Report of Examination of the Accounts of

THE STUDENT UNION MEMORIAL BUILDING

UNIVERSITY OF ARIZONA

July 1, 1956 to June 30, 1957

Report No. 39

Office of the General Examiner
for the Board of Regents of
the University and State Colleges of Arizona

EXAMINATION OF STUDENT UNION MEMORIAL BUILDING ACCOUNTS

AT THE UNIVERSITY OF ARIZONA

To the Board of Regents of the

University and State Colleges of Arizona

The report covering the examination of the accounts of the Student Union Memorial Building of the University of Arizona for the fiscal year ended June 30, 1957 is submitted herewith.

The financial statements for 1956-57 presented with this report show net income of $50,965 for the year. This permitted a special payment of $25,000 to be made to the Bond Sinking Fund to call that amount of bonds for payment in advance of required retirement, and in addition to the regular amortization schedule.

Interim statements issued by the University Comptroller's Office show that the 1957-58 operation is currently showing a net loss, as of January 31, 1958. This situation calls for careful expense control and probably an increase in food selling prices, which have not been raised significantly since September, 1954. At that time meal ticket prices were increased from $1.65 per day for three meals to the present price of $1.80 per day.

Respectfully submitted,

Alvred B. Nettleton

Alvred B. Nettleton
General Examiner

March 15, 1958

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING

REPORT OF EXAMINATION

JULY 1, 1956 TO JUNE 30, 1957

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UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING

REPORT OF EXAMINATION

JULY 1, 1956 TO JUNE 30, 1957

FINANCIAL SUMMARY

The combined net income of all departments of the Student Union Memorial Building for the fiscal year ended June 30, 1957 was $50,965. This was $3,021 less than the net income of $53,986 reported for the preceding fiscal year ended June 30, 1956.

Total gross income of all departments in 1956-57 was $81,319 more than in 1955-56, but costs of doing business rose by $84,340 for the same period. As a result, the Student Union Memorial Building earned $3,021 less on the increased volume in 1956-57 than in 1955-56. While many costs, including food, continued to rise in 1956-57, no material increases in selling prices were made by the various departments.

The profit situation in 1957-58 appears unfavorable on the basis of interim operating statements for the Student Union Memorial Building for the seven months ended January 31, 1958. As of that date, unaudited income and expense statements reflect a net loss of $5,738. With only five months remaining in the 1957-58 fiscal year, the Student Union operation will apparently result in little, if any, net income.

There are several reasons for the disappearance of profit in 1957-58. Selling prices have not been increased, whereas costs have continued to rise. Maintenance expenses have been heavy, partly because the building is now seven years old and painting and other maintenance have become necessary. A 420 seat expansion of food service facilities was made in the fall of 1957. This new facility, "Louie's Lower Level," has operated at a high percentage of capacity, but the total facilities of the food service department have not been used in 1957-58 at quite as high a percentage of capacity as was the case in 1956-57 and 1955-56. Also, initial supplies for "Louie's Lower Level," such as dishes, utensils, and glassware, have caused supplies expense to be higher than normal in 1957-58.

Increasing sales in 1958-59 will probably cause utilization of total food service facilities to again approximate full capacity. However, it seems that some increases in food selling prices, including an increase in meal ticket prices, will be essential unless food prices decline materially prior to September 1958. Also, the management should strive to effect operating economies where possible, as it currently is doing.

COMMENTS ON 1956-57 OPERATING RESULTS

Comparison of 1956-57 Results with Preceding Year

The following summary compares the operating results for the various departments of the Student Union Building for the fiscal years 1956-57 and 1955-56:

	1956-57	1955-56	Increase (Decrease)
Net Operating Income (Loss) of Selling Departments:			
Food Service	$ 27,559	$ 26,623	$ 936
Games	4,904	4,315	589
Information and Checking	(204)	(499)	295
Vending	7,138	6,306	832
Total Net Operating Income	$ 39,397	$ 36,745	$ 2,652
Student Fees	107,324	94,632	12,692
Miscellaneous Income	2,327	2,596	(269)
Total Net Operating and Other Income	$ 149,048	$ 133,973	$ 15,075
Less: Other Expenses	98,083	79,987	18,096
Net Income	$ 50,965	$ 53,986	$(3,021)

As the summary indicates, each of the four selling departments showed a small increase in net operating income compared with 1955-56. Income from student fees increased $12,692 due to increased enrollment in 1956-57. However, other expenses (administration, maintenance, and post office) increased a total of $18,096, thus offsetting all favorable factors and resulting in a decrease of $3,021 in net income for 1956-57.

