u>	<u>-</u>	<u>(154,528)</u>
Pension expense (revenue)	<u>\$ 957,872</u>	<u>\$ 3,245,872</u>	<u>\$ 153,615</u>	<u>\$ 225,385</u>	<u>\$ 4,582,744</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

State Board Retirement Plan (SBRP) – Supplemental Defined Benefits Plans

Plan Description

The State Board Retirement Plan is a privately administered single employer defined contribution plan with a supplemental defined benefit plan component, which guarantees a minimum retirement benefit based upon a one-time calculation at each employee's retirement date. The supplemental component is financed on a pay-as-you-go basis. CCS participates in this plan as authorized by Chapter 28B.10 RCW and reports its proportionate share of the net pension liability. House Bill 1661, effective fiscal year 2021, created separate Supplemental Retirement Plan (SRP) funds by institution that met the definition of a trust or equivalent arrangement. As a result, these plans will be reported under GASB Statement No. 67/68. Prior to this, the SRP was reported under GASB Statement No. 73.

Benefits Provided

The State Board Supplemental Retirement Plans provide retirement, disability, and death benefits to eligible members.

As of July 1, 2011, all the Supplemental Retirement Plans were closed to new entrants.

Members are eligible to receive benefits under this plan at age 62 with 10 years of credited service. The supplemental benefit is a lifetime benefit equal to the amount a member's goal income exceeds their assumed income. The monthly goal income is the one-twelfth of 2 percent of the member's average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of fifty percent of the member's average annual salary). The member's assumed income is an annuity benefit the retired member would receive from their defined contribution Retirement Plan benefit in the first month of retirement had they invested all employer and member contributions equally between a fixed income and variable income annuity investment.

Plan members have the option to retire early with reduced benefits.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2023. Update procedures were used to roll forward the total pension liability to the June 30, 2023, measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

- | | |
|---|-------------|
| • Salary Increases | 3.50%–4.00% |
| • Fixed Income and Variable Income Investment Returns | N/A* |

*Measurement reflects actual investment returns

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

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

Most actuarial assumptions used in the January 1, 2023, valuation were based on the results of the August 2021 Higher Education SRP Experience Study. Additional assumptions related to the salary growth were based on feedback from financial administrators of the Higher Education Supplemental Retirement Plans.

Material Assumption Changes

Changes in methods and assumptions that occurred between the measurement of the June 30, 2022 NPL and the June 30, 2023 NPL are as follows:

- The valuation date was changed from June 30 to January 1. This corresponds with the new data file being provided with participant information as of January 1, 2023.
- OSA updated the annuity conversion assumptions for the TIAA investments based on input from TIAA and professional judgement. TIAA contributions and investment earnings annuity conversion changed from contribution made pre-2022/post-2021 converted at 6.00 percent/3.25 percent to contributions pre-2006/post-2005 converted at 7.00/4.00 percent

Discount Rate

The discount rate used to measure the total pension liability was based on the 2021 Economic experience study for the Washington State retirement plans and based on the results of the GASB 67/68 required crossover test, or 7.00 percent for the June 30, 2023, measurement date.

Contributions

Contribution rates for the SBRP Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), which are based upon age, are 5%, 7.5%, or 10% of salary and are matched by the District. Employee and employer contributions for the year ended June 30, 2023, were each \$3,868,028.

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

Pension Expense (revenue)

For the year ended June 30, 2024, CCS reported \$(565,541) for pension expense (revenue) in the State Board Supplemental Retirement Plans.

Proportion Share %		6.81%
Service Cost	\$	135,259
Interest Cost		488,351
Amortization of Differences Between Expected and Actual Experience		(299,761)
Amortization of Changes of Assumptions		(321,106)
Expected Earnings on Plan Investments		(160,108)
Amortization of Difference Between Projected and Actual Earnings on Plan Investments		(55,895)
Other Changes in Fiduciary Net Position		11
Proportionate Share of Collective Pension Expense		(213,249)
Amortization of the Changes in Proportionate Share of Total Pension Liability		(88,559)
Total Pension Expense		<u>(301,808)</u>

Plan Membership

Membership of the State Board Supplemental Retirement Plans consisted of the following at June 30, 2024:

Number of Participating Members within the State Board for Community and Technical Colleges	
Inactive Members (Or Beneficiaries) Currently Receiving Benefits	12
Inactive Member Entitled To But Not Yet Receiving benefits	7
Active Members	<u>345</u>
Total Members	<u>364</u>

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

Net Pension Liability/(Asset)

The following table presents the change in net pension liability/(asset) of the State Board Supplemental Retirement Plans at June 30, 2024, the latest measurement date for the plan:

Service cost	\$	135,259
Interest		488,351
Difference between expected and actual experience		(392,497)
Changes of assumptions		(777,247)
Benefit payments		(204,980)
Changes in proportional share of total pension liability		<u>44,491</u>
Net change in total pension liability		(706,623)
Total pension liability - beginning		<u>6,897,453</u>
Total pension liability - ending (a)	\$	<u><u>6,190,830</u></u>
Contributions - Employer	\$	58,753
Contributions - Member		-
Net Investment Income		160,862
Benefit Payments		-
Administrative Expense		-
Changes in proportional share of total pension liability		14,474
Other		<u>(11)</u>
Net change in plan fiduciary net position		234,078
Plan Fiduciary Net Position-Beginning		<u>2,243,916</u>
Plan Fiduciary Net Position-Ending (b)	\$	<u><u>2,477,994</u></u>
Net Pension Liability (a) - (b)	\$	<u><u>3,712,836</u></u>

