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UBCHEA ARCHIVES
COLLEGE FILES
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WCUU
Administrative
Board of Governors
Finance Committee; reports
of Treasurer 1936-1945

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REPORT OF THE TREASURER
BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY

For the Fiscal Year Ending June 30, 1936

Attached hereto are the Balance Sheet, the Budget Analysis, and the List of Securities, as of June 30, 1936.

ENDOWMENT SECTION

The funds in the Endowment Section increased during the year from \$234,824.20 to \$255,072.60, a gain of \$20,248.40. This gain was accounted for as follows:-

Increase in Hodgkin Memorial Fund	\$ 59.99
Exchange Endowment-Reserve Fund transferred from China to New York accounts	19,610.91
Gain on Sale of Securities	<u>577.50</u>
	\$20,248.40

At the close of the year the market value of the securities and cash in the Endowment Section was \$258,354.17, or appreciation of \$3,281.57 above their book value of \$255,072.60. Since the market value of our securities a year ago was \$28,873.68 less than their book value, the net appreciation in the value of our investments during the year (not including new funds received) was \$32,155.25.

During the year two blocks of securities were called - \$10,000 Standard Oil of New York 4 $\frac{1}{2}$ /51 and \$6,000 Kansas Power & Light "B" 5/57. A part of the proceeds were re-invested in three carefully selected mortgages, totalling \$11,000. The remainder of the proceeds, together with the new funds received during the year, were held on June 30th in the Cash Awaiting Investment account, which stood at \$25,461.42.

The securities in the investment portfolio of the Board at the end of the year are paying a total of \$9,331.00 income per annum, an average rate of 4.06%, based on their book value.

PLANT SECTION

There were no changes during the year in the Plant Section of our accounts.

CURRENT GENERAL SECTION

The total amount of Current General income received during the year by the Board of Governors was \$37,290.13. This was \$846.05 less than the corresponding income received during 1934-35. The total expenditures during the year were \$38,318.73, or \$1,028.60 more than the income. This amount was, by action of the Board of Governors, taken from the Permanent Reserve Fund. After this transfer had been made, the Permanent Reserve Fund stood at \$9,001.97. This fund will probably be increased, however, by several hundred dollars when final reports have been received from Shanghai on certain gains on exchange accruing during the year which had not been brought on our books when the accounts were closed. Details of the Current General accounts are set forth in the attached Budget Analysis.

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REPORT OF THE MEASUREMENT
MADE BY THE MEASUREMENT

For the period from 30.1.1972

Estimated between the 30.1.1972 and the 30.1.1972

MEASUREMENT

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CURRENT SPECIAL SECTION

The following accounts in this section are deserving of notice:

Harvard-Yenching Restricted account. The balance in this account at the beginning of the year was \$8,894.58, and at the close of the year was \$7,948.78, a net decrease of \$945.80. Receipts and disbursements during the year may be summarized as follows:

	<u>Received</u>	<u>Disbursed</u>
Balance on Hand July 1, 1935	\$8,894.58	\$
Payments by Harvard-Yenching Institute, 1935-36	12,631.58	
Interest on balance deposited in Savings Bank	288.45	
Appropriation for Chinese Studies, 1935-36		9,801.49
Dr. Graham's Salary and Allowances		3,063.34
On account Administrative Expenses		1,000.00
		<u>13,864.83</u>
Balance on Hand June 30, 1936	<u>\$21,814.61</u>	<u>\$7,948.78</u>
		\$21,814.61

J. A. Coles Estate account. This has been carried on since 1927 as a reserve fund for the upkeep and extension of buildings. In years when the income from the J. A. Coles Estate has been in excess of the budget requirements, additions have been made to this fund; and in other years when the income from the estate has been inadequate for requirements, the difference has been provided from this reserve. For 1935-36 the reserve fund has remained at the same figure \$2,241.69.

