

# BELLEVUE COLLEGE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025



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# Board of Trustees and Administrative Officers

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*Trustees and Officer list effective as of June 30, 2025*

## **Independent Auditor's Report**

Board of Trustees  
Bellevue College  
Bellevue, 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 Bellevue College (the College), an agency of the State of Washington, as of and for the year June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate discretely presented component unit, of the College as of June 30, 2025, 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 Bellevue College Foundation (the Foundation) which represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit. 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College 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 Bellevue College, an agency of the State of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the College and its aggregate discretely presented component unit. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2025, the changes in its financial

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position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described further in note 1 to the financial statements, during the year ended June 30, 2025, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

The College's 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 the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise 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 the College's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's 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* and *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 GASB 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the *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 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 March 23, 2026 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the College's internal control over financial reporting or on compliance. That report is an integral part of an audit

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performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Davis Furr LLP*

Irvine, California  
March 23, 2026

## **Management's Discussion and Analysis**

### **Bellevue College**

The following discussion and analysis provides an overview of the financial position and activities of Bellevue College (the College) for the fiscal year ended June 30, 2025 (FY 2025). This overview provides readers with an objective and easily readable analysis of the College'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 College's financial statements and accompanying note disclosures.

Bellevue College is one of thirty public community and technical college districts in the State of Washington, providing comprehensive, open-door academic programs, workforce education, basic skills and community service educational programs to approximately 20,659 students. The College confers applied baccalaureate degrees, associates degrees, certificates and high school diplomas. The College was established in 1967 and its primary purpose is to be a student centered, comprehensive and innovative college, committed to teaching excellence that advances the life-long educational development of its students while strengthening the economic, social and cultural life of its diverse community. The college promotes student success by providing high-quality, flexible, accessible educational programs and services; advancing pluralism, inclusion and global awareness; and acting as a catalyst and collaborator for a vibrant region.

The College's main campuses are located in Bellevue, Washington, a community of about 158,000 residents. The College is governed by a six-member Board of Trustees appointed by the governor of the state with the consent of the state Senate. In accordance with Washington State law governing technical colleges, the College's board includes one member from business and one member from labor. In addition, the college has a Governor-appointed student trustee who is prohibited from voting on personnel or collective bargaining matters. By statute, the Board of Trustees has full control of the College, except as otherwise provided by law.

### **Using the Financial Statements**

The financial statements presented in this report encompass the College and its discretely presented component unit, the Bellevue College Foundation. The College'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 the College as of June 30, 2025. The Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash flows provide information about operations and activities over the entire fiscal year. Together, these statements, along with the accompanying notes, provide a comprehensive way to assess the college's financial health.

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 of the current year's revenues and expenses are taken into account regardless of when cash is received or payments are made. Full accrual statements are intended to provide a view of the College'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 the College's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

### Statement of Net Position

The Statement of Net Position provides information about the College's financial position and presents the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College as of the end of the fiscal year. A condensed comparison of the Statement of Net Position is as follows:

<b>Condensed Statement of Net Position</b>		
<b>As of June 30</b>		
	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current Assets	77,559,196	65,537,199
Capital Assets, net	231,667,265	230,895,391
Other Assets	75,112,436	79,968,425
<b>Total Assets</b>	<b>384,338,897</b>	<b>376,401,016</b>
<b>Deferred Outflows of Resources</b>	14,647,148	13,715,869
<b>Liabilities</b>		
Other Liabilities	26,559,216	24,507,242
Long-term Liabilities	77,501,654	79,606,719
<b>Total Liabilities</b>	<b>104,060,870</b>	<b>104,113,961</b>
<b>Deferred Inflows of Resources</b>	39,147,243	43,601,355
<b>Net Position</b>		
Net Investment in Capital Assets	190,688,255	186,522,292
Restricted	12,751,530	7,255,978
Unrestricted	52,338,149	48,623,299
<b>Total Net Position</b>	<b>255,777,933</b>	<b>242,401,569</b>

Current assets consist primarily of cash, investments, various accounts receivables and inventories. The significant decrease of other assets in FY 2025 can be attributed to a shift from short term investments to long term investments.

Net capital assets increased by \$1,059,604 from FY 2024 to FY 2025. After taking into consideration current depreciation expense of \$9,431,186, the majority of the increase is the result of the construction of renovation of the Transdisciplinary Building which is expected to be completed in 2027.

Non-current assets consist primarily of the long-term portion of certain investments. The college increased its long-term investments in response to favorable rates. Non-current assets also include actuarial valuations of pension plans that ended in Net Pension assets of which decreased from FY 2024 to FY 2025 by \$3,710,281.

Deferred outflows of resources and deferred inflows of resources represent deferrals in pension and postemployment benefits related to GASB Statement No. 68 and Statement No. 75. The increase in deferred outflows reflect the College's proportionate share of an increase in the state-wide amounts reported by the Department of Retirement System (DRS) and Health Care Authority (HCA) due to differences between expected and actual experience related to the actuarial assumptions. The College recorded \$13,715,869 in FY 2024 and \$14,647,147 in FY 2025 of pension and postemployment-related deferred outflows. The increase reflects the change in proportionate share.

Similarly, the decrease in deferred inflows in 2025 reflects the decrease in the difference between actual and projected investment earnings on the state's pension plans and other post-employment benefits. The College recorded \$33,681,137 in FY 2024 and \$30,441,745 in FY 2025 of pension and postemployment-related deferred inflows. The decrease reflects the change in proportionate share. Decreases in deferred inflows also represent the amortization of deferred inflows for leases receivable. The College recorded \$9,920,218 in FY 2024 and \$8,705,498 in FY 2025 for leases receivable. For FY 2025, \$39,147,243 was recorded in deferred inflows.

Current liabilities include amounts payable to suppliers for goods and services, accrued payroll and related liabilities, the current portion of Certificate of Participation (COP) debt, deposits held for others and unearned revenue, as well as current portion of subscription-based IT arrangements. 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. When compared to FY2024, FY2025 payables increased largely due to construction projects in process.

The increase in current liabilities from FY 2024 to FY 2025 is primarily due to increased payables for local and state capital projects.

There was a modest increase in unearned revenue, due in large part to the adjustment of unearned revenues by the associated receivables.

Non-current liabilities primarily consist of the value of vacation and sick leave earned but not yet used by employees and the long-term portion of Certificates of Participation debt, net pension liability and OPEB liability. In FY25 the college implemented GASB 101 – Compensated Absences, required a restated of FY24 compensated absence liabilities, which when compared to FY25 balances created an increase to long-term liabilities.

The College's decrease in non-current liabilities is primarily the result of a decrease in Total Pension Liability and OPEB Liability. The College's non-current liabilities continue to decrease as the College pays down the principal owed on Certificates of Participation for the Student Housing building and the Student Success Center. The changes in non-current liabilities include

increases to employee vacation and sick leave balances. The College continues to amortize COP premiums, thereby reducing the Unamortized Premiums non-current liability.

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

**Net Investment in Capital Assets** – The College’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** – consists of funds in which a donor or external party has imposed the restriction that the corpus or principal is not available for spending but for investment purposes only. Historically, donors interested in establishing such funds to benefit the College or its students have chosen to do so through the Foundation. The college is not reporting any balance in this category.

**Expendable** – resources the College is legally or contractually obligated to spend in accordance with restrictions placed by donor and/or external parties who have placed time or purpose restrictions on the use of the asset.

**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. Prudent balances are maintained for use as working capital, as a reserve against emergencies and for other purposes, in accordance with policies established by the Board of Trustees.

<b>Net Position</b> As of June 30th	<b>FY 2025</b>	<b>FY 2024</b>
Net investment in capital assets	\$190,688,255	\$186,522,292
Restricted		
Expendable - Cash	\$1,015,230	
Expendable - Net Pension Asset	\$11,736,299	\$7,255,978
Unrestricted	\$52,338,149	\$48,623,299
<b>Total Net Position</b>	<b>\$255,777,933</b>	<b>\$242,401,569</b>

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

The Statement of Revenues, Expenses and Changes in Net Position accounts for the College’s changes in total net position during FY2025. The objective of the statement is to present the revenues earned, both operating and non-operating, and the expenses paid or incurred by the College, along with any other revenue, expenses, gains and losses of the College.

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

Operating expenses are expenses incurred in the normal operation of the College, including depreciation on property and equipment assets. When operating revenues, excluding state appropriations and Pell Grants, are measured against operating expenses, the College 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.

A condensed comparison of the College's revenues, expense and changes in net position for the years ended June 30, 2025 and 2024 is presented below.

**Bellevue College**  
**Condensed Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2025 and 2024**

<b>Operating Revenues</b>	<b>2025</b>	<b>2024</b>
Student tuition and fees, net	33,636,326	32,275,850
Auxiliary enterprise sales	13,476,461	13,006,280
Grants and contracts	55,758,976	48,218,839
Other operating revenues	972,852	1,026,358
<b>Total operating revenues</b>	<b>103,844,615</b>	<b>94,527,327</b>
<b>Non-Operating Revenues</b>		
State appropriations	67,246,555	62,301,075
Federal Pell grant revenue	8,536,768	6,184,124
Other non-operating revenues	5,059,019	3,821,329
<b>Total non-operating revenues</b>	<b>80,842,342</b>	<b>72,306,528</b>
<b>Total revenues</b>	<b>184,686,957</b>	<b>166,833,856</b>
<b>Operating Expenses</b>		
Salaries and Benefits	120,237,118	105,513,054
Scholarships	9,443,422	9,707,136
Depreciation	9,431,186	8,217,380
Other operating expenses	37,592,552	28,390,193
<b>Total operating expenses</b>	<b>176,704,276</b>	<b>151,827,763</b>
<b>Non-Operating Expenses</b>		
Building fee remittance	4,015,970	3,557,895
Other non-operating expenses	1,467,244	1,584,827
<b>Total non-operating expenses</b>	<b>5,483,213</b>	<b>5,142,722</b>
<b>Total expenses</b>	<b>182,187,490</b>	<b>156,970,486</b>
<b>Excess (deficiency) before capital contributions</b>	<b>2,499,467</b>	<b>9,863,370</b>
<b>Capital appropriations and contributions</b>	<b>10,876,899</b>	<b>4,217,829</b>
<b>Change in Net position</b>	<b>13,376,366</b>	<b>14,081,199</b>
<b>Net Position</b>		
Net position, beginning of year	242,401,569	228,378,861
Net position, beginning of year, as restated	242,401,569	228,320,370
<b>Net position, end of year</b>	<b>255,777,933</b>	<b>242,401,569</b>

**Revenues**

The state of Washington appropriates funds to the community college system as a whole. The State Board for Community and Technical Colleges (SBCTC) then allocates monies to each college.

Since enrollments increased in FY 2025, the College's increase in tuition and fee revenue is primarily attributable to the increased tuition rates along with an increase in dedicated student fees.

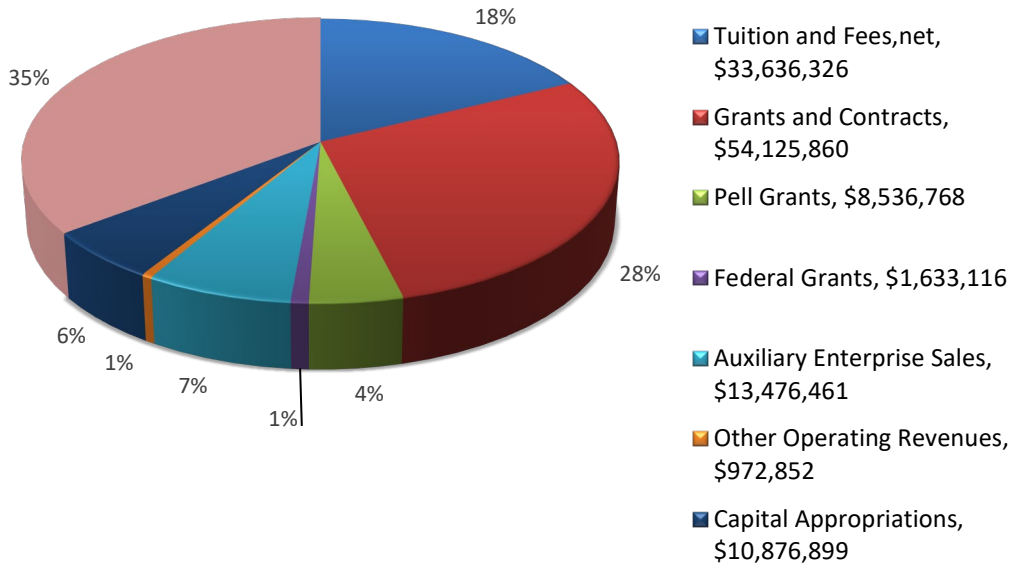
In FY 2025, the College's increase in tuition and fee revenue is attributable to an increased state and contract enrollments as well as legislative approved increased tuition rates.

Pell grant revenues generally follow enrollment trends. As the College's enrollment increased during FY 2025, so did the College's Pell Grant revenue. For FY 2025, the College attempted to keep other fees as stable as possible, resulting in only small changes in these revenues. In addition, the College serves some students and offers some programs on a fee-only basis, as allowed by law. An example is the Intensive English program.

