

**WESTERN WASHINGTON UNIVERSITY
BELLINGHAM, WASHINGTON**

ASSOCIATED STUDENTS BOOKSTORE

FINANCIAL REPORT

JUNE 30, 2005

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT DISCUSSION AND ANALYSIS	2 - 5
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS.....	6
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS.....	7
STATEMENTS OF CASH FLOWS.....	8
NOTES TO FINANCIAL STATEMENTS.....	9 - 13
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION.....	15
FIVE-YEAR STATEMENT OF NET ASSETS SUMMARY	16
FIVE-YEAR REVENUE AND EXPENSES SUMMARY.....	17
FIVE-YEAR NET SALES/COST OF SALES AND NET SALES CONTRIBUTION BY DEPARTMENT	18
FIVE-YEAR INCOME FROM OPERATIONS AND GROSS PROFIT AS A PERCENT OF SALES	19
FIVE-YEAR TOTAL OPERATING EXPENSE AND 2005 COMPONENTS OF OPERATING EXPENSE	20



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Western Washington University
Bellingham, Washington

We have audited the accompanying statements of net assets of Western Washington University Associated Students Bookstore as of June 30, 2005 and 2004, and the related statements of revenue, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Bookstore's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Washington University Associated Students Bookstore as of June 30, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

/s/ Peterson Sullivan PLLC

August 4, 2005

**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

**MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2004 and 2005**

The following discussion and analysis provides an overview of the financial position and activities of the Western Associated Students (AS) Bookstore for the years ended June 30, 2004 and 2005. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes which follow this section.

The Western Associated Students Bookstore is owned and operated by Western Washington University in association with the Associated Students of WWU for the benefit of Western students, and has served the WWU campus community since 1910. Its purpose is to serve as an academic resource for the campus and it aims to accomplish this service mission in an economically responsible manner by applying sound, efficient business practices.

Western's Associated Students Bookstore is operated in the format of a student cooperative. Textbook prices reflect a student discount (currently 10%) and net operating revenues support student programs and activities. The Associated Students act in partnership with the administration through involvement in the development and recommendation of general policy guidelines.

Fiscal Year 2005 was a year of gains with regard to operating efficiencies, inventory control and service improvements. Sales increased and costs of goods sold decreased. While expenses continue to increase, management is continuing to look for efficiencies including a reorganization of staff responsibilities and changing methods of doing business. More improvements are planned for fiscal year 2006, including the positive effects from implementation of a new computer system during the summer of 2005.

Textbook Discount Pricing Philosophy

For 15 years the AS Bookstore has offered a 10% discount on course materials (textbooks) for Western students. This level of textbook discount is a valuable benefit to students (\$456,000 in 2005), but large discounts have become an anomaly in the college bookstore business and more difficult to maintain given increasing costs of doing business (e.g., credit card fees, technology, health care, utilities, higher depreciation on a newly remodeled store). At approximately 17.5%, the AS Bookstore's net margin on textbooks is 8.4% lower than the current industry average of 25.86%. 12.2% of college stores have a margin as low as the AS Bookstore. Course material sales accounted for 73.03% of store sales during 2004-05.

Given the high cost of textbooks, efforts continue to be made to preserve the discount for student benefit. During the upcoming fiscal year, the Bookstore and its Advisory Group will be having conversations with the Associated Students regarding appropriate reserve levels, operational policies and its financial relationship with the Associated Students.

Financial Statement Review

Statements of Net Assets

The Statement of Net Assets is a snapshot in time of the Bookstore's financial position on June 30, or the final day of the fiscal year.

- Total Assets were \$4,362,196 at June 30; this total reflects an increase of \$105,245 from 2004.
 - Approximately \$1.35 million of this is cash required for operations (cash flow)
 - Nearly \$1 million of assets are in inventory and \$1.7 million are in building improvements and equipment
- Current Liabilities were \$397,651. This figure includes:
 - The anticipated July distribution of \$150,000 to the Associated Students Organization according to a net revenue sharing agreement
 - \$29,983 to Viking Athletics for its role in promotion of branded sportswear
- Net Assets were \$3,964,545. The return on assets for the year was 2.4%, up from .96% the previous year.