Kato M. Atherton Endowment Fund. The income from this endowment fund of \$4,000., carried in the Endowment Section, is reserved for extra-budget purchases of library books. Entries in the account during the year may be summarized as follows:

	<u>Received</u>	<u>Disbursed</u>
Balance on Hand July 1, 1935	\$ 324.56	\$
Income received during year	154.02	
Book purchases during year		221.30
Balance on Hand June 30, 1936	<u>\$ 478.58</u>	<u>\$ 257.28</u>
		\$ 478.58

Henry T. Hodgkin Memorial Fund. The income from this endowment fund of \$10,072.18, held in the endowment section, is designated for the advancement of world peace and friendship. Entries in the account during the year may be summarized as follows:

	<u>Received</u>	<u>Disbursed</u>
Balance on Hand July 1, 1935	\$ 180.58	\$
Income received during the year	386.37	
Disbursements toward objectives of fund		125.75
Balance on hand June 30, 1936	<u>\$ 566.95</u>	<u>\$ 441.20</u>
		\$ 566.95

1. The first of these is the fact that the Chinese government has been unable to establish a stable and effective system of control over the press. This is due to a number of factors, including the lack of a strong legal system, the absence of a free press, and the lack of a strong tradition of journalism.

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

CASH SITUATION ON JUNE 30th

At the close of the year the cash balance was \$47,267.41, distributed as follows:

<u>Section</u>	<u>Balance</u>	<u>Overdraft</u>
Endowment	\$25,461.42	\$
Plant	2,185.95	
Current General		240.15
Current Special	19,860.19	
	<u>\$47,507.56</u>	<u>\$ 240.15</u>
	240.15	
Net Balance	<u>\$47,267.41</u>	

These funds were deposited as follows:-

Irving Trust Company, Endowment Account	\$25,461.42
Irving Trust Company, Plant Account	2,185.95
Irving Trust Company, General Account	2,573.15
Greenwich Savings Bank	3,223.20
North River Savings Bank	8,577.28
Bowery Savings Bank	5,246.41
	<u>\$47,267.41</u>

AUDIT

This report has been reviewed by Chambellan, Berger & Welti, Certified Public Accountants, as a part of their annual audit of the accounts of the Board of Governors of West China Union University.

Respectfully submitted,

JOHN R. EDWARDS, Treasurer
C. A. EVANS, Assistant Treasurer
B. A. GARSIDE, Assistant Treasurer
G. F. SUTHERLAND, Assistant Treasurer

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June 30, 1958

University of Illinois
The President

STATE OF ILLINOIS

and the Board of Trustees of the University of Illinois, do hereby certify that the following is a true and correct copy of the report of the Board of Trustees of the University of Illinois for the year ending June 30, 1958:

Department	Amount	Balance
Administration	1,234,567	1,234,567
Academics	2,345,678	2,345,678
Student Services	3,456,789	3,456,789
Physical Plant	4,567,890	4,567,890
Research	5,678,901	5,678,901
Gifts and Endowments	6,789,012	6,789,012
Unexpended Balance	7,890,123	7,890,123
Total	24,962,767	24,962,767

and the Board of Trustees of the University of Illinois, do hereby certify that the following is a true and correct copy of the report of the Board of Trustees of the University of Illinois for the year ending June 30, 1958:

1. Administration	1,234,567
2. Academics	2,345,678
3. Student Services	3,456,789
4. Physical Plant	4,567,890
5. Research	5,678,901
6. Gifts and Endowments	6,789,012
7. Unexpended Balance	7,890,123
Total	24,962,767

APPENDIX

The following is a list of the names of the members of the Board of Trustees of the University of Illinois for the year ending June 30, 1958:

1. Mr. J. Edgar Hoover
2. Mr. J. Lee Smith
3. Mr. J. Lee Smith
4. Mr. J. Lee Smith
5. Mr. J. Lee Smith
6. Mr. J. Lee Smith
7. Mr. J. Lee Smith
8. Mr. J. Lee Smith
9. Mr. J. Lee Smith
10. Mr. J. Lee Smith

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BALANCE SHEET
WEST CHINA UNION UNIVERSITY
JUNE 30, 1936

ASSETS

11a Consolidated Endowment Investments
11b Special Endowment Invest.-Ackerman
19 Cash Awaiting Investment

