

AGENDA
BOARD OF TRUSTEE'S MEETING
WESTERN WASHINGTON UNIVERSITY
September 11, 1980, 1:30 p.m.
1606 I.B.M. Building, 1200-5th Avenue
Seattle, Washington

SEPTEMBER 1980
BOARD OF TRUSTEES'
MEETING

1. Approval of the Minutes of the Meeting of August 7, 1980
2. Business and Financial Affairs - Action
 - A. 1981-83 Operating Budget Request
3. Business and Financial Affairs - Informational
 - A. Campus Branch Bank Lease
 - B. 1979-80 Bookstore Financial Report
4. Comprehensive Plan Update
5. Exempt Staff Salaries
6. WWU Institutional Plan 1979-80 and Planning Guide 1980
7. Items from the Board
 - A. Board of Trustee's Meeting Schedule for 1981
8. Items from the President
9. Personnel Items - Action
10. Personnel Items - Informational
11. *Executive Session*

MINUTES
 MEETING OF THE BOARD OF TRUSTEES
 WESTERN WASHINGTON UNIVERSITY
 Thursday, September 11, 1980
 1606 I.B.M. Building, 1200-5th Avenue
 Seattle, Washington

CALL TO ORDER

The meeting of the Board of Trustees was called to order at 1:30 p.m. by Vice Chairman Robert L. Fernald.

Attendance:

Board of Trustees

Robert L. Fernald, Vice Chairman
 Jerrold W. Manley, Secretary
 Ark G. Chin

Western Washington University

Don Cole, Vice President for Business and Financial Affairs
 George Elliott, Student Bookstore General Manager
 H. A. "Barney" Goltz, Director, University Planning
 George Mariz, Chairman, Faculty Senate
 Paul J. Olscamp, President
 Thomas Quinlan, Vice President for Student Affairs
 James Talbot, Vice President for Academic Affairs/Provost

Students

Robert Jirka, Associated Students Board
 Greg Sobel, President Associated Students Board

Others

Stuart Allen, Assistant Attorney General
 Teresa Allen, The Bellingham Herald
 James Braman, CH2M Hill Inc.

Approximately 5 others.

1. MINUTES OF THE PREVIOUS MEETING - ACTION

MOTION On motion by Jerrold W. Manley and duly seconded by Ark G.
9-01-80 Chin, it was moved that the Board of Trustees of Western Washington University approves the minutes of the meeting of August 7, 1980, as circulated.

The motion carried unanimously.

2. BUSINESS AND FINANCIAL AFFAIRS - ACTION

A. 1981-83 Operating Budget Request

MOTION On motion by Jerrold W. Manley and duly seconded by Ark G.
9-02-80 Chin, it was moved that the Board of Trustees of Western Washington University approves the 1981-83 Operating Budget Request totaling \$86,566,000, and authorizes its submittal to the Office of Financial Management with the following funding: State General Fund--\$78,247,000; Local General Fund--\$2,919,000; Grants and Contracts--\$5,400,000.

The motion carried unanimously.

September 11, 1980

The Western Washington University Operating Budget Request for 1981-83 is filed in the Office of Vice President for Business and Financial Affairs and in the Reserve Room of Wilson Library for reference.

3. BUSINESS AND FINANCIAL AFFAIRS - INFORMATIONAL

A. Campus Branch Bank Lease

Vice President Don Cole explained that the lease agreement with Bellingham National Bank for the campus branch bank is being renewed. The only change is in the rent, which will be increased from \$700 to \$804 per month, for the period September 18, 1980, to August 31, 1981.

As in past years, the Campus Branch Advisory Committee (composed of students, staff and administrators) met with the branch manager to discuss service levels. It was determined after discussion that the campus community is very pleased with BNB's performance.

B. 1979-80 Bookstore Financial Statement

The attached report of the 1979-80 Financial Statement of the Bookstore as prepared by the CPA firm of Metchalf, Hodges and Company, of Bellingham, and the summary report as prepared by the Bookstore Manager, George Elliott, were discussed. Mr. Elliott stated that the Students' Co-op Bookstore is a self-supporting, non-profit enterprise. It is operated for the convenience of the campus community by the Associated Students of Western Washington University under the authority of the Board of Trustees.

Mr. Elliott reported that during this past year \$213,418.00 was returned to the campus community in the form of discounts on sales. This is an increase of \$68,311.00 over the last year. Textbooks are discounted 15 percent and other merchandise 6 percent. An additional savings to the students is the pricing of school supplies 15 percent below suggested retail and sundry items 17 percent below retail. These discounts amounted to an additional \$47,812.00 savings to the campus community this past year.

4. COMPREHENSIVE PLAN UPDATE

MOTION On motion by Ark G. Chin and duly seconded by Jerrold W. Manley,
9-03-80 it was moved that the Board of Trustees of Western Washington University acknowledges the receipt of the technical report on the Comprehensive Plan UPDATE, Western Washington University, dated August, 1980, as presented by CH2M Hill and Project Manager, James D. Braman, as required under FO #115776. The following memorandum dated August 28, 1980, from H. A. "Barney" Goltz, WWU University Planner, is part of that report.

The Board further directs the University administration to proceed with the preparation of the supplement to the University Draft Environmental Impact Statement as the primary implementation step in the updating of the Comprehensive Plan.

The motion carried unanimously.

The memorandum dated August 28, 1980, to President Olscamp from H. A. "Barney" Goltz, University Planner, subject #79-10X Comprehensive Plan Update, reads as follows:

"On April 3, 1980, the Board of Trustees approved a contract with CH2M Hill to make recommendations for updating the Western Washington University comprehensive plan contained in the December 15, 1974, Draft Environmental Impact Statement and Facilities Development Plan for Western Washington University. Mr. James Braman was identified

September 11, 1980

"as the project manager and was requested to follow the Planning Assumptions and Policies, 1978-1990 as approved and adopted by the Board of Trustees on April 6, 1978. In addition, Mr. Braman was instructed to work with the staff of the city of Bellingham and the several committees and staff of the University to bring all concerns to bear upon the final recommendations.

