



**Western Washington University**  
**Parking and Transportation Services**  
**Financial Statements**  
**June 30, 2006 and 2005**

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**Overview of the Financial Statements and Financial Analysis**

The following discussion and analysis provides an overview of the financial activities and financial position of Parking and Transportation Services for the years ended June 30, 2006 and 2005. The discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and footnotes.

**Discussion of Financial Activity**

Parking and Transportation Services facilitates access to the University for over 15,000 students, faculty, staff, vendors and guests with a parking space inventory of approximately 3,400 spaces. During the past three years, a primary focus has been to increase alternative transportation options such as the Campus Shuttle and LCTC. To facilitate maintenance of parking lots, one new position was hired during the 2006 fiscal year to repair lots and monitor signage and lighting.

*Campus Shuttle*

The Campus Shuttle provided transportation to University locations for students, faculty, staff and guests. This program was funded from one time revenue sources to Parking and Transportation Services. The rider ship resulted in approximately 200,048 boardings during the academic year. The program has been discontinued for fiscal 2007 until alternate funding sources are identified.

*Lincoln Creek Transportation Center (LCTC)*

The LCTC project will develop the existing 7.8 acres along the I-5 highway corridor with public transportation-related improvements, including a park and ride site to serve Whatcom County and the Bellingham community. The development will include facilities for transit pick-up and drop-off, shuttle service within the Bellingham community, and parking for approximately 1,000 vehicles.

The project is a key component to an overall transportation management plan of providing access to the University and local region while supporting transit services and traffic mitigation. LCTC encourages alternative modes of transportation, carpooling, and bicycling and provides incentives to reduce the use of single occupant vehicles.

This site also provides an educational opportunity in stream restoration and field studies for the students of Western's Huxley College of the Environment. The project plans to draw upon faculty expertise and student involvement.

**Presentation of the Financial Statements**

The financial statements are formatted following the guidelines of the Governmental Accounting Standard Board (GASB) pronouncements. These financial statements are prepared in accordance with GASB principles, which establish standards for external financial reporting for public colleges and universities. These statements are special purpose reports reflecting the net assets, results of operations and cash flows of Parking and Transportation Services. They are prepared using the economic resource measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

**Financial Highlights**
**Condensed View of the Statements of Net Assets (Balance Sheet)**

|                                 | <u>2006</u>              | <u>2005</u>              | <u>2004</u>                |
|---------------------------------|--------------------------|--------------------------|----------------------------|
| <b>Assets</b>                   |                          |                          |                            |
| Current assets                  | \$ 1,021,717             | \$ 930,463               | \$ 1,430,368               |
| Noncurrent assets               | 60,000                   | 60,000                   | 30,000                     |
| Capital assets                  | <u>241,988</u>           | <u>361,008</u>           | <u>164,372</u>             |
| Total assets                    | <u>1,323,705</u>         | <u>1,351,471</u>         | <u>1,624,740</u>           |
| <b>Liabilities</b>              |                          |                          |                            |
| Current liabilities             | 387,455                  | 366,738                  | 362,065                    |
| Noncurrent liabilities          | <u>-</u>                 | <u>14,805</u>            | <u>43,388</u>              |
| Total liabilities               | <u>387,455</u>           | <u>381,543</u>           | <u>405,453</u>             |
| <b>Net Assets</b>               |                          |                          |                            |
| Invested in capital assets, net | 227,182                  | 317,620                  | 123,721                    |
| Unrestricted                    | <u>709,068</u>           | <u>652,308</u>           | <u>1,095,566</u>           |
| Total net assets                | <u><u>\$ 936,250</u></u> | <u><u>\$ 969,928</u></u> | <u><u>\$ 1,219,287</u></u> |

***Analysis of Fiscal 2006 Changes:***

Total current assets (cash, receivables, and pre-paid expenses) increased \$91,254, primarily from new Federal Transit Administration grant funding for the Lincoln Creek Transportation Center (LCTC). Capital assets decreased a net \$119,020 during 2006 primarily due to the increased amortization of the leasehold improvements at the Lincoln Creek Transportation Center.

Total liabilities increased \$5,912, primarily from additional costs associated with the Lincoln Creek Transportation Center. Noncurrent liabilities have been reduced by \$14,805 in anticipation of the final payment on the note in 2007.

Total net assets decreased \$33,678 over the prior year. Unrestricted net assets increased \$56,759 due to improved operating results and Invested in Capital Assets decreased due to depreciation expense.