Statements of Revenue, Expenses and Changes in Net Assets

- Sales: Gross profit increased nearly \$198,000 or 16.9% from the prior year to \$1,367,065.
 - Net Sales after the 10% student textbook discount for the year were \$5,974,380, an increase of 2.9%, or \$170,803 from the previous year.
 - Included in Net Sales is "Other Revenues" which have increased by 41%. The majority of the increase is due to a higher rate of commission negotiated by management for the sale of used books back to wholesalers (through student buyback).
 - The value to students of the textbook discount for the year was over \$456,000, up 12.9% from \$404,000 the previous year.
 - The Cost of Goods Sold comprised 77.1% of Net Sales, down from 79.9% the previous year. This decrease resulted in a Gross Margin increase of 2.74 percentage points (from 20.14% in 2004 to 22.88% in 2005).
- Operating Expenses: Total Operating Expenses increased \$142,596 or 12.4% from the prior year to \$1,291,171. Operating Expenses were 21.6% of net sales compared to the industry average last year of 23.2%. Highlights include:
 - As a result of the 2003 Bookstore Consultant's report and survey, additional student and temporary positions were added or expanded to offer improved customer service throughout the store.
 - An additional full time staff position was added this year in the Textbook Department to help meet and maintain goals of increased customer service and improved, consistent communication with faculty and academic departments. Beginning July 1, 2005 most classified staff will receive a 3.2% wage increase.
 - Salary/benefit expense as a percentage of net sales is 14.75% an increase from 13.3% last year. Industry average salary/benefit expense last year was 13.66% of net sales (see comparison below). If the AS Bookstore's 10% discount were added back and if sales were to stay at current levels, salary/benefit expense would be comparable to the industry average.

- Credit card expenses were \$93,176, up 13.9% from \$81,831 the previous year. In September, 2005 the store will be implementing new cash registers with pin/debit capabilities. The processing fee is lower for the store on pin/debit purchases, so the ability to process cards this way should save the store approximately \$10,000 per year in credit card fees.
- Freight out expense more than doubled (from \$27,580 to \$45,325) reflecting higher fuel costs, the Bookstore's commitment to stock at higher levels to ensure full sales opportunities, and the Bookstore's efforts to clear out excess inventory thereby reducing the potential for write-offs (which would be classified as cost of goods sold.)

Significant Events

Strategic Directions & Service Developments

- Formation of a *Bookstore Advisory Group* comprised of students, faculty and staff and Associated Students representatives. In the coming year this advisory group will focus on the store's financial situation including developing a reserve policy and reviewing the store's financial relationship with the Associated Students organization.
- The store *increased communications with faculty and academic departments* concerning course material acquisition, resulting in earlier receipt of course material adoptions, improved acquisition of used books and increased sales for the store.
- The store *partnered with the Student Technology Center* to offer *academically priced computer hardware* to Western students, faculty and staff beginning in fall 2005. Commissions from these programs will purchase computers for the Student Technology Center and finance computer scholarships for Western students.

Personnel

- A new *Textbook Department Assistant* position was added in July 2004
- Store staff was *restructured* to facilitate improved use of the inventory management system and more streamlined customer service. This restructuring will continue next year.
- The store created a *student marketing internship* position spring term which resulted in a campus wide survey, focus groups and development of a marketing plan for the store. The store will offer on-going internship opportunities for Western Students and increased student staff leadership positions.

Improved Operations & Systems

- The store set in place a series of *new procedures* as a result of the higher than expected inventory shrinkage figure in 2003-04 of 2.9%. Shrinkage this year was reduced to 1.75%. The industry average was 1.22% last year. A bid process was completed for the purchase of a store security system to be installed in late fall of 2005 to improve merchandise security and reduce inventory shrinkage due to theft.
- Store management negotiated *improved commissions on used book buy back* from used book companies.

- In June, 2005, the Bookstore contracted to purchase a *new inventory management & point of sale system* from Sequoia Retail Systems to replace its current Missouri Books Systems software and hardware. The cost of the new system is \$300,000. The Associated Students of WWU agreed to contribute \$150,000 towards the purchase of the system from its reserves, and to loan the AS Bookstore an additional \$100,000 towards the purchase. The remainder is being funded by the Bookstore. Benefits of the new system include:
 - Increased used book acquisition with improved interactive ordering functions
 - Ability to buy back books from up to five vendors to ensure highest prices paid to student
 - Reduction of cash register wait time for credit card processing from 11-15 seconds to 2 seconds.
 - Ability to take debit card with pin number at register saving approximately \$10,000 in credit card fees annually.
 - Overall system efficiency; fewer key strokes, easier access to information
 - Complete integration of website and store systems
 - Integrates with University Dining CBord system for campus debit program

Benchmarking Comparisons

To offer some perspective, the following compares major financial factors with information from the National Association of College Stores (NACS) and Independent College Bookstore Association (ICBA) surveys from the 2003-04 fiscal year. Note that where *'d, adjustments have been made to add back the 10% discount to allow relevant comparison with industry averages.