"Mr. Braman and CH2M Hill staff have followed those directions within the scope of their contract. He has appeared before the Board of Trustees on two occasions, and at the June 5 meeting the Board took the following action:

"On motion by Curtis J. Dalrymple and duly seconded by Jerrold W. Manley, it was moved that the Board of Trustees of Western Washington University, upon the recommendation of the administration, approves the issuance of a contract to the firm of CH2M Hill, Engineers and Planners, Seattle, Washington, for consultant for Project #79-10, Update of Comprehensive University Land Use Plan. The motion carried unanimously.'

"Subsequently, a Board member (Mr. Chin) requested an opportunity to review with the consultant the various alternatives that were considered and the rationale which led to the major specific recommendations. Mr. Braman has now completed his report which contains that material. It will be available for you to send to Board members on September 3, 1980. In addition, he will be available to answer any questions at the September 11 Board of Trustees meeting at 1:30 p.m. in the IBM Building, Room #1606, Seattle. No formal presentation is anticipated.

"I have read a preliminary draft of the report. I believe it complies with the contract requirements and that it will be a useful technical tool in revising the Draft Environmental Impact Statement for Western Washington University, the next step in the updating of the comprehensive plan.

"The major changes proposed to the current comprehensive plan may be summarized as follows:

1. The proposed land requirements of the University have been reduced and a new planned campus boundary has been adopted by the Board to reflect this reduction.
2. The anticipated lesser enrollment has also significantly reduced the number of building sites for residence halls and academic buildings leaving more of the available land for recreation fields, parking and open space.
3. The cluster college concept is no longer a consideration in the future development of academic and residential facilities.

"In my opinion, the consultant has integrated the Western Washington University plan well with the new City of Bellingham Comprehensive Plan.

"If the Board accepts the report, it does not mean that the University is locked into a rigid set of recommendations. With respect to specific building sites, the report itself outlines alternatives and the Board of Trustees would have to make a final determination with respect to each project as it materializes. If the Board accepts the report, then the University will use this technical report as a guideline in completing the updating of the Comprehensive Plan. The report in some instances outlines only alternatives rather than a specific recommendation."

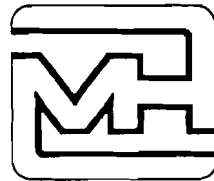
WESTERN WASHINGTON UNIVERSITY

STUDENTS' CO-OP STORE

BELLINGHAM, WASHINGTON

SUPPLEMENTAL INFORMATION

JUNE 30, 1980



Metcalf, Hodges & Co.

Certified Public Accountants
10 Prospect Mall P.O. Box 918
Bellingham, Washington 98225

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE

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WESTERN WASHINGTON UNIVERSITY

STUDENTS' CO-OP STORE

SUPPLEMENTAL INFORMATION

The accompanying supplemental information to the financial statements of Western Washington University Students' Co-Op Store has been compiled by us.

A compilation is limited to presenting information that is the representation of management. We have not audited or reviewed the accompanying supplemental information, and accordingly, do not express an opinion or any other form of assurance on it.

Metcalf Hodges & Co

July 16, 1980

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
COMPARATIVE INCOME STATEMENT
FOR THE YEARS ENDED JUNE 30, 1980, 1979, AND 1978

| | <u>1980</u> | <u>1979</u> | <u>1978</u> |
|----------------------------------|------------------|-------------------|------------------|
| Sales | \$ 1,986,023 | \$ 1,612,091 | \$ 1,479,404 |
| Cost of sales | <u>1,501,824</u> | <u>1,204,813</u> | <u>1,126,350</u> |
| Gross profit | <u>484,199</u> | <u>407,278</u> | <u>353,054</u> |
| Operating expenses | | | |
| Advertising | 890 | 676 | 993 |
| Cash (over) short | (34) | 78 | (245) |
| Depreciation | 14,154 | 12,072 | 10,448 |
| Discounts allowed | 696 | 734 | 1,242 |
| Dues and subscriptions | 415 | 385 | 437 |
| Freight and postage-out | 8,994 | 7,176 | 6,939 |
| Insurance | 1,747 | 1,786 | 1,743 |
| Legal and accounting | 4,275 | 1,800 | 3,700 |
| Rent and utilities | 12,889 | 13,501 | 15,012 |
| Repair and maintenance | 4,509 | 2,287 | 2,194 |
| Salaries | 172,996 | 128,438 | 122,585 |
| Store supplies | 9,820 | 7,034 | 6,001 |
| Taxes, licenses and benefits | 39,618 | 26,931 | 28,968 |
| Telephone | 2,897 | 2,495 | 2,798 |
| Travel expense | 1,480 | 1,113 | 712 |
| Bad debts | 1,745 | 332 | 426 |
| Miscellaneous | <u>477</u> | <u>1,020</u> | <u>744</u> |
| Total operating expenses | <u>277,568</u> | <u>207,858</u> | <u>204,697</u> |
| Operating income | <u>206,631</u> | <u>199,420</u> | <u>148,357</u> |
| Other income | | | |
| Post office rental | 4,665 | 4,271 | 5,000 |
| Commissions, discounts | 6,971 | 5,099 | 4,496 |
| Interest earned | 75,591 | 43,169 | 20,321 |
| Rental income - equipment | -0- | 345 | 1,450 |
| Gain (loss) on sale of equipment | <u>341</u> | <u>467</u> | <u>1,170</u> |
| Total other income | <u>87,568</u> | <u>53,351</u> | <u>32,437</u> |
| Income before student rebates | 294,199 | 252,771 | 180,794 |
| Student rebates | <u>213,418</u> | <u>145,107</u> | <u>102,780</u> |
| Net income | <u>\$ 80,781</u> | <u>\$ 107,664</u> | <u>\$ 78,014</u> |