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following table presents the total pension liability/(asset), calculated using the discount rate of 7.00 percent, as well as what the employers' total pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

Discount Rate Sensitivity		
1% Decrease (6.00)%	Current Discount Rate (7.00)%	1% Increase (8.00)%
\$ 4,399,738	\$ 3,712,836	\$ 3,123,542

Community Colleges of Spokane

Notes to Financial Statements

Note 13 – Pension and Benefit Plans (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the State Board Supplemental Retirement Plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,456,629	\$ 1,812,904
Changes of assumptions	1,245,515	2,856,576
Changes in College's proportionate share of pension liability	171,946	448,336
Net difference between projected and actual investment earnings on pension plan investments	96,686	176,549
	<u>\$ 2,970,776</u>	<u>\$ 5,294,365</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the fiscal years ended June 30:

Fiscal Year Ending June 30,	Amount
2025	\$ (653,006)
2026	(484,571)
2027	(422,394)
2028	(762,705)
2029	86,044
Thereafter	<u>(86,934)</u>
Total	<u>\$ (2,323,566)</u>

Note 14 – Other Post-Employment Benefits

CCS' employees are eligible to participate in the employer defined benefit, OPEB plan administered by the State Health Care Authority (HCA). The plan, as authorized through RCW 41.05.065, is designed by the Public Employee Benefits Board (PEBB), created within HCA, and determined by terms and conditions of employee and retired employee participation and coverage, including eligibility criteria. The PEBB OPEB plan benefits are provided in accordance with a substantive plan, rather than a formalized contract or plan document and, as such, rely on communication of the plan terms by HCA with employers and plan members as well as the historical practice of plan cost sharing employers. The understanding by the employer and plan members is that there is no contractual obligation to continue the substantive plan as an employee benefit on an ongoing basis. Nevertheless, the actuarial assumptions used in valuations presented in this footnote assume that this substantive plan will be carried forward into the future.

Community Colleges of Spokane

Notes to Financial Statements

Note 14 – Other Post-Employment Benefits (continued)

The PEBB OPEB plan is funded on a pay-as-you-go basis with contributions set by the Legislature each biennium as a part of the budget process. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

The PEBB retiree OPEB plan is available to employees eligible for retirement electing to continue coverage and pay the administratively established health insurance premiums at the time they retire under the provisions of the retirement plan to which they belong.

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in this risk pool receive an implicit subsidy because the retired members pay a premium based on the claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims cost and the premium.

Retirees who are reenrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy from the reduced premiums. The explicit subsidy is established through an annual recommendation by the HCA administrator, which is included in the Governor's budget with the final amount approved by the state Legislature. In calendar year 2023, the explicit subsidy was up to \$183 per enrollee member per month.

OPEB implicit and explicit subsidies as well as administrative costs are funded by the required contributions participating employers make. The Commission is required to make monthly contributions on behalf of all active, health care eligible employees (headcount), regardless of enrollment status. The allocation method used by the state to determine the proportionate share of the OPEB related liabilities, deferred inflows, deferred outflows, and expense is the percentage of headcount as a percentage of the state's total headcount.

This same method is used to determine the transactions subsequent to the measurement date, specifically the retiree portion of premium payments made by agencies on behalf of active, health care eligible employees between the measurement date of June 30, 2023, and the reporting date of June 30, 2024. The portion of health care premiums attributed to retirees for both explicit and implicit subsidies is determined by using the Fiscal Year 2024 4th Quarter Update in the PEBB Financial Projection Model (PFPM) from the State Health Care Authority.

Additional information will be included in the Washington State 2024 Annual Comprehensive Financial Report on the OFMs website (www.ofm.wa.gov/accounting/financial-audit-reports/comprehensive-annual-financial-report). Additional information on health care trends rates and other actuarial data is available on the Office of the State Actuary's website (leg.wa.gov/osa).

For the year ending June 30, 2024, HCA reports total OPEB liability of \$4.248 billion. At June 30, 2024, CCS recognized its proportionate share of the OPEB liability of \$38,330,538. The OPEB liability was measured as of June 30, 2022.

Community Colleges of Spokane

Notes to Financial Statements

Note 14 – Other Post-Employment Benefits (continued)

For the year ended June 30, 2024, CCS recognized deferred outflows and inflows of resources related to the net OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 2,463,784	\$ 22,717,014
Changes in agency proportion	164,255	8,168,163
Difference between expected and actual experience	575,739	1,125,957
Transactions subsequent to measurement date	955,438	-
	<u> </u>	<u> </u>
Totals	<u>\$ 4,159,216</u>	<u>\$ 32,011,134</u>

The \$955,438 reported as deferred outflows resulting from transactions subsequent to the measurement date will be recognized as a reduction in the OPEB liability in the measurement period ended June 30, 2024.

