

April 14, 1944

Mr. Henry Wernor, Chmn.,
Memorial Union Corporation

Dear Sir:

In accord with your request I have prepared the attached statement of condition of Kansas Union at the close of March, 1944.

Anticipated receipts are based on amounts for which the Government has been or will be billed, and inventories consist of the cost of goods on hand as determined by physical inventories taken at the end of the period.

Accounts payable are subject to minor revisions which may be discovered as bills are audited for payment.

It should be carefully pointed out that the large surplus figure is misleading because it would appear that a profit is accruing to the Union from the operation of the two military messing programs. However, the contracts provide that the mess halls must be operated at cost and these contracts are subject to periodic renegotiation and revision.

For some time your costs on the Army Messing Program have been running somewhat less than the Army has advanced, thereby creating a liability which will have to be deducted from future payments from the Army. It is not possible at this time to determine the amount of these overpayments.

Furthermore the Union has received certain administrative fees, a portion of which may eventually be due the University, and likewise the University has not remitted to the Union the amounts due for the use of facilities.

Therefore it would seem reasonable to conclude that the net result of the messing program cannot be determined until there is a final accounting at the termination of the program.

Respectfully submitted,

Clifton C. Calvin, Auditor
Student Organization Fund