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
COMPARATIVE GROSS PROFIT
FOR THE YEARS ENDED JUNE 30, 1980, 1979, AND 1978

| | <u>1980</u> | <u>1979</u> | <u>1978</u> |
|----------------------|-------------------|-------------------|-------------------|
| Sales | | | |
| Miscellaneous | \$ 356,055 | \$ 282,581 | \$ 250,292 |
| Calculators | 22,686 | 28,338 | 49,502 |
| Sporting goods | 108,520 | 77,255 | 53,562 |
| Records | 6,208 | 3,404 | 5,853 |
| Drugs and sundries | 94,049 | 81,219 | 73,544 |
| Cards | 8,355 | 6,246 | 5,008 |
| Textbooks | 1,269,032 | 1,020,248 | 914,047 |
| Trade books | 121,118 | 112,757 | 118,034 |
| Caps and gowns | -0- | 43 | 9,562 |
| | <hr/> | <hr/> | <hr/> |
| Total sales | 1,986,023 | 1,612,091 | 1,479,404 |
| Less student rebates | <u>(213,418)</u> | <u>(145,107)</u> | <u>(102,780)</u> |
| Net sales | <u>1,772,605</u> | <u>1,466,984</u> | <u>1,376,624</u> |
| Cost of sales | | | |
| Miscellaneous | 231,949 | 180,662 | 165,117 |
| Calculators | 19,364 | 25,776 | 45,395 |
| Sporting goods | 68,380 | 47,707 | 36,252 |
| Records | 4,903 | 1,823 | 4,570 |
| Drugs and sundries | 73,463 | 62,742 | 56,959 |
| Cards | 4,591 | 2,692 | 2,686 |
| Text books | 1,012,030 | 804,075 | 724,929 |
| Trade books | 87,144 | 79,304 | 84,607 |
| Caps and gowns | -0- | 32 | 5,835 |
| | <hr/> | <hr/> | <hr/> |
| Total cost of sales | <u>1,501,824</u> | <u>1,204,813</u> | <u>1,126,350</u> |
| Gross profit | | | |
| Miscellaneous | 124,106 | 101,919 | 85,175 |
| Calculators | 3,322 | 2,562 | 4,107 |
| Sporting goods | 40,140 | 29,548 | 17,310 |
| Records | 1,305 | 1,581 | 1,283 |
| Drugs and sundries | 20,586 | 18,477 | 16,585 |
| Cards | 3,764 | 3,554 | 2,322 |
| Text books | 257,002 | 216,173 | 189,118 |
| Trade books | 33,974 | 33,453 | 33,427 |
| Caps and gowns | -0- | 11 | 3,727 |
| | <hr/> | <hr/> | <hr/> |
| Total gross profit | 484,199 | 407,278 | 353,054 |
| Less student rebates | <u>(213,418)</u> | <u>(145,107)</u> | <u>(102,780)</u> |
| Net gross profit | <u>\$ 270,781</u> | <u>\$ 262,171</u> | <u>\$ 250,274</u> |

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
COMPARATIVE GROSS PROFIT PERCENTAGES
FOR THE YEARS ENDED JUNE 30, 1980, 1979, AND 1978

| | <u>1980</u> | <u>1979</u> | <u>1978</u> |
|----------------------------|-------------|-------------|-------------|
| Gross profit percentages | | | |
| Miscellaneous | 34.86% | 36.07% | 34.03% |
| Calculators | 14.64 | 9.04 | 8.30 |
| Sporting goods | 36.99 | 38.25 | 32.32 |
| Records | 21.02 | 46.44 | 21.92 |
| Drugs and sundries | 21.89 | 22.75 | 22.55 |
| Cards | 45.05 | 56.90 | 46.37 |
| Text books | 20.25 | 21.19 | 20.69 |
| Trade books | 28.05 | 29.67 | 28.32 |
| Caps and gowns | N/A | 25.58 | 38.98 |
| Less student rebates | (10.75) | (8.99) | (6.95) |
| Overall profit percentages | 15.28% | 17.87% | 18.18% |

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
SCHEDULE OF COMPARATIVE INVENTORY TURNOVER
FOR THE YEARS ENDED JUNE 30, 1980, 1979, AND 1978

| | Inventory | | | Inventory Turnover | | |
|--------------------|-------------------|-------------------|-------------------|--------------------|-------------|-------------|
| | June 30, 1980 | June 30, 1979 | June 30, 1978 | 1980 | 1979 | 1978 |
| Miscellaneous | \$ 87,840 | \$ 61,559 | \$ 50,749 | 3.11 | 3.22 | 3.12 |
| Sporting goods | 6,759 | 10,357 | 12,330 | 7.99 | 4.21 | 2.92 |
| Records | 829 | 805 | 49 | 6.00 | 4.27 | 14.33 |
| Drugs and sundries | 5,269 | 5,741 | 7,094 | 13.34 | 9.78 | 9.20 |
| Text books | 221,664 | 191,521 | 152,748 | 4.90 | 4.67 | 4.66 |
| Trade books | 29,327 | 34,387 | 35,249 | 2.74 | 2.28 | 2.50 |
| Cards | 1,344 | 1,672 | 788 | 3.04 | 2.19 | 3.75 |
| Caps and gowns | -0- | -0- | 1,535 | N/A | N/A | N/A |
| Calculators | 5,225 | 7,424 | 9,955 | 3.06 | 2.97 | 4.70 |
| | <u>\$ 358,257</u> | <u>\$ 313,466</u> | <u>\$ 270,497</u> | <u>4.47</u> | <u>4.13</u> | <u>4.13</u> |

JUL 30 1980

STUDENTS' CO-OP BOOKSTORE

Annual Report

1979 - 1980

- I. Brief History**
- II. Governance**
- III. General Comments**
- IV. Financial Data**
 - A. Bookstore Comparison Report**
 - B. Breakdown on Net Profit & Net Income 7/1/79-6/30/80**
 - C. Audit Report Explanation**

January 1978

News of the Mountain States Region

With the inauguration of the Mountain States College Store Regional Newsletter, may I take this opportunity to wish all of you the happiest, most prosperous New Year possible.