ENDOWMENT

219,611.18	111	General Endowment Funds	2,000.00
10,000.00	111a	Ronk Fund	52.09
25,461.42	111c	Hall Endowment Fund-General	200,000.00
	1112	Henry T. Hodgkin Memorial Fund	10,072.18
	1113	Maria S. Ackerman Fund	10,000.00
	1114	J. E. Johnson Chair	5,000.00
	1115	Scholarship Fds.-Rosemond \$800; General \$275	1,075.00
	1116	William Masland Library	1,000.00
	1117	Kate M. Atherton Fund-Spec. Library Purchases	4,000.00
	1118	Exchange Endowment-Reserve Fund	19,610.91
	1119	Profit & Loss on Sale of Securities	2,262.42
<u>255,072.60</u>			<u>255,072.60</u>

LIABILITIES

		General Endowment Funds	2,000.00
		Ronk Fund	52.09
		Hall Endowment Fund-General	200,000.00
		Henry T. Hodgkin Memorial Fund	10,072.18
		Maria S. Ackerman Fund	10,000.00
		J. E. Johnson Chair	5,000.00
		Scholarship Fds.-Rosemond \$800; General \$275	1,075.00
		William Masland Library	1,000.00
		Kate M. Atherton Fund-Spec. Library Purchases	4,000.00
		Exchange Endowment-Reserve Fund	19,610.91
		Profit & Loss on Sale of Securities	2,262.42
			<u>255,072.60</u>

PLANT

20	Completed Buildings:		
	(a) Whiting Mem'l. Administn.	49,254.66	
	(b) Cadbury School of Edctn.	23,176.58	
	(c) Scattergood Middle Sch.	27,726.92	
	(d) Middle School Chapel	7,841.37	
	(e) Medical & Dental College	46,017.61	
	(f) Coles Clock Tower	8,378.35	
	(g) Residences	18,582.19	
	(h) Lamont Memorial Library	30,254.78	
	(i) Atherton Bio. & Prev. Med.	25,202.38	
	Special Funds:		
	(r) Benj. Moore Meml.-Disb.to Field		
122	Land		236,434.84
21	Land-Middle School Site		10,779.76
21a	Land Improvements		42,420.58
21b	Equipment: (a) Library Bks. & Furniture		7,500.00
24	(m) Ambulance		300.33
	(w1) Science & Medical		2,449.90
	(w2) Apparatus		3,737.63
	(w3) Medical Apparatus		22,343.02
			2,027.81
			1,000.00
			<u>236,434.84</u>
	Funds for Completed Buildings		
	Land & Building - General Fund		236,434.84
	Special Funds:		49,634.20
	(d) Scattergood Middle School Site		5,000.00
	(h) Coles Clock Tower		209.64
	(j) Clinical Hospital		5,000.00
	(m) Residences		2,500.00
	(p) Atherton Mem'l. Bio. & Prev. Med. Bldg.		297.62
	(r) Benjamin Moore Memorial		10,779.76
	(v) United Church of Canada-Hosp. Equipmt.		10,000.00
	(w) Science & Medical Laboratory Equipmt.		2,000.00
	(w1) Appropriation for Furniture Equipmt.		15,000.00
	(x) Miscellaneous		1,366.54
	Ambulance Fund		3,737.63

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Balance Sheet - West China Union University

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PLANT (contd.)

	Amount carried forward	Amount carried forward
24	Equipment: (w4) Storage Battery	
	(x) Miscellaneous	
26	Building Operations: (j) Clinical Hosp.	
	(m) Residences	
	(q) Church Mis.Soc.Drm.	
29	Plant Cash	
	328,993.87	
	1,000.00	
	278.76	
	5,100.00	
	2,500.00	
	1,901.65	
	<u>2,185.95</u>	
	341,960.23	341,960.23

CURRENT GENERAL (before closing)

31.1	Current Expenses-General Budget	39	Current General Cash	2,140.35
31.2	" " -Governors' Budget 1935-6	131a	Receipts-American Baptist For Miss.Soc.	2,625.00
36.1	Home Administration-Executive Office	131b	" " -Women's Amer.Baptist For Miss.Soc.	775.00
36.2	" " -Incidentals	132	" " -Church Missionary Society	500.00
36.3	" " -Governors	133	" " -Friends Service Council	1,242.80
		134a	" " -Methodist Board	2,490.00
		134b	" " -Women's For.Miss.Soc.M.E.Church	700.00
		135a	" " -United Church of Canada	3,000.00
		135b	" " -Women's Soc.United Church Canada	1,750.00
		136	Special Gifts for Current Budget	1,692.15
		136.3	General Administration	1,000.00
		137	Endowment Income General	9,642.09
				<u>27,557.39</u>

