

UNIVERSITY OF ARIZONA

MAILING, MIMEOGRAPHING and MULTILITHING BUREAU

EXAMINATION REPORT

JULY 1, 1966 to JUNE 30, 1967

Report No. 139

University of Arizona
MAILING, MIMEOGRAPHING and MULTILITHING BUREAU
EXAMINATION REPORT
JULY 1, 1966 TO JUNE 30, 1967

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University of Arizona

EXAMINATION OF THE ACCOUNTING RECORDS OF
THE MAILING, MIMEOGRAPHING and MULTILITHING BUREAU

To the Arizona Board of Regents:

The report presented herewith covers our examination of the accounts of the Mailing, Mimeographing and Multilithing Bureau of the University of Arizona for the fiscal year ended June 30, 1967.

Respectfully submitted,



Marvin Stein
Supervising Examiner



C. R. Willison
Examiner

April 22, 1968

THE UNIVERSITY OF ARIZONA
MAILING, MIMEOGRAPHING and MULTILITHING BUREAU
EXAMINATION REPORT
JULY 1, 1966 to JUNE 30, 1967

FINANCIAL SUMMARY

Net income of the Mailing, Mimeographing and Multilithing Bureau for the fiscal year ended June 30, 1967 was \$18,418 (6.4% of sales). This compares with a net income of \$40,216 (13.5% of sales) for the fiscal year ended June 30, 1966.

COMMENTS ON OPERATING RESULTS (EXHIBIT A)

Exhibit A shows the income and expenses of this department for the year 1966-67 and comparative figures for the year 1965-66. Comments relating to amounts in Exhibit A appear below.

Net Sales \$ 288,700

Net sales decreased \$8,282 in 1966-67 from the net sales of \$296,982 realized in 1965-66. The volume of work for special projects decreased in 1966-67 causing the decline in total sales. The College of Medicine, in particular, had a substantial amount of special project work in 1965-66, not repeated in the subsequent year.

Total Operating Expenses \$ 270,348

Total operating expenses increased \$13,602 in 1966-67 from that recorded in 1965-66. The major increases occurred in materials and services purchased (\$13,018), repairs, maintenance and remodeling of the facilities (\$4,226), and depreciation of equipment (\$1,181). These increases were offset in part by a decrease of \$5,140 in total payroll and related payroll taxes. Other increases and decreases net to an increase of \$317.

Net Income

\$ 18,418

Net income in 1966-67 was \$18,418, a decrease of \$21,798 from the \$40,216 realized in 1965-66. The principle reason for the reduced net income was the decrease in the volume of special projects in 1966-67, increased efficiency in the use of labor and materials being possible on larger production jobs. A review of the trend for the past five years, by percentages, was made and the more significant items are presented in the table below.

Trend Percentages 1962-63 to 1966-67

	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>	<u>1965-66</u>	<u>1966-67</u>
Sales	100.0%	123.8%	154.0%	191.8%	186.5%
Wages	100.0	119.3	140.3	147.2	138.1
Materials & Purch'd. Services	100.0	130.5	181.0	189.0	211.5
Total Expenses	100.0	123.3	154.7	169.0	178.0
Net Income	100.0	138.8	116.5	1,293.5	592.4

The foregoing table indicates that the year 1965-66 was an exceptional one. It also shows that 1966-67 was more profitable than the first three years in the comparative period.

COMMENTS ON THE BALANCE SHEET (EXHIBIT B)

Comments on the balance sheet are limited to those items that have changed materially in the past year.

Cash on Deposit at the Business Office

\$ 27,151

Cash on deposit in the Business Office increased \$8,104 in 1966-67. The following analysis shows the sources of the increase in the cash account:

Cash was increased by:		
the net profit	\$ 18,418	
non-cash expense (depreciation)	9,597	
decrease in accts. receivables	705	
increase in accts. payable	<u>296</u>	
Total cash provided		\$ 29,016
Cash was decreased by:		
increase in inventory	4,341	
additional equipment	<u>16,571</u>	
Total cash decrease		<u>20,912</u>
Total cash increase		\$ <u>8,104</u>

Inventory of Supplies \$ 7,900

The inventory of paper stock, stencils and other supplies necessary in the operation of the bureau increased \$4,341 as of June 30, 1967 over the corresponding date in 1966. The total inventory is reasonable for the volume of production.