We certainly appear to be participants of a most dynamic period in college store existence. College stores are dropping by the wayside; more and more college stores are being taken over by lease operations.

Every store is experiencing continued pressures in terms of ever rising expenses as a percent of sales while overall gross margins have remained rather constant over an extended period of time.

Many of the college stores in the Mountain States Region have, or are taking action to curb this problem. At a recent meeting we found:

1. Weber State has begun adding 25¢ to every hardback text beginning Winter Quarter, 1978.
2. Snow College went to their administration for relief, asking for a 5% add-on to texts and received approval for a 3% add-on to begin Winter Quarter 1978.
3. Mountain West Technical (Utah Tech, Provo) asked for and received approval to add 3% to textbooks for Winter Quarter as well as charging the academic department for all texts left over at the end of the term, both new and used. They find that, with this latter arrangement, the departments tend to find a use for the left over textbooks charged to them.
4. Utah State has tentative approval from their administration to add 5% to the list price of textbooks beginning summer for Fall Quarter 1978.
5. B.Y.U. is preparing documentation for their administration asking a 5% add-on for textbooks with a tentative date of Fall 1978. B.Y.U. is also considering, as a part of that package, reducing their 60% buyback offer on used books to the standard 50% offered in the industry.
6. University of Utah is preparing information for the consideration of their administration.

All schools in the area appear to be going with the new Federal Minimum Wage, even though state institutions are not required to under the law. In most instances, it is anticipated that this increase will increase the wage costs by 1-1½% of total sales.

Stores in the area have considered various alternatives to raising textbook prices, mainly:

1. Changing merchandise mix offered by the bookstore to include more high profit items.

I. Brief History

The Students' Co-op Bookstore is a self-supporting, non-profit enterprise. It is operated for the convenience of the campus community by the Associated Students of Western Washington University under the authority of the Board of Trustees.

The history of the Co-op dates back to the beginning of Western Washington University. Established in 1920 the Bookstore operated from two rooms in the basement of the Old Main building.

In 1960, the Co-op moved to its present location. A student fee of two dollars per quarter was established to pay the construction loan financed through Seattle First National Bank. As of fall quarter 1971, the loan was paid and the fee discontinued.

During recent years, the Bookstore has expanded its operation from total gross sales of \$300.00 in its first year of operation to the 1980 total of \$1,986,023.00.

II. Governance

The Bookstore Council is the governing body of the Bookstore. The Council consists of seven members of which one shall be the Vice-President of Internal Affairs of the Board of Directors of the Associated Students, ex-officio with vote. The remaining six members will consist of two students of the University, two members of the faculty, one administrator of the University and the Manager of the Bookstore, ex-officio without vote.

III. General Comments

The following comments are to clarify and expand upon special items in the following financial statements.

A. Discounts

This past year \$213,418.00 was returned to the campus community in the form of discounts on sales at the cash register. This is an increase of \$68,311.00 over last year. Textbooks are discounted 15% and other merchandise 6%. An additional savings to the students, which does not appear in these financial reports, is the pricing of school supplies 15% below suggested retail and sundry items 17% below retail. These discounts amounted to an additional \$47,812.00 savings to the campus community this past year.

This past year we increased our discount on textbooks from 12% to 15%. We know of no other store discounting textbooks at this rate. In fact, a large majority of stores are now adding a 5% freight factor to the retail price (see attached letter).

B. Interest Earned

This past fiscal year we earned \$75,591.00 in interest income. This was accomplished by taking full advantage of our cash flow. We invested our daily deposits in business savings and repurchase agreement accounts. This enabled us to gain an additional \$32,422.00 of interest income over the previous year.

C. Post Office

The Students' Co-op Bookstore contracts with the U.S. Postal Service to operate a substation on Western's campus. This is a vital service to the campus community, but we sustain a loss on the operation of the substation. This past fiscal year we lost \$3,102.00 (see the breakdown on net profit for details of this loss).

D. Total Expenses

This past fiscal year our total expenses were 13.9% of sales. The national average is 24.3%. In dollar terms our expenses were \$206,546.00 less than the national average. We contribute this to diligent supervision, staff efficiency and productivity.

IV. Financial Data

A. Bookstore Comparison Report

Comparing the Students' Co-op Bookstore with other college bookstores on a national average, we arrive at the following figures expressed as a percent of sales. The national averages are from the National Association of College Bookstores Annual Survey, April, 1980.

| | <u>Co-op</u> | <u>National</u> |
|-----------------------------|--------------|-----------------|
| Net Income before Discounts | 14.8% | 4.3% |
| Total Expenses | 13.9% | 24.3% |
| Payroll Expenses | 10.7% | 15.3% |
| Pilferage | 1.3% | 2.4% |

B. Breakdown on Net Income & Net Profit

This year's audit report indicated a net profit of \$80,781.00 for the year ending June 30, 1980. Below is a breakdown of net profit by department. This breakdown shows a net loss of \$2,122.00 from operations and a net income of \$82,903.00 from other sources.

