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TOUCHE, NIVEN & CO.
PUBLIC ACCOUNTANTS
915-17 MCKNIGHT BUILDING
MINNEAPOLIS, MINN.

LONDON
GEORGE A. TOUCHE & CO.
AND AT
MONTREAL, TORONTO & VANCOUVER
CANADA
AND
BATAVIA, JAVA

CORRESPONDENTS
CHICAGO AND SAN FRANCISCO

October 30, 1913.

Directors,
Pillsbury Flour Mills Co.,
Minneapolis, Minn.

During the progress of our audit of the Company's
and records for the past fiscal year, certain errors of
and in matters of detail have come to our notice. To
with Mr. John Pillsbury and Mr.

Accounts Receivable:

Prepare a complete list thereof by divisional totals (e.g. subsidiary ledgers, etc) list debit and credit balances. Examine and see that subsidiary trial balances are produced to conform with all divisional totals. Check Minneapolis sub-ledgers in detail with trial balances verified by Company's Travelling Auditor. Send verification statements for all accounts, large balances on Minneapolis City Ledger, etc. Compare adjusted Trial Balances with Branch Financial Statements and reconcile with Head Office accounts. Make schedule of overdue accounts, examining particularly for accounts over 60 days aged. Go thoroughly into question of Reserve for Bad and Doubtful Debt with Head of Credit Department. Verify possibly a limited number of Branch Office verification statements. Determine amount of Reserve necessary and compare with amount already on books.

Half-Century in Minneapolis

Working papers for Pillsbury Flour Mills for 1913

Recommendations for
BRANCH OFFICE

PILLSBURY FLOUR MILLS COMPANY
Audit Year to 31st August, 1913

PILLSBURY FLOUR MILLS COMPANY
MEMORANDUM OF WORK DONE ON AUDIT FOR YEAR TO 31ST AUGUST 1913.

TRIAL BALANCES.
PRIVATE LEDGER
GENERAL LEDGER

CASH.

At Head Office compared General Book totals, as well as items represented by those drawn for voucher register with the voucher register entries. Charges are entered in the cheque register; from the office cheques and the record of cheques and cash payment book.

Monetary Cash not vouched by or of cheques; to agree direct water as this bank account is merely for convenience and does not appear in the above referred to cash books. The only footing do attached to schedule IIV of the working papers. Trial Balances compared with the ledgers and footed as of this date.

ACCOUNTS RECEIVABLE.

Letters for verification issued to all customers' open accounts as of August 31, 1910 on the City ledger and a few of the large accounts on the country and offtal ledger, lists of which will be found attached to schedule IIV of the working papers. Trial Balances were compared with the ledgers and footed as of this date.

BRANCHES.

The Adjusted Trial Balances as of August 31st, were, after comparing same with the branches financial statements, accepted by us as correct, due to the care being exercised, of course, to locate any bad accounts that might exist therein, which examination was made with Mr. Paul Smith. In effecting a reconciliation of the branch office trial balances with the financial statements issued by the branch office, certain differences due to pending unsettled items were noted. These differences will appear attached to accounts IIB.

RESERVE FOR BAD AND DOUBTFUL DEBT

obtain schedule of Shipments of Flour and other goods. Verify Wheat (Balance on Hand) in Department of Mr. D. G. Moore. Compare price of Wheat with market price of various supplies. Verify totals and extensions in schedule of Wheat in final cash book. Certificate from C. J. Smith, Manager of Wheat in Minneapolis, that all are entered in the books and which are drawn.

The entrance to the Minneapolis office. . . . Alice Carlson (standing) and Virginia Kolsrud, receptionist. Mrs. Kolsrud was named one of the outstanding receptionists in Downtown Minneapolis in 1962.