All percentages are shown as a percentage of net sales, allowing comparison of stores of varying size. Store variances such as competition, focus, location and regionality must be considered when interpreting these percentages.

	WWU Bookstore				ICBA¹	NACS²
	2001-02	2002-03	2003-04	2004-05	2003-04	2003-04
Net Sales	\$5,246,029	\$5,661,952	\$5,803,577	\$5,974,380		
Cost of Good Sold	77.3%	77.6%	79.9%	77.1%	73.2%	71.4%
Adjusted Textbook Margin*	17.1%	21.4%	13.9%	17.59%	25.1%	25.9%
Adjusted Gross Margin* - Total Store	22.7%	22.4%	20.14%	22.9%	26.8%	28.6%
Total Store Expenses Ratio	21.3%	19.4%	19.8%	21.6%	23.2%	20.8%
Net Income	\$71,699	\$168,883	\$20,522	\$75,894	n/a	n/a
Net Income Ratio	1.3%	2.9%	0.3%	1.2%	4.2%	8.0%
Contributions to Campus**	\$200,000	\$172,475	\$177,308	\$179,983	n/a	n/a
Contributions Ratio	3.81%	3.09%	3.10%	3.00%	n/a	n/a

Notes:

* Margins are reflected after the 10% text discount valued at over \$456,000

** Contributions include \$150,000 to Associated Students and \$29,983 to Viking Athletics. Not included in this figure is the \$24,106 net cost to operate the Post Office in the Viking Union which benefits the entire campus.

1 Independent College Bookstore Association Store Operating Survey, 2003-04. Results represent institutionally operated stores

2 National Association of College Stores Financial Report results for 2003-04, including private and chain stores

**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

STATEMENTS OF NET ASSETS

June 30, 2005 and 2004

ASSETS	<u>2005</u>	<u>2004</u>
Current Assets		
Cash and cash equivalents	\$ 1,349,129	\$ 1,178,288
Receivables	400,061	342,698
Inventory	<u>908,040</u>	<u>966,357</u>
Total current assets	2,657,230	2,487,343
Noncurrent Assets		
Building, improvements and equipment, net	<u>1,704,966</u>	<u>1,769,608</u>
Total assets	4,362,196	4,256,951
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	217,668	189,150
Distribution payable to Associated Students of WWU	150,000	145,000
Distribution payable to WWU Athletics Department	<u>29,983</u>	<u>27,308</u>
Total current liabilities	<u>397,651</u>	<u>361,458</u>
NET ASSETS		
Invested in capital assets	1,704,966	1,769,608
Net assets, unrestricted, undesignated	<u>2,259,579</u>	<u>2,125,885</u>
Total net assets	<u><u>\$ 3,964,545</u></u>	<u><u>\$ 3,895,493</u></u>

See Notes to Financial Statements

**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2005 and 2004

	2005	2004
Sales, net of discounts	\$ 5,974,380	\$ 5,803,577
Cost of goods sold	4,607,315	4,634,480
Gross profit	1,367,065	1,169,097
Operating expenses		
Salaries and benefits	881,227	762,913
General and administrative expense	193,596	176,999
Facilities expense	53,560	55,835
Depreciation	64,642	67,403
Bank card expense	93,176	81,831
Donations to Associated Students of WWU	4,970	3,594
Total operating expenses	1,291,171	1,148,575
Income from operations	75,894	20,522
Non-operating revenue		
Investment income	28,141	21,065
Increase in net assets before contributions and distributions	104,035	41,587
Contribution received for Sequoia computer purchase	150,000	
Distribution to Associated Students of WWU	(155,000)	(145,000)
Distribution to WWU Athletics Department	(29,983)	(27,308)
Change in net assets	69,052	(130,721)
Net assets, beginning of year	3,895,493	4,026,214
Net assets, end of year	\$ 3,964,545	\$ 3,895,493