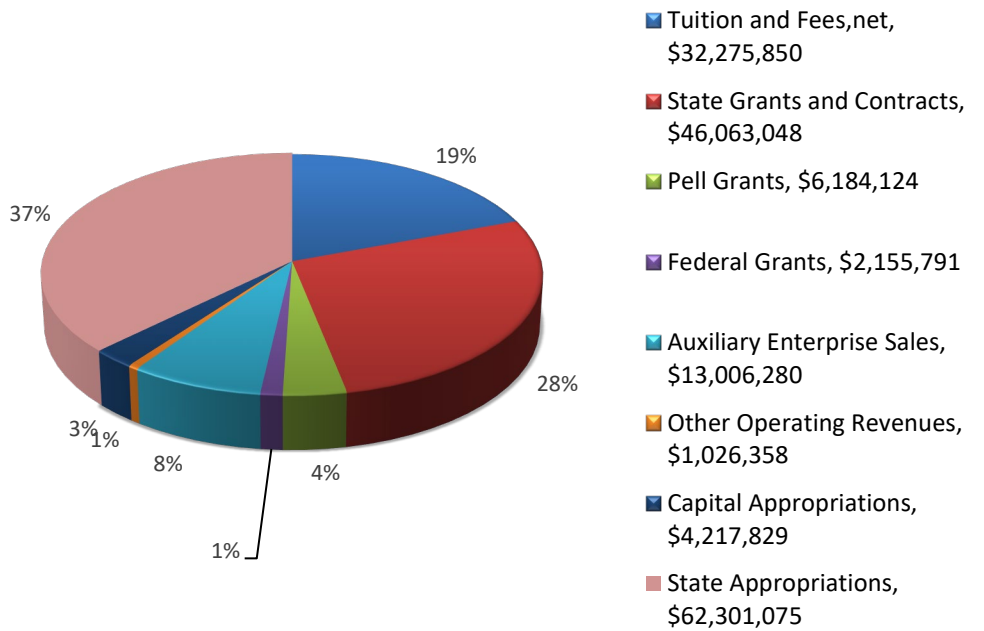
In FY 2025, grant and contract revenues increased by \$7,540,137 when compared with FY 24. The College continued to serve students under the terms of contracted programs. The College contracts with local high schools to enroll Running Start students who earn both high school and college credit for these courses. The College also serves contracted international students who are not supported by state dollars.

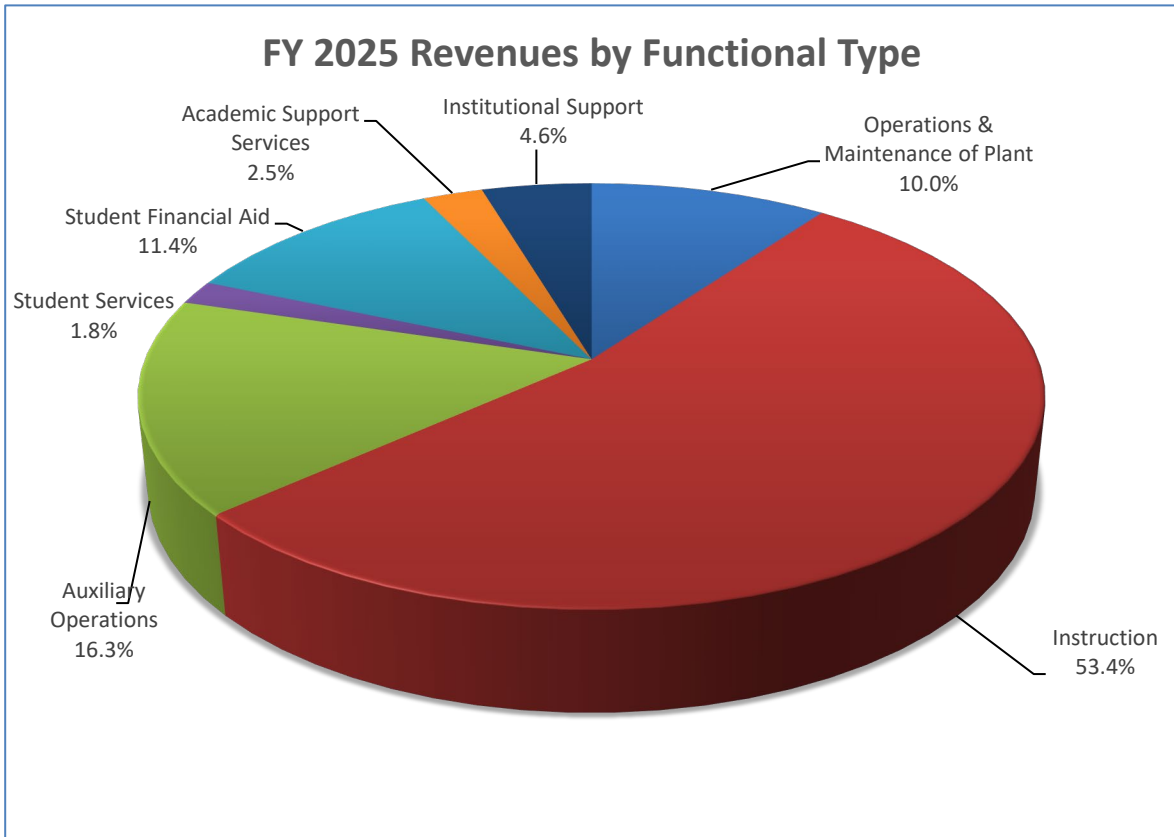
The College receives capital spending authority on a biennial basis and may carry unexpended amounts forward into one or two future biennia, depending on the original purpose of the funding. In accordance with accounting standards, the amount shown as capital appropriation revenue on the financial statement is the amount expended in the current year. Expenses from capital project funds that do not meet accounting standards for capitalization are reported as operating expenses. Those expenses that meet the capitalization standard are not shown as expense in the current period and are instead recognized as depreciation expense over the expected useful lifetime of the asset.

## FY 2025 Selected Elements of Revenue



## FY 2024 Selected Elements of Revenue





## Expenses

The College has continuously sought opportunities to identify savings and efficiencies. Over time, the College decreased spending and services primarily through reduced programmatic offerings/reduction of staff and faculty.

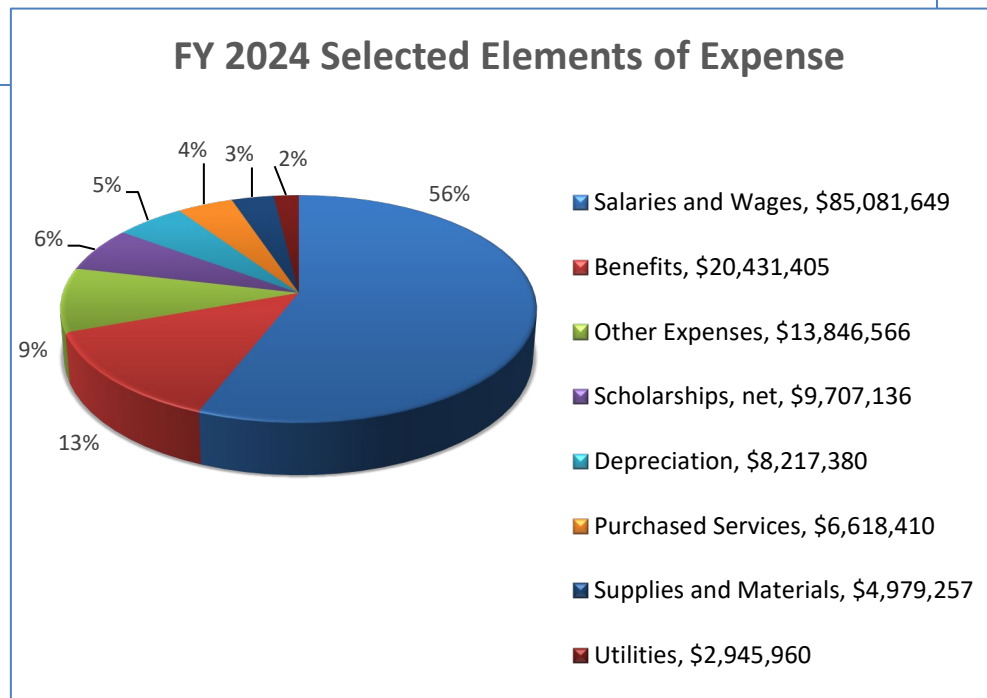
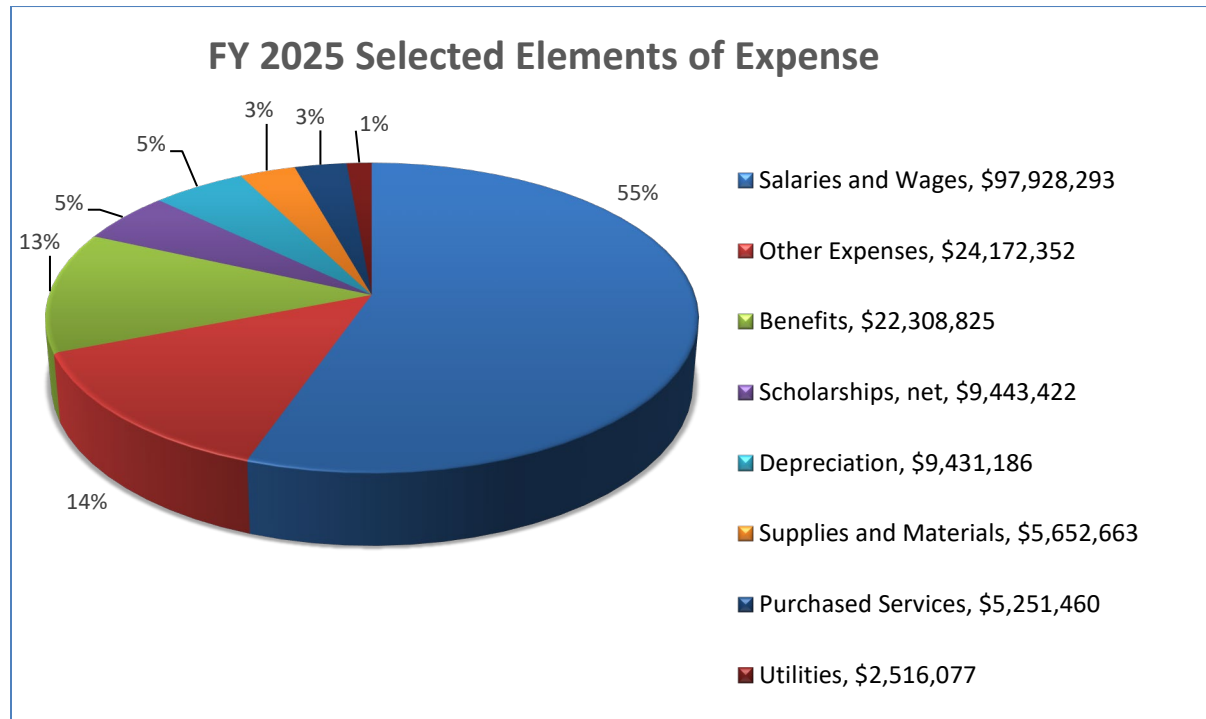
In FY205, salary and benefit cost rose due to a roughly 3.0% salary increase mandated by the Legislature for classified and exempt staff. Increased enrollment also contributed to rising costs as additional students require additional class sections and support staff. Finally, the need to compete in a competitive job market to replace retiring exempt employees and faculty contributed to these costs.

Total utility costs in FY 2025 decreased from the previous fiscal year and are largely attributed energy costs from Puget Sound Energy electricity increasing significantly during the previous year. Although demand charges in FY 2025 decreased by a total of \$70K, overall energy consumption and electric/gas rates increased. Natural gas consumption increased by 11% and electricity consumption rose by 1%. Fiscal year cost differences were also a product of billing cycles and payment schedules, with the main electric bill often 2 months behind, causing variation in end of fiscal year payments. The overall trend for energy cost and consumption continues to increase. Water utility costs slightly decreased in FY 2025 with billing and payment cycle differences, but as in previous years, consumption increased. Total waste cost (including garbage, recycling, compost, and Styrofoam recycling) has stayed relatively consistent between this year and last year. Supplies and materials and purchased services combined are lower in

FY2025, primarily as a result of reduced spending related to capital projects and reduced marketing services. Certain capital project costs do not meet accounting criteria for capitalization as part of the cost of the building and are instead recognized as supplies and materials or purchased services costs. These fluctuations are to be expected. Depreciation expense is also primarily driven by capital activity, with the annual depreciation expense showing a significant increase in any year when a new building is placed in service.

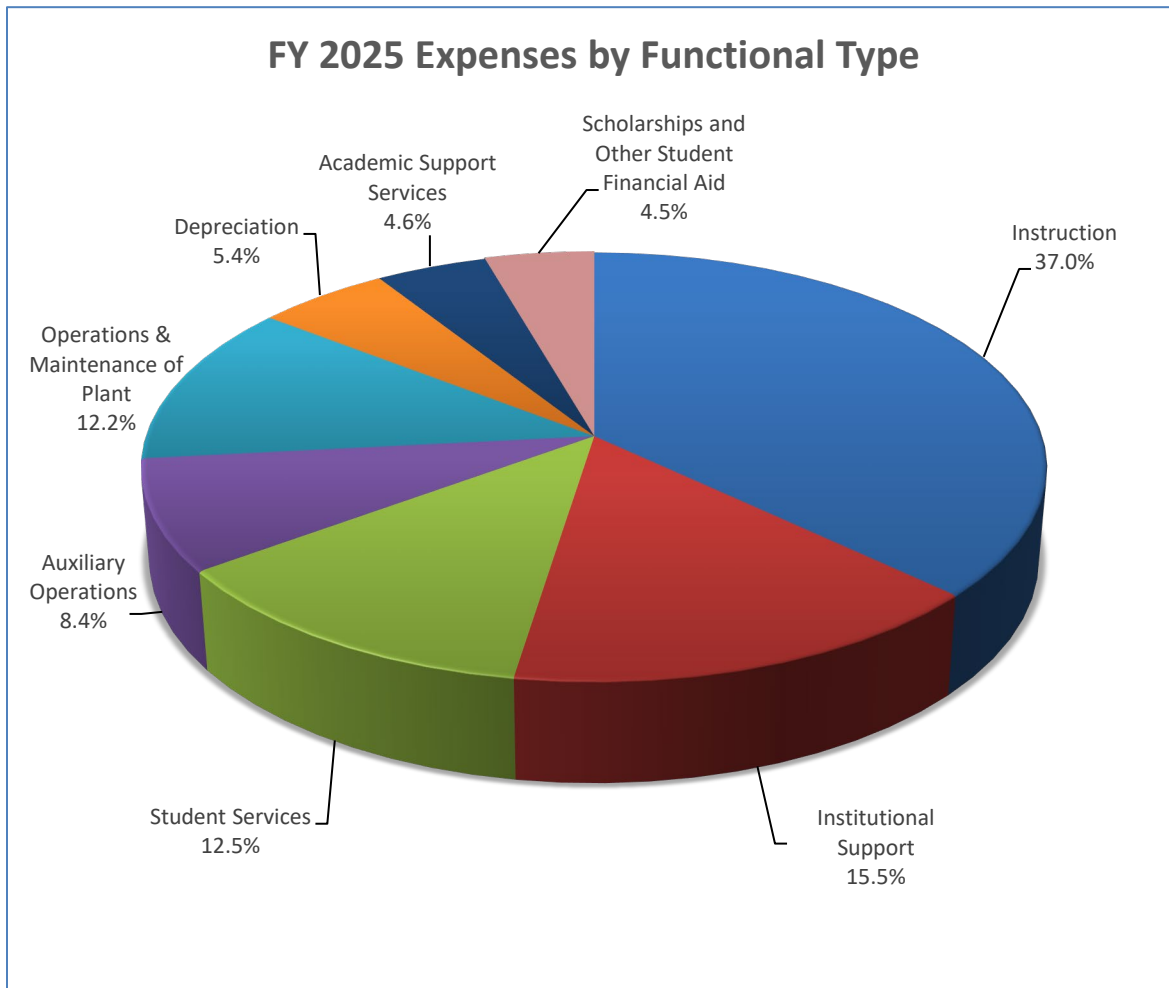
**Comparison of Selected Operating Expenses by Function**

The chart below shows the amount, in dollars, for selected functional areas of operating expenses for FY 2025 and FY 2024.