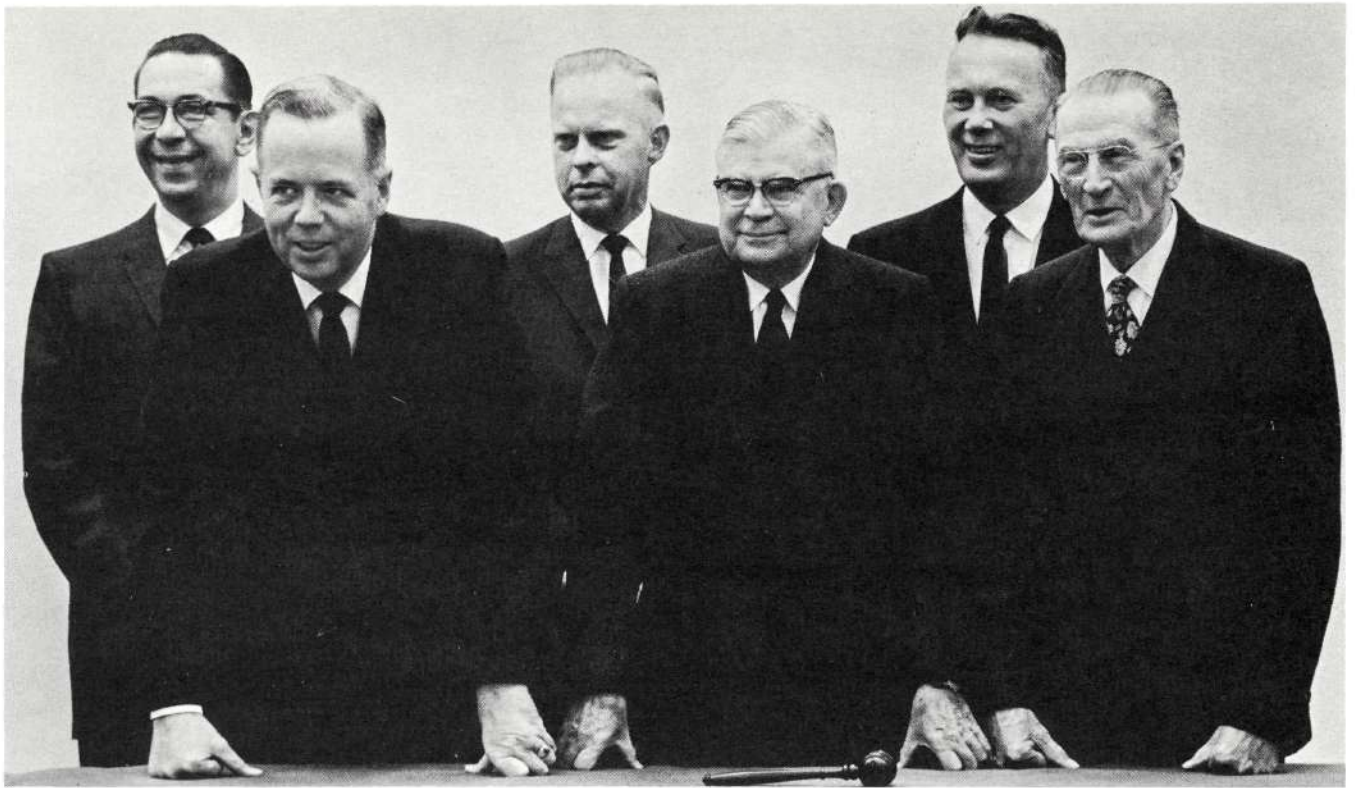
THE HISTORY of a public accounting office inevitably consists of two ingredients, clients and the people who serve them. The first contacts in Minneapolis began in 1908 when John B. Niven of the predecessor firm of Touche Niven & Co. was appointed to represent British interests in the reorganization of The Pillsbury Company, the firm's oldest Minneapolis client. About five years later, on June 7, 1913, the second office of that firm was opened in Minneapolis. The St. Paul office was opened in 1962.

In addition to serving Pillsbury for some 55 years in an audit capacity in the U.S. and more recently in foreign fields, the firm has been engaged for special assignments on acquisitions and important projects in the areas of taxes and management services. A unique project was the 1963 Grand National Bakeoff for which the Minneapolis office, assisted by home economists, directed the judging of over 75,000 entries.