See Notes to Financial Statements

**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2005 and 2004

	2005	2004
Cash Flows from Operating Activities		
Cash received from students and other customers	\$ 5,917,017	\$ 5,914,772
Cash paid to suppliers and employees	(5,747,009)	(5,761,437)
Net cash flows from operating activities	170,008	153,335
Cash Flows from Noncapital Financing Activities		
Contribution from Associated Students of WWU	150,000	
Distribution to WWU Athletics Department	(27,308)	(27,425)
Distribution to Associated Students of WWU	(150,000)	(145,050)
Net cash flows from noncapital financing activities	(27,308)	(172,475)
Cash Flows from Investing Activities		
Interest received	28,141	21,065
Net change in cash and cash equivalents	170,841	1,925
Cash and cash equivalents, beginning of year	1,178,288	1,176,363
Cash and cash equivalents, end of year	\$ 1,349,129	\$ 1,178,288
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Income from operations	\$ 75,894	\$ 20,522
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	64,642	67,403
Change in operating assets and liabilities		
Receivables	(57,363)	111,195
Accounts payable and accrued expenses	28,518	2,745
Inventory	58,317	(48,530)
Net cash flows from operating activities	\$ 170,008	\$ 153,335

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Significant Accounting Policies

Organization

Western Washington University Associated Students Bookstore ("the Bookstore") is a self-supporting, auxiliary enterprise of Western Washington University ("WWU"). The Associated Students of WWU ("ASWWU") have an active partnership with the Bookstore administration through involvement in the development and recommendation of general policy guidelines for the Bookstore. The Bookstore manages its net operating proceeds for the purposes of student programs. The Bookstore is a discount retailer of textbooks, supplies and general merchandise. Approximately 95% of the Bookstore's revenue comes from sales to students, faculty, and departments of WWU.

WWU allocates certain general and administrative charges to departments for which services are performed. The effects of these transactions are included in these financial statements.

Financial Statement Presentation

These financial statements are presented in accordance with governmental accounting principles generally accepted in the United States. These statements are special purpose reports reflecting the net assets, results of operations, and cash flows of the Bookstore. The statements presented herein are: Statements of Net Assets, Statements of Revenue, Expenses and Changes in Net Assets, and Statements of Cash Flows. These financial statements present only a selected portion of the activities of WWU. As such, they are not intended to and do not present either the financial position, results of operations, or changes in net assets of WWU.

Basis of Accounting

The Bookstore's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

Net Assets

The Bookstore's net assets are classified as follows:

Invested in capital assets. This represents the Bookstore's total investment in capital assets.

Unrestricted net assets. Unrestricted net assets represent resources derived from operations and investing activities. The Bookstore has designated \$150,000 of this balance to partially fund the purchase of a new point-of-sale system (see Note 7).

Classification of Revenues

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents represent funds pooled with other WWU funds and commonly invested. Cash and cash equivalents that are used to fund WWU operations are classified as current assets. The University records all cash and cash equivalents at amortized cost, which approximates fair value. See Note 2 for additional detail.

Receivables

Receivables are recorded at their principal balances. The Bookstore considers all accounts greater than 30 days old to be past due and uses the allowance method (based on historical collection rates) for recognizing bad debts. When an account is deemed uncollectible, it is generally written off against the allowance. Management determined that no allowance was necessary at June 30, 2005 or 2004.

Inventory

Inventory consists of textbooks, supplies, and general merchandise and is stated at the lower of cost (first-in, first-out method) or market.

Building, Improvements and Equipment

The building used for the Bookstore's operations is located on WWU property.

Building improvements and equipment are stated at cost. The Bookstore capitalizes any expenditure for buildings, improvements, and equipment that have a cost of at least \$5,000 and an estimated useful life of more than one year. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets.

Income Taxes

As part of WWU, the operations of the Bookstore are exempt from income taxes on sales to students and the WWU community.

Estimates

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

Note 2. Cash and Cash Equivalents

To maximize investment income, WWU combines funds from all departments into an investment pool. Investment income is allocated to the Bookstore in proportion to its average balance in the investment pool. Bookstore funds invested in the pool are classified as cash equivalents in these financial statements.

Interest Rate and Credit Risk

The WWU investment pool is invested in demand deposits, time certificates of deposit, and the Washington State Local Government Investment Pool ("LGIP"). WWU manages exposure to fair value losses by employing a "laddered maturity" strategy, in which investments mature at varying time throughout the year. In accordance with WWU's Investment Policy, no investment maturity exceeds five years. The weighted average maturity of the WWU investment pool at June 30, 2005, is 8.5 months. Demand deposits and time certificates of deposit are partially insured through the Federal Deposit Insurance Corporation ("FDIC") and further collateralized by assets held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission ("PDPC").

The WWU pooled investment with the LGIP is invested in high-quality, short-term investments. All investments are required to be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations ("NRSROs") at the time of purchase. Investments are restricted to securities that mature in 397 days or less, and the portfolio maintains a weighted average maturity of 90 days or less.

