

Table of Contents

Management’s Discussion and Analysis	3
Independent Auditors’ Report	7
Financial Statements	
Statements of Net Assets	9
Statements of Revenues, Expenses and Changes in Net Assets	10
Statements of Cash Flows.....	11
Notes to the Financial Statements.....	13

This page intentionally left blank

***PARKING SERVICES
 MANAGEMENT'S DISCUSSION AND ANALYSIS***

June 30, 2009 and 2008

Overview of the Financial Statements and Financial Analysis

The following discussion and analysis provides an overview of the financial activities and financial position of Western Washington University's Parking Services (Parking Services) for the years ended June 30, 2009, 2008 and 2007. The discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and accompanying footnotes.

Presentation of the Financial Statements

Parking Services' financial reports include the Statements of Net Assets, the Statements of Revenue, Expenses, and Changes in Net Assets and the Statements of Cash Flows.

The 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. Parking Services' financial statements have been prepared using the economic resource 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. Fines revenues are recognized when collected.

Statements of Net Assets

The Statements of Net Assets present the financial condition of Parking Services at the end of the fiscal year and report all assets and liabilities.

The amounts in these statements represent the assets available to continue the operations of Parking Services and also identify how much it owed to vendors and other parties. The difference between total assets and total liabilities, net assets, is one indicator of the current financial condition of Parking Services. The change in net assets measures whether the overall financial condition has improved or deteriorated during the fiscal year.

Below is a condensed view of the Statements of Net Assets as of June 30, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets			
Current assets	\$1,342,666	\$1,231,268	\$1,120,805
Noncurrent assets	56,344	96,308	159,386
Capital assets	<u>4,076,995</u>	<u>3,554,468</u>	<u>2,996,418</u>
Total assets	5,476,005	4,882,044	4,276,609
Liabilities			
Current liabilities	346,955	305,332	443,579
Noncurrent liabilities	<u>2,356,336</u>	<u>2,451,468</u>	<u>2,541,661</u>
Total liabilities	2,703,291	2,756,800	2,985,240
Net Assets			
Invested in capital assets, net	1,663,197	1,054,233	404,861
Unrestricted	<u>1,109,517</u>	<u>1,071,011</u>	<u>886,508</u>
Total net assets	<u>\$2,772,714</u>	<u>\$2,125,244</u>	<u>\$1,291,369</u>

Total current assets increased \$111,398 over 2008 compared to an increase of \$110,463 between 2008 and 2007. The increase in 2009 is due to a receivable from the Federal Transit Administration (FTA) for expenditures

PARKING SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS***June 30, 2009 and 2008***

relating to the Lincoln Creek Transportation Center (LCTC) project. All grant funds were received in fiscal 2008 with \$69,551 due at the end of fiscal 2007.

Capital assets increased \$522,527 from 2008 due to the capitalization of \$505,917 in expenses related to LCTC, as well as the purchase of new handheld equipment for parking enforcement and the related depreciation. The expenditures for the project are shown as construction in progress in the notes to the financial statements. Capital assets increased \$558,050 in 2008 over 2007 resulting from the capitalization of \$621,771 in land improvements for stream mitigation at LCTC and the related depreciation.

Current liabilities increased \$41,623 from 2008 due to the timing of invoices associated with the purchase of new handheld equipment and the license for use of new computer software along with the related implementation costs. Current liabilities decreased \$138,247 comparing fiscal 2008 to 2007 as the accounts payable balance was lowered due to increased timely payments to vendors. Noncurrent liabilities decreased \$95,132 in 2009 from 2008 and \$90,193 between 2008 and 2007 due to principal reductions and the amortization of debt issuance costs recorded in both years.

Total net assets increased \$647,470 from fiscal 2008, as a result of recording over \$500,000 in revenue from the FTA to cover LCTC expenditures and the reduction in operating expenditures. In 2008, total net assets increased \$833,875 from fiscal 2007 primarily due to the receipt of FTA grant revenue of \$583,139 and the reduction in operating expenses as explained in the following section. Investment in net capital assets increased \$608,964 as a result of the additional construction in progress recorded and new computer equipment purchased in 2009. The change of \$649,372 comparing fiscal 2008 to 2007 was primarily attributable to stream mitigation work adding to the land value at Lincoln Creek.

Statements of Revenues, Expenses and Changes in Net Assets

The changes in total net assets, as presented on the Statements of Net Assets, are detailed in the activity presented in the Statements of Revenues, Expenses and Changes in Net Assets. The statements present Parking Services' results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as operating, non-operating, or other.