***Analysis of Fiscal 2005 Changes:***

Total current assets (cash, receivables, and prepaids) decreased \$499,905, primarily from costs associated with alternative transportation. Total noncurrent assets (capital assets and deposits) increased \$226,636, primarily from investing in improvements related to the Lincoln Creek Transportation Center.

Total liabilities decreased \$23,910, primarily from principal payments on the pay-box note payable.

Total net assets decreased \$249,359, primarily from investing in and expanding upon alternative transportation programs.

**Condensed View of the Statements of Revenues, Expenses and Changes in Net Assets (Income Statement)**

|                                   | <u>2006</u>        | <u>2005</u>        | <u>2004</u>         |
|-----------------------------------|--------------------|--------------------|---------------------|
| Operating revenues                | \$ 2,285,338       | \$ 1,618,288       | \$ 1,569,588        |
| Operating expenses                | <u>(2,375,309)</u> | <u>(1,924,026)</u> | <u>(1,508,145)</u>  |
| Income (loss) from operations     | (89,971)           | (305,738)          | 61,443              |
| Nonoperating revenues             | 57,898             | 59,383             | 30,209              |
| Nonoperating expenses             | <u>(1,605)</u>     | <u>(3,004)</u>     | <u>(4,213)</u>      |
| Increase (decrease) in net assets | (33,678)           | (249,359)          | 87,439              |
| Net assets, beginning of year     | <u>969,928</u>     | <u>1,219,287</u>   | <u>1,131,848</u>    |
| Net assets, end of year           | <u>\$ 936,250</u>  | <u>\$ 969,928</u>  | <u>\$ 1,219,287</u> |

*Analysis of Fiscal 2006 Changes:*

Parking revenues generated from permits increased 18% or \$164,577. Fine revenues decreased by \$100,944 or 23.3% from 2005. During this year, Parking and Transportation Services discontinued recording unpaid fines in accordance with accounting guidelines.

Additional revenue was generated from supporting alternative transportation options, including \$400,330 federal grant funding in support of LCTC, \$149,687 for the Daytime Campus Shuttle program, \$14,438 new commission revenue for Viking Express bus pass sales and \$44,000 from the Cold Beverage Fund for new bike shelters.

Operating expenses increased \$451,283 primarily as the result of increased costs related to the LCTC project.

*Analysis of Fiscal 2005 Changes:*

Operating revenues increased \$48,700, primarily from parking permits and fines.

Other income increased \$30,383 from new revenue streams.

This period marked the beginning of interest income allocations to Parking and Transportation Services. The income is used to assist in covering costs related to LCTC.

Operating expenses increased \$415,881, primarily from a full year of lease payments for the Lincoln Creek Transportation Center, operating the Campus Shuttle for a full academic year, employee health insurance premiums, and non-cash accounting items such as bad debt on fines and depreciation and amortization expense.



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### Independent Auditors' Report

The Board of Trustees  
Western Washington University:

We have audited the accompanying statement of net assets of Western Washington University Parking and Transportation Services (Parking Services) as of June 30, 2006, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the management of Parking Services. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of Parking Services as of and for the year ended June 30, 2005, were audited by other auditors whose report thereon dated August 26, 2005, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Parking Service's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in note 1, the financial statements of Parking Services are intended to present the net assets, results of operations, and cash flows of only that portion of the activities of Western Washington University that is attributable to the transactions of Parking Services. They do not purport to, and do not, present fairly the financial position of Western Washington University, as of June 30, 2006, the results of operations or changes in net assets, or its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the 2006 financial statements referred to above present fairly, in all material respects, the financial position of Parking Services as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 1 through 3 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit for the year ended June 30, 2006, was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on page 14 for the year ended June 30, 2006, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole for the year ended June 30, 2006. We did not audit the information for 2005 or 2004 and express no opinion on it.