Note 3. Receivables

Receivables are composed of:

	<u>2005</u>	<u>2004</u>
Credits due from publishers	\$ 384,892	\$ 327,859
Trade accounts	15,169	14,839
	<u>\$ 400,061</u>	<u>\$ 342,698</u>

Note 4. Building Improvements and Equipment

	June 30, 2004	Additions	Disposals	June 30, 2005
Building improvements	\$1,867,033	\$ -	\$ -	\$1,867,033
Furniture, fixtures and equipment	344,084			344,084
	2,211,117			2,211,117
Less accumulated depreciation	(441,509)	(64,642)		(506,151)
Building Improvements and Equipment, net	<u>\$1,769,608</u>	<u>\$ (64,642)</u>	<u>\$ -</u>	<u>\$1,704,966</u>

	June 30, 2003	Additions	Disposals	June 30, 2004
Building improvements	\$1,867,033	\$ -	\$ -	\$1,867,033
Furniture, fixtures and equipment	344,084			344,084
	2,211,117			2,211,117
Less accumulated depreciation	(374,106)	(67,403)		(441,509)
Building Improvements and Equipment, net	<u>\$1,837,011</u>	<u>\$ (67,403)</u>	<u>\$ -</u>	<u>\$1,769,608</u>

Note 5. Revenue Sharing Arrangement

The Bookstore's annual appropriation for distribution to ASWWU is based on ASWWU' budgeted need. This appropriation may not exceed 5% of the Bookstore's budgeted annual sales. The appropriation must be approved by the ASWWU Board of Directors. The appropriations for the years ended June 30, 2005 and 2004, were \$150,000 and \$145,000, respectively. These amounts are paid subsequent to the appropriate year end. An additional \$5,000 was contributed during the year ended June 30, 2005.

Beginning in 2003, the Bookstore agreed to make an annual appropriation for distribution to the WWU Athletics Department. The appropriation is based on 5% of clothing and hat sales after discounts. The appropriation for the year ended June 30, 2005 and 2004, was \$29,983 and \$27,308, respectively, and was paid subsequent to year end.

Note 6. Pension Plan

Bookstore employees in eligible positions are participants in the State of Washington Public Employees' Retirement System ("PERS") and the Western Washington University Retirement Plan ("WWURP"). PERS is a defined benefit pension plan. The WWURP plan is a defined contribution plan. Under these plans, the employee and the employer contribute a percentage of the employee's compensation. The Bookstore contributed approximately \$11,000 and \$10,100 to the plans in 2005 and 2004, respectively. Actuarial valuations of the plans for the Bookstore as a stand-alone entity are not available.

Note 7. Commitment

The Bookstore signed a contract in June 2005 to acquire a new point-of-sale system which is expected to be installed in the fall of 2005. The new system is expected to cost approximately \$300,000 and will be funded through cash flow from operations and \$150,000 in contributions from ASWWU.

S U P P L E M E N T A R Y I N F O R M A T I O N



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees
Western Washington University
Bellingham, Washington

Our report on our audits of the basic financial statements of Western Washington University Associated Students Bookstore for the years ended June 30, 2005 and 2004, appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information presented on pages 12 through 16 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2005 and 2004, taken as a whole.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the basic financial statements of Western Washington University Associated Students Bookstore as of June 30, 2003, 2002, and 2001, and in our reports dated August 5, 2003, August 8, 2002, and August 9, 2001, we expressed unqualified opinions on those financial statements. In our opinion, the accompanying supplemental information for the years ended June 30, 2003, 2002, and 2001, is fairly stated in all material respects in relation to the basic financial statements from which it was derived.

/s/ Peterson Sullivan PLLC

August 4, 2005

**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

FIVE-YEAR STATEMENT OF NET ASSETS SUMMARY
June 30, 2005, 2004, 2003, 2002, and 2001

ASSETS	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Current assets	\$2,657,230	\$2,487,343	\$2,548,083	\$2,604,172	\$4,848,901
Noncurrent assets	<u>1,704,966</u>	<u>1,769,608</u>	<u>1,837,011</u>	<u>1,904,736</u>	<u>1,362,913</u>
Total assets	4,362,196	4,256,951	4,385,094	4,508,908	6,211,814
LIABILITIES					
Accounts payable and accruals	367,668	334,150	331,455	440,592	140,252
Due to another WWU department	<u>29,983</u>	<u>27,308</u>	<u>27,425</u>	<u>440,592</u>	<u>1,264,194</u>
TOTAL NET ASSETS	<u><u>\$3,964,545</u></u>	<u><u>\$3,895,493</u></u>	<u><u>\$4,026,214</u></u>	<u><u>\$4,068,316</u></u>	<u><u>\$4,807,368</u></u>
Current ratio (current assets/current liabilities)	6.68	6.88	7.10	5.91	3.45
Return on assets (increase in net assets before transfers and distributions/average total assets)	2.41%	.96%	4.33%	2.71%	4.72%