Other amounts reported as deferred inflows of resources will be recognized as OPEB expense in subsequent years as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (5,529,870)
2026	(5,529,867)
2027	(4,390,533)
2028	(3,134,618)
2029	(3,541,306)
Thereafter	<u>(6,681,162)</u>
Total	<u>\$ (28,807,356)</u>

The total OPEB liability in the June 30, 2022, actuarial valuation, which was rolled forward to June 30, 2024, was determined using the following actuarial assumptions:

Inflation	
Economic	2.35%
Salary	3.25%
(Salaries are also expected to grow by promotions and longevity)	
Health care trend rates	
Initial rate	2-11%
Expected by 2080	3.80%

Community Colleges of Spokane

Notes to Financial Statements

Note 14 – Other Post-Employment Benefits (continued)

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

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

The following represents CCS's proportionate share of the OPEB liability calculated using the discount rate of 3.65% as well as what the proportionate share of the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) and one percentage point higher (4.65%) than the current rate:

Discount Rate Sensitivity		
1% Decrease (2.65)%	Current Discount Rate (3.65)%	1% Increase (4.65)%
\$ 44,364,130	\$ 37,915,869	\$ 32,728,946

The following represents the total OPEB liability of CCS, calculated using the health care trend rates of 2-11% percent reaching an ultimate range of 3.8%, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10%) or 1 percentage point higher (3-12%) than the current rate:

Health Care Cost Trend Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
\$ 31,860,858	\$ 37,915,869	\$ 45,709,239

Community Colleges of Spokane

Notes to Financial Statements

Note 15 – Washington State Deferred Compensation Program

CCS, through the state of Washington, offers its employees a deferred compensation plan created under Internal Revenue Code Section 457. The plan, available to all state employees, permits individuals to defer a portion of their salary until future years. The State of Washington administers the plan on behalf of CCS employees. The deferred compensation is not available to employees until termination, retirement, or unforeseeable financial emergency. CCS does not have access to the funds.

Note 16 – Functional Operating and Nonoperating Expenses by Program

In the Statement of Revenues, Expenses, and Changes in Net Position, operating and nonoperating expenses are displayed by natural classifications, such as salaries, benefits, and supplies. The table below summarizes operating and nonoperating expenses by program or function such as instruction, research, and academic support. The following table lists operating and nonoperating expenses by program for the year ending June 30, 2024.

Academic support services	\$	11,462,031
Auxiliary enterprises		1,729,997
Institutional support		20,014,514
Instruction		55,185,973
Operations and maintenance of plant		21,877,815
Student Financial Aid		46,196,774
Student services		38,017,718
		<hr/>
Total	\$	<u>194,484,822</u>

Note 17 – Commitments and Contingencies

CCS is engaged in various legal actions in the ordinary course of business. Management does not believe the ultimate outcome of these actions will have a material adverse effect on the financial statements.

Note 18 – Discretely Presented Component Unit

District 17 Community Colleges Foundation (the Foundation) is a Washington nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation is organized to provide benefits to Washington State Community College District 17 (Community Colleges of Spokane) and to the students of Spokane Community College and Spokane Falls Community College. The Foundation is operated to receive, hold, invest, and properly administer the assets and to make expenditures to or for the benefit of the institutions.

Community Colleges of Spokane

Notes to Financial Statements

Note 18 – Discretely Presented Component Unit (continued)

As discussed in Note 1, the Foundation has been included in the reporting entity as a component unit. Although the Foundation is not deemed to be a governmental entity and uses a different reporting model, its balances and transactions have been converted to follow governmental accounting for reporting in the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position.

During the year ended June 30, 2024, CCS received \$988,736 from the Foundation.

The Foundation leases building space to tenants under non-cancelable operating leases with terms of one to ten years. The Foundation leases all properties to CCS, with the exception of Riverpoint One, a portion of which is leased to other tenants. The Foundation has entered into an option agreement with CCS, which grants CCS an option to purchase the Riverpoint One property. The following is a schedule by years of future minimum rentals receivable under the leases at June 30, 2024.

<u>Years Ending June 30,</u>	<u>Amount</u>
2025	914,550
2026	864,972
2027	864,972
2028	864,972
2029	374,152
Thereafter	-

The Foundation's audited financial statements may be obtained by sending a written request to District 17 Community Colleges Foundation, 501 N Riverpoint Blvd, Suite 203, PO Box 6000, MS 1005, Spokane, WA 99217.

Note 19 – Restatements

Prior period adjustments (PPA) were recorded to correct the opening balances of assets and liabilities, and the resulting impact on Net Position (NP). These adjustments reflect the correction of errors identified in previously reported amounts and have been applied to the beginning Net Position in accordance with applicable accounting standards.

CCS made the following restatements to correct the beginning Net Position as of June 30, 2023:

Net position, beginning of year	\$ 275,295,478
Opening Balance Correction Assets (AR)	3,809,490
Opening Balance Correction Liabilities (AP)	8,106,710
Net position, beginning of year, as restated	<u>\$ 287,211,678</u>

Required Supplementary Information

Community Colleges of Spokane
Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

	Schedule of Proportionate Share of the Total Pension			
	As of June 30, 2024			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.172786%	0.222934%	0.037143%	0.037226%
Employer's proportionate share of the Total pension liability(asset)	\$ 3,944,240	\$ (9,137,357)	\$ 470,423	\$ (45,719)
Employer's covered employee payroll	\$ -	\$ 35,331,469	\$ -	\$ 4,264,354
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	0.00%	-25.86%	0.00%	-1.07%
Plan fiduciary Total position as a percentage of the total pension liability	80.16%	107.02%	85.09%	100.49%