### Operating Expenses by Function

The chart below shows the percentage of each functional area of operating expenses for FY 2025.



### 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 recent years, declining state revenues significantly reduced the state’s debt capacity and are expected to continue to impact the number of new projects that can be financed.

At June 30, 2025, the College had invested \$231,379,536 in capital assets, net of accumulated depreciation. This represents an increase of \$1,059,604 from last year, as shown in the table below.

<b>Asset Type</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Change</b>
Land	17,776,018	17,776,018	0
Construction in Progress	11,723,897	3,948,674	7,775,223
Buildings, net	193,431,036	199,952,186	(6,521,150)
Other Improvements and Infrastructure, net	4,637,786	5,198,651	(560,865)
Equipment, net	3,682,043	3,352,804	329,239
Library Resources, net	128,756	91,599	37,157
<b>Total Capital Assets, Net</b>	<b>231,379,536</b>	<b>230,319,932</b>	<b>1,059,604</b>

The increase in net capital assets can be attributed to the current depreciation expense offset in part by the ongoing renovations of the Building C. Significant capital projects that were in process on June 30, 2025 include the Transdisciplinary building. Additional information on capital assets can be found in Note #7 of the Notes to the Financial Statements.

Right to use assets increased due to implementation of GASB 96 Subscription-based IT arrangements in FY 2023. The amounts in the table below are reported net of accumulated amortization.

<b>Asset Type</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>Change</b>
SBITA Asset, net	287,729	575,459	(287,730)
<b>Total Right to Use Assets, net of amort.</b>	<b>\$ 287,729</b>	<b>\$ 575,459</b>	<b>\$ (287,730)</b>

At June 30, 2025, the College had \$36,240,000 in outstanding debt. This represents an increase decrease of \$2,620,000 from last year, as shown in the table below.

	<b>June 30, 2025</b>	<b>June 20, 2024</b>	<b>Change</b>
Certificates of Participation	36,240,000	38,860,000	(2,620,000)
Subscription-based IT Arrangement	299,947	598,728	(298,781)
<b>Total</b>	<b>\$ 36,539,947</b>	<b>\$ 39,458,728</b>	<b>\$ (2,918,781)</b>

Additional information of notes payable, long term debt and debt service schedules can be found in Notes 13, 14, and 15 of the Notes to the Financial Statements.

### **Economic Factors That May Affect the Future**

After nearly two years of work, a presidential task force made final recommendations to the State Board on adjustments to the current allocation model. The changes are tweaks to the current system rather than a wholesale re-write. The most impactful change is in how the model recognizes changes to student enrollment patterns throughout the state and adjusts funding in an appropriate way. The new model will handle those changes in a much faster way than the current model.

The State Board for Community and Technical Colleges adopted the recommendations, and this will be implemented in Fiscal Year 2027. The initial impacts of the model will be distributed over a six-year period, ending in fiscal year Fiscal Year 2032, with each college seeing one-sixth of their impact each year. Like the current model, the new model allocates funding to each

college/district the funds received in the state's budget. The model is still based on performance in several key indicators, from general enrollments to enrollments in high-cost programs, as well as student completion and achievement points. Although initial estimates indicate that the college will see a small increase in years one through year 3, the current plan absorbs the King County pay allocation funds in year 4 which will negate these gains. Current long-term expectation is that the new allocation model will result in only a modest increase of funding for Bellevue.

For the 2025-27 fiscal biennium, the legislature increased the overall appropriation for the community college system by a small amount. However, most of these increases were in legally mandated expenditures such as Cost-of-Living Increases. The appropriation for general operating expenses decreased by one-half of one percent. The September 2025 tax revenue forecasts for the 2025-27 and 2027-29 biennia predict less growth of tax revenue than previously anticipated, and this may have negative impact on future legislative appropriations to all state agencies including higher education institutions. This lower tax collection is exacerbated by decreases in Federal funding for Higher Education support.

Washington's personal income growth, which is the main factor in calculating future tuition increases, is slightly higher than the national average in the first quarter of 2025 and is forecasted to continue to be higher than the national average from 2026 - 2030. While the formula for tuition increases tends to downplay any individual year's personal income growth due to the large number of years factored into the calculation, overall, the tuition collection environment statewide looks strong.

Currently, the most significant risk in revenue streams is from Federal Government programs. Many grant programs targeted to Higher Education have been cut or eliminated in House Resolution 1 (2025) and are projected to not be revived or even further decreased in proposed Federal Fiscal Year 2026. The impact across the Washington State Community and Technical System could be as high as \$200M per year. The level of funding at risk at Bellevue College could be as high as \$10M.

Bellevue College  
Statement of Net Position  
As of June 30, 2025

**Assets**

**Current assets**

Cash and cash equivalents (Note 3)	\$	50,027,620
Restricted cash (Note 3)		1,015,230
Short-term investments (Note 3)		5,000,000
Accounts receivable, net of allowances (Note 4)		20,156,470
Lease receivable, net of allowances (Note 5)		1,269,817
Inventories (Note 6)		90,059
<b>Total current assets</b>		<u><b>77,559,196</b></u>

**Non-Current Assets**

Long-term investments (Note 3)		61,093,600
Long-term lease receivable, net of allowances (Note 5)		9,043,878
Non-depreciable capital assets (Note 7)		29,499,915
Capital assets, net of depreciation (Note 7)		201,879,620
Suscription-based IT arrangement assets, net of amort (Note 7,12)		287,729
Net pension asset (Note 16)		4,974,957
<b>Total non-current assets</b>		<u><b>306,779,701</b></u>
<b>Total assets</b>		<u><b>384,338,897</b></u>

**Deferred Outflows of Resources**

Deferred outflows related to pensions (Note 16)		11,787,773
Deferred outflows related to OPEB (Note 17)		2,859,376
<b>Total deferred outflows of resources</b>		<u><b>14,647,148</b></u>

**Liabilities**

**Current Liabilities**

Accounts payable (Note 8)		5,988,513
Accrued liabilities (Note 8)		5,329,048
Compensated absences, current portion (Note 11, 15)		3,776,424
Unearned revenue (Note 9)		7,426,803
Leases and certificates of participation payable, current portion (Note 12, 13, 14, 15)		3,049,947
Net pension liability, current portion (Note 15, 16)		262,336
Total OPEB liability, current portion (Note 15, 17)		726,146
<b>Total current liabilities</b>		<u><b>26,559,216</b></u>

**Non-Current Liabilities**

Compensated absences (Note 11, 15)		7,765,110
Leases and certificates of participation (Note 12, 13, 14, 15)		37,929,064
Other non-current liabilities		103,900
Net pension liability, non-current (Note 15, 16)		4,862,650
Total OPEB liability (Note 15, 17)		26,840,930
<b>Total non-current liabilities</b>		<u><b>77,501,654</b></u>
<b>Total liabilities</b>		<u><b>104,060,870</b></u>

**Deferred Inflows of Resources**

Deferred inflows on leases receivable		8,705,498
Deferred inflows related to pensions (Note 16)		7,370,833
Deferred inflows related to OPEB (Note 17)		23,070,912
<b>Total deferred inflows of resources</b>		<u><b>39,147,243</b></u>

**Net Position**

Net Investment in Capital Assets		190,688,255
Restricted for:		
Expendable - Cash		1,015,230
Expendable - Net Pension Asset		11,736,299
Unrestricted		52,338,149
<b>Total Net Position</b>		<u><b>\$ 255,777,933</b></u>

*The footnote disclosures are an integral part of the financial statements.*

Bellevue College  
Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2025

**Operating Revenues**

Student tuition and fees, net of scholarship discounts and allowances	\$	33,636,326
Auxiliary enterprise sales		13,476,461
State and local grants and contracts		54,125,860
Federal grants and contracts		1,633,116
Other operating revenues		972,852
<b>Total operating revenue</b>		<b>103,844,615</b>

**Operating Expenses**

Salaries and wages		97,928,293
Benefits		22,308,825
Scholarships and fellowships		9,443,422
Supplies and materials		5,652,663
Depreciation and amortization		9,431,186
Purchased services		5,251,460
Utilities		2,516,077
Repairs & Maintenance		13,848,415
Printing & Graphics		361,353
Software Licensing		263,081
Travel		1,146,871
Equipment		4,926,528
Other operating expenses		3,626,108
<b>Total operating expenses</b>		<b>176,704,279</b>

**Operating income (loss)** (72,859,665)

**Non-Operating Revenues (Expenses)**

State appropriations		67,246,555
Federal Pell grant revenue		8,536,768
Investment income, gains and losses		5,059,019
Building fee remittance		(3,449,381)
Innovation fund remittance		(566,590)
Gain (loss) on asset disposal		(19,341)
Interest on indebtedness		(1,447,903)
<b>Net non-operating revenue (expenses)</b>		<b>75,359,128</b>

Income or (loss) before other revenues, expenses, gains, or losses 2,499,463

**Capital Contributions**

Capital appropriations		10,876,901
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**Increase (Decrease) in net position** 13,376,364

**Net Position**

**Net position, beginning of year** 242,401,569

**Net position, end of year** \$ 255,777,933

*The footnote disclosures are an integral part of the financial statements.*

Bellevue College  
Statement of Cash Flows  
For the Year Ended June 30, 2025

<b>Cash flows from operating activities</b>	
Student tuition and fees	\$ 33,343,152
Grants and contracts	54,841,333
Auxiliary enterprise sales	12,977,613
Payments to vendors	(28,829,490)
Payments for utilities	(2,649,632)
Payments to employees	(93,868,501)
Payments for benefits	(28,540,086)
Payments for scholarships and fellowships	(9,443,422)
Other receipts	4,137,448
Other payments	(3,657,408)
Net cash used by operating activities	(61,688,993)
<b>Cash flows from noncapital financing activities</b>	
State appropriations	60,841,511
Pell grants	8,536,768
Building fee remittance	(3,449,381)
Innovation fund remittance	(566,590)
Net cash provided by noncapital financing activities	65,362,308
<b>Cash flows from capital and related financing activities</b>	
Proceeds of capital debt	-
Capital appropriations	10,876,901
Capital gifts and grants	-
Proceeds from sale of capital assets	-
Purchases of capital assets	(9,741,159)
Certificate of participations proceeds	(19,341)
Principal paid on capital debt	(3,463,782)
Interest paid	(1,923,210)
Net cash used by capital and related financing activities	(4,270,590)
<b>Cash flows from investing activities</b>	
Purchase of investments	(2,741,469)
Income from investments	5,059,019
Net cash provided by investing activities	2,317,550
<b>Increase in cash and cash equivalents</b>	1,720,276
<b>Cash and cash equivalents at the beginning of the year</b>	49,322,575
<b>Cash and cash equivalents at the end of the year</b>	51,042,850
Reconciliation of Operating Loss to Net Cash used by Operating Activities	
<b>Operating Loss</b>	(72,859,665)
<b>Adjustments to reconcile net loss to net cash used by operating activities</b>	
Depreciation expense and amortization	9,431,186
<b>Changes in assets and liabilities</b>	
Receivables, net	1,301,712
Inventories	(17,175)
Accounts payable	2,388,059
Accrued liabilities	345,629
Unearned revenue	175,468
Compensated absences	3,865,561
Pension liability adjustment	(6,309,274)
Deposits payable	(10,494)
<b>Net cash used by operating activities</b>	\$ (61,688,992)

*The footnote disclosures are an integral part of the financial statements.*

**Bellevue College**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**As of June 30, 2025**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 125,574
Total Assets	<u>\$ 125,574</u>
<b>LIABILITIES</b>	
Accounts payable and other liabilities	\$ 24,376
Total Liabilities	<u>\$ 24,376</u>
<b>NET POSITION</b>	
Held for Individuals, organizations and other governm	\$ 101,199
Total Net Position	<u>\$ 101,199</u>

**Bellevue College**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2025**

**Custodial Funds**

**ADDITIONS**

	Contributions - gifts and bequests	\$	53,783
	<b>Total operating revenue</b>	<u>\$</u>	<u>53,783</u>

**DEDUCTIONS**

	Wages and Benefits	\$	18,660
	Supplies and Materials	\$	49,828
	Other expenses	\$	6,120
	<b>Total Deductions</b>	<u>\$</u>	<u>74,608</u>

	<b>Net Decrease in Fiduciary Net Position</b>	<u>\$</u>	<u>(20,825)</u>
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**NET POSITION**

	Restricted Net position - beginning	\$	122,024
	Restricted Net position - ending	<u>\$</u>	<u>101,199</u>