Food Service Department Operating Results

The income and expenses of the Food Service Department for 1956-57 are reported in Schedule 1, together with comparative amounts and percentages for 1955-56. Analyses of the amounts appearing in Schedule 1, and certain supplementary data, are presented in the paragraphs which follow.

Food Service Sales

Total sales of this department increased from $519,174 in 1955-56 to $585,103 in 1956-57. The increase of $65,929, equivalent to 12.7% of 1955-56 sales, was due to added volume since no significant price advances occurred.

The divisional break-down of food service sales for 1956-57 and 1955-56 is compared in the following table:

	1956-57		1955-56	
	Amount	% of Total	Amount	% of Total
Cafeteria:				
Meal Tickets	$ 75,899	13.0%	$ 72,342	13.9%
A la Carte Meals	147,527	25.2	127,200	24.5
Infirmary Meals	3,095	.5	3,621	.7
Employee Meals	8,282	1.4	6,921	1.3
Total Cafeteria Sales	$ 234,803	40.1%	$ 210,084	40.4%
Coffee Shop and Fountain	263,607	45.1	225,086	43.4
Faculty and Staff Dining Room	13,501	2.3	11,253	2.2
Catering and Miscellaneous	73,192	12.5	72,751	14.0
Total Food Service Sales	$ 585,103	100.0%	$ 519,174	100.0%

The foregoing analysis shows that the portion of total food sales accounted for by the Coffee Shop and Fountain increased 1.7% over 1955-56, whereas total Cafeteria and Faculty and Staff Dining Room sales, while increasing substantially in dollar volume, remained at about the same percentage of total food service sales as in 1955-56. The fraction of total sales produced by catering declined 1.5%, as might be expected in view of increased student patronage of the Cafeteria and Coffee Shop.

Gross Margin on Sales

The per cent of gross margin (sales of food less food costs) declined from 52.3% in 1955-56 to 51.3% in 1956-57, a decrease of 1.0%. The decrease reflects advancing food costs which had to be absorbed by stationary selling prices. (As of January 31, 1958 gross margin has dropped a further 1.4%.)

Operating Expenses

Total operating expenses decreased from 47.2% of sales in 1955-56 to 46.6% in 1956-57. Small percentage declines in wage cost, utilities, laundry, repairs, and depreciation were partially offset by a substantial increase of .8% in supplies expense.

Although total dollar outlay for wages increased $19,737 in 1956-57, the per cent of increase was less than the sales increase, thus accounting for the decrease of .3% in wage cost in relation to sales.

Net Income

Food Service net income was $27,559 in 1956-57 compared with $26,623 in 1955-56, an increase of $936. However, the per cent of net income of sales decreased .4%, dropping from 5.1% in 1955-56 to 4.7% in 1956-57. The decrease in per cent of net income was accounted for by the decrease of 1% in gross margin offset by the decline of .6% in total operating expenses.

Other Selling Departments

Games (Schedule 2)

The gross margin of this department in 1956-57 and 1955-56 is analyzed as follows:

	1956-57	1955-56	Increase (Decrease)
Sales of Candy, Tobacco, etc.	$ 5,010	$ 5,117	$(107)
Cost of Sales	4,465	4,427	38
Gross Margin on Sales	$ 545	$ 690	$(145)
Income from Pool and Billiards	10,527	10,797	(270)
Income from Table Tennis	2,142	2,181	(39)
Total Indicated Gross Margin	$ 13,214	$ 13,668	$(454)
Cash Over (Short)	55	(45)	100
Gross Margin per Schedule 2	$ 13,269	$ 13,623	$(354)

The per cent of gross margin on sales of candy and tobacco decreased from 13.5% in 1955-56 to 10.9% in 1956-57. A normal percentage of gross margin on sales of this type of merchandise is from 13-16%, depending upon the proportional distribution of sales between candy and tobacco. A low percentage such as 10.9% indicates either that total sales consisted almost entirely of tobacco or that some sales were not being recorded correctly. The management might well consider replacing the present candy and tobacco counter in the Games Room with coin operated vending machines.