	Schedule of Proportionate Share of the Total Pension Liability(Asset)*			
	As of June 30, 2023			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.169036%	0.220430%	0.035680%	0.036090%
Employer's proportionate share of the Total pension liability(asset)	\$ 4,706,580	\$ (8,175,266)	\$ 678,573	\$ (71,020)
Employer's covered employee payroll	\$ -	\$ 30,905,755	\$ -	\$ 3,077,521
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	0.00%	-26.45%	0.00%	-2.31%
Plan fiduciary Total position as a percentage of the total pension liability	76.56%	106.73%	103.17%	105.96%

	As of June 30, 2022			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.187027%	0.239454%	0.032577%	0.032655%
Employer's proportionate share of the Total pension liability(asset)	\$ 2,284,036	\$ (23,853,471)	\$ 219,341	\$ (897,623)
Employer's covered employee payroll	\$ -	\$ 27,574,445	\$ -	\$ 2,992,138
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	0.00%	-86.51%	0.00%	-30.00%
Plan fiduciary Total position as a percentage of the total pension liability	88.74%	120.29%	91.42%	113.72%

Community Colleges of Spokane

Schedule of Proportionate Share of Net Pension Liability

Year Ended June 30, 2024

	As of June 30, 2021			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.194680%	0.252503%	0.031203%	0.030269%
Employer's proportionate share of the Total pension liability	\$ 6,873,255	\$ 3,229,369	\$ 751,613	\$ 464,926
Employer's covered employee payroll	\$ 31,433	\$ 28,633,304	\$ 2,446,336	\$ 2,446,336
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	21866.10%	11.28%	30.72%	19.00%
Plan fiduciary Total position as a percentage of the total pension liability	68.64%	97.22%	70.55%	91.72%
	As of June 30, 2020			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.194680%	0.252503%	0.031203%	0.030269%
Employer's proportionate share of the Total pension liability	\$ 7,446,876	\$ 2,406,690	\$ 837,843	\$ 179,065
Employer's covered employee payroll	\$ 49,743	\$ 29,531,982	\$ 50,743	\$ 2,225,242
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	14970.70%	8.15%	1651.15%	8.05%
Plan fiduciary Total position as a percentage of the total pension liability	67.12%	97.77%	70.37%	96.36%
	As of June 30, 2019			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.194680%	0.252503%	0.031203%	0.030269%
Employer's proportionate share of the Total pension liability	\$ 8,723,906	\$ 4,211,595	\$ 1,144,494	\$ 153,976
Employer's covered employee payroll	\$ 91,440	\$ 27,162,064	\$ 142,493	\$ 1,962,300
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	9540.58%	15.51%	803.19%	7.85%
Plan fiduciary Total position as a percentage of the total pension liability	63.22%	95.77%	66.52%	96.88%

(continued)

Community Colleges of Spokane
Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

	As of June 30, 2018			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.212966%	0.263021%	0.039707%	0.033748%
Employer's proportionate share of the Total pension liability	\$ 8,723,906	\$ 4,211,595	\$ 1,144,494	\$ 153,976
Employer's covered employee payroll	\$ 168,915	\$ 25,750,072	\$ 154,396	\$ 1,900,639
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	5164.67%	16.36%	741.27%	8.10%
Plan fiduciary Total position as a percentage of the total pension liability	61.24%	90.97%	65.60%	93.10%
	As of June 30, 2017			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	19.533900%	0.238702%	0.032119%	0.025763%
Employer's proportionate share of the Total pension liability	\$ 10,583,641	\$ 12,018,457	\$ 1,096,616	\$ 353,803
Employer's covered employee payroll	\$ 504,739	\$ 26,793,741	\$ 177,892	\$ 1,801,727
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	2096.85%	44.86%	616.45%	19.64%
Plan fiduciary Total position as a percentage of the total pension liability	57.03%	85.82%	62.07%	88.72%
	As of June 30, 2016			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.209895%	0.252172%	0.034158%	0.027609%
Employer's proportionate share of the Total pension liability	\$ 10,979,462	\$ 9,010,249	\$ 1,082,174	\$ 232,965
Employer's covered employee payroll	\$ 660,423	\$ 26,185,869	\$ 185,627	\$ 1,673,142
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	1662.49%	34.41%	582.98%	13.92%
Plan fiduciary Total position as a percentage of the total pension liability	59.10%	89.20%	65.70%	92.48%

(continued)

Community Colleges of Spokane
Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2024

	As of June 30, 2015			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.208513%	0.250814%	0.014472%	0.023189%
Employer's proportionate share of the Total pension liability	\$ 10,503,940	\$ 5,069,856	\$ 426,845	\$ 74,898
Employer's covered employee payroll	\$ 748,091	\$ 22,388,873	\$ 177,265	\$ 1,300,524
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	1404.10%	22.64%	240.79%	5.76%
Plan fiduciary Total position as a percentage of the total pension liability	61.19%	93.29%	68.77%	96.81%
	As of June 30, 2014			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Employer's proportion of the Total pension liability	0.214253%	0.253390%	0.030685%	0.023530%
Employer's proportionate share of the Total pension liability	\$ 10,793,095	\$ 5,121,928	\$ 905,040	\$ 75,999
Employer's covered employee payroll	\$ 861,308	\$ 21,937,205	\$ 174,366	\$ 809,132
Employer's proportionate share of the Total pension liability as a percentage of the covered employee payroll	1253.11%	23.35%	519.05%	9.39%
Plan fiduciary Total position as a percentage of the total pension liability	61.19%	93.29%	68.77%	69.81%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

