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THE UNIVERSITY OF ARIZONA  
MAILING, MIMEOGRAPHING AND MULTILITHING BUREAU  
EXAMINATION REPORT  
JULY 1, 1962 to JUNE 30, 1963

Report No. 98

Office of the General Examiner  
for the Board of Regents of  
the Universities and State College of Arizona

EXAMINATION OF THE ACCOUNTS OF  
THE MAILING, MIMEOGRAPHING AND MULTILITHING BUREAU OF  
THE UNIVERSITY OF ARIZONA

To the Board of Regents of the  
Universities and State College of Arizona:

We present herewith a report covering our examination of the accounting records of the Mailing, Mimeographing and Multilithing Bureau of the University of Arizona for the fiscal year ended June 30, 1963.

Respectfully submitted,

*Alfred B. Nettleton*  
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March 2, 1964

THE UNIVERSITY OF ARIZONA  
MAILING, MIMEOGRAPHING AND MULTILITHING BUREAU  
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THE UNIVERSITY OF ARIZONA

MAILING, MIMEOGRAPHING AND MULTILITHING BUREAU

EXAMINATION REPORT

JULY 1, 1962 to JUNE 30, 1963

Financial Summary

Net income of the Bureau in 1962-63 was \$3,109. This is a decrease of \$13,601 from the net income of \$16,710 earned in 1961-62, and a decrease of \$2,753 from the net income of \$5,862 earned in 1960-61. The effect of the 1962-63 net income of \$3,109 was to increase the Bureau's fund balance from \$41,256 at June 30, 1962 to \$44,365 at June 30, 1963.

The amount of the fund balance represents the retained earnings to June 30, 1963 and gives effect to accounts receivable and payable, inventories of operating supplies, and undepreciated costs of the equipment used in the Bureau at that date.

Comments on Operating Results (Exhibit A)

Major amounts appearing in the statement of income and expenses (Exhibit A) are commented upon briefly below.

Income \$ 154,823

Total gross income of the Bureau in 1962-63 amounted to \$154,823, a slight decline of \$1,810 from gross income of \$156,633 in 1961-62. The major factor accounting for the decrease is that several large jobs handled in 1961-62 were not matched with comparably large jobs in 1962-63.

Wages \$ 75,033

Wage cost increased \$10,169 in 1962-63 due to additional personnel to handle the work load and to wage rate merit increases.

Materials and Purchased Services \$ 57,806

The total cost of materials and purchased services declined \$3,046 in 1962-63. In relation to total gross income the decrease was relatively small, being only 1.5% of income. This indicates that the cost of materials and purchased services in 1962-63 maintained approximately the same relationship to gross income in 1962-63 as in 1961-62.

Depreciation of Furniture and Equipment \$ 4,418

Depreciation expense more than doubled in 1962-63, compared with the depreciation expense of \$2,192 computed for 1961-62. The reason for the large increase in this expense is that substantial purchases of new equipment occurred in 1962-63. Major items purchased included two new multigraph machines, storage counters, and racks for paper stock.

Comments on the Balance Sheet (Exhibit B)

The principal items in the balance sheet showing substantial changes during 1962-63 are cash on deposit at the Business Office and fixed assets. Cash on deposit decreased \$19,356 during 1962-63 and fixed assets (equipment and furniture) increased \$18,029. These two changes reflect the substantial purchases of new equipment and furniture during the year indicated above in the comment regarding depreciation.

Comments on Accounting Procedures

We reviewed the accounting records and procedures in use in the Bureau with respect to transactions involving sales of the publications of The University of Arizona Press. We found these records and procedures to be capable of improvement, in order to promote efficiency in handling the increasing volume of transactions in this area. With the approval of appropriate administrative officers, we have designed several system changes, which are to be placed in operation in the next month. We shall provide such additional consultative assistance as may be necessary to see that the changes result in the desired benefits.

The University of Arizona  
Mailing, Mimeographing, and Multilithing Bureau

Statement of Income and Expenses  
for the Years Ended June 30, 1963 and 1962

	<u>1962-63</u>		<u>1961-62</u>		Amount Increase (Decrease)
	<u>Amount</u>	<u>Percent of Income</u>	<u>Amount</u>	<u>Percent of Income</u>	
<u>Income</u>	\$ <u>154,823</u>	<u>100.0</u>	\$ <u>156,633</u>	<u>100.0</u>	\$ <u>(1,810)</u>
<u>Expenses</u>					
Salaries	5,100	3.3	4,800	3.0	300
Wages	75,033	48.5	64,864	41.4	10,169
Materials and Pur- chased Services	57,806	37.3	60,852	38.8	( 3,046)
Tel. and Tel. Business Office Service Charge	330	.2	209	.1	121
Laundry	841	.6	725	.5	116
Insurance	333	.2	322	.2	11
Ind. Comm. Insurance	11	-	-0-	-0-	11
Payroll Taxes and Retirement	529	.3	442	.3	87
Repairs & Maintenance: Equipment	4,790	3.1	3,963	2.5	827
Building	2,292	1.5	1,521	1.0	771
Depreciation of Furn. and Equipment	-0-	-0-	124	.1	( 124)
Travel	4,418	2.9	2,192	1.4	2,226
	<u>477</u>	<u>.3</u>	<u>382</u>	<u>.3</u>	<u>95</u>
<u>Total Expenses</u>	<u>151,960</u>	<u>98.2</u>	<u>140,396</u>	<u>89.6</u>	<u>11,564</u>
<u>Net Operating Income</u>	<u>2,863</u>	<u>1.8</u>	<u>16,237</u>	<u>10.4</u>	<u>(13,374)</u>
<u>Gain on Disposal of Equip.</u>	<u>246</u>	<u>.2</u>	<u>473</u>	<u>.3</u>	<u>( 227)</u>
<u>Net Income</u>	\$ <u>3,109</u>	<u>2.0</u>	\$ <u>16,710</u>	<u>10.7</u>	\$ <u>(13,601)</u>

The University of Arizona  
Mailing, Mimeographing, and Multilithing Bureau

Balance Sheet  
June 30, 1963 and 1962

<u>Assets</u>	<u>June 30,</u> <u>1963</u>	<u>June 30,</u> <u>1962</u>	<u>Increase</u> <u>(Decrease)</u>
<u>Current Assets</u>			
Cash on Deposit at Business Office	\$( 387)	\$ 18,969	\$(19,356)
Accounts Receivable	14,348	7,939	6,409
Inventory of Supplies	4,826	2,846	1,980
Deferred Purchases	<u>116</u>	<u>1,045</u>	<u>(929)</u>
<u>Total Current Assets</u>	<u>18,903</u>	<u>30,799</u>	<u>(11,896)</u>
<u>Fixed Assets</u>			
Equipment and Furniture	41,176	23,147	18,029
Less: Accumulated Depreciation	<u>13,088</u>	<u>11,340</u>	<u>-1,748</u>
<u>Net Fixed Assets</u>	<u>28,088</u>	<u>11,807</u>	<u>16,281</u>
<u>Total Assets</u>	<u>46,991</u>	<u>42,606</u>	<u>4,385</u>
<u>Liabilities and Fund Balance</u>			
<u>Current Liabilities</u>			
Accounts Payable	2,626	1,350	1,276
<u>Fund Balance</u>	<u>44,365</u>	<u>41,256</u>	<u>-3,109</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$ 46,991</u>	<u>\$ 42,606</u>	<u>\$ 4,385</u>