Operating expenses of the Games Room decreased $943 in total, due to a decline of $1,104 in expenses for supplies. The decrease in supplies expense, as explained by the Union Director, was caused by purchasing a two-years' supply of material for re-covering pool tables in 1955-56, thus eliminating the need for a like expenditure in 1956-57.

In view of the decrease in sales volume in the Games Room in 1956-57, which continued during the early months of 1957-58, the Student Union Director has taken action, including some changes in personnel, to improve the operation of this department.

Information and Checking (Schedule 3)

Sales increased $1,022 (9.7%) in 1956-57 over 1955-56. The percent of gross margin also increased .6% (15.3% compared with 14.7%) in 1956-57. With operating expenses remaining practically the same as in 1955-56, the improvement in sales and in per cent of gross margin resulted in a decrease of $295 in the net loss of this department in 1956-57.

Interim reports indicate that Information and Checking has a small net operating profit for the first seven months of 1957-58. Sales are increasing to the point where this necessary function of information and checking is becoming self-supporting.

Vending (Schedule 4)

Net income from vending machines increased $832 in 1956-57, amounting to $7,138 compared with $6,306 in 1955-56. Gross income from the several types of vending machines in 1956-57 and 1955-56 is shown as follows:

	1956-57	1955-56	Increase (Decrease)
Coca Cola	$ 3,946	$ 3,616	$ 330
Seven-up	799	1,043	(244)
Pin Ball	3,529	3,105	424
Juke Box	1,074	1,230	(156)
Ice Cream	2,599	694	1,905
Milk	142	150	(8)
Scales	50	40	10
Total	$ 12,139	$ 9,878	$ 2,261

The increase of $2,261 in total vending machine sales in 1956-57 is shown to be attributable mainly to an increase of $1,905 in sales of the ice cream machine. This machine was in operation for only three and a fraction months in 1955-56, which accounts for the reported increase in sales of this machine in 1956-57. Pin ball machines and Coca Cola machines also produced increased income in 1955-56.

The gross margin on sales of those machines which vend merchandise supplied by the Student Union averaged 40.6% of sales of those machines in 1956-57. This compares with 42.5% of sales in 1955-56.

Total operating expenses of the Vending Department increased $144 in 1956-57 due to depreciation expense on the ice cream machine for a full year.

The increased gross margin of $976, less the increase of $144 in total operating expenses, enabled this department to report $832 more net income in 1956-57 than in the preceding year.

Other Income and Expenses

Student Fees

Income from Student Union Building fees (included in total student registration fees for all students carrying six or more semester hours of credit) totaled $107,324, up $12,692 from 1955-56. The increase was due to more students in residence in 1956-57 than in the preceding year. The amount of the fee was $7.50 per student per semester in both years.

Miscellaneous Income

Total miscellaneous income decreased $269 in 1956-57. The comparable total for 1955-56 included a refund of $1,039 for taxes paid in prior years on pool and billiard tables and pin ball machines. The total for 1956-57 includes an insurance refund of $418 and interest of $376 on bonds purchased for the equipment replacement fund.

Other Expenses (Schedule 5)

Expense categories in this group, representing general overhead expenses and expenses of the Post Office, reflected some substantial increases in 1956-57: Administration expense increased $6,861, Maintenance $9,172 and Post Office $1,958. These increases in expenses were due, in general, to higher salary and wage rates, increased volume causing a need for more employees, and increasing age and use of the building requiring more maintenance.

These are areas of expense which can easily get out of control and require the careful supervision of the management at all times. As volume increases, and as more maintenance becomes necessary, some increase in overhead must be expected. But supervision of these expenses simultaneously becomes more necessary.