Community Colleges of Spokane

Schedule of Employer Contributions

Year Ended June 30, 2024

Schedule of Employer Contributions*				
As of June 30, 2024				
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ -	\$ 2,247,117	\$ -	\$ 343,653
Contributions in relation to the statutorily or contractually required contributions	-	2,247,117	-	343,653
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ -	\$ 35,331,469	\$ -	\$ 4,264,354
Contributions as a percentage of covered employee payroll	0.00%	6.36%	0.00%	8.06%

Schedule of Employer Contributions*				
As of June 30, 2023				
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ -	\$ 1,965,613	\$ -	\$ 247,740
Contributions in relation to the statutorily or contractually required contributions	-	1,965,613	-	247,740
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ -	\$ 30,905,755	\$ -	\$ 3,077,521
Contributions as a percentage of covered employee payroll	0.00%	6.36%	0.00%	8.05%

As of June 30, 2022				
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ -	\$ 1,755,221	\$ -	\$ 228,774
Contributions in relation to the statutorily or contractually required contributions	-	1,755,221	-	228,774
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ -	\$ 27,574,445	\$ -	\$ 2,992,138
Contributions as a percentage of covered employee payroll	0.00%	6.37%	0.00%	7.65%

(continued)

Community Colleges of Spokane
Schedule of Employer Contributions
Year Ended June 30, 2024

	As of June 30, 2021			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 1,886	\$ 2,135,500	\$ 29,952	\$ 155,899
Contributions in relation to the statutorily or contractually required contributions	1,886	2,135,500	29,952	155,899
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 31,433	\$ 28,633,304	\$ 2,446,336	\$ 2,446,336
Contributions as a percentage of covered employee payroll	6.00%	7.46%	1.22%	6.37%
	As of June 30, 2020			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 11,523	\$ 2,027,196	\$ 21,691	\$ 153,788
Contributions in relation to the statutorily or contractually required contributions	11,523	2,027,196	21,691	153,788
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 49,743	\$ 29,531,982	\$ 50,743	\$ 2,225,242
Contributions as a percentage of covered employee payroll	23.17%	6.86%	42.75%	6.91%
	As of June 30, 2019			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 8,572	\$ 2,686,571	\$ 15,249	\$ 223,929
Contributions in relation to the statutorily or contractually required contributions	8,572	2,686,571	15,249	223,929
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 91,111	\$ 26,973,266	\$ 142,493	\$ 1,964,095
Contributions as a percentage of covered employee payroll	9.41%	9.96%	10.70%	11.40%

(continued)

Community Colleges of Spokane
Schedule of Employer Contributions
Year Ended June 30, 2024

	As of June 30, 2018			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 14,908	\$ 2,534,128	\$ 16,314	\$ 213,013
Contributions in relation to the statutorily or contractually required contributions	14,908	2,534,128	16,314	213,013
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 168,915	\$ 25,750,072	\$ 154,396	\$ 1,900,639
Contributions as a percentage of covered employee payroll	8.83%	9.84%	10.57%	11.21%
	As of June 30, 2017			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 36,704	\$ 2,157,744	\$ 16,291	\$ 168,004
Contributions in relation to the statutorily or contractually required contributions	36,704	2,157,744	16,291	168,004
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 504,739	\$ 26,185,869	\$ 177,892	\$ 1,801,727
Contributions as a percentage of covered employee payroll	7.27%	8.24%	9.16%	9.32%
	As of June 30, 2016			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 50,719	\$ 2,043,731	\$ 17,072	\$ 152,996
Contributions in relation to the statutorily or contractually required contributions	50,719	2,043,731	17,072	152,996
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 660,423	\$ 26,185,869	\$ 185,627	\$ 1,673,142
Contributions as a percentage of covered employee payroll	7.68%	7.80%	9.20%	9.14%

(continued)

Community Colleges of Spokane
Schedule of Employer Contributions
Year Ended June 30, 2024

	As of June 30, 2015			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 79,295	\$ 2,019,361	\$ 18,012	\$ 81,816
Contributions in relation to the statutorily or contractually required contributions	79,295	2,019,361	18,012	81,816
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 861,308	\$ 21,937,205	\$ 174,366	\$ 809,132
Contributions as a percentage of covered employee payroll	9.21%	9.21%	10.33%	10.11%
	As of June 30, 2014			
	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Statutorily or contractually required contributions	\$ 68,899	\$ 2,062,015	\$ 18,418	\$ 135,125
Contributions in relation to the statutorily or contractually required contributions	68,899	2,062,015	18,418	135,125
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employer payroll	\$ 748,091	\$ 22,388,873	\$ 177,265	\$ 1,300,524
Contributions as a percentage of covered employee payroll	9.21%	9.21%	10.39%	10.39%

Methods and Assumptions used to Determine Contribution Rates:

