

INVENTORIES

FREIGHT ON AGENCY STOCK - ZINC OXIDE DEPARTMENT

LEDGER DEBIT BALANCE, JUNE 30TH, 1942

\$ 5,100.35

ACCOUNT WAS VERIFIED AGAINST RECORD AS FOLLOWS:

	POUNDS	AMOUNT
LEDGER DEBIT BALANCE, OCTOBER 31ST, 1940	1,194,595	\$ 6,311.36

DEBITS - NOVEMBER 1ST, 1940 TO JUNE 30TH, 1942, INC:

TRANSFERS OUT TO STOCKS	4,903,502	25,368.46
	6,098,097	\$ 31,679.82

CREDITS - NOVEMBER 1ST, 1940 TO JUNE 30TH, 1942, INC:

SALES FROM STOCKS	5,247,746	\$ 26,576.57
SAMPLES SHIPPED	501	2.90
	5,248,247	26,579.47
	849,850	\$ 5,100.35

AT JUNE 30TH, 1942, AVERAGE FREIGHT PER POUND OF MATERIAL STANDS AT \$.006 AS AGAINST \$.0053 PER POUND AT BEGINNING OF AUDIT PERIOD.

FREIGHT ON AGENCY STOCKS - WHITE LEAD DEPARTMENT

LEDGER DEBIT BALANCE, JUNE 30TH, 1942

\$ 14,066.10

ACCOUNT WAS VERIFIED AGAINST RECORDS AS FOLLOWS:

	WHITE LEAD		LEAD-IN-OIL	
	POUNDS	AMOUNT	POUNDS	AMOUNT
LEDGER DEBIT BALANCE, OCTOBER 31ST, 1940	819,676	\$ 4,289.31	1,700,088	\$ 9,503.49

DEBITS - NOVEMBER 1ST, 1940 TO JUNE 30TH, 1942, INCLUSIVE

TRANSFERS OUT TO STOCK	3,494,546	19,680.34	5,115,981	31,841.41
	4,314,222	\$ 23,969.65	6,816,069	\$ 41,344.90

CREDITS - NOVEMBER 1ST, 1940 TO JUNE 30TH, 1942, INCLUSIVE

SALES FROM STOCKS (1)	3,772,072	20,981.05	4,935,339	30,267.40
	542,150	\$ 2,988.60	1,880,730	\$ 11,077.50

(1) INCLUDES 100 POUNDS OF WHITE LEAD AND 1,134.5 POUNDS OF LEAD-IN-OIL SAMPLES.

AT JUNE 30TH, 1942, AVERAGE FREIGHT PER POUND OF DRY WHITE LEAD WAS \$.0055 AND LEAD-IN-OIL WAS \$.0059, AS AGAINST \$.0052 AND \$.0056, RESPECTIVELY, AT BEGINNING OF AUDIT PERIOD.

N10140

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CURRENT ASSETS

INVENTORIES (CONTINUED)

MATERIAL AND SUPPLIES

LEDGER DEBIT BALANCE, JUNE 30TH, 1942

\$ 229,944.73

THIS BALANCE IS DETAILED AS FOLLOWS:

STOREROOM SUPPLIES	\$ 112,240.98
FUELS	19,099.33
FLUXES AND CHEMICALS	26,171.00
LABORATORY SUPPLIES	819.20
CONTAINERS	50,383.65 (1)
LINSEED OIL AND TURPENTINE	<u>21,230.57 (1)</u>
	\$ <u>229,944.73</u>

(1) THESE ARE CORRECTED FIGURES. VOUCHER NO. 2878 WAS POSTED IN ERROR THEREBY OVERSTATING CONTAINERS BY \$907.50, AND UNDERSTATING LINSEED OIL AND TURPENTINE BY AN EQUAL AMOUNT.

STOREROOM SUPPLIES

A PHYSICAL CHECK WAS MADE OF STOCKS ASAGAINST INVENTORY RECORDS OF TWO HUNDRED THIRTY ONE (231) INDIVIDUAL ITEMS OF STOCK, WHICH WE FEEL WERE QUITE REPRESENTATIVE OF THE STOCKS AS A WHOLE. THIS CHECK RESULTED IN THE FINDING OF NINETY-THREE (93) DIFFERENCES, OR 40.26% OF TOTAL ITEMS CHECKED, AND AMOUNTED TO A NET OVERAGE OF \$56.23.

THERE WERE SEVERAL INSTANCES WHERE ITEMS WERE FOUND TO BE SHORT AND UPON INVESTIGATION IT WAS FOUND THAT SUPPLIES HAD BEEN TAKEN OUT WITHOUT REQUISITIONS. THIS IS NOT A USUAL PRACTICE AND APPARENTLY WAS PRACTICED ONLY DURING PERIOD OF STRIKE. PROPER REQUISITIONS WERE SECURED ON ALL ITEMS NOTED.

THE GENERAL CONDITION OF STOCKS AND RECORDS WAS QUITE BELOW THE GOOD STANDARD THAT HAS BEEN EVIDENT IN PAST YEARS. THIS CONDITION HAS BEEN REALIZED FOR SOME TIME AND AN EFFORT IS NOW BEING MADE TO CORRECT THE SITUATION WHICH HAS BEEN BROUGHT ABOUT THROUGH THE NECESSITY OF HAVING TO MAKE TWO REPLACEMENTS IN THE POSITION OF ASSISTANT STOREKEEPER BETWEEN MARCH AND JULY, 1942, BY THE USE OF INEXPERIENCED HELP.

THERE WERE NO ERRORS OF IMPORTANCE NOTED IN TEST CHECKING RECEIPTS AND ISSUES AGAINST STOCK RECORDS.

OUTSIDE SUPPLIES

STOCKS OF FUELS, FLUXES AND CHEMICALS, CONTAINERS, AND LINSEED OIL AND TURPENTINE WERE SCRUTINIZED AND COMPARED AGAINST BOOK FIGURES. THESE STOCKS, WHICH ARE CHECKED MONTHLY, APPEARED TO BE IN GOOD ORDER.

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