| | <u>-Net Income-</u> | |
|-------------------------------|---------------------|--------------------|
| Textbooks | (\$58,508.00) | |
| Tradebooks | (5,139.00) | |
| General Merchandise | 64,627.00 | |
| Post Office | (3,102.00) | |
| Net Income from Operations | | (\$ 2,122.00) |
| Commissions | 6,971.00 | |
| Interest Income | 75,591.00 | |
| Gain on Sale of Fixed Assets | 341.00 | |
| Net Income from Other Sources | | <u>82,903.00</u> |
| Total Net Income | | <u>\$80,781.00</u> |

| | <u>-Net Profit-</u> | | | |
|----------------------------|---------------------|-------------------|----------------------------|-------------------------------|
| | <u>Textbooks</u> | <u>Tradebooks</u> | <u>General Merchandise</u> | <u>Post Office Substation</u> |
| Total Sales | \$1,269,032 | \$ 121,118 | \$ 582,873 | \$ 13,000 |
| Expenses: | | | | |
| Advertising | 37 | 78 | 775 | - |
| Cash Short & Over | (22) | (3) | (9) | - |
| Depreciation | 9,347 | 1,630 | 3,100 | 77 |
| Discounts Allowed | 186 | 26 | 484 | - |
| Dues & Fees | 192 | 69 | 154 | - |
| Freight & Postage | 8,200 | 375 | 419 | - |
| Insurance Premium | 967 | 172 | 558 | 50 |
| Audit Expense | 3,200 | 600 | 453 | 22 |
| Rent & Utilities | 6,360 | 1,208 | 4,949 | 372 |
| Repair & Maintenance | 1,904 | 472 | 2,071 | 62 |
| Salaries | 48,167 | 18,106 | 52,540 | 7,405 |
| Store Supplies | 5,492 | 1,321 | 2,605 | 402 |
| Taxes, Licenses & Benefits | 8,670 | 3,259 | 8,014 | 1,110 |
| Telephone | 1,847 | 327 | 686 | 37 |
| Travel | 800 | 37 | 643 | - |
| Bad Debts | 1,372 | 22 | 351 | - |
| Miscellaneous Expenses | 217 | 67 | 193 | - |
| Administration | 23,950 | 2,210 | 6,790 | - |
| Office | 19,270 | 1,870 | 10,943 | 310 |
| Total Expenses | <u>\$ 140,156</u> | <u>\$ 31,846</u> | <u>\$ 95,719</u> | <u>\$ 9,847</u> |
| Gross Profit | 257,002 | 33,974 | 190,363 | 2,860 |
| Post Office Rental | | | | 4,665 |
| Less Expenses | -140,156 | -31,846 | -95,719 | -9,847 |
| Less Students' Rebate | <u>-175,354</u> | <u>-7,267</u> | <u>-30,017</u> | <u>-780</u> |
| Net Profit (Loss) | <u>(\$ 58,508)</u> | <u>(\$ 5,139)</u> | <u>\$ 64,627</u> | <u>(\$ 3,102)</u> |

C. Audit Report Explanation

Enclosed is the 1980 Audit Report for the Students' Co-op Bookstore prepared by Metcalf, Hodges & Company, Certified Public Accountants. The term "unaudited" refers to the fact that the auditing firm did not certify by personal contact accounts payable and accounts receivable. The complete audit is conducted every other year.

The Balance Sheet in this report shows a cash balance of \$311,903.00. Of this, \$6,318.00 is in a checking account, \$101,585.00 in a business savings account, \$200,000.00 in certificates of deposit and \$4,000.00 cash on hand. The business savings and certificates of deposit accounts are to retain funds for upcoming expenses and will be utilized for payment of merchandise, such as textbooks and school supplies now on order for fall quarter.

The enclosed financial report reflects the concern of the management and staff of the Students' Co-op Bookstore to hold down the cost of books and supplies, during a time of increasing inflation, while still providing such services as the post office.

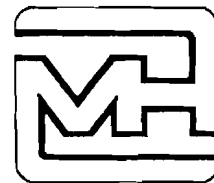
WESTERN WASHINGTON UNIVERSITY

STUDENTS' CO-OP STORE

BELLINGHAM, WASHINGTON

FINANCIAL STATEMENTS

JUNE 30, 1980 AND 1979



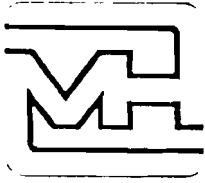
Metcalf, Hodges & Co.

Certified Public Accountants
10 Prospect Mall P.O. Box 918
Bellingham, Washington 98225

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE

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Metcalfe, Hodges & Co.

Board of Trustees
Western Washington University
Students' Co-Op Store
Bellingham, Washington

We have reviewed the accompanying balance sheet of Western Washington University Students' Co-Op Store as of June 30, 1980, and the related statements of income and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Western Washington University Students' Co-Op Store.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The accompanying financial statements for the year ended June 30, 1979, were examined by us and we expressed an unqualified opinion on them in our report dated July 31, 1979. We have not performed any auditing procedures since that date.

Metcalfe Hodges & Co.
July 16, 1980

Certified Public Accountants
Phone Bellingham (206) 733-1010
Whatcom County 384-1162
10 Prospect Mall Post Office Box 918
Bellingham, Washington 98225

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
BALANCE SHEET
JUNE 30, 1980 AND 1979

| | <u>Assets</u> | |
|-----------------------------------|---------------------|---------------------|
| | <u>1980</u> | <u>1979</u> |
| Current assets | | |
| Cash | \$ 311,903 | \$ 275,260 |
| Certificates of deposit | 320,990 | 320,990 |
| Accounts receivable (Note 1) | 18,298 | 24,472 |
| Inventories, merchandise (Note 1) | 358,257 | 313,466 |
| Prepaid rent - current (Note 2) | 4,249 | 4,002 |
| Prepaid insurance | 131 | 150 |
| Interest receivable | <u>15,434</u> | <u>13,198</u> |
| Total current assets | <u>1,029,262</u> | <u>951,538</u> |
| Property and equipment (Note 1) | | |
| Building improvements | 11,369 | 10,101 |
| Furniture and fixtures | 119,899 | 112,046 |
| Typewriters | <u>1,234</u> | <u>1,234</u> |
| | 132,502 | 123,381 |
| Less allowance for depreciation | <u>86,865</u> | <u>72,852</u> |
| Property and equipment - net | <u>45,637</u> | <u>50,529</u> |
| Other assets | | |
| Prepaid rent - deferred (Note 2) | <u>6,859</u> | <u>11,108</u> |
| Total assets | <u>\$ 1,081,758</u> | <u>\$ 1,013,175</u> |