COMMENTS ON BALANCE SHEET ITEMS

The comments in this section of the report relate to items appearing in Exhibit B, but only those items showing substantial changes during the year have been selected for explanatory comments.

Cash on Deposit - Equipment Replacement Fund	$26,686
Investments - Equipment Replacement Fund	$39,305

The equipment replacement fund consisted of cash and investments in the above amounts at June 30, 1957. As of June 30, 1956 the fund consisted solely of cash in an amount of $53,322. During 1956-57 additional cash of $12,793, equivalent to the increase in the reserve for depreciation of equipment during the fiscal year, was transferred from operating cash to the equipment fund. Also, during 1956-57, $19,244 was invested in 2-1/2% U.S. Government Bonds of 11/15/1961, and $20,061 in 1,230 shares of Fidelity Fund stock at $16.31 per share.

The stock of Fidelity Fund was purchased under the plan whereby all dividends are immediately invested in additional stock of the Fund. Up to June 30, 1957, 94.509 additional shares had been acquired from dividends, making the total holding 1,324.509 shares at that date. No income representing the dividends reinvested has been recorded, nor has the book value of the investment been increased to reflect the additional shares acquired. The cash value of the reinvested dividends in 1956-57 was $1,412.

Entries to reflect income and additional cost of the investment in Fidelity Fund stock have not been made in the statements presented herewith because of the decline in the market value of the stock and the desirability of maintaining a balance sheet valuation reasonably closely related to market valuation. As of June 30, 1957 the market value of the 1,324.509 shares held by the Student Union Memorial Building account was approximately $19,375, based upon a bid price of $14.63 per share. Since July 1, 1957 a further material decline in the market value of this stock has occurred. A valuation of $11.72 per share as of December 31, 1957 appears in the annual report of Fidelity Fund.

Sinking Fund for Bond Retirement $36,088

In June 1957 a special payment of $25,813 was deposited in the sinking fund to call $25,000 face value of bonds, at 3-1/4% premium, not due until later years. This retirement of principal is in addition to the regularly scheduled amortization of the outstanding bond issue.

Unappropriated Surplus $36,911

Changes in unappropriated surplus during 1956-57 are analyzed as follows:

Unappropriated Surplus, July 1, 1956	$ 10,946
Add: Net Income for 1956-57	50,965
Total	$ 61,911
Deduct: Transfer to Reserve for Accelerated Retirement of Bonds Payable	25,000
Unappropriated Surplus, June 30, 1957	$ 36,911

Statement of Source and Use of Funds

In Exhibit C is presented a brief summary of the source and use of funds derived from the operation of the Student Union Memorial Building in the fiscal year 1956-57. This statement starts with the net income for the year of $50,965, as shown in Exhibit A, and reflects the cash flow of the operation for the year, including changes in balance sheet amounts from June 30, 1956 to June 30, 1957.

It is believed that Exhibit C will be of interest to those desiring to know how the net income for 1956-57 was utilized from a cash standpoint.

COMMENTS ON ACCOUNTING PROCEDURES

Reconciliation of Net Income Reported in Exhibit A with Net Income Reported by Comptroller's Office

For those desiring to account for the difference between the Student Union's net income for 1956-57 of $50,965, reported in Exhibit A, and the net income amount of $58,570 shown in the annual statement for the enterprise issued by the Comptroller's Office, based upon accumulation of monthly income and expense statements, the following analysis of the audit adjustments is given:

Net Income per Comptroller's Statement		$ 58,570
Add: Sinking Fund Income		50
Summer Session Fees Receivable		667
Reduction in Accounts Payable		160
Sub-Total		$ 59,447
Deduct: Provision for Doubtful Accounts Receivable	$ 274	
Deferred Income (Fees)	2,286	
Maintenance Charges for May and June 1957 from U. of A. Service Dept., billed late	5,922	8,482
Net Income per Exhibit A		$ 50,965

Facilities for Handling Cash in Post Office

As of June 30, 1957 the Post Office had a working fund, including cash and postage, of $1,000. This department needs a safe in which to house this fund at night, or unused portions of the fund during working hours. It has been the practice to take the fund to the Director's Office at closing time for storage in the safe in that office over night. However, space in the Director's Office safe is needed for other storage purposes.