The Minneapolis office continued primarily as a service office for the Pillsbury account until 1921. At that time it had three clients other than Pillsbury, with total annual billings of about \$2,000! The initial growth of the office began in 1922. In the latter part of that year, through business contacts with the investment banking firm of Lane, Piper, and Jaffray (now Piper, Jaffray & Hopwood and still a Minneapolis office client), the firm was engaged to make a special investigation of a small bus company in Northern Minnesota. This engagement led to a succession

of investigations of other bus companies operating in all parts of the country. The amalgamation of these companies became The Greyhound Corporation. In 1942, responsibility for the Greyhound audit was transferred to the Chicago office.

In its 50th year, the Minneapolis office's audit and tax clients include large and small manufacturing companies, real estate operators, security dealers, eleemosynary institutions, banks and other financial organizations, cooperatives, fiduciaries, partnerships, and individuals. The concept of integrated services has long been practiced by this office as practically all larger clients have been served in tax and management services areas as well as auditing. Many of these clients are not publicly held or do not publish annual financial statements. However, among those issuing published financial statements, together with the year they were first served, are: The Pillsbury Company (1908); Piper, Jaffray & Hopwood, investment bankers (1922); Baker Properties, Inc., owner and operator of a major share of downtown office buildings and a resort in Florida (1926); Minneapolis Society of Fine Arts (1926); Title Insurance Company of Minnesota (1929); Minnesota and Ontario Paper Company (1933); J. M. Dain & Co., Inc., investment bankers (1934); Marquette Corporation, manufacturer of garage and service station equipment and distributor of home appliances (1935); Indianhead Truck Line, Inc., interstate petroleum and cargo carriers



(1948); St. Barnabas Hospital (1951); Asbury Methodist Hospital (1953); North Memorial Hospital (1954); Theo. Hamm Brewing Co. (1954); American Hoist & Derrick Co., manufacturer of crawler, truck locomotive, and revolver cranes, hoists, derricks and related items (1956); Telex, Inc., electronics (1956); Washington Scientific Industries, Inc., precision tooling (1957); American Monarch Corporation, electronics (1958); Farmers Union Grain Terminal Association and related companies, grain cooperative with operations in grain merchandising and storage, feed and soybean processing, retail lumber yards, etc. (1958); Minnesota Small Business Investment Company (1960); First Midwest Capital Corporation (1960); Timesavers, Inc., manufacturer of wide belt sanding machines (1961); Mammoth Industries, Inc., manufacturer of roof deck heating and air conditioning equipment (1961); Tel-E-Lect Products, Inc., manufacturer of products for construction and maintenance of power transmission and telephone communications systems (1962); Scientific Computers, Inc., operation of computer service bureaus (1962); Kalman & Company, Inc., investment bankers (1962); and Kincco, Inc., security brokers (1963).

The oldest Minneapolis employee in terms of service, Margaret Halvorson, was a rosy-cheeked girl with pigtailed when she started work just six months after the office opened in 1913. "Marge", who retired in 1949 after 36

All the Minneapolis partners, past and present, reading from left to right: Messrs. Beck, Pitt, Ostlund, Ludolph, Tang, and Bechert.



Margaret Halvorson with the 50th anniversary cake.

years of service, still visits the office periodically and recalls with fondness her "boys" (some now also retired) who became partners or managers with the firm or important corporate officials.

Between 1913 and 1921, the office had two resident managers, Edgar C. Salvesen and Gerald H. Drury, each for about four years. The office had a manager, two staff men, and one girl when William Bechert moved from New York to Minneapolis on December 3, 1921. Mr. Bechert, who became a partner in 1926, returned to New York in 1944 and retired in 1948. He and Mrs. Bechert now live in Newtown, Connecticut.

George Ludolph, whose experience included public ac-

counting in his home town of Rochester, New York, and in the New York office of TN & Co., came to Minneapolis as a manager in 1926. He became a partner in 1935, and became partner in charge of the Minneapolis office in 1944. Since becoming an advisory partner in 1958, most of his time is devoted to printmaking (etchings and woodcuts) and oil painting. He is the oldest student in the Minneapolis School of Art, and can be found most summers at his cabin on the north shore of Lake Superior where he is a member of the Grand Marais Art Colony.