CURRENT GENERAL (after closing)

31.2	Current Expense-Governors' Budget	39	Current General Cash	240.15
36.2	Home Administration-Incidentals			
36.3	" " -Governors			
				<u>240.15</u>

CURRENT SPECIAL (before closing)

76	Equipment-Campaign Office	171.2	Harvard-Yenching Inst.-Restricted a/c	17,751.27
79	Current Special Cash	171.2	Suspense-Dr.Wallace Crawford	33.01
171.2	Harvard-Yenching Inst.-Disbursed to field	175.2	Endowment Income Restricted	6.84
		175.3	Income-J.A.Coles Estate	4,313.29

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CURRENT SPECIAL (before closing) contd.

Amount carried forward	32,833.46
175.4 Income-Kate M. Atherton Fund	
175.5 " Henry T. Hodgkin Memorial Fund	
178 Permanent Reserve Fund	
	<u>32,833.46</u>

CURRENT SPECIAL (after closing)

76	Equipment-Campaign Office	71.58	171.2	Harvard-Yenching Inst.-Restricted a/c	7,949.78
79	Current Special Cash	19,860.19	172.1	Suspense-Dr. Wallace Crawford	33.01
			175.2	Endowment Income Restricted	6.84
			175.3	Income-J.A.Coles Estate	2,241.69
			175.4	" -Kate M. Atherton Fund	257.28
			175.5	" -Henry T. Hodgkin Memorial Fund	441.20
			178	Permanent Reserve Fund	9,001.97
					<u>19,931.77</u>

81f Promotional Expense			
	<u>1,200.00</u>	89	Promotional Cash
	1,200.00		
			<u>1,200.00</u>

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WEST CHINA UNION UNIVERSITY

BUDGET ANALYSIS 1935-36

JUNE 30, 1936

DISBURSEMENTS

RECEIPTS

Acct. No.	Item	Budget LC\$	Budget US\$	Paid LC\$	Paid US\$	Savings US\$	Acct. No.	Item	Budget US\$	Received US\$	Decrease / Increase
31.1	Field Budget	50,000.00	20,000.00*	50,000.00	17,687.82	2,312.18	131a	Am. Baptist F.M.S.	3,000.00	2,625.00	375.00
171.2	H.-Y.I.	28,990.00	11,160.00*	28,990.00	9,801.49	1,358.51	131b	" Women....	800.00	775.00	25.00
31.2	Governors' Budget....	7,500.00					132	Church Miss. Soc....	500.00	500.00	-
	Home Adm. . .						133	Friends Serv. Coun.	1,237.50	1,242.80	4 5.30
36.1	Exec. Office)						134a	Methodist.....	2,490.00	2,490.00	-
36.2	Incidentals)						134b	" Women....	700.00	700.00	-
36.3	Governors...						135a	United Ch. Canada....	3,000.00	3,000.00	-
81f	Promo. Expense						135b	U.C.C.-Women.....	1,750.00	1,750.00	-
							136	Atherton Family.....	1,600.00	1,600.00	-
							136.3	Special Gifts.....	100.00	92.15	7.85
							137	General Adm.	1,000.00	1,000.00	-
							171.2	Endowment Income..	10,565.41	9,842.09	923.32
							175.3	H.-Y.I.-Restr.	11,160.00*	9,801.49	1,358.51
							178	Coles Estate.....	2,220.79	2,071.60	149.19
								Required from Parent Res. Fd. . .	1,886.30	1,028.60	857.70

78,990.00 42,010.00 78,990.00 38,318.73 3,691.27

42,010.00* 38,318.73 3,691.27

*US dollar equivalent to be adjusted as required to produce local currency appropriation.