	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Actuarial cost method	Entry Age Normal	Aggregate	Entry Age Normal	Aggregate
Amortization method	Level %	N/A	Level %	N/A
Remaining amortization period	10-year rolling			
Asset valuation method	8-year graded smoothed fair value			
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	3.25%	3.25%	3.25%	3.25%
Investment rate of return	7.00%	7.00%	7.00%	7.00%
Mortality	Society of Actuaries' Pub. H-2010 mortality rates			

Community Colleges of Spokane
Schedule of Changes in Total Pension Liability and Related Ratios
State Board Supplemental Defined Benefit Plans
Year Ended June 30, 2024

	2024	2023	2022
Total Pension Liability			
Service cost	\$ 135,259	\$ 135,259	\$ 102,024
Interest	488,351	488,351	343,714
Difference between expected and actual experience	(299,761)	(392,497)	1,518,924
Changes of assumptions	(321,106)	(777,247)	493,400
Benefit payments	-	(204,980)	(204,116)
Changes in proportional share of TPL	(88,559)	44,491	67,615
Net change in total pension liability	(85,815)	(706,623)	2,321,561
Total pension liability - beginning	6,130,711	6,837,334	4,515,775
Total pension liability - ending (a)	<u>\$ 6,044,896</u>	<u>\$ 6,130,711</u>	<u>\$ 6,837,336</u>
Total Pension Liability**			
Contributions - Employer	55,895	58,753	56,394
Contributions - Member	-	-	-
Net Investment Income	160,108	160,862	3,520
Benefit Payments	-	-	-
Administrative Expense	-	-	-
Change in Proportionate Share of Plan Assets	(2,744)	14,474	-
Other	(11)	(11)	-
Net Change in Plan Fiduciary Net Position	213,249	234,078	59,914
Plan Fiduciary Net Position - Beginning	2,417,896	2,183,818	2,123,904
Plan Fiduciary Net Position - Ending (b)	<u>2,631,145</u>	<u>2,417,896</u>	<u>2,183,818</u>
Plan's Net Pension Liability (Asset) -- Ending (a)-(b)	<u>\$ 3,413,751</u>	<u>\$ 3,712,815</u>	<u>\$ 4,653,518</u>
Covered-employee payroll	44,496,778	41,988,626	42,797,226
Total pension liability/(asset) as a percentage of covered payroll	13.59%	14.60%	15.98%

(continued)

Community Colleges of Spokane
Schedule of Changes in Total Pension Liability and Related Ratios
State Board Supplemental Defined Benefit Plans
Year Ended June 30, 2024

	2021	2020	2019
Total Pension Liability			
Service cost	\$ 307,600	\$ 248,484	\$ 203,680
Interest	218,783	279,516	246,372
Difference between expected and actual experience	(1,973,923)	588,945	464,500
Changes of assumptions	(3,562,555)	1,573,649	873,390
Benefit payments	(131,152)	(126,159)	(129,887)
Changes in proportional share of TPL	(707,633)	(84,675)	19,145
Net change in total pension liability	(5,848,880)	2,479,760	1,677,200
Total pension liability - beginning	10,364,651	7,884,891	6,207,691
Total pension liability - ending (a)	<u>\$ 4,515,771</u>	<u>\$ 10,364,651</u>	<u>\$ 7,884,891</u>
Total Pension Liability**			
Contributions - Employer	43,190	n/a	n/a
Contributions - Member	-	n/a	n/a
Net Investment Income	540,605	n/a	n/a
Benefit Payments	-	n/a	n/a
Administrative Expense	-	n/a	n/a
Change in Proportionate Share of Plan Assets	-	n/a	n/a
Other	-	n/a	n/a
Net Change in Plan Fiduciary Net Position	583,795	n/a	n/a
Plan Fiduciary Net Position - Beginning	1,540,174	n/a	n/a
Plan Fiduciary Net Position - Ending (b)	<u>2,123,969</u>	n/a	n/a
Plan's Net Pension Liability (Asset) -- Ending (a)-(b)	<u>\$ 2,391,802</u>	n/a	n/a
Covered-employee payroll	40,850,468	42,845,419	40,857,984
Total pension liability/(asset) as a percentage of covered payroll	11.05%	24.19%	19.30%

(continued)

Community Colleges of Spokane
Schedule of Changes in Total Pension Liability and Related Ratios
State Board Supplemental Defined Benefit Plans
Year Ended June 30, 2024

	2018	2017
Total Pension Liability		
Service cost	\$ 272,525	\$ 393,759
Interest	250,450	255,430
Difference between expected and actual experience	(740,739)	(1,841,655)
Changes of assumptions	(250,592)	(434,682)
Benefit payments	(92,575)	(65,566)
Changes in proportional share of TPL	(140,491)	-
Net change in total pension liability	(701,422)	(1,692,714)
Total pension liability - beginning	6,909,113	8,601,827
Total pension liability - ending (a)	\$ 6,207,691	\$ 6,909,113
Total Pension Liability**		
Contributions - Employer	n/a	n/a
Contributions - Member	n/a	n/a
Net Investment Income	n/a	n/a
Benefit Payments	n/a	n/a
Administrative Expense	n/a	n/a
Change in Proportionate Share of Plan Assets	n/a	n/a
Other	n/a	n/a
Net Change in Plan Fiduciary Net Position	n/a	n/a
Plan Fiduciary Net Position - Beginning	n/a	n/a
Plan Fiduciary Net Position - Ending (b)	n/a	n/a
Plan's Net Pension Liability (Asset) -- Ending (a)-(b)	n/a	n/a
Covered-employee payroll	40,051,499	39,786,674
Total pension liability/(asset) as a percentage of covered payroll	15.50%	17.37%

Note to Schedule:

*These schedules are to be built prospectively until they contain 10 years of data

n/a indicates data not available

**Due to changes in legislation, assets from this higher education institution plan that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, this plan previously reported under GASB Statement No. 73, is now reported under GASB Statement No. 68. This change was effective for fiscal year 2021.