KPMG LLP

September 29, 2006

| <b>Assets</b>  | <b>2006</b>       | <b>2005</b>       |
|--|-------------------|-------------------|
| Current assets   |                   |                   |
| Cash and cash equivalents                                  | \$ 177,887        | \$ 137,823        |
| Investments  | 653,359           | 728,994           |
| Fines receivable, net of allowance of<br>\$109,401 in 2005 | 2,294             | 63,500            |
| Other receivables  | 182,765           | 146               |
| Prepaid expenses   | 5,412             | -                 |
| Total current assets                                       | <u>1,021,717</u>  | <u>930,463</u>    |
| Noncurrent assets  |                   |                   |
| Capital assets, net  | 241,988           | 361,008           |
| Deposit  | 60,000            | 60,000            |
| Total noncurrent assets                                    | <u>301,988</u>    | <u>421,008</u>    |
| Total assets   | <u>1,323,705</u>  | <u>1,351,471</u>  |
| <b>Liabilities</b>   |                   |                   |
| Current liabilities  |                   |                   |
| Accounts payable   | 193,966           | 160,171           |
| Accrued wages and benefits                                 | 80,526            | 76,516            |
| Note payable   | 14,806            | 28,583            |
| Deferred revenue   | 98,157            | 101,468           |
| Total current liabilities                                  | <u>387,455</u>    | <u>366,738</u>    |
| Noncurrent liabilities                                     |                   |                   |
| Note payable, less current portion                         | <u>-</u>          | <u>14,805</u>     |
| Total liabilities  | <u>387,455</u>    | <u>381,543</u>    |
| <b>Net Assets</b>  |                   |                   |
| Invested in capital assets, net of related debt            | 227,182           | 317,620           |
| Unrestricted   | 709,068           | 652,308           |
| Total net assets   | <u>\$ 936,250</u> | <u>\$ 969,928</u> |

*See Notes to Financial Statements*

**STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS**
**June 30, 2006 and 2005**

|  | <u>2006</u>       | <u>2005</u>       |
|--|-------------------|-------------------|
| <b>Operating Revenues</b>                      |                   |                   |
| Parking permits                                | \$ 1,085,581      | \$ 921,004        |
| Parking meters and pay-box stations            | 189,634           | 193,892           |
| Parking fines                                  | 330,947           | 431,891           |
| Grant revenue                                  | 400,330           | -                 |
| Other revenues                                 | 55,433            | 31,493            |
| Services funded by WWU                         | 223,413           | 40,008            |
| Total operating revenues                       | <u>2,285,338</u>  | <u>1,618,288</u>  |
| <br><b>Operating Expenses</b>                  |                   |                   |
| Salaries and benefits                          | 972,733           | 862,576           |
| Lincoln Creek environmental assessment         | 400,330           | -                 |
| Lincoln Creek Transportation Center            | 231,420           | 167,242           |
| Viking Xpress Bus Pass                         | 183,865           | 236,540           |
| Depreciation/amortization                      | 160,296           | 122,594           |
| Campus shuttle                                 | 153,694           | 176,585           |
| Contract services                              | 75,033            | 59,241            |
| Repairs and maintenance                        | 45,765            | 53,572            |
| City contracts                                 | 27,455            | 52,000            |
| Printing and supplies                          | 31,423            | 46,664            |
| Rent and utilities                             | 23,811            | 22,164            |
| Equipment                                      | 7,681             | 22,373            |
| Bad debt – fines                               | -                 | 48,088            |
| Other expenses                                 | 61,803            | 54,387            |
| Total operating expenses                       | <u>2,375,309</u>  | <u>1,924,026</u>  |
| <br>Operating loss                             | <u>(89,971)</u>   | <u>(305,738)</u>  |
| <br><b>Nonoperating revenues (expenses)</b>    |                   |                   |
| Contribution for building rent and utilities   | 23,811            | 22,164            |
| Contributed income from WTA                    | -                 | 8,510             |
| Interest income                                | 34,087            | 28,709            |
| Interest on indebtedness                       | (1,605)           | (3,004)           |
| <br>Decrease in net assets                     | (33,678)          | (249,359)         |
| <br><b>Total Net Assets, Beginning of Year</b> | <u>969,928</u>    | <u>1,219,287</u>  |
| <br><b>Total Net Assets, End of Year</b>       | <u>\$ 936,250</u> | <u>\$ 969,928</u> |