An added advantage of installing a safe in the Post Office is that it will then be practical to break the working fund into several smaller funds assignable to the various clerks. If each clerk maintains his individual window fund, it will be possible to relate any cash differences which may occur to the clerk responsible.

SUMMARY OF RECOMMENDATIONS

1. The fiscal operation of the Student Union Building in 1956-57 was very good. However, the operating results show the beginning of trends which are becoming intensified in 1957-58: reduced gross margin on food sales; decreasing gross margin on Games Room candy and tobacco sales; and increasing overhead costs such as wages and maintenance. In view of these trends, the Examiner wishes to point out steps which might be taken to help mitigate the pressure on profit:

   a. Increase food prices in September 1958, including meal tickets, perhaps 10%.

   b. Exert special efforts to control rising costs of wages and repairs.

   c. Replace the Games Room candy and tobacco counter with coin operated vending machines.

2. Acquisition of a safe for the Post Office is recommended. Cash control and protection will be improved by installing a safe in that department.

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Exhibit A

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING

Combined Statement of Income and Expenses

for the Years Ended June 30, 1957 and 1956

	1956-57	1955-56	Increase (Decrease)
Sales	$ 626,552	$ 557,656	$ 68,896
Cost of Sales			
Inventory, Beginning of Year	$ 15,123	$ 14,627	$ 496
Purchases	302,873	264,434	38,439
Total	$ 317,996	$ 279,061	$ 38,935
Inventory, End of Year	14,672	15,123	(451)
Cost of Sales	$ 303,324	$ 263,938	$ 39,386
Gross Margin on Sales	$ 323,228	$ 293,718	$ 29,510
Operating Expenses			
Salaries	$ 16,063	$ 14,650	$ 1,413
Wages	195,868	176,152	19,716
Supplies	20,284	15,075	5,209
Utilities	12,928	12,470	458
Laundry	8,337	8,553	(216)
Insurance and Payroll Taxes	10,959	9,542	1,417
Repairs	2,624	4,299	(1,675)
Equipment Depreciation	12,543	12,399	144
Miscellaneous	4,225	3,833	392
Total Operating Expenses	$ 283,831	$ 256,973	$ 26,858
Net Operating Income	$ 39,397	$ 36,745	$ 2,652
Other Income			
Student Fees	$ 107,324	$ 94,632	$ 12,692
Miscellaneous	2,327	2,596	(269)
Total Other Income	$ 109,651	$ 97,228	$ 12,423
Net Operating Income and Other Income	$ 149,048	$ 133,973	$ 15,075
Other Expenses			
Activities	$ 1,340	$ 1,696	$(356)
Administration	29,603	22,742	6,861
Maintenance	32,703	23,531	9,172
Post Office	7,997	6,039	1,958
Bond Service	26,166	26,000	166
Provision for Doubtful Accounts	274	(21)	295
Total Other Expenses	$ 98,083	$ 79,987	$ 18,096
Net Income for the Year	$ 50,965	$ 53,986	$(3,021)