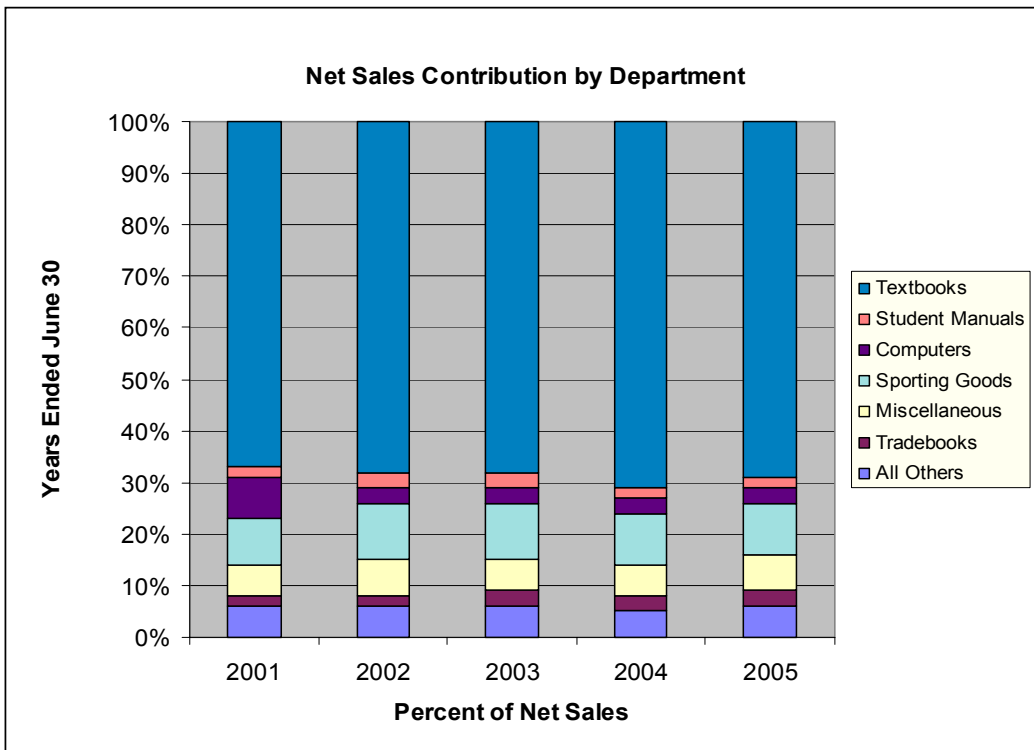
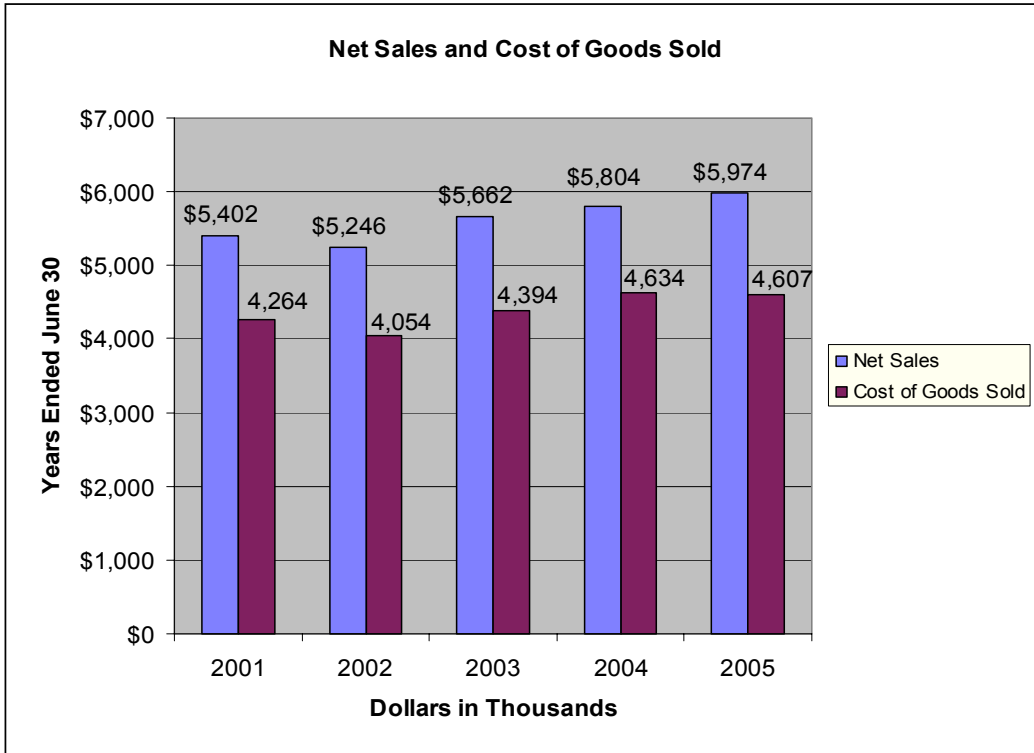
**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