In general, operating revenues are those received for providing goods and services to the customers of Parking Services, primarily permit sales to staff, faculty and students. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues.

Nonoperating revenues are monies received for which goods and services are not provided. Under GASB reporting principles, investment income is classified as nonoperating revenue.

Parking Services' largest source of revenue is parking permit revenue. Permits are required for all parties parking on campus property.

**PARKING SERVICES
 MANAGEMENT'S DISCUSSION AND ANALYSIS**
June 30, 2009 and 2008

Following is a condensed version of the Statements of Revenues, Expenses and Changes in Net Assets for the fiscal years ended June 30, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating revenues	\$1,539,793	\$1,745,765	\$1,731,923
Operating expenses	<u>(1,352,864)</u>	<u>(1,457,789)</u>	<u>(1,559,031)</u>
Operating income	186,929	287,976	172,892
Nonoperating (expenses) revenues	<u>(45,376)</u>	<u>(37,240)</u>	<u>(31,277)</u>
Income from operating and non-operating activities	141,553	250,736	141,615
Capital grant revenue	<u>505,917</u>	<u>583,139</u>	<u>213,504</u>
Increase in net assets	647,470	833,875	355,119
Net assets, beginning of year	<u>2,125,244</u>	<u>1,291,369</u>	<u>936,250</u>
Net assets, end of year	<u><u>\$2,772,714</u></u>	<u><u>\$2,125,244</u></u>	<u><u>\$1,291,369</u></u>

Permit revenues for 2009 were \$1,062,319 compared to \$1,090,677 in fiscal 2008 and \$1,064,788 in fiscal 2007. The decrease is a result of continued success of our Alternative Transportation programs. The program encourages usage of public transportation and other modes of transportation. The increase between fiscal 2008 and fiscal 2007 resulted from the sale of additional event parking permits.

Parking meter and pay box station revenues decreased significantly to \$99,057 in fiscal 2009 from \$178,967 in fiscal 2008 and \$186,433 in fiscal 2007. Maintaining working pay boxes proved to be a challenge during fiscal 2009; the eight year old machines required continuous maintenance and many could not be kept operational. Underutilized parking meters were pulled from lots with high demand for long term parking causing a decline in meter revenue.

Parking fine revenue decreased in fiscal 2009 to \$336,228 from \$434,273 in fiscal 2008. As many of the pay boxes were out of service, the parking lot restrictions could not be enforced resulting in fewer tickets being issued after hours and on weekends. In addition, the department had a shortage of staff resulting in fewer citations being issued.

Parking fines increased slightly during fiscal 2008 and impound fees doubled. Additional collection measures were implemented to increase collections including holding transcripts for students with outstanding parking tickets. These measures increased revenue to \$434,273 in fiscal 2008 from \$386,839 in fiscal 2007.

Salaries and benefits decreased to \$1,000,509 in fiscal 2009 from \$1,070,505 in fiscal 2008 which can primarily be attributed to a vacant position. The expenses increased to \$1,070,505 from \$994,043 between fiscal 2008 and fiscal 2007 due to full staffing and increases in salaries and related employee benefits and taxes.

The remaining operating expenses decreased \$34,929 between fiscal 2009 and 2008. This decrease is partially attributed to a reduction in depreciation expense of \$39,498 between fiscal 2009 and 2008. Depreciation expense declined \$86,500 comparing 2008 to 2007 as the LCTC improvements were fully depreciated.

Contract services expense increased \$47,072 between fiscal 2009 and fiscal 2008 due to the purchase of the new

***PARKING SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS******June 30, 2009 and 2008***

T2 computer system. These expenses decreased \$26,550 in fiscal 2008 from 2007 as the consulting services previously utilized were no longer needed. A contribution of \$44,000 made to WWU in fiscal 2008 for bike shelters was not repeated in fiscal 2009; the contribution to WWU in fiscal 2007 was \$22,000.

The administrative assessment fee increased in 2009 by \$4,992 from 2008 and increased \$17,342 in fiscal 2008 from fiscal 2007. The increase is a result from a university wide re-evaluation.

A review of the ability of the current ticketing system to meet the department's needs occurred over the past two years. The system in place was eight years old and the company had advised clients that upgrades for the software would be ending in August 2008. Parking Services was able to continue running on the T2 Power Park Classic system through most of fiscal year 2009.

The decision to purchase a new system was made and the system (T2 Flex) was implemented in mid June of 2009. The browser based Flex system is designed to manage permit sales, ticket writing, appeal hearings, billing of citations, customer accounts and other operational needs.