**BELLEVUE COLLEGE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$554,098	\$701,317
Marketable securities - Notes 3 and 5	22,083,331	21,059,740
Contributions held in trust by others - Note 4	3,340,474	3,091,164
Pledges receivable, net - Notes 1 and 2	2,573,668	2,360,730
Prepaid expenses and other assets	34,287	32,058
	<u>\$28,585,858</u>	<u>\$27,245,009</u>
<b>LIABILITIES</b>		
Accounts payable	\$112,705	\$53,832
Grants payable - Note 1	280,940	399,910
	<u>393,645</u>	<u>453,742</u>
<b>NET ASSETS</b>		
Without donor restrictions	3,805,267	3,921,762
With donor restrictions	24,386,946	22,869,505
	<u>28,192,213</u>	<u>26,791,267</u>
Total liabilities and net assets	<u>\$28,585,858</u>	<u>\$27,245,009</u>

The accompanying notes are an integral part of these financial statements

**BELLEVUE COLLEGE FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2025**  
**(With comparative totals for the year ended June 30, 2024)**

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue:				
Contributions:				
Current gifts	\$95,244	\$2,079,296	\$2,174,540	\$2,383,106
Endowments	-	272,381	272,381	2,649,647
In-kind contributions - Note 6	593,202	45,885	639,087	237,512
Earned income:				
Investment earnings - Note 3	976,347	1,445,522	2,421,869	2,714,889
Joint College activities	-	72,240	72,240	63,945
Custodial management fee	143,334	-	143,334	282,551
External trust earnings - Notes 4 and 5	-	362,658	362,658	215,224
Earned event revenue	3,380	40,381	43,761	77,875
Total support and revenue	1,811,507	4,318,363	6,129,870	8,624,749
Net assets released from restrictions - Note 7	2,800,922	(2,800,922)	-	-
Total	4,612,429	1,517,441	6,129,870	8,624,749
Expenses:				
Program:	3,003,325	-	3,003,325	2,208,209
General and administrative:	955,969	-	955,969	833,596
Fundraising:	769,630	-	769,630	850,819
Total expenses	4,728,924	-	4,728,924	3,892,624
Increase (decrease) in net assets	(116,495)	1,517,441	1,400,946	4,732,125
Net assets at beginning of year	3,921,762	22,869,505	26,791,267	22,059,142
Net assets at end of year	\$3,805,267	\$24,386,946	\$28,192,213	\$26,791,267

The accompanying notes are an integral part of these financial statements

**BELLEVUE COLLEGE FOUNDATION**  
**STATEMENTS OF CASH FLOWS**

	Year Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Increase in net assets	\$1,400,946	\$4,732,125
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Increase in allowance on pledges receivable	9,412	129,506
Increase in discount on pledges receivable	11,097	120,856
Realized gain on sale of marketable securities, net	(392,115)	(607,160)
Unrealized gain on marketable securities	(1,480,672)	(1,522,637)
Changes in operating assets and liabilities		
Contributions held in trust by others	(249,310)	(104,313)
Pledges receivable	(233,447)	(2,547,928)
Prepaid expenses and other assets	(2,229)	304
Accounts and grants payable	(60,097)	(281,251)
	(996,415)	(80,498)
Cash flows from investing activities:		
Proceeds from sale or maturity of marketable securities	1,554,620	1,470,173
Purchases of marketable securities	(705,424)	(1,617,822)
	849,196	(147,649)
Net cash provided by (used in) investing activities	849,196	(147,649)
Net decrease in cash and cash equivalents	(147,219)	(228,147)
Cash and cash equivalents		
Beginning of year	701,317	929,464
End of year	\$554,098	\$701,317

The accompanying notes are an integral part of these financial statements

## Notes to the Financial Statements

For year ended June 30, 2025

These notes form an integral part of the financial statements.

### Note 1 - Summary of Significant Accounting Policies

#### Financial Reporting Entity

Bellevue College (the College) is a comprehensive community college offering open-door academic programs, workforce education, basic skills, and community services. The College confers applied baccalaureate and associates 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. The College is an agency of the State of Washington. The financial activity of the college is included in the State's Annual Comprehensive Financial Report. These notes form an integral part of the financial statements. The college also holds the custodial fund for the WCCCSA (Washington Community College Consortium for Study Abroad), the PACTC (Presidents' Assistants for Community and Technical Colleges), Washington Collegiate DECA (Distributive Education Clubs of America), and the Administrators of Color Institute, which are reported in our Fiduciary Statements.

The *Bellevue College* Foundation (the Foundation) is a separate but affiliated non-profit entity, incorporated under Washington law in 1978 and recognized as a tax exempt 501(c)(3) charity. The Foundation's charitable purpose is to aid and assist in the development, maintenance, promotion, growth and preservation of Community College District VIII, and to provide or grant scholarships and assistance to men and women of promise. KBCS 91.3 is an operating unit of Bellevue College and is supported by memberships and gifts. Because the majority of the Foundation's income and resources are restricted by donors and may only be used for the benefit of the college 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 discrete component unit is an entity which is legally separate from the College, but has the potential to provide significant financial benefits to the College or whose relationship with the College is such that excluding it would cause the College'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 the College and the Foundation are not eliminated for financial statement presentation. During the fiscal year ended June 30, 2025, the Foundation distributed approximately \$3,003,325 to the College for restricted and unrestricted purposes. A copy of the Foundation's complete financial statements may be obtained from the Foundation's Administrative Offices at 425-564-2386.

### **Basis of Presentation**

The financial statements have been prepared in accordance with GASB Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments as amended by GASB Statement No. 35, Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities. For financial reporting purposes, the College is considered a special-purpose government engaged only in Business Type Activities (BTA). In accordance with BTA reporting, the College 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 the college'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 the College 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. For the financial statements, intra-agency receivables and payables have generally been eliminated. However, revenues and expenses from the College's auxiliary enterprises are treated as though the College were dealing with private vendors. For all other funds, transactions that are reimbursements of expenses are recorded as reductions of expense.

Non-exchange transactions, in which the College 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.

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **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. The College records all cash and cash equivalents at fair value. Investments in the state's LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. All other investments are reported at fair value.

The College 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, 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.

### **Leases Receivable**

Lease receivables are recorded at the present value of future lease payments expected to be received from the lessee during the term of the lease, reduced by a provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted using the State of Washington's incremental borrowing rate unless otherwise noted in the contract term.

### **Inventories**

Inventories, consisting primarily of merchandise for resale in the college food service, printing service and warehouse supplies, are valued at cost using the First-In First-Out method.

### **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 the College. As a result, the assets are included in the financial statements because excluding them would have been misleading.

Land, buildings and equipment are recorded at cost, or if acquired by gift, at acquisition value at the date of the gift. GASB 34 guidance concerning preparing initial estimates for historical cost and accumulated depreciation related to infrastructure was followed. Capital additions, replacements and major renovations are capitalized. The value of assets constructed includes all material direct and indirect construction costs. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, excluding intangible right-to-use lease assets and subscription-based IT arrangement assets. 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:

- Land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs are capitalized
- Infrastructure with a cost of \$100,000 or more is capitalized and depreciated over 20-50 years

- Building, building improvements, improvements other than building and leasehold improvements with a cost of \$100,000 or more are capitalized and depreciated over 5-50 years
- Intangible assets (excluding intangible right-to-use lease assets and subscription-based IT arrangements), either purchased or internally developed, with a cost of \$1 million or more that are identifiable by meeting one of the following conditions:
  - The asset is capable of being separated or divided and sold, transferred, licensed, rented, or exchanged.
  - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable.
- Lease assets with total payments over the lease term of \$500,000 or more are capitalized and amortized over the life of the lease
- Subscription-based IT arrangements with total payments over the term of the arrangement with total payments of \$1 million or more are capitalized and amortized over the term of the agreement
- All capital assets acquired with Certificates of Participation, are capitalized and depreciated based on the category of asset
- All other capital assets with a unit cost (including ancillary costs) of \$5,000 or greater purchased prior to Oct. 1, 2024, or collections with a total cost of \$5,000 or greater purchased prior to Oct. 1, 2024 are capitalized and depreciated over 3-50 years depending on specific category of asset. After Oct. 1, 2024, the capitalization threshold was modified to \$10,000 to align with new federal guidelines and Washington State Office of Financial Management policy. This change in capitalization threshold did not require any restatements and is prospective only.

The college reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value. At June 30, 2025, no assets had been written down.

### **Similar Subscription-Based Information Technology Arrangements (SBITA)**

The College has noncancelable subscription IT arrangements (similar to a lease) for the right-to-use information technology hardware and software (SBITA). For subscription IT arrangements, the College recognizes a SBITA liability and a SBITA asset, respectively.

SBITA assets are recorded as the sum of the initial subscription liability amount plus payments made to the SBITA vendor before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. SBITA assets are amortized on a straight-line basis over the subscription term.

### **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. Unearned revenues also include tuition and fees paid with financial aid funds. The College has recorded summer and fall quarter tuition and fees, housing deposits and advanced grant proceeds as unearned revenues.

### **Tax Exemption**

The College 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.

### **Pension Liability**

For purposes of measuring the net pension liability in accordance with GASB Statement No 68, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Washington Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and 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.

The College also reports its share of the net pension liability for the State Board Retirement Plan in accordance with GASB 68 Accounting and Financial Reporting for Pensions and Related Assets.

### **OPEB Liability**

The college reports its share of OPEB liability in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB). This Statement requires the College to recognize its proportionate share of the state's actuarially determined OPEB liability with a one-year lag measurement date similar to GASB Statement No. 68.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources represent consumption of net asset that is applicable to a future period. Deferred inflows of resources represent acquisition of net asset that is applicable to a future period.

Deferred outflows related to 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 period of time. Deferred inflows related to pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized in the same manner as deferred outflows.

Deferred outflows and 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 college's proportionate share of pension liabilities. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Employer transactions to pension plans made subsequent to the measurement date are also deferred and reduce pension liabilities in the subsequent year.

The portion of differences between expected and actual experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and changes in the college's proportionate share of OPEB liability that are not recognized in OPEB expense should be reported as deferred outflows of resources or deferred inflows of resources related to OPEB. Differences between projected and actual earning on OPEB plan investments that are not recognized in OPEB expense should be reported as deferred outflows of resources or deferred inflows of resources related to OPEB. Employer contributions to the OPEB plan subsequent to the measurement date of the collective OPEB liability should be recorded as deferred outflows of resources related to OPEB.

### **Net Position**

The College's net position is classified as follows:

- **Net Investment in Capital Assets.** This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- **Restricted for Nonexpendable.** This consists of endowment and similar type funds for which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principle. The college is not reporting any balance in this category.
- **Restricted for Expendable – Cash.** These include resources the College is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.
- **Restricted for Expendable – Net Pension Asset.** These represent the College's pension assets measured as net pension asset and the related deferred outflows and deferred inflows.
- **Unrestricted.** These represent resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

### **Classification of Revenues and Expenses**

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

*Operating Revenues.* This includes activities that are directly related to the principal operations of the College, such as (1) student tuition and fees, net of waivers and scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) federal, state and local grants and contracts that primarily support the operational/educational activities of the colleges. Examples include a contract with Office of Superintendent of Public Instruction to offer Running Start and/or Technical High School. The college also receives Adult Basic Education grants that support the primary educational mission of the college.

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

*Non-operating Revenues.* This includes activities that are not directly related to the ongoing operations of the College, such as gifts and contributions, state appropriations, investment income and Pell Grants received from the federal government.

*Non-operating Expenses.* Non-operating expenses include state remittance related to the building fee and the innovation fee, along with interest incurred on the Certificate of Participation Loans.

### **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 the College, 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 the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance. Discounts and allowances for the year ending June 30, 2025 are \$10,983,053 in tuition and fees and \$354,043 in auxiliary enterprise sales.

### **State Appropriations**

The State of Washington appropriates funds to the College 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 the Colleges 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 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 Strategic Technology Plan. The use of the fund is to implement new ERP software across the entire system. On a monthly basis, the College's remits the portion of tuition collected for the Innovation Fee to the State Treasurer for allocation to SBCTC. 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.

## Note 2 - Accounting and Reporting Changes and Error Corrections

### **Changes in Accounting Principle**

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective FY25. It updates requirements for measuring liability for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. It also establishes guidance for measuring a liability for leave that has not been used.

Short-term Compensated Absences liability increased by \$2,778,626, and Long-term Compensated Absences liability decreased by \$2,757,881.

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.

In FY25, the college changed the methodology for calculating Scholarship Discounts and Allowances. Prior to FY25, the college calculated Discounts and Allowances using the estimating method endorsed by the National Association of College and University Business Officers (NACUBO). As of FY25, NACUBO is no longer endorsing this method because more accurate data is available directly from college newer ERP systems. With the implementation of the SBCTC's new ERP system, the college now reports scholarship discounts and allowances to tuition and fees using transactional data from student accounts, which results in more accurate reporting on the financial statements. This change affects the Tuition and Fees revenue and Scholarship expense lines on the Statement of Expenses, Revenues and Changes in Net Position.

### **Accounting Standards Impacting the Future**

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.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which was issued to provide essential information about certain types of capital assets. This requires capital assets be disclosed separately by class in capital asset note disclosures and additional disclosures of assets held for sale. The college will implement this statement as required.

## Note 3 - Deposits and Investments

### Deposits

Cash and cash equivalents include bank demand deposits, petty cash held at the College and unit shares in the Washington State Treasurer's Local Government Investment Pool (LGIP). The Office of the State Treasurer (OST) invests state treasury cash surpluses where funds can be disbursed at any time without prior notice or penalty. For reporting purposes, pooled investments are stated at amortized cost, which approximates fair value. For purposes of reporting cash flows, the state considers cash and pooled investments to be cash equivalents. Pooled investments include short-term, highly-liquid investments that are both readily convertible to cash and are so near their maturity dates that they present insignificant risk of changes in value because of changes in interest rates. For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

### Investments in LGIP

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

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool and not registered with the Securities and Exchange Commission (SEC). Rather, oversight is provided by the State Finance Committee in accordance with Revised Code of Washington (RCW) 43.250. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

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

As of June 30, 2025, the carrying amount of the College's cash and equivalents was \$51,042,850 as represented in the table below.