FIVE-YEAR REVENUE AND EXPENSES SUMMARY
Years Ended June 30, 2005, 2004, 2003, 2002, and 2001

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Net sales	\$ 5,974,380	\$ 5,803,577	\$ 5,661,952	\$ 5,246,029	\$ 5,401,860
Cost of goods sold	<u>4,607,315</u>	<u>4,634,480</u>	<u>4,394,367</u>	<u>4,054,414</u>	<u>4,263,890</u>
Gross profit	1,367,065	1,169,097	1,267,585	1,191,615	1,137,970
Operating expenses					
Salaries and benefits	881,227	762,913	752,126	784,508	750,374
General and administrative expense	193,596	176,999	145,272	135,101	132,948
Facilities expense	53,560	55,835	55,613	67,658	72,208
Depreciation	64,642	67,403	67,725	64,714	45,149
Bank card expense	93,176	81,831	73,653	63,847	59,907
Donations to Associated Students of WWU	<u>4,970</u>	<u>3,594</u>	<u>4,313</u>	<u>4,088</u>	<u>2,833</u>
	<u>1,291,171</u>	<u>1,148,575</u>	<u>1,098,702</u>	<u>1,119,916</u>	<u>1,063,419</u>
Income from operations	75,894	20,522	168,883	71,699	74,551
Non-operating revenue (expense)					
Investment income	28,141	21,065	23,599	63,808	196,254
Relocation reimbursement (costs)	<u></u>	<u></u>	<u></u>	<u>9,543</u>	<u>(7,759)</u>
	<u>28,141</u>	<u>21,065</u>	<u>23,599</u>	<u>73,351</u>	<u>188,495</u>
Increase in net assets before transfers and distributions	<u>\$ 104,035</u>	<u>\$ 41,587</u>	<u>\$ 192,482</u>	<u>\$ 145,050</u>	<u>\$ 263,046</u>
Gross profit percentage	22.88%	20.14%	22.39%	22.71%	21.07%