Independent Auditors' Report

The Board of Trustees
Western Washington University:

We have audited the accompanying statements of net assets of Western Washington University Parking Services (Parking Services) as of June 30, 2009 and 2008, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Parking Services' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Services' 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of Parking Services are intended to present the financial position, the changes in financial position, 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, 2009 and 2008, the changes in its financial position, or its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parking Services as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consist 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.

KPMG LLP

September 21, 2009

This page intentionally left blank

PARKING SERVICES
STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

Assets	2009	2008
Current assets		
Cash and cash equivalents (Note 2)	\$511,057	\$482,221
Investments (Note 2)	439,884	731,707
Accounts receivable	275	285
Grant receivables	373,220	-
Prepaid expenses	18,230	17,055
Total current assets	<u>1,342,666</u>	<u>1,231,268</u>
Noncurrent assets		
Investments (Note 2)	18,806	55,075
Capital assets, net (Note 5)	4,076,995	3,554,468
Other assets	37,538	41,233
Total noncurrent assets	<u>4,133,339</u>	<u>3,650,776</u>
Total assets	<u>5,476,005</u>	<u>4,882,044</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	61,163	26,584
Accrued salaries and benefits	99,025	98,402
Current portion of notes payable (Note 4)	95,000	90,000
Deferred revenue	91,767	90,346
Total current liabilities	<u>346,955</u>	<u>305,332</u>
Noncurrent liabilities		
Note payable, less current portion (Note 4)	<u>2,356,336</u>	<u>2,451,468</u>
Total liabilities	<u>2,703,291</u>	<u>2,756,800</u>
Net Assets		
Invested in capital assets, net of related debt	1,663,197	1,054,233
Unrestricted	1,109,517	1,071,011
Total net assets	<u>\$2,772,714</u>	<u>\$2,125,244</u>

PARKING SERVICES
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Parking permits	\$1,062,319	\$1,090,677
Parking meters and pay box stations	99,057	178,967
Parking fines	336,228	434,273
Other revenues	39,597	39,256
Services funded by WWU	2,592	2,592
Total operating revenues	<u>1,539,793</u>	<u>1,745,765</u>
Operating Expenses		
Salaries and benefits	1,000,509	1,070,505
Viking Express bus pass	61,096	59,989
Lincoln Creek Transportation Center	11,710	483
Contributions to WWU	-	44,000
City contracts	24,132	34,875
Contract services	72,631	25,559
Repairs and maintenance	18,889	27,754
Printing and supplies	34,793	31,316
Telephone service	15,733	16,125
Bank fees	14,451	18,319
Administrative assessment	32,178	27,186
Other expenses	23,935	20,545
Rent and utilities	25,534	24,362
Depreciation and amortization	17,273	56,771
Total operating expenses	<u>1,352,864</u>	<u>1,457,789</u>
Operating income	186,929	287,976
Nonoperating Revenues (Expenses)		
Contribution for building rent and utilities	25,534	24,362
Interest income	36,282	49,034
Interest on indebtedness	(103,629)	(106,958)
Amortization of bond issuance costs	(3,563)	(3,678)
Total nonoperating expenses	<u>(45,376)</u>	<u>(37,240)</u>
Income from operating and nonoperating activities	141,553	250,736
Capital Grant Revenue	<u>505,917</u>	<u>583,139</u>
Increase in Net Assets	647,470	833,875
Total Net Assets, Beginning of Year	<u>2,125,244</u>	<u>1,291,369</u>
Total Net Assets, End of Year	<u><u>\$2,772,714</u></u>	<u><u>\$2,125,244</u></u>

**PARKING SERVICES
 STATEMENTS OF CASH FLOWS**
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Cash received from students, employees and visitors	\$1,538,632	\$1,735,887
Cash received from the university	2,592	2,592
Cash paid to employees	(999,887)	(1,057,757)
Cash paid to suppliers	(276,144)	(456,292)
Net cash provided by operating activities	<u>265,193</u>	<u>224,430</u>
 Cash flows from investing activities		
Interest income received	36,282	49,034
Net sales (purchases) of investments in internal pool	328,092	(143,304)
Net cash provided by (used in) investing activities	<u>364,374</u>	<u>(94,270)</u>
 Cash flows from capital and related financing activities		
Grant revenue	132,698	652,690
Payments on note payable	(90,000)	(95,000)
Purchase of capital assets	(539,800)	(614,821)
Interest paid on indebtedness	(103,629)	(106,958)
Net cash used in capital and related financing activities	<u>(600,731)</u>	<u>(164,089)</u>
 Net increase (decrease) in cash and cash equivalent	28,836	(33,929)
 Cash and cash equivalents, beginning of year	<u>482,221</u>	<u>516,150</u>
 Cash and cash equivalents, end of year	<u><u>\$511,057</u></u>	<u><u>\$482,221</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$186,929	\$287,976
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation and amortization	17,273	56,771
Contributed building rent and utilities	25,534	24,362
Net changes in assets and liabilities		
Receivables	10	(2)
Prepaid	(1,175)	(11,430)
Accounts payable and accrued liabilities	34,579	(138,711)
Accrued salaries and benefits	622	12,748
Deferred revenue	1,421	(7,284)
Net cash provided by operating activities	<u><u>\$265,193</u></u>	<u><u>\$224,430</u></u>