Changes to benefit terms: There were no changes to benefit terms.

Changes in assumptions: The discount rate increased from 2.21% to 7.0%. Given the creation of dedicated funds to pay SRP benefits under HB1661, the discount rate is based on the long term expected rate of return on the pension plan investments rather than the bond index rate.

Community Colleges of Spokane
Schedule of Employer Contributions
State Board Supplemental Defined Benefit Plans
Year Ended June 30, 2024

Schedule of Contributions State Board Supplemental Defined Benefit Plans Fiscal Year Ended June 30					
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Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	3,479,824	3,479,824	-	39,786,674	8.75%
2018	3,471,225	3,471,225	-	40,051,499	8.67%
2019	3,581,767	3,581,767	-	40,857,984	8.77%
2020	3,780,233	3,780,233	-	42,845,419	8.82%
2021	3,602,968	3,602,968	-	40,850,468	8.82%
2022	3,728,668	3,728,668	-	42,797,226	8.71%
2023	3,868,647	3,868,647	-	41,988,626	9.21%

Note: These schedules will be built prospectively until they contain 10 years of data.

Note to Schedule:

Changes of benefit terms: There were no changes in benefit terms since only the current year is disclosed.

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

- June 30, 2022, 7.00% (Municipal Bond Rate)

The total pension liability is compared against the plan's fiduciary net position to determine the net pension liability (NPL).

Community Colleges of Spokane

Schedule of Changes in Total OPEB Liability and Related Ratios

Year Ended June 30, 2024

	2024	2023	2022
District's portion of OPEB liability	0.8668079243%	0.9022638478%	0.9130525005%
District's proportionate share of the OPEB liability	\$ 37,915,869	\$ 38,330,538	\$ 59,089,788
District's covered-employee payroll	44,496,778	41,988,626	42,797,226
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	85.21%	91.29%	138.07%

	2024	2023	2022
Statutorily-required contributions	\$ 61,451	\$ 54,585	\$ 54,951
Contributions related to the statutorily-required contributions	(61,451)	(54,585)	(54,951)
Contribution (deficiency) excess	\$ -	\$ -	\$ -
District's covered-employee payroll	44,496,778	\$ 41,988,626	\$ 42,797,226
Contribution as a percentage of covered-employee payroll	0.138102134%	0.130000014%	0.128398507%

	2021	2020	2019
District's portion of OPEB liability	0.9886322641%	1.0165731749%	1.0110946268%
District's proportionate share of the OPEB liability	\$ 59,863,596	\$ 51,628,025	\$ 58,904,578
District's covered-employee payroll	40,850,468	42,845,419	40,857,984
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	146.54%	120.50%	144.17%

	2021	2020	2019
Statutorily-required contributions	\$ 53,107	\$ 214,154	\$ 203,223
Contributions related to the statutorily-required contributions	(53,107)	(214,154)	(203,223)
Contribution (deficiency) excess	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 40,850,468	\$ 42,845,519	\$ 40,857,984
Contribution as a percentage of covered-employee payroll	0.130003407%	0.499828232%	0.497388711%

Community Colleges of Spokane

Schedule of Changes in Total OPEB Liability and Related Ratios

Year Ended June 30, 2024

	2018
District's portion of OPEB liability	1.0261065497%
District's proportionate share of the OPEB liability	\$ 59,779,146
District's covered-employee payroll	40,051,499
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	149.26%

	2018
Statutorily-required contributions	\$ 197,773
Contributions related to the statutorily-required contributions	(197,773)
Contribution (deficiency) excess	\$ -
District's covered-employee payroll	\$ 40,051,499
Contribution as a percentage of covered-employee payroll	0.493796749%

Notes to Schedule:

Changes of benefit terms: There were no changes in benefit terms since only the current year is disclosed.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

- June 30, 2021, 2.21% (Municipal Bond Rate)
- June 30, 2023, 3.54% (Municipal Bond Rate)
- June 30, 2024, 3.65% (municipal Bond Rate)

GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CCS will present information for those years for which information is available.