Exhibit B

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING

Balance Sheet

June 30, 1957 and 1956

	June 30 1957	June 30 1956	Increase (Decrease)
Assets			
Current Assets			
Cash on Deposit	$ 34,119	$ 30,826	$ 3,293
Cash on Deposit - Equip. Repl. Fund	26,686	53,322	(26,636)
Deposit in Transit	347	374	(27)
Change Funds	3,500	3,500	-o-
Restricted Funds	1,338	1,861	(523)
Accounts Receivable (Less Prov. for Doubtful)	11,210	3,535	7,675
Inventories	14,672	15,123	(451)
Prepaid Expenses	314	280	34
Total Current Assets	$ 92,186	$ 108,821	$(16,635)
Investments			
Bond Sinking Fund Cash and Secur.	$ 36,088	$ 10,225	$ 25,863
Equip. Replacement Fund Secur.	39,305	-o-	39,305
Total Investments	$ 75,393	$ 10,225	$ 65,168
Fixed Assets			
Building - Less Amortization	$ 888,070	$ 905,320	$(17,250)
Equipment - Less Depreciation	131,446	125,061	6,385
Total Fixed Assets	$ 1,019,516	$ 1,030,381	$(10,865)
Total Assets	$ 1,187,095	$ 1,149,427	$ 37,668
Liabilities and Surplus			
Current Liabilities			
Accounts Payable	$ 13,992	$ 7,074	$ 6,918
Contract Payable	702	2,622	(1,920)
Due to Bus Ofc. for Change Funds	3,500	3,500	-o-
Bonds Payable Within One Year	18,000	18,000	-o-
Deferred Income - Fees	2,286	2,581	(295)
Total Current Liabilities	$ 38,480	$ 33,777	$ 4,703
Fixed Liabilities			
Bonds Payable After One Year	283,000	301,000	(18,000)
Total Liabilities	$ 321,480	$ 334,777	$(13,297)
Surplus			
Capital (Donated) Surplus	$ 753,704	$ 753,704	$ -o-
Reserve for Working Capital	50,000	50,000	-o-
Reserve for Accelerated Retirement of Bonds	25,000	-o-	25,000
Unappropriated Surplus	36,911	10,946	25,965
Total Surplus	$ 865,615	$ 814,650	$ 50,965
Total Liabilities and Surplus	$ 1,187,095	$ 1,149,427	$ 37,668

Exhibit C

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING

Condensed Statement of Source and Use of Funds

July 1, 1956 to June 30, 1957

Funds Derived from	
Net Income for 1956-57 (Exhibit A)	$ 50,965
Add: Depreciation Charged to Operations in 1956-57, Not Requiring Outlay of Funds	15,798
Reduction of Net Working Capital	21,338
Total Funds Provided	$ 88,101
Funds Used for	
Investments Purchased for Equipment Replacement Fund	$ 39,305
Normal Increase in Bond Sinking Fund	50
Special Payment to Bond Sinking Fund for Calling Bonds	25,813
Building Addition Preliminary Plans	750
Purchase of Additional Equipment	22,183
Total Funds Used	$ 88,101

Schedule 1

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING - FOOD SERVICE

Statement of Income and Expenses

for the Years Ended June 30, 1957 and 1956

	1956-57		1955-56		Amount
	Amount	% of Net Sales	Amount	% of Net Sales	Increase (Decrease)
Sales	$ 585,103	100.0	$ 519,174	100.0	$ 65,929
Cost of Sales					
Beginning Inventory	$ 14,645		$ 13,994		$ 651
Purchases	284,247		248,082		36,165
Total	$ 298,892		$ 262,076		$ 36,816
Ending Inventory	14,204		14,645		(441)
Cost of Sales	$ 284,688	48.7	$ 247,431	47.7	$ 37,257
Gross Margin on Sales	$ 300,415	51.3	$ 271,743	52.3	$ 28,672
Operating Expenses					
Salaries	$ 16,063	2.8	$ 14,650	2.8	$ 1,413
Wages	188,522	32.2	168,785	32.5	19,737
Supplies	19,852	3.4	13,512	2.6	6,340
Utilities	11,886	2.0	11,388	2.2	498
Laundry	8,337	1.4	8,553	1.7	(216)
Ins. and Payroll Taxes	10,489	1.8	9,085	1.8	1,404
Repairs	2,457	.4	4,279	.8	(1,822)
Equip. Depreciation	11,067	1.9	11,066	2.1	1
Miscellaneous	4,183	.7	3,802	.7	381
Total Operating Expenses	$ 272,856	46.6	$ 245,120	47.2	$ 27,736
Net Operating Income	$ 27,559	4.7	$ 26,623	5.1	$ 936