This page intentionally left blank

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESOrganization

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

Parking 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 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 Services 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. Parking 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 the University are recorded at fair value. To maximize investment income, the University combines funds from all departments into an investment pool. Parking Services records their share of cash, cash equivalents and investments in the same relation as the WWU investment pool itself. Investment income is allocated to Parking Services in proportion to its average balance in the investment pool.

Accounts Receivable

Accounts receivable are unsecured, recorded at the net balance, and are due from students and employees. Outstanding receivables at June 30, 2009 and 2008 resulted from summer bus pass sales to employees and students on payroll deduction. The next payroll deduction occurred on July 10th, paying the outstanding receivable.

Grant Receivable

Grants receivable at June 30, 2009 and 2008, are amounts due from the Federal Transit Administration per the grant received. Receivable and revenues on cost reimbursement grants are recorded when the eligibility requirements have been met. This occurs when expenditures related to the project have been incurred.

Capital Assets

Land, vehicles, pay box stations, and equipment are stated at cost. Parking 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, five to seven years for vehicles, pay box stations, and equipment.

PARKING SERVICES
NOTES TO THE FINANCIAL STATEMENTS***June 30, 2009 and 2008***

Costs to improve the property at the Lincoln Creek Transportation Center (LCTC) are classified as improvements other than buildings and amortized over three years on the straight-line basis ending June 30, 2008.

Other Assets

Certificate of participation issuance costs are amortized over the life of the note payable and shown as other assets on the Statements of Net Assets.

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. Citation and pay-box revenues are recognized when earned. Fines revenues are recognized when collected.

Net Assets

Parking Services' net assets are classified as follows:

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

Unrestricted net assets. This 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, parking meter, pay box and fine revenue. 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 Services through cash management, accounting, purchasing and accounts payable services, risk management, and other support services. The effects of these transactions are included in these financial statements. The amounts paid were \$32,178 and \$27,186 for fiscal years ended June 30, 2009 and 2008, respectively.

Tax Exemption

The University, and Parking Services as an auxiliary enterprise, is an instrumentality of the State of Washington organized 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 U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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). The LGIP is considered a cash equivalent.

	2009	Weighted Average Maturity	2008	Weighted Average Maturity
Cash and cash equivalents				
WWU Investment Pool	\$511,057	n/a	\$482,221	n/a
Investments				
WWU Investment Pool	458,690	6.1 months	786,782	5.7 months

The University 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 the University's Investment Policy, no investment maturity exceeds five years.

The WWU pooled investment with the LGIP is invested in high-quality, short-term investments. Investments in the LGIP 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 LCTC project plans to continue the development of the existing 7.8 acres along the I-5 corridor for public transportation-related improvements, including a transportation center to serve Whatcom County and the Bellingham community. The development will include facilities for transit pick-up and drop-off, shuttle service within the community, and parking for approximately 530 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. The LCTC encourages alternative modes of transportation, including carpooling and bicycling, and provides incentives to reduce use of single occupancy vehicles.

Phase I of the project is complete and design plans are now complete for installation of storm water retention vaults, which must be in place before any additional permits will be authorized by the City of Bellingham. The University is currently seeking a Federal Transportation Investments Generating Economic Recovery (TIGER) grant to move forward with the LCTC project.

PARKING SERVICES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009 and 2008

The project is primarily funded with Federal Transit Administration (FTA) funds. The expenditures during fiscal 2009 primarily consisted of architectural and engineering costs for improvements to be made if a federal TIGER grant is awarded to the University. During fiscal 2008, the focus of expenditures was directed toward stream restoration in compliance with the requirements from the FTA and the Environmental Protection Agency.

In fiscal 2009, \$505,917 was spent on the LCTC and recorded as construction in progress on the financial statements. During fiscal 2008 and 2007, \$583,139 and \$213,504 of FTA grant funds were spent on the project and capitalized as land costs.