<b>Cash and Cash Equivalents</b>		<b>June 30, 2025</b>
Petty Cash and Change Funds	\$	9,751
Bank Demand and Time Deposits		32,762,391
Local Government Investment Pool		18,270,708
<b>Total Cash and Cash Equivalents</b>	<b>\$</b>	<b>51,042,850</b>

### **Custodial Credit Risks—Deposits**

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

### **Investments**

Investments consist of time certificates of deposit, U.S. Treasury and Agency securities, investments in equities and bond funds. Time certificates of deposit have re-purchase agreements with the respective financial institutions; investments in equities are subject to loss of all 100% of the balance of investments.

Fair value measurement is based on the assumptions that market participants would use in pricing the asset. The three levels of the fair value hierarchy are described as:

Level 1 – Quoted market prices: Unadjusted quoted prices available in active markets for identical assets or liabilities

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

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

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. All of the College's investments fall within the hierarchy of Level 1.

<b>Investment Type</b>	<b>Investment Maturities (in Years)</b>				
	<b>Fair Value</b>	<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
U.S. Government Treasury	11,184,961	-	11,184,961	-	-
U.S. Agency Obligations	66,158,641	16,206,688	49,951,954	-	-
<b>Total Investments</b>	<b>77,343,602</b>	<b>16,206,688</b>	<b>61,136,915</b>	-	-

### **Interest Rate Risk—Investments**

The College manages its exposure to interest rate changes by limiting the duration of investments to mature at various points in the year. To minimize the risk that historically high rates would decrease, the college generally keeps the average maturity of investments to 3-5 years. The College will periodically review the level of interest rates to determine whether shorter maturities become less risky. The College has not invested in maturities longer than 5 years in recent years, to minimize interest rate risk.

### Concentration of Credit Risk—Investments

State law limits College 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. College policy does not limit the amount the College may invest in any one issuer.

### 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, the College 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, 2025 \$77,343,602 of the College's operating fund investments, held by US Bank in the bank's name as agent for the College, are exposed to custodial credit risk as follows.

<u>Investments Exposed to Custodial Risk</u>	<u>Fair Value</u>
US Bank	77,343,602
<b>Total Investments Exposed to Custodial Risk</b>	<b><u>\$ 77,343,602</u></b>

### Investment Expenses

Investment income for the College is shown net of investment expenses. The investment expenses incurred for the fiscal year ended June 30, 2025 were \$472.

### Note 4 - 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 expenses made according to sponsored agreements. At June 30, 2025, accounts receivable were as follows:

<u>Accounts Receivable</u>	<u>Amount</u>
Student Tuition and Fees	\$ 912,577
Due from the Federal Government	7,280,713
Due from Other State Agencies	1,290,192
Auxiliary Enterprises	805,829
Other	12,048,972
Subtotal	22,338,282
Less Allowance for Uncollectible Accounts	(2,181,812)
<b>Accounts Receivable, net</b>	<b><u>\$ 20,156,470</u></b>

### Note 5 – Leases Receivable

On 9/12/2022, Bellevue College entered into a 119-month lease as Lessor for the use of the North Campus building. An initial lease receivable was recorded in the amount of \$12,110,089. The lessee is required to make monthly fixed payments, increasing each year by 3%. The lease has an interest rate of 0.8900%. The term of the lease expires 2032. Leases receivable are

reported net of amortization on the Statement of Net Position. The value of ending deferred inflows of resources recognized in FY25 was \$8,705,498. The value of lease revenue recognized in FY25 was \$1,214,721. As of June 30, 2025, future lease receivable principal and interest payments are as follows:

<b>Year ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 1,269,817	86,645	9,043,878
2027	1,321,613	75,133	7,722,265
2028	1,375,397	63,153	6,346,868
2029	1,431,012	50,686	4,915,856
2030	1,488,437	37,717	3,427,419
2031-2033	3,427,419	34,737	2,150,565
<b>Total</b>	<b>\$ 10,313,695</b>	<b>348,071</b>	<b>33,606,851</b>

## Note 6 – Inventories

Inventories as of June 30, 2025, were as follows:

<b>Inventories</b>	<b>Method</b>	<b>Amount</b>
Consumable Inventories	FIFO	\$ 36,901
Merchandise Inventories	FIFO	53,158
<b>Inventories</b>		<b>\$ 90,059</b>

## Note 7 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2025 is presented as follows. The current year depreciation expense and amortization was \$9,431,186.

<b>Capital Assets</b>	<b>Beginning Balance</b>	<b>Additions/ Transfers</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Capital assets, non-depreciable</b>				
Land	\$ 17,776,018	\$ -	\$ -	\$ 17,776,018
Construction in progress	3,948,675	7,775,222	-	11,723,897
<b>Total capital assets, non-depreciable</b>	21,724,693	7,775,222	-	29,499,915
<b>Capital assets, depreciable</b>				
Buildings	297,144,550	1,199,365	-	298,343,915
Other improvements and infrastructure	15,499,891	-	-	15,499,891
Equipment	17,176,248	1,182,326	(1,410,173)	16,948,402
Library resources	428,239	68,351	(229,228)	267,362
<b>Total capital assets, depreciable</b>	330,248,928	2,450,042	(1,639,401)	331,059,570
<b>Less accumulated depreciation</b>				
Buildings	97,192,365	7,720,515	-	104,912,880
Other improvements and infrastructure	10,301,240	560,865	-	10,862,105
Equipment	13,823,444	909,593	(1,466,679)	13,266,358
Library resources	336,641	31,194	(229,228)	138,607
<b>Total accumulated depreciation</b>	121,653,690	9,222,167	(1,695,907)	129,179,951
<b>Total capital assets, depreciable, net</b>	208,595,238	(6,772,125)	56,506	201,879,619
<b>Capital assets, net</b>	<b>\$ 230,319,931</b>	<b>\$ 1,003,097</b>	<b>\$ 56,506</b>	<b>\$ 231,379,535</b>

Lease and subscription assets as of June 30, 2025 and corresponding asset activity for the year ended June 30, 2025 are summarized below:

<b>Lease Assets</b>	<b>Beginning Balance</b>	<b>Additions/ Transfers</b>	<b>Retirements</b>	<b>Ending Balance</b>
Subscription Agreements	\$ 1,150,918	\$ -	\$ -	\$ 1,150,918
<b>Total Lease &amp; Subscription assets</b>	1,150,918	-	-	1,150,918
<b>Less accumulated amortization</b>				
Accum. Amort. Subscription Agreements	575,459	287,730	-	863,189
<b>Total accumulated amortization</b>	575,459	287,730	-	863,189
<b>Lease &amp; Subscription assets, net</b>	<b>\$ 575,459</b>	<b>\$ (287,730)</b>	<b>\$ -</b>	<b>\$ 287,729</b>

## Note 8 - Accounts Payable and Accrued Liabilities

Accrued liabilities as of June 30, 2025, were as follows:

<b>Accounts Payable and Accrued Liabilities</b>	<b>Amount</b>
Amounts Owed to Employees	\$ 5,987,763
Accounts Payable	4,162,113
Amounts Held for Others and Retainage	3,450,974
Total	<u>\$ 13,600,851</u>

## Note 9 - Unearned Revenue

Unearned revenue is comprised of receipts which have not yet met revenue recognition criteria, as follows:

<b>Unearned Revenue</b>	<b>Amount</b>
Summer and Fall Quarter Tuition & Fees	\$ 6,796,267
Housing and Other Deposits	630,536
Total Unearned Revenue	<u>\$ 7,426,803</u>

## Note 10 - Risk Management

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

The College 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. The college has had no claims in excess of the coverage amount within the past three years. The College assumes its potential property losses for most other buildings and contents.

The College 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. The college has had no claims in excess of the coverage amount within the past three years.

The College, in accordance with state policy, pays unemployment claims on a pay-as-you-go basis. The college finances these costs by assessing all funds a monthly payroll expense for unemployment compensation for all employees. Payments made for claims from July 1, 2024

through June 30, 2025, were \$445,762. Cash reserves for unemployment compensation for all employees at June 30, 2025, were \$34,725.

## Note 11 - Compensated Absences

At termination of employment, employees may receive cash payments for all accumulated vacation and compensatory time. Employees who retire get 25% of the value of their accumulated sick leave credited to a Voluntary Employees' Beneficiary Association (VEBA) account, which can be used for future medical expenses and insurance purposes. The amounts of unpaid vacation and compensatory time accumulated by College employees are accrued when incurred. The sick leave liability is recorded as an actuarial estimate of one-fourth the total balance on the payroll records.

The accrued compensated absence leave liability as of June 30, 2025 totaled \$3,776,424 in short-term and \$7,765,110 in long-term compensated absence liability. The college uses last-in, first-out (LIFO) when estimating compensated absence liabilities.

An estimated amount, based on a ten-year average payout, is accrued as a current liability. The remaining amount of accrued compensated absence times are categorized as non-current liabilities. Compensatory time is categorized as a current liability since it must be used before other leave.

## Note 12 –SBITA Payable

### **Subscription-Based IT Arrangements**

As of June 30, 2025 the College had one subscription-based IT arrangements for Microsoft Corp. During the FY2022 fiscal year, the College entered into a five-year subscription-based information technology arrangement with Microsoft Corp for the use of their software suite. The subscription agreement requires annual fixed payments of approximately \$301,117 at the beginning of each fiscal year and includes an option to extend the subscription for an additional three years. An initial subscription liability was recorded in the amount of \$1,150,918. As of 6/30/2025, the value of the subscriptions liability is \$299,947, and the value of the short-term subscriptions liability is \$299,947. The SBITA liabilities are reported at net present value using the State of Washington's incremental borrowing rate unless otherwise noted in the contract term. There were no project costs, termination penalties, incentives, prepayments, refundable or non-refundable deposits, or other reasonably certain payments. Additionally, the agreement has no organization or vendor extension option period, or organization or vendor termination option period.

As of June 30, 2025 the minimum payments under these subscription-based agreements are as follows:

<b>As of June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 299,947	\$ 1,170	\$ 301,117
Total minimum lease payments	\$ 299,947	\$ 1,170	\$ 301,117

### Note 13 - Notes Payable

In February of 2017, the College obtained financing in order to construct a Student Housing Building through certificates of participation (COP), issued by the OST in the amount of \$42,755,000 with a 20 year term. Students who choose to live in the student housing building will be charged a quarterly fee. The interest rate charged is approximately 3.48%.

In February of 2019, the College obtained financing in order to construct a Student Success Center Building through COP's, issued by the OST in the amount of \$8,715,000 with a 10 year term. College operating funds will be used to repay the COP. The interest rate charged is approximately 2.23%.

The College's debt service requirements for this (these) note agreement(s) for the next five years and thereafter are as follows in Note 14.

### Note 14 - Annual Debt Service Requirements

Future debt service requirements at June 30, 2025 are as follows:

<b>Fiscal year</b>	<b>Certificates of Participation</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 2,750,000	\$ 1,788,750	\$ 4,538,750
2027	2,885,000	1,650,125	4,535,125
2028	3,035,000	1,504,500	4,539,500
2029	3,185,000	1,351,500	4,536,500
2030	2,210,000	1,219,250	3,429,250
2031-2035	12,835,000	4,323,250	17,158,250
2036-2038	9,340,000	949,000	10,289,000
<b>Total</b>	<b>\$ 36,240,000</b>	<b>\$ 12,786,375</b>	<b>\$ 49,026,375</b>

## Note 15 - Schedule of Long-Term Liabilities

	<b>Balance outstanding 6/30/24</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance outstanding 6/30/25</b>	<b>Current portion</b>
Certificates of Participation-PAR	\$ 38,860,000	\$ -	\$ (2,620,000)	\$ 36,240,000	2,750,000
Certificates of Participation-Unamort Disc/Prem	4,914,371	-	(475,307)	4,439,064	475,307
Compensated absences	7,675,972	3,865,561	-	11,541,533	3,776,424
Subscription-based IT Arrang.	598,728	-	(298,782)	299,946	299,946
Net pension liability	7,186,731	8,668,760	(10,730,505)	5,124,986	262,336
Total OPEB liability	28,971,611	20,458,956	(21,863,493)	27,567,074	726,146
Total	\$ 88,207,413	\$ 32,993,277	\$ (35,988,087)	\$ 85,212,603	\$ 8,290,159

## Note 16 - Retirement Plans

### A. General

The College offers three contributory pension plans: PERS, TRS, and the State Board Retirement Plan (SBRP). PERS and TRS are cost sharing multiple-employer defined-benefit pension plans administered by the Washington State Department of Retirement Systems (DRS). The State Board Retirement Plan (SBRP) is a defined contribution single employer pension plan with a supplemental payment when required. The SBRP is administered by the SBCTC and available to faculty, exempt administrative and professional staff of the state's public community and technical colleges. The College reports its proportionate share of the net pension liability as it is a part of the community and technical college system.

### Basis of Accounting

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

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

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB Statement No. 68 for the College, for fiscal year 2025:

### **Aggregate Pension Amounts - All Plans**

Net Pension Assets	\$	(4,974,957)
Net Pension Liabilities	\$	5,124,986
Deferred outflows of resources related to pensions	\$	11,787,772
Deferred inflows of resources related to pensions	\$	7,370,833
Pension Expense	\$	(731,163)

#### **Department of Retirement Systems**

As established in chapter 41.50 of the Revised Code of Washington (RCW), the Department of Retirement Systems (DRS) administers eight retirement systems covering eligible employees of the state and local governments. The Governor appoints the director of the DRS.

The DRS administered systems are comprised of 12 defined benefit pension plans and 3 defined benefit/ defined contribution plans. Below are the DRS plans that the College participates in:

- Public Employees' Retirement System (PERS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
  - Plan 3 - defined benefit/defined contribution
- Teachers' Retirement System (TRS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
  - Plan 3 - defined benefit/defined contribution

Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS and TRS plans is funded by an employer rate of 0.18 percent of employee salaries.