*See Notes to Financial Statements*

**STATEMENTS OF CASH FLOWS**
**June 30, 2006 and 2005**

|   | 2006         | 2005         |
|---|--------------|--------------|
| <b>Cash Flows from Operating Activities</b>   |              |              |
| Cash received from students, employees and visitors                                 | \$ 1,719,490 | \$ 1,530,969 |
| Cash received from Federal Transportation Authority                                 | 217,711      | -            |
| Cash received from the University   | 223,413      | 62,172       |
| Payments to employees   | (968,723)    | (858,107)    |
| Payments to suppliers   | (1,213,897)  | (850,502)    |
| Net cash used in operating activities   | (22,006)     | (115,468)    |
| <b>Cash Flows from Noncapital Financing Activities</b>                              |              |              |
| Contribution of building rent and utilities   | 23,811       | 22,164       |
| <b>Cash Flows from Investing Activities</b>   |              |              |
| Interest income received  | 34,087       | 28,709       |
| Contribution from WTA   | -            | 8,510        |
| Net sales of investments  | 75,635       | 311,828      |
| Net cash provided by investing activities   | 109,722      | 349,047      |
| <b>Cash Flows from Capital and Related Financing Activities</b>                     |              |              |
| Payments on note payable  | (28,582)     | (27,263)     |
| Purchase of capital assets  | (41,276)     | (319,230)    |
| Interest paid on indebtedness   | (1,605)      | (3,004)      |
| Net cash used in capital and related financing activities                           | (71,463)     | (349,497)    |
| Net increase (decrease) in cash and cash equivalents                                | 40,064       | (93,754)     |
| Cash and cash equivalents, beginning of year  | 137,823      | 231,577      |
| Cash and cash equivalents, end of year  | \$ 177,887   | \$ 137,823   |
| <b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>    |              |              |
| Operating loss  | \$ (89,971)  | \$ (305,738) |
| Adjustments to reconcile operating loss to net cash flows from operating activities |              |              |
| Depreciation/amortization   | 160,296      | 122,594      |
| Net changes in assets and liabilities   |              |              |
| Receivables   | (121,413)    | 84,323       |
| Prepays   | (5,412)      | 10,000       |
| Deposit   | -            | (30,000)     |
| Accounts payable  | 33,795       | (8,746)      |
| Accrued wages and benefits  | 4,010        | 4,469        |
| Deferred revenue  | (3,311)      | 7,630        |
| Net cash used in operating activities   | \$ (22,006)  | \$ (115,468) |

*See Notes to Financial Statements*

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

Western Washington University Parking and Transportation Services (Parking and Transportation Services), a division of Business and Financial Affairs, is a self supporting, auxiliary enterprise of Western Washington University ("WWU") and is responsible for the oversight and operation of the parking facilities and public transportation services of WWU.

Parking and Transportation Services facilitates access to the University for over 15,000 students, faculty, staff, vendors and guests. To supplement approximately 3,400 campus parking spaces, the transportation program provides assistance, education and incentives for walking, transit use, bicycling and carpooling.

Financial Statement Presentation

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

Basis of Accounting

The financial statements of Parking and Transportation Services have been prepared using a flow of economic resources measurement focus and accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Parking and Transportation Services has elected not to apply any FASB pronouncements issued after November 30, 1989.

Cash, Cash Equivalents and Investments

The University records all cash and cash equivalents at amortized cost, which approximates fair value. Investments held by WWU are recorded at fair value.

ReceivablesFines Receivable

Fines receivable are unsecured, recorded at the net balance, and due from students, employees and visitors. Fines are deemed past due if unpaid thirteen days after the due date. Management determines the annual allowance for uncollectible fines using percentages based on historical experience applied to the aging of outstanding fines. Uncollectible fines are written off against the allowance. During 2006 Management determined that fines should be recognized when the cash is received and reversed fines which had been previously accrued.

Other Receivables

Other receivables at June 30, 2006, are amounts due from the Federal Transportation Authority per the grant received in September 2005 to perform environmental assessment work at Lincoln Creek Transportation Center.

Capital Assets

Vehicles, pay-box stations, and equipment are stated at cost. Parking and Transportation Services capitalizes items with a cost of \$5,000 or more and an estimated useful life greater than one year. Depreciation is calculated on the straight-line basis over the estimated lives of the assets, 5 to 7 years for equipment.

Costs to improve the property at the Lincoln Creek Transportation Center are classified as leasehold improvements and amortized over three years on the straight-line basis.

Parking and Transportation Services contributes to the cost of University assets that encourage public transportation, such as bus shelters and shuttles. These costs are shown as expenses on the Statements of Revenues, Expenses and Changes in Net Assets of Parking and Transportation Services.

#### Deferred Revenue and Revenue Recognition

Deferred revenues are parking permit sales collected in advance that relate to subsequent accounting periods.

Parking permit revenues are recognized during the period to which the permits relate. Grant revenues are recognized when the related expenditures are incurred. In fiscal year 2006, fine revenues are recognized when the cash is received. In 2005, fine revenues are recognized when the fines are issued.

#### Net Assets

Parking and Transportation Services net assets are classified as follows:

*Invested in capital assets, net of related debt:* represents the total investment in capital assets, net of outstanding debt obligations related to those capital assets.

*Unrestricted net assets:* represents resources derived from operations and investing activities.