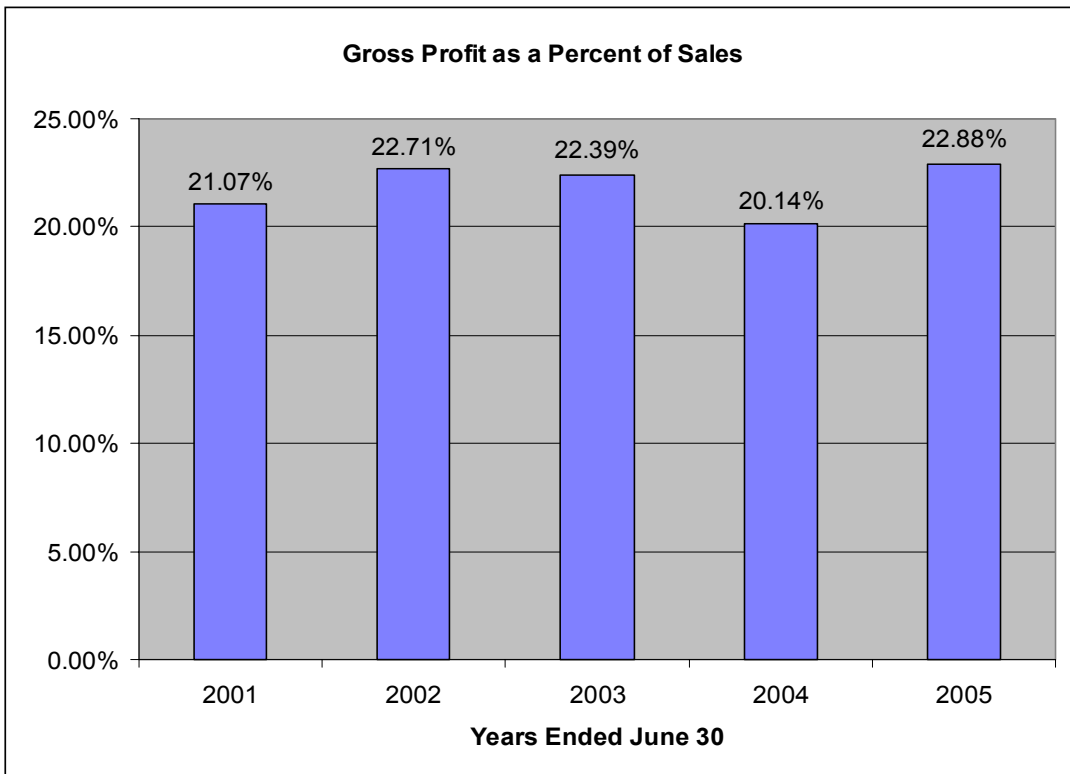
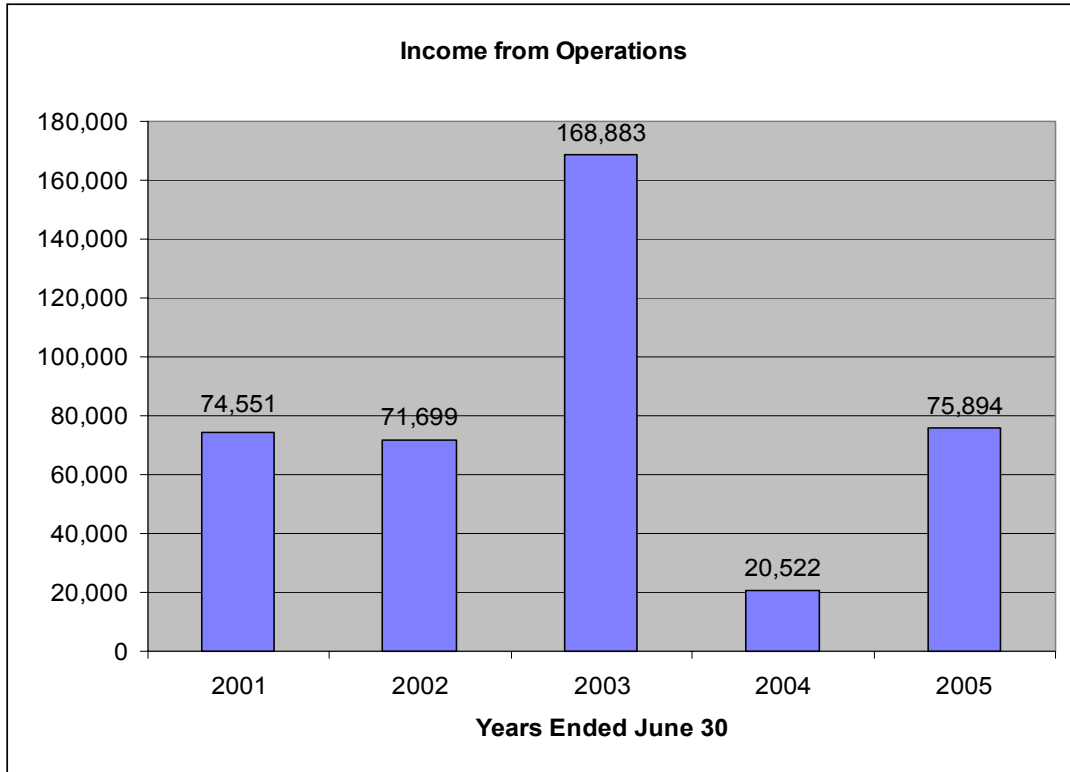
**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

**FIVE-YEAR NET SALES/COST OF SALES AND
NET SALES CONTRIBUTION BY DEPARTMENT**
Years Ended June 30, 2005, 2004, 2003, 2002, and 2001



**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

**FIVE-YEAR INCOME FROM OPERATIONS AND
GROSS PROFIT AS A PERCENT OF SALES**
Years Ended June 30, 2005, 2004, 2003, 2002, and 2001



**WESTERN WASHINGTON UNIVERSITY
ASSOCIATED STUDENTS BOOKSTORE**

**FIVE-YEAR TOTAL OPERATING EXPENSE AND
2005 COMPONENTS OF OPERATING EXPENSE**
Years Ended June 30, 2005, 2004, 2003, 2002, and 2001