Pursuant to RCW 41.50.770, the College offers its employees that elect to participate a deferred compensation program in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable financial emergency. This deferred compensation plan is administered by the DRS.

The DRS prepares a stand-alone financial report that is compliant with the requirements of GASB Statement No. 67. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, WA 98504-8380 or online at <https://www.drs.wa.gov/wp-content/uploads/2024/10/2024-ACFR-Document-for-Website-sm.pdf>.

## **Higher Education**

As established in chapter 28B.10 RCW, eligible higher education state employees may participate in higher education retirement plans. These plans include a defined contribution plan administered by a third party with a supplemental defined benefit component (funded on a pay-as-you-go basis) which is administered by the state.

## **B. College Participation in Plans Administered by the Department of Retirement Systems**

### **PERS**

Plan Description. The Legislature established the Public Employees' Retirement System (PERS) in 1947. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the Legislature. Membership in the system includes: elected officials; state employees; employees of the Supreme Court, Court of Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

PERS members who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, and by

February 28, 2002, for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to PERS Plan 3.

PERS participants joining the system on or after March 1, 2002 have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to PERS Plan 3.

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

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years

of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, capped at 60 percent. The AFC is the average of the member's 24 highest consecutive service months.

PERS Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. Plan 1 members may elect to receive an optional cost of living allowance (COLA) that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. There is no cap on years of service credit and a COLA is granted based on the Consumer Price Index, capped at 3 percent annually. The AFC is the average of the member's 60 highest paid consecutive months. PERS Plan 2 members have the option to retire early with reduced benefits.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. There is no cap on years of service credit. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months.

PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. PERS Plan 3 members have the option to retire early with reduced benefits. PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, with reduced benefits.

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

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

Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS covered employment.

## **TRS**

Plan Description. The Legislature established the Teachers' Retirement System (TRS) in 1938. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and may be amended only by the Legislature. Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative, or supervisory capacity. TRS is comprised principally of non-state agency employees.

TRS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

TRS members who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS members joining the system on or after July 1, 1996, are members of TRS Plan 3. Legislation passed in 2007 gives TRS members hired on or after July 1, 2007, 90 days to make an irrevocable choice to become a member of TRS Plan 2 or Plan 3. At the end of 90 days, any member who has not made a choice becomes a member of Plan 3.

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

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

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

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

The defined benefit portion of TRS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months. TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. TRS Plan 3 members have the option to retire early with reduced benefits.

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

## Contributions

PERS and TRS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. The methods used to determine contribution requirements are established under state statute.

Members in PERS or TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS or TRS-covered employment.

The employer contribution rates (expressed as a percentage of covered payroll) and actual contributions for the year ended June 30, 2025 were as follows:

	PERS 1	PERS 2/3*	TRS 1	TRS 2/3*
Contribution Rates at close of FY25	9.11%	9.11%	9.86%	9.86%
Actual Contributions	647,104	1,621,683	53,068	269,809

\* Plan 2/3 employer rate includes a component to address the Plan 1 unfunded actuarial accrued liability

## Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, with the results rolled forward to the June 30, 2024, measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25%
Investment rate of return	7.00%

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2023 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report.

The OSA selected a 7.00 percent long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical

experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the WSIB.

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

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

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

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 following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	19.0%	2.1%
Tangible Assets	8.0%	4.5%
Real Estate	18.00%	4.8%
Global Equity	30.0%	5.6%
Private Equity	25.0%	8.6%
<b>Total</b>	<b>100%</b>	

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

There were no material changes in assumptions, benefit terms, or methods for the reporting period.

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.00 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan’s fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and TRS Plan 2/3 employers whose rates include a component for the PERS Plan 1 liability). Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00 percent on pension plan investments was applied to determine the total pension liability.

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

The following table presents the net pension liability of the College calculated using the discount rate of 7.00 percent, as well as what the College’s net pension liability 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.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
PERS 1	\$ 3,064,571	\$ 2,083,360	\$ 1,222,815
PERS 2/3	8,968,310	(4,974,957)	(16,426,272)
TRS 1	374,556	241,927	125,313
TRS 2/3	1,340,216	57,352	(985,065)

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

Pension Liabilities/(Assets). At June 30, 2025, the College reported net pension liability (asset) for its proportionate share of the net pension liabilities/(assets) as follows:

	<b>Liability/(Asset)</b>
PERS 1	\$ 2,083,360
PERS 2/3	(4,974,957)
TRS 1	241,927
TRS 2/3	57,352

The College’s proportionate share of pension liabilities/(assets) for fiscal years ending June 30, 2023 and June 30, 2024 for each retirement plan are listed below:

	<b>2024</b>	<b>2023</b>	<b>Change</b>
PERS 1	0.11725%	0.12420%	-0.00695%
PERS 2/3	0.15091%	0.15299%	-0.00208%
TRS 1	0.02181%	0.02630%	-0.00449%
TRS 2/3	0.02862%	0.02621%	0.00241%

The College’s proportion of the net pension liability/(asset) was based on a projection of the College’s long-term share of contributions to the pension plan to the projected contributions of all participating state agencies, actuarially determined.

Pension Expense. For the year ended June 30, 2025 the College recognized pension expense as follows:

	<b>Pension Expense</b>
PERS 1	\$ (213,628)
PERS 2/3	(171,822)
TRS 1	(71,355)
TRS 2/3	123,632
<b>TOTAL</b>	<b>(333,173)</b>

Deferred Outflows of Resources and Deferred Inflows of Resources. The following represent the components of the College's deferred outflows and inflows of resources as reflected on the Statement of Net Position, for the year ended June 30, 2025:

	<b>PERS 1</b>	
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	-	-
Difference between expected and actual earnings of pension plan investments	-	166,705
Changes of assumptions	-	-
Changes in College's proportionate share of pension liabilities	-	-
Contributions subsequent to the measurement date	647,104	-
<b>Totals</b>	<b>\$ 647,104</b>	<b>\$ 166,705</b>

	<b>PERS 2/3</b>	
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	2,826,877	11,518
Difference between expected and actual earnings of pension plan investments	-	1,425,681
Changes of assumptions	2,747,181	315,212
Changes in College's proportionate share of pension liabilities	280,611	169,767
Contributions subsequent to the measurement date	1,621,683	-
<b>Totals</b>	<b>\$ 7,476,352</b>	<b>\$ 1,922,179</b>

	TRS 1	
	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	-	-
Difference between expected and actual earnings of pension plan investments	-	22,784
Changes of assumptions	-	-
Changes in College's proportionate share of pension liabilities	-	-
Contributions subsequent to the measurement date	53,068	-
<b>Totals</b>	<b>\$ 53,068</b>	<b>\$ 22,784</b>

	TRS 2/3	
	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	392,187	4,245
Difference between expected and actual earnings of pension plan investments	-	106,777
Changes of assumptions	292,742	20,839
Changes in College's proportionate share of pension liabilities	12,716	51,684
Contributions subsequent to the measurement date	269,809	-
<b>Totals</b>	<b>\$ 967,455</b>	<b>\$ 183,545</b>

The \$2,591,664 reported as deferred outflows of resources represent contributions the College made subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the year ended June 30, 2026.

Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year ended				
June 30:	PERS 1	PERS 2/3	TRS 1	TRS 2/3
2026	(275,885)	(1,066,393)	(38,011)	(61,367)
2027	141,736	2,189,096	19,892	176,273
2028	(15,007)	951,929	(1,979)	77,588
2029	(17,549)	956,269	(2,685)	75,031
2030	-	500,525	-	80,308
Thereafter	-	401,064	-	166,267
<b>Total</b>	<b>\$ (166,705)</b>	<b>\$ 3,932,490</b>	<b>\$ (22,783)</b>	<b>\$ 514,100</b>

## C. College Participation in Plan Administered by the State Board for Community and Technical Colleges

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

Plan Description. The SBRP 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. The College 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, this plan has been reported under GASB 67/68 since FY21. Prior to that, the SRP was reported under GASB Statement No. 73. As of June 30, 2024, this plan is being reported with a one year lag between measurement and reporting date.

Benefits Provided. The SBRP provides 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.

Contributions. Contribution rates for the SBRP Teachers Insurance and Annuity Association of America-College Retirement Equities Fund (TIAA-CREF), which are based upon age, are 5%, 7.5% or 10% of salary and are matched by the College. Employee and employer contributions for the year ended June 30, 2025 were each \$5,045,496.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2023, with the results rolled forward to the June 30, 2024, measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

The total salary growth, based on the August 2021 Higher Education SRP Experience Study was 3.5% for the community and technical college system.

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 as appropriate, to better tailor the mortality rates to the demographics of each

plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under “generational” mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Discount Rate. The discount rate used to measure the total pension liability was 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 7.0 percent for the June 30, 2024, measurement date.

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate. The following table presents the net 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 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
\$	3,340,212	\$ 2,742,347	\$ 2,227,625

Pension Liabilities. At June 30,2025 the College reported a net pension liability of \$2,742,347 for its proportionate share of the net pension liabilities.

The College’s proportionate share of pension liabilities for fiscal years ending June 30,2023 and June 30, 2024 for the SBRP plan were as follows:

	<b>2024</b>	<b>2023</b>	<b>Change</b>
SBRP	7.38754%	7.37441%	0.01313%

The College’s proportion of the net pension liability was based on the college’s contributions in relation to the contributions of all community and technical colleges in Washington State.

Pension Expense. The Pension Expense is the summation of a number of components, including benefits earned during the fiscal year and interest on the Total Pension Liability (TPL). These numbers are sensitive to assumption changes and plan experience and can be volatile from year to year.

Pension expense for the fiscal year ending June 30, 2025 was (397,990).

Plan Membership. Membership in the SBRP consisted of the following as of January 1, 2024, the most recent full actuarial valuation date.

Plan	Number of Participating Members		Active Members	Total Members
	Inactive Members or Beneficiaries Currently Receiving Benefits	Inactive Members Entitled to But Not Yet Receiving Benefits		
SRP	6	31	274	311

Net Pension Liability/(Asset). The following table presents the change in net pension liability/(asset) of the SBRP as of June 30, 2024:

Schedule of Development of Net Pension Liability	
Bellevue College	
	2024
<b>Total Pension Liability</b>	
Service Cost	137,188
Interest	470,172
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(1,336,381)
Changes in Assumptions	-
Benefit Payments	(269,876)
Change in Proportionate Share of Liability	11,930
Other	-
Net Change in Total Pension Liability	(986,967)
Total Pension Liability - Beginning	6,700,282
<b>Total Pension Liability - Ending (a)</b>	<b>5,713,315</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	66,735
Contributions - Member	-
Net Investment Income	217,546
Benefit Payments	-
Administrative Expense	-
Other	1
Change in Proportional Share of Plan Assets	4,775
Net Change in Plan Fiduciary Net Position	289,057
Plan Fiduciary Net Position-Beginning	2,681,911
<b>Plan Fiduciary Net Position-Ending (b)</b>	<b>2,970,968</b>
<b>Plan's Net Pension Liability (Asset) -- Ending (a)-(b)</b>	<b>2,742,347</b>
<b>Covered-Employee Payroll</b>	<b>58,653,331</b>
Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	4.68%

Deferred Outflows and Inflows of Resources Related to Pensions.

At June 30, 2024, the SBRP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ -	1,273,439
Changes of Assumptions	-	1,421,842
Changes in College's proportionate share of pension liability	67,519	-
Differences Between Projected and Actual Earnings on Plan Investments	-	47,732
Contributions Subsequent to Measurement Date	243,666	-
<b>Total</b>	<b>\$ 311,185</b>	<b>\$ 2,743,013</b>

The \$243,666 reported as deferred outflows of resources represent contributions the College made subsequent to the measurement date and are current payments to retirees and Higher Education Retirement plan contributions to fully fund the plan. These payments and contributions will be recognized as a deferred outflow for the year ended June 30, 2025.

Other 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:

<b>State Board Supplemental Retirement Plan</b>	
2026	(632,339)
2027	(580,082)
2028	(975,269)
2029	(174,758)
2030	(313,046)
Thereafter	-

**Note 17 - Other Post-Employment Benefits**

**Plan Description.** Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage. PEBB establishes eligibility criteria for both active employees and retirees. Benefits purchased by PEBB include medical, dental, life, and long-term disability.

The relationship between the PEBB OPEB plan and its member employers, their employees, and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan in effect at the time of each valuation. A substantive plan is

one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the HCA, employers and plan members, and the historical pattern of practice with regard to the sharing of benefit costs. 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 his substantive plan will be carried forward into the future.

The PEBB OPEB plan is funded on a pay-as-you-go basis. In the state ACFR the plan is reported in governmental funds using the modified accrual basis and the current financial resources measurement focus. For all proprietary and fiduciary funds, the OPEB plan is reported using the economic resources measurement focus and the accrual basis of accounting. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

**Employees Covered by Benefit Terms.** The PEBB OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong. Retirees’ access to the PEBB plan depends on the retirement eligibility of their respective retirement systems.

Membership in the PEBB plan for the College consisted of the following:

**Summary of Plan Participants  
As of June 30, 2024**

Active Employees*	897
Retirees Receiving Benefits**	330
Retirees Not Receiving Benefits***	NA
Total Active Employees and Retirees	1,227

\*Reflects active employees eligible for PEBB program participation as of June 30, 2024.

\*\*Headcounts exclude spouses of retirees that are participating in a PEBB program as a dependent.

\*\*\*HCA doesn't have data on this group and OSA doesn't have the methodology to reasonably estimate it. For fiscal year 2024, we have no options, but to report this amount as not available.

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

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state’s Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year’s explicit subsidy for inclusion in the Governor’s budget. The

final amount is approved by the state Legislature. In calendar year 2025 the explicit subsidy was \$183 per member per month and it will remain \$183 per member per month in calendar year 2026.

**Contribution Information.** Administrative costs as well as implicit and explicit subsidies are funded by required contributions (RCW 41.05.050) from participating employers. The subsidies provide monetary assistance for medical benefits.