Liabilities and Retained Earnings

| | | |
|---|---------------------|---------------------|
| Current liabilities | | |
| Accounts payable | \$ 77,703 | \$ 89,731 |
| Taxes payable | <u>6,170</u> | <u>6,340</u> |
| Total current liabilities | <u>83,873</u> | <u>96,071</u> |
| Retained earnings | | |
| Retained earnings, beginning of year | 917,104 | 809,440 |
| Net income | <u>80,781</u> | <u>107,664</u> |
| Retained earnings, end of year | <u>997,885</u> | <u>917,104</u> |
| Total liabilities and retained earnings | <u>\$ 1,081,758</u> | <u>\$ 1,013,175</u> |

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
STATEMENT OF INCOME
FOR THE YEARS ENDED JUNE 30, 1980 AND 1979

| | <u>1980</u> | <u>1979</u> |
|-------------------------------|------------------|-------------------|
| Sales | \$ 1,986,023 | \$ 1,612,091 |
| Cost of sales | <u>1,501,824</u> | <u>1,204,813</u> |
| Gross profit | <u>484,199</u> | <u>407,278</u> |
| Operating expenses | | |
| Advertising | 890 | 676 |
| Cash (over) short | (34) | 78 |
| Depreciation (Note 1) | 14,154 | 12,072 |
| Discounts allowed | 696 | 734 |
| Dues and subscriptions | 415 | 385 |
| Freight and postage-out | 8,994 | 7,176 |
| Insurance | 1,747 | 1,786 |
| Legal and accounting | 4,275 | 1,800 |
| Rent and utilities (Note 2) | 12,889 | 13,501 |
| Repair and maintenance | 4,509 | 2,287 |
| Salaries | 172,996 | 128,438 |
| Store supplies | 9,820 | 7,034 |
| Taxes and licenses | 1,968 | 783 |
| Employee benefits | 37,650 | 26,148 |
| Telephone | 2,897 | 2,495 |
| Travel expense | 1,480 | 1,113 |
| Bad debts | 1,745 | 332 |
| Miscellaneous | 477 | 1,020 |
| Total operating expenses | <u>277,568</u> | <u>207,858</u> |
| Operating income | <u>206,631</u> | <u>199,420</u> |
| Other income | | |
| Commissions, discounts | 6,971 | 5,099 |
| Interest earned | 75,591 | 43,169 |
| Rental income, equipment | -0- | 345 |
| Post office rental | 4,665 | 4,271 |
| Gain on sale of equipment | 341 | 467 |
| Total other income | <u>87,568</u> | <u>53,351</u> |
| Income before student rebates | 294,199 | 252,771 |
| Student rebates (Note 3) | <u>213,418</u> | <u>145,107</u> |
| Net income (Note 1) | <u>\$ 80,781</u> | <u>\$ 107,664</u> |

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 1980 AND 1979

| | <u>1980</u> | <u>1979</u> |
|---|-------------|-------------|
| Source of working capital | | |
| Net income | \$ 80,781 | \$ 107,664 |
| Add (deduct) items not requiring (providing) working capital | | |
| Depreciation | 14,154 | 12,072 |
| Decrease in prepaid rent - deferred | 4,249 | 4,002 |
| Gain on sale of equipment | (341) | (467) |
| | 98,843 | 123,271 |
| Working capital provided by operations | | |
| Proceeds from sale of equipment | 425 | 1,256 |
| | 99,268 | 124,527 |
| Total source of working capital | | |
| Application of working capital | | |
| Acquisition of equipment and building materials | 9,346 | 21,158 |
| | \$ 89,922 | \$ 103,369 |
| Increase in working capital | | |

Schedule of Changes in Working Capital

| | | |
|--|------------|------------|
| Increase (decrease) by component of working capital | | |
| Cash | \$ 36,643 | \$ (2,949) |
| Certificates of deposit | -0- | 115,965 |
| Accounts receivable | (6,174) | (25,638) |
| Prepaid rent - current | 247 | 232 |
| Prepaid insurance | (19) | 11 |
| Interest receivable | 2,236 | 10,015 |
| Inventories, merchandise | 44,791 | 42,969 |
| Accounts payable | 12,028 | (55,446) |
| Taxes payable | 170 | 17,829 |
| Customer deposits | -0- | 381 |
| | 89,922 | 103,369 |
| Increase in working capital | | |
| Working capital, beginning of year | 855,467 | 752,098 |
| | \$ 945,389 | \$ 855,467 |
| Working capital, end of year | | |

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1980 AND 1979

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

This summary of the major accounting policies of Western Washington University Students' Co-Op Store is presented to assist the reader in evaluating the Co-Op's financial statements. In all major aspects, the Co-Op has consistently followed these policies for the periods covered by the financial statements presented.

The Students' Co-Op Store is in the business of selling text books, school supplies and general merchandise, primarily to the students and faculty of Western Washington University.

Inventories are stated at the lower of cost or market, cost being determined by the retail method on a first-in, first-out basis.

Property and equipment is stated at cost. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation is provided for by methods and at rates designed to amortize the cost of such equipment over its useful life. Depreciation has been computed by the straight-line method for all equipment and improvements.

Federal Income Taxes. The Students' Co-Op Store is an arm of a state institution and therefore does not have any federal income tax liability as described in Section 115 of the Internal Revenue Code.

Accounts receivable are considered fully collectible therefore no allowance for bad debts has been provided.