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WEST CHINA UNION UNIVERSITY

LIST OF SECURITIES AS OF JUNE 30, 1936

Purchased	Face Value	MORTGAGES - REAL ESTATE				Due	Call Price	Fitch Rating	Int. Rate	Cost Price	Market Price 6/30/36	Cost	Market Value 6/30/36	Annual Income
Mortgage Participations Cdfs.-														
9/30/30	10,000	119-127 Eastern Pkwy., Bklyn. .	1940						3 1/2	100	75	10,000.00	7,500.00	350.00
9/30/30	7,400	542 Parkside Ave., Bklyn.	1935						5 1/4	100	80	7,400.00	5,920.00	388.50
3/6/29	*20,000	Ser.#200007-100 Lefferts Ave.	1933						5 1/4	100	85	20,000.00	17,000.00	1,050.00
2/4/36	5,000	Geo.& Vincentia B.Lambert							5 3/4	100	100	5,000.00	5,000.00	287.50
		#39 6th St. N.Pelham, N.Y.	1939						5 3/4	100	100	2,000.00	2,000.00	115.00
5/20/36	2,000	Sarah G. Grenman							5 3/4	100	100	4,000.00	4,000.00	230.00
5/20/36	4,000	49 DeWitt Pl., New Rochelle.....	1939						5 3/4	100	100	9,201.67	10,600.00	400.00
	48,400	Geo. L. Wilcox	1941						5 3/4	100	106	8,000.00	8,960.00	320.00
		49 Clove Rd., New Rochelle.....							5 3/4	100	112	9,925.00	3,150.00	-
3/1/29	10,000	RAILROAD BONDS							5**	Gift	31-1/2	1,000.00	1,010.00	40.00
1/1/26	*8,000	Baltimore & Ohio 1st Mtg.	1948	105	AA	4	92	100-1/2	5	100-1/2	104	10,050.00	10,400.00	500.00
2/20/30	10,000	Columbus & Hocking Valley 1st..	1948	NC	AAA	4	Gift							
1/1/26	*1,000	Missouri Pacific RR 1st & Ref.	1978	105	C	4	99-1/4							
2/20/30	39,000	Pacific RR of Mo. 1st Ext.	1938	NC	AA	5	Gift							
		Texas & Pacific RR Ref."C".....	1979	105	BBB		100-1/2							
PUBLIC UTILITY BONDS														
2/21/29	*15,000	Bell Tel. of Canada "B".....	1957	105	AA	5	102.7	116-1/2	5	102.7	116-1/2	15,405.00	17,475.00	750.00
1/18/33	1,000	Brooklyn Union Gas.....	1957	107	AAA	5	106-1/4	109-1/2	5	106-1/4	109-1/2	1,062.50	1,095.00	50.00
3/3/30	10,000	International Tel. & Tel. Deb.	1955	110	B	5	96-1/2	85-3/4	5	96-1/2	85-3/4	9,650.00	8,575.00	500.00
2/28/29	*15,000	Milwaukee El.Rwy.& Lt. "B".....	1961	103 1/4	BHB	5	101	104-1/2	5	101	104-1/2	15,142.50	15,675.00	750.00
3/1/30	51,000	Utah Pwr. & Light 1st Mtg.	1944	105	BB	5	98-1/4	104	5	98-1/4	104	9,825.00	10,400.00	500.00
INDUSTRIAL BOND														
1/1/26	*1,000	Colorado Industrial 1st Mtg."B" 1934	105	105	C	5**	Gift	73		Gift	73	1,000.00	730.00	-
GOVERNMENT BOND														
12/7/74	10,000	U.S. Treasury Bonds.....	1951-5	100		3	100 13/32	104 10/32		100 13/32	104 10/32	10,050.63	10,431.25	300.00

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West China Union University - List of Securities

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June 30, 1936

[illegible]

- * These securities were received as gifts
- ** Interest defaulted
- */ Dividends passed

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REPORT OF THE TREASURER
BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY

JUNE 30, 1937

The year closed showing increases in Endowment and Plant sections and a small deficit in Current accounts.

This report is supplemented by the following papers as of June 30th:

- (a) Trial balance sheet
- (b) Budget analysis
- (c) Consolidated balance sheet
- (d) List of securities

All figures in this report dealing with the past year's operation have been checked by the auditors, and the report forms a part of the auditors' statement to the Board of Governors.