Contributions are set each biennium as part of the budget process. The benefits are funded on a pay-as-you-go basis.

The estimated monthly cost for PEBB benefits for the reporting period for each active employee (average across all plans and tiers) is as follows (expressed in dollars):

	<b>Required Premium*</b>	
Medical	\$	1,305
Dental		81
Life		4
Long-term Disability		2
Total		1,392
Employer contribution		1,204
Employee contribution		188
Total	\$	1,392

\*Per 2025 PEBB Financial Projection Model version 3.1. Per capita cost based on subscribers; includes non-Medicare risk pool only. Figures based on CY2024 which includes projected claims cost at the time of this reporting.

For information on the results of an actuarial valuation of the employer provided subsidies associated with the PEBB plan, refer to: <https://leg.wa.gov/studies-audits-and-reports/actuarial-reporting/#NonPension>

### **Total OPEB Liability**

As of June 30, 2025, the state reported a total OPEB liability of \$ 4.376 billion. The College’s proportionate share of the total OPEB liability is \$27,567,076. This liability was determined based on a measurement date of June 30, 2024.

**Actuarial Assumptions.** The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Inflation Rate</b>	2.40%
<b>Projected Salary Changes</b>	3.25% Plus Service-Based Salary Increases
<b>Health Care Trend Rates*</b>	Initial trend rate ranges from (4.5)-9.5%, reaching an ultimate rate of approximately 3.8 in 2080.
<b>Post-Retirement Participation Percentag</b>	60%
<b>Percentage with Spouse Coverage</b>	45%
*Please see OSA's website for the table of health care trend rates.	

In projecting the growth of the explicit subsidy, after 2022 when the cap is \$183, it is assumed to grow at the health care trend rates. The Legislature determines the value of the cap and no future increases are guaranteed; however, based on historical growth patterns, future increases to the cap are assumed.

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 for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

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

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

<b>Actuarial Valuation Date</b>	6/30/2024
<b>Actuarial Measurement Date</b>	6/30/2024
<b>Actuarial Cost Method</b>	Entry Age
<b>Amortization Method</b>	The recognition period for the experience and assumption changes is 9 years. This is equal to the average expected remaining service lives of all active and inactive members.
<b>Asset Valuation Method</b>	N/A - No Assets

The actuarial methodology used to determine the transactions subsequent to the measurement date were as follows:

Explicit Medicare Subsidy	Subsidy amounts are calculated at subscriber level, based on benefit plan and enrollment tier selected, then summed over entire population to include Medicare retirees from the State, Higher Education, K-12 and Political Subdivision groups.
Implicit Medicare Subsidy	Subsidy amounts are calculated using the implicit subsidy rate* (difference between theoretical early retiree rates and composite rates** for non-Medicare risk pool) and the enrollment counts for early retirees

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

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

A retiree subsidy rate of \$ 66.50 per member per month, used to calculate the transactions subsequent to the measurement date, is equal to the total subsidies received by current retirees (both explicit and implicit), divided by the number of current active subscribers. This amount is then allocated to the agency level based on the active, health care eligible employee headcount of each agency as of the measurement date.

**Discount Rate.** Since OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the total OPEB liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 3.65 percent for the June 30, 2023 measurement date and 3.93 percent for the June 30, 2024 measurement date.

Additional detail on assumptions and methods can be found on OSA’s website: <https://leg.wa.gov/studies-audits-and-reports/actuarial-reporting/#NonPension>

### Changes in Total OPEB Liability

As of June 30, 2025, components of the calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for the College are represented in the following table:

<b>Bellevue College</b>	
<b>Proportionate Share (%)</b>	<b>0.6299643933%</b>
Service Cost	\$ 894,413
Interest Cost	1,025,877
Differences Between Expected and Actual Experience	524,914
Changes in Assumptions	(2,341,601)
Changes of Benefit Terms	601,979
Benefit Payments	(694,377)
Changes in Proportionate Share	(1,415,742)
Other	-
Net Change in Total OPEB Liability	(1,404,537)
Total OPEB Liability - Beginning	28,971,613
<b>Total OPEB Liability - Ending</b>	<b>\$ 27,567,076</b>

**Sensitivity of the Total Liability to Changes in the Discount Rate.** The following represents the total OPEB liability of the College, calculated using the discount rate of 3.93 percent as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

<b>Discount Rate Sensitivity</b>		
<b>Current</b>		
<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
\$ 32,432,484	\$ 27,567,076	\$ 23,682,273

**Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates.** The following represents the total OPEB liability of the College, calculated using the health care trend rates range of (4.5)%-9.5% reaching an ultimate range of 3.8% in 2080, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1% point lower ((3.5%)-8.5%) or 1% higher ((5.5)%-10.5%) than the current rate.:

<b>Health Care Cost Trend Rate Sensitivity</b>		
<b>Current health care cost trend</b>		
<b>1% Decrease</b>	<b>rate</b>	<b>1% Increase</b>
\$ 23,255,035	\$ 27,567,076	\$ 33,127,673

### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ending June 30, 2025, the College will recognize OPEB expense of \$(1,836,444). OPEB expense consists of the following elements:

<b>Bellevue College</b>	
<b>Proportionate Share (%)</b>	<b>0.6299643933%</b>
Service Cost	\$ 894,413
Interest Cost	1,025,877
Amortization of Differences Between Expected and Actual Experience	74,457
Amortization of Changes in Assumptions	(3,215,620)
Changes of Benefit Terms	601,979
Amortization of Changes in Proportion	(1,217,550)
Other Changes to Net Position	-
<b>Total OPEB Expense</b>	<b>\$ (1,836,444)</b>

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

<b>Bellevue College</b>		
<b>Proportionate Share (%)</b>	<b>0.6299643933%</b>	
<b>Deferred Inflows/Outflows of Resources</b>	<b>Deferred Inflows</b>	<b>Deferred Outflows</b>
Difference between expected and actual experience	\$ 745,541	\$ 694,962
Changes in assumptions	1,387,688	15,232,978
Transactions subsequent to the measurement date	726,145	-
Changes in proportion	-	7,142,972
<b>Total Deferred Inflows/Outflows</b>	<b>\$ 2,859,374</b>	<b>\$ 23,070,912</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense in subsequent years for the College as follows:

<b>Proportionate Share (%)</b>	<b>0.6299643933%</b>
2026	\$ (4,358,713)
2027	\$ (3,694,742)
2028	\$ (2,843,269)
2029	\$ (3,012,279)
2030	\$ (2,872,395)
Thereafter	\$ (4,156,285)

The change in the College's proportionate share of OPEB liability and deferred inflows and deferred outflows of resources based on measurement date are representing in the following table:

<b>Proportionate Share (%) 2023</b>	<b>0.6623301750%</b>
<b>Proportionate Share (%) 2024</b>	<b>0.6299643933%</b>
Total OPEB Liability - Ending 2023	\$ 28,971,613
Total OPEB Liability - Beginning 2024	27,555,871
Total OPEB Liability Change in Proportion	(1,415,742)
Total Deferred Inflows/Outflows - 2023	(15,165,915)
Total Deferred Inflows/Outflows - 2024	(14,424,809)
Total Deferred Inflows/Outflows Change in Proportion	741,106
<b>Total Change in Proportion</b>	<b>\$ (2,156,848)</b>

## Note 18 - Operating Expenses by Program

In the Statement of Revenues, Expenses and Changes in Net Position, operating expenses are displayed by natural classifications, such as salaries, benefits, and supplies. The table below summarizes operating expenses by program or function such as instruction, research, and academic support. The following table lists operating expenses by program for the year ending June 30, 2025.

<b>Expenses by Functional Classification</b>	
Instruction	\$ 67,112,560
Academic Support Services	10,570,411
Student Services	17,362,422
Institutional Support	23,859,761
Operations and Maintenance of Plant	22,333,651
Scholarships and Other Student Financial Aid	9,999,031
Auxiliary enterprises	16,035,255
Depreciation	9,431,186
<b>Total operating expenses</b>	<b>\$ 176,704,276</b>

## Note 19 - Commitments and Contingencies

The College has commitments of \$55,695,453 for various capital improvement projects that include construction and completion of new buildings and renovations of existing buildings.

The College 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 statement.

## Required Supplementary Information

### Pension Plan Information

#### Cost Sharing Employer Plans

Schedules of Bellevue College's Proportionate Share of the Net Pension Liability

<b>Schedule of Bellevue College's Share of the Net Pension Liability</b> <b>Public Employees' Retirement System (PERS) Plan 1</b> Measurement Date of June 30						
Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension liability	College covered payroll	College's proportionate share of the net pension liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability	
2015	0.120550%	\$ 6,305,886	\$ 13,873,237	45.45%	59.10%	
2016	0.113159%	\$ 6,077,171	\$ 13,445,510	45.20%	57.03%	
2017	0.108986%	\$ 5,171,463	\$ 13,532,772	38.21%	61.24%	
2018	0.115580%	\$ 5,161,842	\$ 15,389,151	33.54%	63.22%	
2019	0.116766%	\$ 4,486,178	\$ 16,413,847	27.33%	67.12%	
2020	0.118332%	\$ 4,173,870	\$ 17,917,126	23.30%	68.64%	
2021	0.117691%	\$ 1,433,393	\$ 17,738,504	8.08%	88.74%	
2022	0.126775%	\$ 3,529,881	\$ 20,276,945	17.41%	76.56%	
2023	0.124204%	\$ 2,835,244	\$ 21,627,715	12.09%	80.16%	
2024	0.117251%	\$ 2,083,360	\$ 23,441,991	8.89%	84.05%	

## Cost Sharing Employer Plans

### Schedules of Bellevue College's Proportionate Share of the Net Pension Liability

<b>Schedule of Bellevue College's Share of the Net Pension Liability (Assets)</b> <b>Public Employees' Retirement System (PERS) Plan 2/3</b> Measurement Date of June 30						
Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension (asset) liability	College covered payroll	College's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability	
2015	0.155700%	\$ 5,562,929	\$ 13,873,237	40.10%	89.20%	
2016	0.144939%	\$ 7,297,581	\$ 13,445,510	54.28%	85.82%	
2017	0.139418%	\$ 4,844,109	\$ 13,532,772	35.80%	90.97%	
2018	0.148151%	\$ 2,529,546	\$ 15,380,516	16.45%	95.77%	
2019	0.150244%	\$ 1,454,673	\$ 16,390,762	8.87%	97.77%	
2020	0.153722%	\$ 1,961,311	\$ 17,901,551	10.96%	97.22%	
2021	0.145314%	\$ (14,480,319)	\$ 17,461,690	-82.93%	120.29%	
2022	0.159252%	\$ (5,906,308)	\$ 19,995,151	-29.54%	106.73%	
2023	0.152986%	\$ (6,270,411)	\$ 21,208,868	-26.75%	107.02%	
2024	0.150913%	\$ (4,974,957)	\$ 23,441,991	-21.22%	105.17%	

## Cost Sharing Employer Plans

### Schedules of Bellevue College's Proportionate Share of the Net Pension Liability

<b>Schedule of Bellevue College's Share of the Net Pension Liability</b> <b>Teachers' Retirement System (TRS) Plan 1</b> Measurement Date of June 30					
Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension liability	College covered payroll	College's proportionate share of the net pension liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability
2015	0.023140%	\$ 732,981	\$ 963,352	76.09%	65.70%
2016	0.027345%	\$ 933,634	\$ 1,200,864	77.75%	62.07%
2017	0.026001%	\$ 786,080	\$ 1,340,742	58.63%	65.58%
2018	0.026630%	\$ 777,754	\$ 1,392,931	55.84%	66.52%
2019	0.024980%	\$ 616,024	\$ 1,586,012	38.84%	70.37%
2020	0.026011%	\$ 624,118	\$ 1,761,464	35.43%	70.55%
2021	0.025576%	\$ 169,772	\$ 1,846,864	9.19%	91.42%
2022	0.024444%	\$ 464,885	\$ 1,970,413	23.59%	78.24%
2023	0.026299%	\$ 333,081	\$ 2,215,307	13.20%	85.09%
2024	0.021809%	\$ 241,927	\$ 2,523,787	9.59%	86.53%

## Cost Sharing Employer Plans

### Schedules of Bellevue College's Proportionate Share of the Net Pension Liability

<b>Schedule of Bellevue College's Share of the Net Pension Liability (Assets)</b> <b>Teachers' Retirement System (TRS) Plan 2/3</b> Measurement Date of June 30						
Fiscal Year	College's proportion of the net pension liability	College proportionate share of the net pension (asset) liability	College covered payroll	College's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	Plan's fiduciary net position as a percentage of the total pension liability	
2015	0.017530%	\$ 147,918	\$ 818,639	18.07%	92.48%	
2016	0.021070%	\$ 289,361	\$ 1,040,358	27.81%	88.72%	
2017	0.022429%	\$ 207,007	\$ 1,229,760	16.83%	93.14%	
2018	0.023044%	\$ 103,724	\$ 1,283,434	8.08%	96.88%	
2019	0.021521%	\$ 127,331	\$ 1,466,547	8.68%	96.36%	
2020	0.022606%	\$ 344,883	\$ 1,631,413	21.14%	91.72%	
2021	0.023945%	\$ (660,542)	\$ 1,787,184	-36.96%	113.72%	
2022	0.024723%	\$ (48,651)	\$ 1,959,885	-2.48%	100.86%	
2023	0.026209%	\$ (32,189)	\$ 2,215,307	-1.28%	100.49%	
2024	0.028620%	\$ 57,352	\$ 2,523,787	2.27%	99.27%	