#### Classification of Revenue, Expenses and Transfers

Operating revenue includes activities that have the characteristics of exchange transactions, such as the sale of parking permits. Operating expenses are those costs incurred in daily operations, such as salaries, repairs and depreciation.

Nonoperating revenue includes items that do not have the characteristics of exchange transactions, such as contributed income and interest income. Nonoperating expenses include costs related to financing or investing activities, such as interest on indebtedness.

#### Administrative Assessment

The University provides support to Parking and Transportation Services through cash management, accounting, purchasing and disbursing services, risk management, and other support services.

The effects of these transactions are included in Other Expenses on the Statements of Revenues, Expenses and Changes in Net Assets.

#### Tax Exemption

The University, and Parking and Transportation Services as an auxiliary enterprise, is a tax-exempt organization under the provisions of Section 115(a) of the Internal Revenue Code and is exempt from federal income taxes on related income.

#### 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, CASH EQUIVALENTS AND INVESTMENT**

To maximize investment income, WWU combines funds from all departments into an external investment pool. Parking and Transportation Services records their percentage of Cash, Cash Equivalents, and Investments in the same relation as the WWU investment pool itself. Investment income is allocated to Parking and Transportation Services in proportion to its average balance in the investment pool.

Interest Rate and Credit Risk

The University investment pool is invested in demand deposits, time certificates of deposit, and the Washington State Local Government Investment Pool (LGIP).

|                           | 2006      | Weighted<br>Average<br>Maturity | 2005      | Weighted<br>Average<br>Maturity |
|---------------------------|-----------|---------------------------------|-----------|---------------------------------|
| Cash and cash equivalents |           |                                 |           |                                 |
| WWU Investment Pool       | \$177,887 | 5.2 months                      | \$137,823 | 8.5 months                      |
| Investments               |           |                                 |           |                                 |
| WWU Investment Pool       | 653,359   | 5.2 months                      | 728,994   | 8.5 months                      |

WWU manages exposure to fair value losses by employing a "laddered maturity" strategy, in which investments mature at varying times throughout the year. In accordance with WWU's Investment Policy, no investment maturity exceeds five years.

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. LINCOLN CREEK TRANSPORTATION CENTER**

The University entered into a three year lease-purchase agreement on October 20, 2003, for land used as a park-and-ride. Lease payments for three years total \$516,000. Lease payments of \$60,000 may be applied against the purchase price of \$2,650,000. As of June 30, 2006, \$60,000 of lease payments are identified as deposits toward the purchase price.

The first phase of the project, including site preparation and initial development, was completed in the fall of 2004 at a cost of \$350,175 and capitalized as leasehold improvements. In December 2004, the Federal Transit Administration (FTA) designated \$1,943,557 in grant funding for improvements of the Lincoln Creek Transportation Center.

During fiscal 2006, \$400,330 of FTA grant funds were spent on environmental assessment, project administration and pre-design costs.

**NOTE 4. SUBSEQUENT EVENT**

In July 2006, management executed the purchase option regarding the Lincoln Creek Transportation Center. The scheduled closing date is October 18, 2006. The University will enter into an agreement with the Washington State Treasurer's Office to sell Certificates of Participation to finance the land purchase.

**NOTE 5. CAPITAL ASSETS**

The following are changes in capital assets for the year ended June 30, 2006 and 2005:

|                                  | Beginning Balance |                     |                 | Ending Balance    |
|----------------------------------|-------------------|---------------------|-----------------|-------------------|
|                                  | 06/30/05          | Additions           | Retirements     | 06/30/06          |
| Pay-Box Stations                 | \$ 135,717        | \$ -                | \$ -            | \$ 135,717        |
| Vehicles and Equipment           | 167,130           | 41,276              | (52,720)        | 155,686           |
| Leasehold Improvements           | 350,175           | -                   | -               | 350,175           |
| Construction in Progress         |                   |                     |                 |                   |
| Lincoln Creek                    | 11,930            | -                   | -               | 11,930            |
|                                  | <u>664,952</u>    | <u>41,276</u>       | <u>(52,720)</u> | <u>653,508</u>    |
| Accumulated Depreciation         | (223,027)         | (43,651)            | 52,720          | (213,958)         |
| Accumulated Amortization         | (80,917)          | (116,645)           | -               | (197,562)         |
| Total Depreciation/ Amortization | <u>(303,944)</u>  | <u>(160,296)</u>    | <u>52,720</u>   | <u>(411,520)</u>  |
| Net Capital Assets               | <u>\$ 361,008</u> | <u>\$ (119,020)</u> | <u>\$ -</u>     | <u>\$ 241,988</u> |