NOTE 2. RENT

On the 17th day of May 1973 an agreement was entered into transferring the Co-Op Store Annex Building to Western Washington University. In return for the annex, the University agreed to forego until January 1, 1983 any increase in the monthly land rental. The rental figure will remain at \$50 as agreed to under the lease dated March 11, 1970 instead of the fair rental value of \$450 per month determined by Western Washington University.

WESTERN WASHINGTON UNIVERSITY
STUDENTS' CO-OP STORE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1980 AND 1979

NOTE 3. STUDENT REBATES

The Co-Op gave students a discount of 6 percent and 15 percent on merchandise and text books respectively during the year ended June 30, 1980, and a discount of 6 percent and 12 percent on merchandise and text books respectively during the year ended June 30, 1979. The discount is computed at the time of sale and deducted from the sales price. Sales tax is charged and collected on the net sale.

September 11, 1980

Ark G. Chin endorsed Mr. Braman's recommendation as stated in the report that the Board of Trustees of Western Washington University establish a periodic review time for the WWU Comprehensive Plan, preferably to coincide with the cycle of review for the City of Bellingham Comprehensive Plan.

The complete Technical Report on Update of Comprehensive Plan, Western Washington University, September, 1980, as prepared by CH2M Hill, Inc., is filed in the Documents Department, Wilson Library.

5. EXEMPT STAFF SALARIES

MOTION On motion by Ark G. Chin and duly seconded by Jerrold W.
9-04-80 Manley, it was moved that upon the recommendation of the administration, the Board of Trustees of Western Washington University approves a seven and one-half percent increase to be distributed by increasing the value of the salary grid by seven and one-half percent. Salaries for individuals subject to the Exempt Salary Schedule will be adjusted to the new (October 1, 1980) salary grid step value, effective October 1, 1980.

The motion carried unanimously.

The 1979-81 Appropriations Act provided funding of a 10.9 percent increase last year and a 6 percent increase plus an optional unfunded 1.5 percent increase, effective October 1, 1980, for faculty and exempt staff. Distribution of these funds is determined by the institution.

The Administrators' Association has recommended that the entire amount, 7.5 percent, be used for a general adjustment to the salaries of exempt personnel covered by the Exempt Salary Schedule. This recommendation will result in no step movement for members of the exempt staff covered by this salary schedule.

6. WESTERN WASHINGTON UNIVERSITY INSTITUTIONAL PLAN 1979-80 AND PLANNING GUIDE 1980

Western Washington University has a nationally known planning process, which is one of four planning processes publicized by the National Center for Higher Education Management Systems and used as a national planning model for institutions of higher education. WWU's Institutional Plan is published annually and it contains the roles and missions statement of WWU, the goals of each of the operational divisions (academic and support), allocation of resources, and program priorities.

The Planning Guide is prepared by the Office of Academic Affairs under the direction of the Planning Council, and describes the planning process in detail.

7. ITEMS FROM THE BOARD

A. Board of Trustee's Meeting Schedule for 1981

MOTION On motion by Jerrold W. Manley and duly seconded by Ark G.
9-05-80 Chin, it was moved that the Board of Trustees of Western Washington University approves its schedule of meetings for 1981 as presented.

The motion carried unanimously.

September 11, 1980

Board of Trustees
Western Washington University
Schedule of Meetings - 1981

| | | | |
|-------------------|------------|-----------|--|
| January 8, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| February 5, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| March 5, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| April 2, 1981 | Seattle | 1:30 p.m. | 1606 IBM Building 1200 - 5th Avenue |
| May 7, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| June 4, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| August 6, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| September 3, 1981 | Seattle | 1:30 p.m. | 1606 IBM Building 1200 - 5th Avenue |
| October 1, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| November 5, 1981 | Bellingham | 1:30 p.m. | Old Main 340, WWU |
| December 3, 1981 | Tacoma | 1:30 p.m. | Site to be determined |

B. Board of Trustee's Meeting Time Change for 1980

MOTION On motion by Ark G. Chin and duly seconded by Jerrold W.
9-06-80 Manley, it was moved that the Board of Trustees of Western
Washington University approves its meeting times be changed
to 1:30 p.m. for the months of October, November and
December, 1980.

The motion carried unanimously.

C. Capital Improvement Quarterly Status Report

Ark Chin spoke regarding Western's Capital Improvement Quarterly Status Report. He acknowledged that expeditious services rendered by Don Cole, Eric Nasburg, WWU, Engineer, and their staffs with regard to the handling of capital improvement projects over the past few years. Mr. Chin noted that under the current reportage system, Western has been successful for the most part in completing its capital projects within its predicted time frame and within its contracted budget. President Olscamp expressed his gratitude to the Capital Planning Staff for its efforts in this area.

8. ITEMS FROM THE PRESIDENT

A. Council of Presidents Recommends Faculty Salary Increase

President Olscamp reported that at the Council of President's recent meeting in Olympia, its members accepted the recommendation of the Interinstitutional Committee of Academic Officers to request during the coming biennium faculty salary increases totaling 24.8 percent in the first year of the biennium and 14.7 percent in the second year of the biennium.

These numbers are based upon an analysis of three traditionally used indexes. The first index is the comparison of Washington State four-year faculty salaries with the seven-state comparison tables that have been used by the Office of Financial Management as well as the Council of Presidents' staff for many years. Secondly, the cost-price index is used to indicate what would be required to return Washington State four-year faculties to a 1970 level of purchasing power. Thirdly, inflation over the two years of the coming biennium is predicted.

Dr. Olscamp pointed out that four-year faculty in this state have received for each of the previous ten years a lower pay increase than any other state employee in the State of Washington.

September 11, 1980

B. Western Washington University's Enrollment Levels

President Olscamp corrected erroneous information in a newspaper article that appeared in the Bellingham Herald and in one of the Seattle dailies concerning a potential \$900,000 loss in operating revenue from the State based upon an apparent miscalculation of Western's enrollment levels. He pointed out that such a statement was misleading for two reasons: First, Western never had the \$900,000, and, second, Western did not miscalculate its enrollment.