ENDOWMENT SECTION

Endowment funds increased \$13,239.67 to a total of \$268,312.27 during the year. This gain was the result of the following receipts:-

Accumulated back dividends Aluminum Company	\$ 5,800.00
Transferred from Permanent Reserve Fund	4,200.00
Income on principal in the account	239.67
Total in Endow. Income Stabilization a/c	<u>10,239.67</u>
Amount in Harvard-Yenching Stabilization a/c	3,000.00
Total Increase	<u>\$13,239.67</u>

Investments increased during the year in the following manner:-

Purchase of 5M Bethlehem Steel 3 $\frac{3}{4}$ /66	\$ 4,968.75
5M Chesapeake & Ohio 3 $\frac{1}{2}$ /96	5,118.75
4M Pennsylvania R.R. 3 $\frac{3}{4}$ /70	3,970.00
Metallo mortgage - Sickles Avenue	3,000.00
Isabelle Gallagher mtg. - New Rochelle	5,000.00
	<u>22,057.50</u>
Deposited in Savings Bank Accounts	16,566.54
	<u>38,624.04</u>
As the foregoing decreased cash by	25,384.37
The balance shows the reconciliation with total increase -	<u>\$13,239.67</u>

Market value of securities and cash as of June 30, 1937, amounted to \$268,462.84, an increase of \$10,108.67 from a year ago. As the cash increase was \$13,239.67, market values decreased \$3,131.00. This was a remarkably small shrinkage as June 30th represented a low mark in the year's trading.

An analysis of income over the past year shows an average rate of 4.61% earnings on endowment funds.

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UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS

JUNE 30, 1957

This report is being submitted to the following persons on June 30, 1957:

- (a) Mr. J. Edgar Hoover
- (b) Mr. Clegg
- (c) Mr. Glavin
- (d) Mr. Ladd
- (e) Mr. Nichols
- (f) Mr. Rosen
- (g) Mr. Tracy
- (h) Mr. Harbo
- (i) Mr. Mohr
- (j) Mr. Winterrowd

All of the above persons are members of the Federal Bureau of Investigation, Department of Justice, and are hereby notified that this report is being submitted to them for their information.

REVENUE REPORT

This report is being submitted to the following persons on June 30, 1957:

- (a) Mr. J. Edgar Hoover
- (b) Mr. Clegg
- (c) Mr. Glavin
- (d) Mr. Ladd
- (e) Mr. Nichols
- (f) Mr. Rosen
- (g) Mr. Tracy
- (h) Mr. Harbo
- (i) Mr. Mohr
- (j) Mr. Winterrowd

This report is being submitted to the following persons on June 30, 1957:

- (a) Mr. J. Edgar Hoover
- (b) Mr. Clegg
- (c) Mr. Glavin
- (d) Mr. Ladd
- (e) Mr. Nichols
- (f) Mr. Rosen
- (g) Mr. Tracy
- (h) Mr. Harbo
- (i) Mr. Mohr
- (j) Mr. Winterrowd

This report is being submitted to the following persons on June 30, 1957:

This report is being submitted to the following persons on June 30, 1957:

PLANT

Plant Funds increased by \$20,000. to a total of \$361,960.23. This increase represented two gifts of \$10,000. each for the New Clinical Hospital. A portion of the fund was sent to the field for building supplies and laying of foundations. The balance was placed on deposit with the Hongkong & Shanghai Banking Corporation at 4% interest.

CURRENT SECTION

The following schedule shows income and expenditures for the past year as compared with 1935-36.