E. Palmer Tang, a native of North Dakota, started with the Minneapolis office upon graduation from the University of Minnesota in 1938. He became a partner

Carl Pohlman, manager, and Palmer Tang, partner, discussing audit problems with John H. O'Connell, assistant controller, and Arthur H. Rixe, controller of The Pillsbury Company.



Owen Herrmann and Allan Fonfara of the Marquette Corporation reviewing management service engagement with Kenneth Stocke (standing) and Kenneth Schuba of the management service department.



in 1955 and partner in charge of the Minneapolis office in 1957. He is a member of the Policy Group and the firm's Executive Committee.

Rocky Mount, North Carolina, was the ancestral home of James F. Pitt. He came to Minneapolis as a revenue agent, then stayed on as a tax practitioner and as a partner in a local public accounting firm. He joined the Minneapolis office early in 1956 and became a partner on September 1, 1956.

In the 50th year, as the professional staff passed the 50 mark, two more partners were admitted on September 1, 1963—A. Clayton Ostlund, who joined the Minneapolis office as a junior in 1949, and J. Richard Beck, who

transferred to Minneapolis in June 1961 after 12 years of experience in the Chicago office.

During the rapid expansion of the latter part of the 50's and early 60's, a number of staff men were transferred in from other offices and have added a cosmopolitan flavor to the Minneapolis office. Transfers in during this period include Mr. Beck, Richard Guinand, and Robert Zabel from Chicago; Kenneth Schuba, Clarence Holtze, and William Bailey from Milwaukee; Walter Tiffin from Detroit; Harold Klose from Pittsburgh; and Robert Mooney from Seattle. Staff members who had experience in other offices either under the internship program or otherwise include Robert Smitten, Los Angeles; Dowlan



Einar Ross, manager of the St. Paul office, discussing problems with William Nelson, head of the tax department in St. Paul.



Tax discussion (left to right) James Pitt, James Ascher, John McFarland, William Nelson, and Robert Mooney.



Typing Department

Nelson and Robert Lund, San Francisco; and Barton Burns, Milwaukee. Dow Nelson is now on a two-year tour with the Management Services Department in Detroit.

Minneapolis partners and staff men have long been active in professional organizations both locally and on the national scene. George Ludolph, James F. Pitt, and E. Palmer Tang have been presidents of the Minnesota Society of Certified Public Accountants as well as John H. O'Connell, who was with the firm 16 years before joining Pillsbury. Mr. Pitt was also on the Minnesota State Board of Accountancy for six years. After a number of other committee posts in the American Institute of Certified Public Accountants, Mr. Pitt is now serving on its Ethics Committee and Mr. Tang on its Executive Committee and as a member of Council. About 25 CPA's in the Minneapolis and St. Paul offices are active in committee work with the Minnesota Society.

Carl Pohlman, a manager, is now serving as vice president of the Minneapolis Chapter of the National Association of Accountants. Mr. Tang is a past president.

Delwyn Olson, presently a director of the Minneapolis Jaycees, and Mr. Ostlund, former treasurer, have been very active in that organization.

Many others have contributed generously of time and energy to church, Chamber of Commerce, Junior Achievement, United Fund, and like organizations under the traditional policy of community service.

Many clients have called upon the Minneapolis office to supply accounting talent to their organizations. J. Irl Beatty, who came to the Minneapolis office in 1923 from St. Louis, where he had worked as a junior with Henry E. Mendes (a retired partner who died in 1963) and William Waggoner (who retired as a TRB&S partner in 1957), left the firm in 1926 to join Pillsbury where he advanced to financial vice president prior to his retirement to California in 1959. Others who left to join Pillsbury include Arthur H. Rixe, now controller; John H. O'Connell, now assistant controller; Austin Wilson; Kenneth Maplesden; and Norman Sanders. Greyhound

became the employer of Od R. Skeie, Robert Phillips, and Walter Moore, who was controller of that company prior to his retirement. Clifford W. Anderson, after 11 years with the firm, became an officer of the related National City Lines.