|                                  | Beginning Balance |                   |             | Ending Balance    |
|----------------------------------|-------------------|-------------------|-------------|-------------------|
|                                  | 06/30/04          | Additions         | Transfers   | 06/30/05          |
| Pay-Box Stations                 | \$ 135,717        | \$ -              | \$ -        | \$ 135,717        |
| Vehicles and Equipment           | 139,370           | 27,760            | -           | 167,130           |
| Leasehold Improvements           | -                 | 279,490           | 70,685      | 350,175           |
| Construction in Progress         |                   |                   |             |                   |
| Lincoln Creek                    | 70,635            | 11,980            | (70,685)    | 11,930            |
|                                  | <u>345,722</u>    | <u>319,230</u>    | <u>-</u>    | <u>664,952</u>    |
| Accumulated Depreciation         | (181,350)         | (41,677)          | -           | (223,027)         |
| Accumulated Amortization         | -                 | (80,917)          | -           | (80,917)          |
| Total Depreciation/ Amortization | <u>(181,350)</u>  | <u>(122,594)</u>  | <u>-</u>    | <u>(303,944)</u>  |
| Net Capital Assets               | <u>\$ 164,372</u> | <u>\$ 196,636</u> | <u>\$ -</u> | <u>\$ 361,008</u> |

**NOTE 6. NOTE PAYABLE**

Parking and Transportation Services has a note payable with the State of Washington for pay-box stations. The note requires semi-annual payments of \$15,159 each, inclusive of interest at 4.78%. The final payment is due December 1, 2006. The remaining payment which will be paid during the next fiscal year is comprised of principal payable of \$14,805 and interest payable of \$354.

**NOTE 7. PENSION PLAN**

As employees of the University, full-time Parking and Transportation Services employees 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 University contributes to PERS, a cost sharing multiple-employer defined benefit pension plan administered by the State of Washington Retirement System.

PERS I provides retirement and disability benefits, and minimum benefit increases beginning at age 66 to eligible non-academic plan members hired prior to October 1, 1977. PERS II and III provide retirement and disability benefits, and a cost-of-living allowance to non-academic plan members hired on or after October 1, 1977. In addition, PERS III has a defined contribution component, which is fully funded by employee contributions. PERS defined benefit plan benefits are vested after an employee completes five years of service.

The Washington State Legislature establishes or amends benefit provision for PERS. Additional information concerning plan descriptions and benefit provisions is included in a Comprehensive Annual Financial Report publicly available for the Washington State Department of Retirement System, P.O. Box 48380, Olympia, WA 98504.

Western Washington University Retirement Plan (WWURP) is a defined contribution pension plan with a supplemental payment, when required. The plan covers faculty, professional staff, and certain other employees. It is administered by the University. The University's Board of Trustees is authorized to establish and amend benefit provision.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have a 100% vested interest in their contributions at all times.

The supplemental payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. The University makes direct payments to qualified retirees when the retirement benefit provided by the fund sponsor does not meet the benefit goal.

Employee contribution rates, which are based on age, range from 5% to 10% of salary. The University matches the contributions. All required employer and employee contributions have been made.

Parking and Transportation Services contributed approximately \$18,200 and \$10,900 to these plans in 2006 and 2005, respectively. An actuarial valuation of the PERS plan for Parking and Transportation Services as an entity is not available.

**SUPPLEMENTAL INFORMATION**

SCHEDULE OF RESERVE BALANCES  
Years ended June 30, 2006, 2005, and 2004

Parking and Transportation Services sets aside reserves to delineate use of resources. The following are the reserve balances for the years ended June 30:

|                                | <u>2006</u> | <u>2005</u> | <u>2004</u>  |
|--------------------------------|-------------|-------------|--------------|
| Operating and Pay Box          | \$ 70,870   | \$ 42,799   | \$ 46,157    |
| Alternative Transportation     | 50,648      | (9,265)     | 59,733       |
| Equipment/Improvements Reserve | 62,393      | 60,775      | 41,997       |
| Structure Reserve              | 617,902     | 595,968     | 971,549      |
| Investment in Plant            | 227,182     | 317,619     | 93,720       |
| Accruals                       | (92,745)    | (37,968)    | 6,131        |
|                                | <hr/>       | <hr/>       | <hr/>        |
| Total Net Assets               | \$ 936,250  | \$ 969,928  | \$ 1,219,287 |
|                                | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/>  |