NOTE 4. NOTES PAYABLE

Parking Services financed the purchase of the Lincoln Creek property through certificates of participation issued by the Washington State Treasurer at an interest rate of 4.421%. The long term debt has a carrying value of \$2,451,336 at June 30, 2009, which is reported net of the unamortized premium of \$1,336.

Following are the changes in noncurrent long-term liabilities for the year ended June 30, 2009 and 2008:

<u>Notes Payable</u>	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Amortization of Premium</u>	<u>Balance June 30, 2009</u>	<u>Current Portion</u>
Certificates of Participation	\$2,541,468	-	(90,000)	(132)	\$2,451,336	\$95,000

<u>Notes Payable</u>	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Amortization of Premium</u>	<u>Balance June 30, 2008</u>	<u>Current Portion</u>
Certificates of Participation	\$2,636,661	-	(95,000)	(193)	\$2,541,468	\$90,000

Parking Services' debt service requirements for this agreement for the next five years and thereafter are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2010	95,000	100,513
2011	100,000	96,755
2012	105,000	92,655
2013	105,000	88,455
2014	110,000	84,155
2015-2019	625,000	349,275
2020-2024	765,000	206,468
2025-2027	545,000	37,353
	<u>2,450,000</u>	<u>1,055,629</u>
Unamortized premium	1,336	-
Total	<u>\$2,451,336</u>	<u>\$1,055,629</u>

NOTE 5. CAPITAL ASSETS

The depreciation and amortization expense for the fiscal years ended June 30, 2009 and 2008 was \$17,273 and \$56,771, respectively. Following are the changes in capital assets for the year ended June 30, 2009:

	June 30, 2008	Additions	Retirements	June 30, 2009
Land	\$3,503,223	\$ -	\$ -	\$3,503,223
Pay-box stations	135,717	-	-	135,717
Vehicles and equipment	172,098	25,077	-	197,175
Improvements other than building	350,175	-	-	350,175
Construction in progress	-	514,723	-	514,723
	<u>4,161,213</u>	<u>539,800</u>	<u>-</u>	<u>4,701,013</u>
Accumulated depreciation	(256,570)	(17,273)	-	(273,843)
Accumulated amortization	(350,175)	-	-	(350,175)
Total depreciation and amortization	<u>(606,745)</u>	<u>(17,273)</u>	<u>-</u>	<u>(624,018)</u>
Capital assets, net	<u>\$3,554,468</u>	<u>\$522,527</u>	<u>\$ -</u>	<u>\$4,076,995</u>

Following are the changes in capital assets for the year ended June 30, 2008:

	June 30, 2007	Additions	Retirements	June 30, 2008
Land	\$2,881,452	\$621,771	\$ -	\$3,503,223
Pay-box stations	135,717	-	-	135,717
Vehicles and equipment	183,865	-	(11,767)	172,098
Improvements other than building	350,175	-	-	350,175
Construction in progress	11,930	-	(11,930)	-
	<u>3,563,139</u>	<u>621,771</u>	<u>(23,697)</u>	<u>4,161,213</u>
Accumulated depreciation	(240,264)	(21,123)	4,817	(256,570)
Accumulated amortization	(314,527)	(35,648)	-	(350,175)
Total depreciation and amortization	<u>(554,791)</u>	<u>(56,771)</u>	<u>4,817</u>	<u>(606,745)</u>
Capital assets, net	<u>\$3,008,348</u>	<u>\$565,000</u>	<u>(\$18,880)</u>	<u>\$3,554,468</u>

NOTE 6. PENSION PLAN

Parking 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. WWU 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.

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 WWU. The University's Board of Trustees is authorized to establish and amend benefit provisions.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have 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. WWU 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. WWU matches the contributions. All required employer and employee contributions have been made.

Parking Services contributed approximately \$55,700 and \$40,500 to these plans in 2009 and 2008, respectively. An actuarial valuation of the plans for Parking Services as a stand alone entity is not available.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS

During the 2008 fiscal year, the University adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This statement establishes standards for the measurement, recognition, and display of other post-employment benefits (OPEB) expenditures and related liabilities (assets), note disclosures, and required supplementary information in the financial reports of state and local governmental employers. Statement No. 45 requires systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service. The Statement also provides information about actuarial accrued liabilities (AAL) associated with OPEB and whether and to what extent progress is being made in funding the plan.

The University funds OPEB obligations at a university-wide level on a pay-as-you-go basis. Disclosure information, as required under GASB 45, does not exist at department levels, and as a result, the AAL is not available for auxiliary entities. The University is ultimately responsible for the obligation therefore, the annual required contribution (ARC) is not recorded on Parking Service's financial statements.

This page intentionally left blank