Other alumni who have risen to prominent positions in the business world are: Harry Moberg, vice president of American Hoist & Derrick Company; Roy Moberg, vice president and treasurer of Thorpe Brothers, Inc.; Paul Wernicke, controller of Minneapolis Honeywell Regulator Co.; Robert Diercks, secretary and treasurer of S. T. McKnight Company; Logan R. Beisner, vice president, treasurer, and assistant secretary of Quality Park Envelope Co.; Robert H. Gastler, vice president, secretary, and treasurer of Hancock-Nelson Mercantile Company; James D. Jensen, treasurer and controller of Hart Carter Company; Kenneth R. Parker, controller of Farmers Produce Company of Willmar, Minn.; Robert Zabel, controller of Farmers Union Grain Terminal Association; Bernard E. Kinney, treasurer of Washington Scientific Industries, Inc.; Robert L. Baker, controller of Title Insurance Company of Minnesota; Robert Swanson, tax manager of Worthington Corporation; Marvel Paulson, controller of Metallurgical, Inc.; William Kalina, secretary, Simon-Carter Company; Ronald Link, controller of The Gelco Corporation; Barton Burns, tax counsel for North American Life and Casualty Co.; Walter Tiffin, controller of Fidelity Securities and Investment Co. and related companies; Allan Fonfara—auditor, Owen Herrmann—chief accountant, and Frank Schutta—cost accountant of Marquette Corporation; Bruce Lloyd, president of the Heron Lake State Bank;

Richard Tanquist and John Chandler of Fingerhut Manufacturing Co. discussing tax problem with James Pitt in his office.





Minneapolis Star Photo

Ernest Neuman, accountant and auditor for the Federal government; Raymond Norell, accountant at the Minneapolis Star Tribune; John H. Chandler—treasurer of Fingerhut Manufacturing Co.; Robert Hovelson, an officer of a subsidiary of Baker Properties, Inc.; Robert Smitten, chief accountant for LaMaur Inc.; James Flaa, controller of American Monarch Corporation; Horace Leighton, office manager of Suburban Ready Mix, Inc.; Bruce Thompson, treasurer of Penton, Inc.; Robert Gurske, controller of Superior Plating, Inc.; Charles Ego, president or general manager of several companies; Paul R. Thatcher, president of Interoceanic Commodities Corporation; Harold Klose, controller of Schlamp & Son, Incorporated; and Clarence Kuntz, the oldest known staff alumnus (1923-1924) who is now a manufacturer's representative and a tax client.

Each year the Minneapolis office holds a Christmas reunion where alumni talk over old times and renew acquaintances with colleagues who have stayed in the Minneapolis office. These include Ingvar Aaseng, manager, 21 years; Alice Carlson and Charlotte Stewart, 15 years.

During its 50 years the office has been located in three buildings. Originally located in the McKnight Building, the office was moved to the Rand Tower in 1956. After several expansions, it occupied an entire floor in that building before the move in 1963 to expanded space in the new Northstar Center, a 25-million-dollar complex consisting of office buildings, restaurants, a motel, and a parking ramp located in the center of the Minneapolis business district.

The St. Paul office, which was opened on September 1, 1962 with Einar Ross as manager, is located in the new Degree of Honor Building.

This then is the first fifty years in Minneapolis and the sister city of St. Paul, serving Minnesota, North and South Dakota, and portions of Montana, Wisconsin, and Iowa. It is a story of clients, partners, and staff, each of whom has contributed to a half-century of progress.

Progress, however, is a dynamic thing and 50 years a milestone. With due respect for the past, the Minneapolis office looks forward with even more anticipation to the exciting future. Present work in such areas as work measurement, profitability accounting, computer studies, selective inventory management, and other facets of the firm's ever-expanding capabilities herald new horizons for exploration and new opportunities for service—building always on the basic philosophy that a job well done enhances the individual, the office, and so the firm reputation.