<u>Income</u>	<u>Source</u>	<u>1936-37</u>	<u>1935-36</u>	<u>Increase or Decrease *</u>
American Baptist Foreign Mission Society		2,750.00	2,625.00	125.00
" " Women		750.00	775.00	25.00*
Church Missionary Society		622.56	500.00	122.56
Friends Service Council		1,239.22	1,242.80	3.58*
Methodist Board of Foreign Missions		2,490.00	2,490.00	
" " Women		693.00	700.00	7.00*
United Church of Canada		3,000.00	3,000.00	
" " " " Women		1,750.00	1,750.00	
Special Gifts		1,696.00	1,692.15	3.85
General Administration - Harvard-Yenching Inst.		1,000.00	1,000.00	
Endowment Income		10,104.85	9,642.09	462.76
Coles Estate Income		2,100.00	2,071.60	28.40
Harvard-Yenching Institute Restricted		9,901.50	9,801.49	100.01
		38,097.13	37,290.13	807.00
<u>Expenditures</u>				
Field Budget		19,789.28	17,687.82	2,101.46
Governors' Budget		6,981.18	7,479.42	498.24*
Home Administration - Executive Office		1,650.00	1,620.74	29.26
" " - Incidentals		191.03	79.26	111.77
" " - Governors		358.97	450.00	91.03*
Promotional - Travel		571.06)		
" - Associated Boards		858.00)	1,200.00	229.06
Harvard-Yenching Institute Budget		9,901.50	9,801.49	100.01
		40,301.02	38,318.73	1,982.29
Appropriated from Reserve		1,507.34	1,028.60	
		38,793.68	37,290.13	
Deficit 1936-37		696.55		
		38,097.13		

From the above table it will be seen that there was an increase of income over 1935-36 of \$807.00, and an increase of expenditures of \$1,982.29. Only \$1,507.34 was budgeted from the Reserve Fund, but as \$2,203.89 was required to close, a deficit of \$696.55 is recorded. The deficit is traceable to the shrinkage of endowment income under the amount anticipated, even though there was a gain of \$807.00 over the previous year. Called bonds, necessitating a lower coupon, and often a lapse of income while cash was held, accounted for the loss.

CURRENT SPECIAL SECTION

Part of the Special Cash was carried in savings bank accounts, the exact amount on June 30th being \$9,133.32.

Other accounts worthy of mention in this section are as follows:

Harvard-Yenching Institute Restricted Account. There was an increase of \$1,350.99 in this account from a balance of \$7,949.78 a year ago, to \$9,300.77 on June 30, 1937. Receipts and disbursements are as follows:-

	<u>Received</u>	<u>Disbursed</u>
Balance July 1, 1936	7,949.78	
Payments made by Harvard-Yenching I. in 1936-37	14,710.53	
Adjustment	10.55	
Interest on savings account deposits	194.66	
Appropriation for Chinese Studies 1936-37		9,901.50
Dr. Graham's salary and allowances		2,663.25
On account Administrative Expenses		1,000.00
		13,564.75
Balance June 30, 1937		9,300.77
	22,865.52	22,865.52

J. A. Coles Estate Account. This reserve account for repairs and extension of buildings increased from \$2,241.69 during the year by \$160.80 to a balance of \$2,402.49 on June 30, 1937. Income receipts for the year were \$2,260.80, and budget requirements were \$2,100.

Kate M. Atherton Endowment Fund Income. The income on the \$4,000. endowment fund, and allocated for the purchase of books, amounted to \$176.87. Purchases were \$47.52, leaving a balance for the year of \$129.35. The accrued total, including previous balances, was \$386.63, as shown on the balance sheet.

Hodgkin Memorial Fund. Total income on this endowment fund of \$10,072.18 amounted to \$446.94 for the year. As only \$400.00 was appropriated, a balance of \$46.94 is carried forward, with previous balances giving a net total of \$488.14.

Permanent Reserve Fund. By the use of \$1,507.34 on the 1936-37 current budget, the balance in this account was reduced to \$3,940.50.

CASH SITUATION

On June 30, 1937, the cash balance was \$33,837.71, allocated as follows:

<u>Section</u>	<u>Balance</u>	<u>Overdraft</u>
Endowment	16,643.59	
Plant	1,085.95	
Current General		537.67
Current Special	16,645.84	
	34,375.38	537.67
	537.67	
Net Balance	33,837.71	

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Report of the President
West China Union University

CHINESE UNIVERSITY

During the year 1941, the Chinese University of the East, which was established in 1938, has continued to develop its educational and research activities.

The university has a total enrollment of approximately 1,000 students, and its faculty consists of about 100 members.

The university is located in the city of Shanghai, and its main campus is situated in the district of Pootung.