Supplementary Information

Community Colleges of Spokane

Segmented Statement of Net Position

June 30, 2024

	Spokane Community College	Spokane Falls Community College	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 73,317,568	\$ 63,893,128	\$ 137,210,696
Short term investments	8,469,737	5,721,357	14,191,094
Accounts receivable, net of allowance for doubtful accounts	16,100,127	8,294,004	24,394,131
Interest receivable	126,166	64,980	191,146
Lease Receivable ST	92,502	47,642	140,144
Total current assets	98,106,100	78,021,111	176,127,211
NONCURRENT ASSETS			
Long-term investments	7,560,003	4,547,009	12,107,012
Lease receivable LT	2,203,202	1,134,726	3,337,928
Pension Asset	6,336,352	2,846,723	9,183,075
Non-depreciable capital assets	-	40,704,818	40,704,818
Capital assets, net of depreciation	101,543,721	77,016,708	178,560,429
Leased asset, Buildings, net of amortization	4,697,479	3,562,843	8,260,322
Total noncurrent assets	122,340,757	129,812,827	252,153,584
Total assets	220,446,856	207,833,939	428,280,795
Deferred outflow s of resources related to OPEB	2,745,083	1,414,133	4,159,216
Deferred outflow s of resources related to pensions	9,358,950	4,204,681	13,563,631
Total deferred outflow s of resources	12,104,033	5,618,814	17,722,847
Total assets and deferred outflow s	\$ 232,550,889	\$ 213,452,753	\$ 446,003,642
CURRENT LIABILITIES			
Accounts payable	\$ 2,220,618	\$ 591,765	\$ 2,812,383
Accrued liabilities	6,985,608	2,856,902	9,842,510
Compensated absences, current portion	2,538,875	1,491,085	4,029,960
Unearned revenue	2,388,404	2,999,030	5,387,434
Net pension liability	163,522	73,465	236,987
OPEB liability, current portion	630,589	324,849	955,438
SBITA Liability, current portion	78,454	40,416	118,870
Right-to-use Lease Liability ST	999,271	757,906	1,757,177
Notes payable, current portion	-	645,000	645,000
Total current liabilities	16,005,342	9,780,418	25,785,759
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	3,368,023	1,619,326	4,987,349
Net pension liability, net of current portion	5,607,956	2,519,516	8,127,472
OPEB liability, net of current portion	24,393,884	12,566,547	36,960,431
SBITA Liability, net of current portion	-	-	-
Right-to-use Lease Liability LT	3,960,556	3,003,918	6,964,474
Notes payable, net of current portion	-	12,251,572	12,251,572
Total noncurrent liabilities	37,330,419	31,960,879	69,291,298
Total liabilities	53,335,761	41,741,297	95,077,057
Deferred inflow s of resources related to OPEB	21,127,349	10,883,785	32,011,134
Deferred inflow s of resources related to pensions	7,476,262	3,358,849	10,835,111
Deferred inflow s of resources related to Leases	1,900,108	1,441,153	3,341,261
Total deferred inflow s of resources	30,503,719	15,683,787	46,187,506
NET POSITION			
Net investment in capital assets	126,868,504	78,919,972	205,788,476
Restricted for Pension Plan Assets	9,328,759	4,191,181	13,519,940
Unrestricted	12,514,147	72,916,516	85,430,663
Total net position	148,711,410	156,027,669	304,739,079
Total liabilities, deferred inflow s, and net position	\$ 232,550,889	\$ 213,452,753	\$ 446,003,642

Community Colleges of Spokane

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

Year Ended June 30, 2024

	Spokane Community College	Spokane Falls Community College	Total
OPERATING REVENUES			
Student tuition and fees, net	\$ 20,503,569	\$ 10,562,444	\$ 31,066,013
Auxiliary enterprise sales	2,202,268	1,159,909	3,362,177
State and local grants and contracts	36,617,967	18,863,802	55,481,769
Federal grants and contracts	8,612,774	3,688,526	12,301,300
Other operating revenues	156,642	79,864	236,506
Leased Property Interest	87,028	66,007	153,035
Interest on loans to students	595,025	306,531	901,556
Total operating revenues	68,775,274	34,727,082	103,502,356
OPERATING EXPENSES			
Operating expenses	13,879,269	7,621,971	21,501,240
Salaries and wages	61,989,461	31,933,964	93,923,425
Benefits	17,064,081	7,084,375	24,148,456
Scholarships and fellow ships	22,263,600	11,469,129	33,732,729
Supplies and materials	3,830,685	1,719,941	5,550,626
Depreciation	6,416,403	3,948,300	10,364,703
Amortization, Leases	-	-	-
Purchased services	8,593,581	4,426,997	13,020,578
Leases	-	-	-
Utilities	1,721,127	886,641	2,607,768
Total operating expenses	135,758,208	69,091,317	204,849,525
INCOME(LOSS) FROM OPERATIONS	(66,982,934)	(34,364,235)	(101,347,169)
NONOPERATING REVENUES			
State appropriations	57,513,925	29,628,386	87,142,311
Federal Pell grant revenue	9,938,943	8,729,028	18,667,971
Gain (Loss), sale of capital assets	(7,982)	-	(7,982)
Investment income, gains and losses	3,106,672	2,307,251	5,413,923
Total nonoperating revenues	70,551,558	40,664,665	111,216,223
NONOPERATING EXPENSES			
Building and innovation fees	2,487,880	1,281,634	3,769,514
Lease Interest	238,770	181,599	420,369
Interest on indebtedness	87,877	539,815	627,692
Gain on sale of capital asset	-	-	-
Total nonoperating expenses	2,814,526	2,003,049	4,817,575
Capital appropriations	4,449,519	8,263,392	12,712,910
Increase in net position	5,203,616	12,560,773	17,764,390
NET POSITION			
Net position, beginning of year, as restated	137,143,352	148,044,089	275,295,478
Prior Year Restements	6,364,442	5,551,758	11,916,200
	143,507,794	153,595,847	287,211,678
Net position, end of year	\$ 148,711,410	\$ 156,027,669	\$ 304,739,079