## Pension Plan Information

### Cost Sharing Employer Plans Schedules of Contributions

<b>Schedule of Contributions for Bellevue College Public Employees' Retirement System (PERS) Plan 1</b>						
Fiscal Year Ended June 30						
Fiscal Year	Contractually Required Contributions	Contractually Required Contributions	Contributions in relation to the	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2016	\$ 641,719	\$ 641,719		\$ -	\$ 13,445,510	4.77%
2017	\$ 655,578	\$ 655,578		\$ -	\$ 13,532,772	4.84%
2018	\$ 774,706	\$ 774,706		\$ -	\$ 15,389,151	5.03%
2019	\$ 841,149	\$ 841,149		\$ -	\$ 16,413,847	5.12%
2020	\$ 854,101	\$ 854,101		\$ -	\$ 17,917,126	4.77%
2021	\$ 882,857	\$ 882,857		\$ -	\$ 17,738,504	4.98%
2022	\$ 770,131	\$ 770,131		\$ -	\$ 20,276,945	3.80%
2023	\$ 853,730	\$ 853,730		\$ -	\$ 21,627,715	3.95%
2024	\$ 691,379	\$ 691,379		\$ -	\$ 23,441,991	2.95%
2025	\$ 647,104	\$ 647,104		\$ -	\$ 25,498,170	2.54%

**Cost Sharing Employer Plans**  
Schedules of Contributions

<b>Schedule of Contributions for Bellevue College</b> <b>Public Employees' Retirement System (PERS) Plan 2/3</b> Fiscal Year Ended June 30						
Fiscal Year	Contractually Required Contributions	Contractually Required Contributions	Contributions in relation to the	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2016	\$ 836,722	\$ 836,722		\$ -	\$ 13,445,510	6.22%
2017	\$ 851,548	\$ 851,548		\$ -	\$ 13,532,772	6.29%
2018	\$ 1,151,914	\$ 1,151,914		\$ -	\$ 15,380,516	7.49%
2019	\$ 1,231,803	\$ 1,231,803		\$ -	\$ 16,390,762	7.52%
2020	\$ 1,417,788	\$ 1,417,788		\$ -	\$ 17,901,551	7.92%
2021	\$ 1,382,931	\$ 1,382,931		\$ -	\$ 17,461,690	7.92%
2022	\$ 1,271,609	\$ 1,271,609		\$ -	\$ 19,995,151	6.36%
2023	\$ 1,349,010	\$ 1,349,010		\$ -	\$ 21,208,868	6.36%
2024	\$ 1,490,704	\$ 1,490,704		\$ -	\$ 23,441,991	6.36%
2025	\$ 1,621,683	\$ 1,621,683		\$ -	\$ 25,498,170	6.36%

**Cost Sharing Employer Plans**  
Schedules of Contributions

<b>Schedule of Contributions for Bellevue College</b> <b>Teachers' Retirement System (TRS) Plan 1</b> Fiscal Year Ended June 30						
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	
2016	\$ 66,911	\$ 66,911	\$ -	\$ 1,200,864	5.57%	
2017	\$ 90,987	\$ 90,987	\$ -	\$ 1,340,742	6.79%	
2018	\$ 110,754	\$ 110,754	\$ -	\$ 1,437,740	7.70%	
2019	\$ 126,488	\$ 126,488	\$ -	\$ 1,586,012	7.98%	
2020	\$ 137,315	\$ 137,315	\$ -	\$ 1,761,464	7.80%	
2021	\$ 141,394	\$ 141,394	\$ -	\$ 1,846,864	7.66%	
2022	\$ 124,626	\$ 124,626	\$ -	\$ 1,970,413	6.32%	
2023	\$ 142,672	\$ 142,672	\$ -	\$ 2,215,307	6.44%	
2024	\$ 45,235	\$ 45,235	\$ -	\$ 2,523,787	1.79%	
2025	\$ 51,721	\$ 51,721	\$ -	\$ 3,263,342	1.58%	

**Cost Sharing Employer Plans**  
Schedules of Contributions

<b>Schedule of Contributions for Bellevue College</b> <b>Teachers' Retirement System (TRS) Plan 2/3</b> Fiscal Year Ended June 30						
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll	
2016	\$ 84,971	\$ 84,971	\$ -	\$ 1,040,358	8.17%	
2017	\$ 82,640	\$ 82,640	\$ -	\$ 1,229,760	6.72%	
2018	\$ 102,448	\$ 102,448	\$ -	\$ 1,327,038	7.72%	
2019	\$ 114,828	\$ 114,828	\$ -	\$ 1,466,547	7.83%	
2020	\$ 132,608	\$ 132,608	\$ -	\$ 1,631,413	8.13%	
2021	\$ 145,653	\$ 145,653	\$ -	\$ 1,787,184	8.15%	
2022	\$ 157,920	\$ 157,920	\$ -	\$ 1,959,885	8.06%	
2023	\$ 178,333	\$ 178,333	\$ -	\$ 2,215,307	8.05%	
2024	\$ 203,400	\$ 203,400	\$ -	\$ 2,523,787	8.06%	
2025	\$ 263,026	\$ 263,026	\$ -	\$ 3,263,342	8.06%	

**State Board Supplemental Defined Benefit Plans**

**Schedule of Changes in the Net Pension Liability and Related Ratios**

**Bellevue College**

Measurement Date as of June 30

(expressed in thousands)

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Pension Liability</b>								
Service Cost	\$ 394,449	\$ 270,149	\$ 209,042	\$ 258,306	\$ 350,002	\$ 109,978	\$ 146,390	\$ 137,188
Interest	255,879	248,266	252,857	290,564	248,942	370,510	528,538	470,172
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,844,890)	(734,210)	476,727	612,224	(2,246,024)	1,637,339	(424,796)	(1,336,381)
Changes of assumptions	(435,445)	(248,407)	896,381	1,635,844	(4,053,645)	531,865	(841,208)	-
Benefit Payments	(65,681)	(91,767)	(133,306)	(131,146)	(149,230)	(220,029)	(221,848)	(269,876)
Change in Proportionate Share of liability			237,185	16,074	213,868	(70,358)	52,644	11,930
Other	(211,712)	-	-	-	27	-	(1)	(37,006)
<b>Net Change in Total Pension Liability</b>	<b>(1,907,400)</b>	<b>(555,969)</b>	<b>1,938,886</b>	<b>2,681,866</b>	<b>\$(5,636,060)</b>	<b>\$ 2,359,305</b>	<b>\$ (760,281)</b>	<b>\$ (1,023,973)</b>
Total Pension Liability - Beginning	8,616,940	6,709,540	6,153,571	8,092,457	10,774,323	5,138,263	7,497,568	6,737,287
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 6,709,540</b>	<b>\$ 6,153,571</b>	<b>\$ 8,092,457</b>	<b>\$10,774,323</b>	<b>\$ 5,138,263</b>	<b>\$ 7,497,568</b>	<b>\$ 6,737,287</b>	<b>\$ 5,713,314</b>
<b>Plan Fiduciary Net Position</b>								
Contributions-Employer	n/a	n/a	n/a	n/a	49,144	60,791	63,588	\$ 66,735
Contributions - Member	n/a	n/a	n/a	n/a	-	-	-	-
Net Investment Income	n/a	n/a	n/a	n/a	615,126	3,795	174,100	217,546
Benefit Payments	n/a	n/a	n/a	n/a	-	-	-	-
Administrative Expense	n/a	n/a	n/a	n/a	-	-	-	-
Other	n/a	n/a	n/a	n/a	(74)	-	(36)	(37,007)
Change in Proportionate Share of Plan Assets	n/a	n/a	n/a	n/a	-	-	-	4,775
<b>Net Change in Plan Fiduciary Net Position</b>					<b>\$ 664,196</b>	<b>\$ 64,586</b>	<b>\$ 237,652</b>	<b>\$ 252,049</b>
Plan Fiduciary Net Position-Beginning					1,752,484	2,416,680	2,481,266	2,718,918
<b>Plan Fiduciary Net Position-Ending (b)</b>					<b>\$ 2,416,680</b>	<b>\$ 2,481,266</b>	<b>\$ 2,718,918</b>	<b>\$ 2,970,967</b>
<b>Plan's Net Pension Liability (Asset) -- Ending (a)-(b)</b>					<b>\$ 2,721,583</b>	<b>\$ 5,016,302</b>	<b>\$ 4,018,369</b>	<b>\$ 2,742,347</b>
<b>Fiduciary net position as a % of total pension liability (b/a)</b>	<b>7.28%</b>	<b>7.06%</b>	<b>7.33%</b>	<b>7.49%</b>	<b>7.49%</b>	<b>7.30%</b>	<b>7.37%</b>	<b>7.39%</b>
<b>Covered Payroll</b>	39,650,714	40,131,029	42,683,458	45,474,306	47,620,296	47,019,751	48,822,889	\$48,822,889
<b>Net pension Liability as a % of covered payroll</b>	<b>17.46%</b>	<b>15.33%</b>	<b>18.96%</b>	<b>23.69%</b>	<b>10.79%</b>	<b>10.67%</b>	<b>8.23%</b>	<b>5.62%</b>

Note: These schedules will be built prospectively until they contain 10 years of data.  
n/a indicates data not available

<b>Schedule of Employer Contributions</b> <b>State Board Supplemental Retirement Plan</b> <b>Bellevue College</b> Fiscal Year Ended June 30					
	2021	2022	2023	2024	2025
Statutorily determined contributions	\$ 61,906	\$ 61,126	\$ 63,470	\$ 63,470	\$ 68,995
Actual contributions in relation to the above	54,569	\$ 60,211	\$ 62,943	\$ 68,395	\$ 74,935
Contribution deficiency (excess)	\$ (7,337)	\$ (915)	\$ (527)	\$ 4,925	\$ 5,939
Covered Payroll	\$ 47,620,296	47,019,751	48,822,889	48,822,889	53,073,307
Contribution as a % of covered payroll	0.11%	0.13%	0.13%	0.14%	0.14%

Note: These schedules will be built prospectively until they contain 10 years of data.  
 n/a indicates data not available

**State Board Supplemental Defined Benefit Plans**

**Notes to Required Supplementary Information**

The State Board Supplemental Retirement Plans are financed on a pay-as-you-go basis. State Board makes direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals, no assets are accumulated in trusts or equivalent arrangements. Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, salary growth and the variable income investment return.

Effective fiscal year 2021, House Bill 1661 created dedicated funds to pay SRP benefits that mimic the trust arrangement for the rest of the state retirement systems. As a result, the plan, previously reported under GASB Statement No. 73 is now being reported under GASB Statement No. 68.

The Schedule of Employer Contributions contains actual amounts, while the notes report contributions as a proportionate share of plan total contributions.

## Required Supplementary Information

### Other Postemployment Benefits Information

<b>Schedule of Changes in Total OPEB Liability and Related Ratios</b>									
<b>Measurement Date of June 30*</b>									
<b>Total OPEB Liability</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service cost	\$ 894,413	\$ 1,014,965	\$ 2,221,530	\$ 2,379,102	\$ 1,865,049	\$ 1,809,536	\$ 2,485,937	\$ 3,101,919	\$ 2,445,682
Interest cost	1,025,877	1,019,538	1,030,761	1,028,233	1,560,143	1,569,669	1,709,068	1,452,958	1,145,572
Difference between expected and actual experience	524,914	-	(1,020,789)	-	(239,077)	-	1,560,047	-	-
Changes in assumptions	(2,341,601)	(490,269)	(17,235,208)	439,316	1,011,320	2,923,138	(10,883,067)	(7,087,553)	(5,588,122)
Changes in benefit terms	601,979	-	-	-	-	-	-	-	-
Benefit payments	(694,377)	(710,146)	(757,303)	(783,371)	(742,808)	(718,029)	(721,825)	(740,450)	(583,802)
Changes in proportionate share	(1,415,742)	(1,976,960)	(1,724,612)	(407,348)	(1,611,647)	(655,281)	(144,008)	(295,195)	(1,030,806)
Other	-	-	(1)	-	(1,589,120)	-	-	-	13,248,200
<b>Net Changes in Total OPEB Liability</b>	<b>\$ (1,404,537)</b>	<b>\$ (1,142,872)</b>	<b>\$ (17,485,622)</b>	<b>\$ 2,655,932</b>	<b>\$ 253,860</b>	<b>\$ 4,929,033</b>	<b>\$ (5,993,848)</b>	<b>\$ (3,568,321)</b>	<b>\$ 9,636,724</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 28,971,613</b>	<b>\$ 30,114,485</b>	<b>\$ 47,600,107</b>	<b>\$ 44,944,175</b>	<b>\$ 44,690,315</b>	<b>\$ 39,761,282</b>	<b>\$ 45,755,130</b>	<b>\$ 49,323,451</b>	<b>\$ 39,686,727</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 27,567,076</b>	<b>\$ 28,971,613</b>	<b>\$ 30,114,485</b>	<b>\$ 47,600,107</b>	<b>\$ 44,944,175</b>	<b>\$ 44,690,315</b>	<b>\$ 39,761,282</b>	<b>\$ 45,755,130</b>	<b>\$ 49,323,451</b>
<b>College's proportion of the Total OPEB Liability (%)</b>	<b>0.62996439%</b>	<b>0.66233016%</b>	<b>0.70886589%</b>	<b>0.73551451%</b>	<b>0.74224177%</b>	<b>0.77001029%</b>	<b>0.78291298%</b>	<b>0.78538487%</b>	<b>0.61923018%</b>
<b>Covered-employee payroll</b>	<b>\$ 87,519,276</b>	<b>\$ 78,956,259</b>	<b>\$ 72,633,997</b>	<b>\$ 69,208,463</b>	<b>\$ 67,395,947</b>	<b>\$ 65,836,590</b>	<b>\$ 61,391,689</b>	<b>\$ 51,727,510</b>	<b>\$ 40,817,244</b>
<b>Total OPEB Liability as a percentage of covered-employee payroll</b>	<b>31.498291%</b>	<b>36.693244%</b>	<b>41.460592%</b>	<b>68.777870%</b>	<b>66.686762%</b>	<b>67.880665%</b>	<b>64.766555%</b>	<b>88.454151%</b>	<b>120.839739%</b>

\*This schedule is to be built prospectively until it contains ten years of data.

### Notes to Required Supplementary Information

The Public Employee's Benefits Board (PEBB) OPEB plan does not have assets in trusts or equivalent arrangements and is funded on a pay-as-you-go basis. Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, health care trend rates, salary projections, and participation percentages.