Equipment and Furniture \$ 97,364

The cost of equipment and furniture on hand at June 30, 1967 was \$13,116 greater than at June 30, 1966. Expenditures of \$16,571 were made in 1966-67 for new equipment to replace and supplement equipment already being used. Equipment costing \$3,455 was traded in on the purchases of new equipment. The estimated value of all equipment after deducting accumulated depreciation was \$60,917 at June 30, 1967.

Fund Balance \$ 110,935

The fund balance represents the accumulated earnings of the Mailing, Mimeographing and Multilithing Bureau since its inception. The net increase of \$18,418 is the net income of the bureau for the year examined, 1966-67.

UNIVERSITY OF ARIZONA
MAILING, MIMEOGRAPHING and MULTILITHING BUREAU
STATEMENT OF INCOME AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 1967 AND 1966

	<u>1966-67</u>		<u>1965-66</u>		Amount Increase (Decrease)
	<u>Amount</u>	<u>Percent of Income</u>	<u>Amount</u>	<u>Percent of Income</u>	
<u>Sales</u>	\$ <u>288,700</u>	<u>100.0%</u>	\$ <u>296,982</u>	<u>100.0%</u>	\$ (<u>8,282</u>)
<u>Expenses</u>					
Salaries	10,600	3.6	10,000	3.4	600
Wages	103,600	35.9	110,482	37.2	(6,882)
Student Wages	3,813	1.3	2,729	.9	1,084
Materials and Purch'd. Services	122,259	42.4	109,241	36.8	13,018
Tel. & Tel. Business Office	735	.3	441	.2	294
Service Charge	1,400	.5	1,350	.5	50
Laundry	257	.1	350	.1	(93)
Insurance	12	-	13	-	(1)
Industrial Comm. Insurance	687	.2	665	.2	22
Payroll Taxes and Retirement	7,455	2.6	7,397	2.5	58
Repairs and Main- tenance of Equipment	4,313	1.5	4,046	1.4	267
Repairs and Main- tenance of Facilities	4,981	1.7	755	.2	4,226
Depreciation of Furn. and Equipment	9,597	3.3	8,416	2.8	1,181
Travel	<u>639</u>	<u>.2</u>	<u>861</u>	<u>.3</u>	(<u>222</u>)
<u>Total Expenses</u>	<u>270,348</u>	<u>93.6</u>	<u>256,746</u>	<u>86.5</u>	<u>13,602</u>
<u>Net Operating Income</u>	18,352	6.4	40,236	13.5	(21,884)
Gain (Loss) Disposed Equipment	<u>66</u>	<u>-</u>	(<u>20</u>)	<u>-</u>	<u>86</u>
<u>Net Income</u>	\$ <u>18,418</u>	<u>6.4%</u>	\$ <u>40,216</u>	<u>13.5%</u>	\$ (<u>21,798</u>)

EXHIBIT B

UNIVERSITY OF ARIZONA
MAILING, MIMEOGRAPHING and MULTILITHING BUREAU
BALANCE SHEET
JUNE 30, 1967 AND 1966

	<u>June 30</u> <u>1967</u>	<u>June 30</u> <u>1966</u>	<u>Increase</u> <u>(Decrease)</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash on Deposit at Business Office	\$ 27,151	\$ 19,047	\$ 8,104
Accounts Receivable	16,966	17,671	(705)
Inventory of Supplies	<u>7,900</u>	<u>3,559</u>	<u>4,341</u>
Total Current Assets	<u>52,017</u>	<u>40,277</u>	<u>11,740</u>
<u>Fixed Assets</u>			
Equipment and Furniture	97,364	84,248	13,116
Less: Accumulated Depreciation	<u>36,447</u>	<u>30,305</u>	<u>6,142</u>
<u>Net Fixed Assets</u>	<u>60,917</u>	<u>53,943</u>	<u>6,974</u>
<u>Total Assets</u>	\$ <u>112,934</u>	\$ <u>94,220</u>	\$ <u>18,714</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Current Liabilities</u>			
Accounts Payable	\$ 1,999	\$ 1,703	\$ 296
<u>Fund Balance</u>	<u>110,935</u>	<u>92,517</u>	<u>18,418</u>
<u>Total Liabilities and Fund Balance</u>	\$ <u>112,934</u>	\$ <u>94,220</u>	\$ <u>18,714</u>