Schedule 2

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING - GAMES ROOM

Statement of Income and Expenses

for the Years Ended June 30, 1957 and 1956

	1956-57	1955-56	Increase (Decrease)
Sales	$ 17,734	$ 18,050	$(316)
Cost of Sales			
Inventory, Beginning of Year	$ 174	$ 166	$ 8
Purchases	4,493	4,435	58
Total	$ 4,667	$ 4,601	$ 66
Inventory, End of Year	202	174	28
Cost of Sales	$ 4,465	$ 4,427	$ 38
Gross Margin on Sales	$ 13,269	$ 13,623	$(354)
Operating Expenses			
Wages	$ 5,681	$ 5,687	$(6)
Supplies	432	1,536	(1,104)
Utilities	629	629	-o-
Ins. and Payroll Taxes	363	353	10
Repairs	153	7	146
Equipment Depreciation	1,065	1,065	-o-
Miscellaneous	42	31	11
Total Operating Expenses	$ 8,365	$ 9,308	$(943)
Net Operating Income	$ 4,904	$ 4,315	$ 589

Schedule 3

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING - INFORMATION AND CHECKING

Statement of Income and Expenses

for the Years Ended June 30, 1957 and 1956

	1956-57	1955-56	Increase (Decrease)
Sales	$ 11,576	$ 10,554	$ 1,022
Cost of Sales			
Inventory, Beginning of Year	$ 3	$ 8	$(5)
Purchases	9,806	8,998	808
Total	$ 9,809	$ 9,006	$ 803
Inventory, End of Year	-o-	3	(3)
Cost of Sales	$ 9,809	$ 9,003	$ 806
Gross Margin on Sales	$ 1,767	$ 1,551	$ 216
Operating Expenses			
Wages	$ 1,665	$ 1,680	$(15)
Supplies	-o-	27	(27)
Utilities	113	153	(40)
Ins. and Payroll Taxes	107	104	3
Repairs	13	13	-o-
Equipment Depreciation	73	73	-o-
Total Operating Expenses	$ 1,971	$ 2,050	$(79)
Net Operating Income (Loss)	$(204)	$(499)	$ 295

Schedule 4

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING - VENDING MACHINES

Statement of Income and Expenses

for the Years Ended June 30, 1957 and 1956

	1956-57	1955-56	Increase (Decrease)
Sales	$ 12,139	$ 9,878	$ 2,261
Cost of Sales			
Inventory, Beginning of Year	$ 301	$ 459	$(158)
Purchases	4,327	2,919	1,408
Total	$ 4,628	$ 3,378	$ 1,250
Inventory, End of Year	266	301	(35)
Cost of Sales	$ 4,362	$ 3,077	$ 1,285
Gross Margin on Sales	$ 7,777	$ 6,801	$ 976
Operating Expenses			
Utilities	$ 300	$ 300	$ -o-
Repairs	1	-o-	1
Equipment Depreciation	338	195	143
Total Operating Expenses	$ 639	$ 495	$ 144
Net Operating Income	$ 7,138	$ 6,306	$ 832

Schedule 5

UNIVERSITY OF ARIZONA

STUDENT UNION MEMORIAL BUILDING

Analysis of Other Expenses

for the Years Ended June 30, 1957 and 1956

	1956-57				
	Activities	Administration	Maintenance	Post Office	Total
Salaries		$ 7,987	$ 2,300		$ 10,287
Wages		11,079	12,452	$ 7,085	30,616
Supplies	$ 760	1,249	2,852	101	4,962
Utilities	16	2,614		334	2,964
Laundry			1,042		1,042
Ins. and Payroll Taxes		1,225	1,681	453	3,359
Repairs		609	12,376	13	12,998
Equipment Depreciation		3,244		11	3,255
Miscellaneous	564	1,596			2,160
Total	$ 1,340	$ 29,603	$ 32,703	$ 7,997	$ 71,643
	1955-56				
Salaries		$ 6,600	$ 2,150		$ 8,750
Wages		7,947	10,531	$ 5,327	23,805
Supplies	$ 688	927	2,294	42	3,951
Utilities	1	2,180		329	2,510
Laundry			817		817
Ins. and Payroll Taxes		907	1,428	330	2,665
Repairs		176	6,311		6,487
Equipment Depreciation		2,960		11	2,971
Miscellaneous	1,007	1,045			2,052
Total	$ 1,696	$ 22,742	$ 23,531	$ 6,039	$ 54,008
Increase (Decrease) in Totals	$(356)	$ 6,861	$ 9,172	$ 1,958	$ 17,635