Western Washington University's catalogue sets forth a date by which time students who met University qualifications and are able to pay the tuition must be admitted. Western does not have the legal right to alter that date. This year approximately 300 additional students over the contract level that was negotiated with the State two years ago met the qualifications for admission.

Further, he noted that Western Washington University's administration did its best two years ago to obtain a more realistic and higher contract with the State of Washington's Office of Financial Management than was granted.

President Olscamp noted that the House of Representatives in the State of Washington has asked the Council for Postsecondary Education to conduct a study of the process by which enrollment limitations were established at state institutions. The study will include the subject of limiting enrollments for budgeting purposes.

9. PERSONNEL ITEMS - ACTION

MOTION On motion by Jerrold W. Manley and duly seconded by
9-07-80 Ark G. Chin, it was moved that the Board of Trustees of
 Western Washington University approves personnel actions
 as recommended for 1980-81.

The motion carried unanimously.

New Appointments

Bedford, Norman, Visiting Lecturer, Department of Business Administration; non-tenure track appointment for academic year 1980-81. M.B.A. Queen's University

Kendall, Ronald, Assistant Professor, Huxley College; non-tenure track appointment for academic year 1980-81. Ph.D. Virginia Polytechnic Institute and State University; M.S. Clemson University; B.S. University of South Carolina

Smith, Dale, Visiting Assistant Professor, Department of Physics/Astronomy; non-tenure track appointment for academic year 1980-81. Ph.D. and M.S. University of Washington; B.A. Colgate University

Spear, Maryanne, Assistant Professor, Department of Nursing; non-tenure track appointment for academic year 1980-81; M.H.S. and B.S. University of California

Reappointments

Hayes, Susanna, Assistant Professor of Psychology, Director, Center for Indian Education Specialists; non-tenure track ten-month appointment September 1, 1980, through June 30, 1981.

Loftus, Ronald, Assistant Professor, Departments of History, Liberal Studies and Honors; non-tenure track for academic year 1980-81.

September 11, 1980

Resignation

Olsen, Robert A., Associate Professor, Department of Business Administration; resignation effective August 1, 1980.

10. PERSONNEL ITEMS - INFORMATIONALAppointments, Part-Time, On-campus

Adams, Henry, Professor, Psychology; .111 academic FTE, Fall Quarter 1980.

Buell, Paul, Lecturer, Liberal Studies; .222 academic FTE, Winter Quarter, 1980.

Chernavska, Adriadna, Assistant Professor, Philosophy; .333 academic FTE, Fall Quarter 1980.

Crow, Dorothy, Lecturer, Psychology; .250 academic FTE, 1980-81 academic year

Dale, Carolyn J., Lecturer, Journalism; .083 academic FTE, Fall Quarter 1980.

Dyson, Carolyn C., Lecturer, Education; .1667 academic FTE, Fall Quarter 1980.

Fitch, Gregory, Visiting Associate Professor, Philosophy; Fall Quarter 1980, no stipend.

Job, Nicole Sowinski, Lecturer, Theatre/Dance; .500 academic FTE, academic year 1980-81.

Johnson, Elaine, Lecturer, Liberal Studies; .222 academic FTE, Fall Quarter 1980.

Larsen, Fred L., Assistant Professor, Nursing; .083 academic FTE, Fall Quarter 1980.

Mitchell, Patricia, Lecturer, Home Economics; .083 academic FTE, Fall Quarter, 1980.

Moses, Eugene, Lecturer, Business Administration; .083 academic FTE, Fall Quarter 1980.

Neill, Will T., Lecturer, Business Administration; .083 academic FTE, Fall Quarter 1980.

Vowles, Kuhs Elizabeth, Lecturer, Home Economics; .083 academic FTE, Fall Quarter 1980.

Woodring, Paul, Professor, Psychology

Appointments, Part-time, Off-campus

Allen, Robert David, Adjunct Lecturer, Art; .045 academic FTE, Fall Quarter 1980.

Hambly, Jerry, Adjunct Lecturer, Technology; .045 academic FTE, Fall Quarter 1980

Change of Appointment

Cvetkovich, George, Professor, Psychology; change in appointment to .333 academic FTE, Grant, Fall Quarter 1980, and .667 academic FTE, Department of Psychology, Winter and Spring Quarters, 1981.

September 11, 1980

Leave Without Pay

Lippman, Marcia, Associate Professor, Psychology; Leave Without Pay Fall Quarter, 1980, .500 FTE during both Winter and Spring Quarters 1981.

Marx, Robert, Professor, Psychology; Leave Without Pay, .500 Psychology Department, .500 Counseling Center, Academic Year 1980-81.

Quigley, Robert, Associate Professor, Physics/Astronomy; Leave Without Pay, 1980-81 academic year.

Sick Leave

Weiner, Homer A., Professor, Art; Sick Leave Fall Quarter, 1980.

Wodzicki, Antoni, Assistant Professor, Geology; Sick Leave effective August 20, 1980.

Other


Cook, Susan, Research Associate, Aquatic Studies; beginning October 1, 1980.

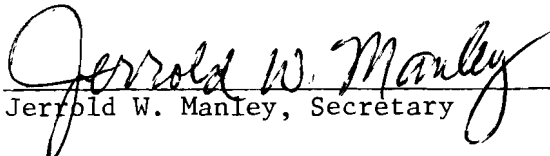
11. EXECUTIVE SESSION

At 3:20 p.m., Vice Chairman Fernald announced that the meeting of the Board would recess into Executive Session to consider a personnel matter. The Executive Session ended at 3:50 p.m., at which time the meeting of the Board of Trustees was reconvened into regular session.

ADJOURNMENT

The meeting adjourned at 3:51 p.m.


Robert L. Fernald, Vice Chairman


Jerrold W. Manley, Secretary