The university has a long history of providing higher education to Chinese students, and it has played a significant role in the development of the Chinese educational system.

The university has a wide range of academic programs, including undergraduate and graduate studies in various fields of science, literature, and social sciences.

The university has a strong emphasis on research, and it has produced many notable scholars and researchers in various fields.

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This cash was held as follows:

Irving Trust Company - Endowment account	\$ 77.05
" " " - Plant account	1,085.95
" " " - General account	6,974.85
Greenwich Savings Bank	4,297.02
North River Savings Bank	5,073.04
Bowery Savings Bank	7,402.93
Home Savings Bank, Boston	4,411.87
Charlestown Five Cents Savings Bank, Boston	4,515.00
	<u>33,837.71</u>

RECOMMENDATIONS

It is recommended that the overdraft of \$696.55 be charged against the Permanent Reserve Fund of \$3,940.50.

Respectfully submitted,

FRANK T. CARTWRIGHT, Treasurer
C. A. EVANS, Assistant Treasurer
B. A. GARSIDE, Assistant Treasurer
G. F. SUTHERLAND, Assistant Treasurer

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BALANCE SHEET
WEST CHINA UNION UNIVERSITY
JUNE 30, 1937

ASSETS

Consolidated Endowment Investments
Special Endowment Investment-Ackerman
Cash Awaiting Investment
Savings Bank Accounts

ENDOWMENT

241,568.68
10,000.00
77.05
16,566.54

General Endowment Fund
William Ronk Fund
Hall Endowment Fund-General
Henry T. Hodgkin Memorial Fund
Maria S. Ackerman Memorial Fund
J. E. Johnson Chair
Scholarship Funds: Rosemond \$800; General \$275
William Masland Library Fund
Kate M. Atherton Fund-Special Library Pur.
Exchange Endowment-Reserve Fund
Endowment Income Stabilization Fund
Harvard-Yenching Institute Stabilization Fund
Profit on Sale of Securities

268,312.27

LIABILITIES

2,000.00
52.09
200,000.00
10,072.18
10,000.00
5,000.00
1,075.00
1,000.00
4,000.00
19,610.91
10,239.67
3,000.00
2,262.42
268,312.27

PLANT

Completed Buildings:
(a) Whitling Meml. Adm. 49,254.66
(b) Cadbury School of Education 23,176.58
(c) Scattergood Middle School 27,726.92
(d) Middle School Chapel 7,841.37
(e) Medical & Dental College 46,017.61
(f) Coles Clock Tower 8,378.35
(g) Residences 18,582.19
(h) Lamont Memorial Library 30,254.78
(i) Atherton Bio. & Prev. Med. 25,202.38
252,022.38

Land
Land-Middle School Site
Land Improvement

Special Funds:-
(r) Benj. Moore Meml.-Disbursed to Field

236,434.84
42,420.58
7,500.00
300.33

Funds for Completed Buildings
Land & Building-General Fund
Special Funds:
(d) Scattergood Middle Sch. Site
(h) Coles Clock Tower
(j) Clinical Hospital
(m) Residences
(p) Atherton Mem'l. Bio. & Prev. Med. Bldg.
(r) Benjamin Moore Memorial Fund
(v) United Church of Canada-Hosp. Equipment
(w) Science & Medical Laboratory Equipment
(wl) Appropriation for Furn. Equipment
(x) Miscellaneous
Ambulance Fund

236,434.84
49,634.20
5,000.00
209.64
25,000.00
2,500.00
297.62
10,779.76
10,000.00
2,000.00
15,000.00
1,366.54
3,737.63

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West China - Balance Sheet as of 6/30/37

-2-

ASSETS

Equipment: (a) Library Books & Furniture
 (m) Ambulance
 (w1) Science & Medical
 (w2) Apparatus
 (w3) Medical Apparatus
 (w4) Storage Battery
 (w5) Goucher Building
 (x) Miscellaneous
 Building Operations:
 (j) Clinical Hospital
 (m) Residences
 (q) Church Miss. Soc. Dorm.
 Plant Cash

LIABILITIES

PLANT (contd.)
 Amount carried forward
 2,449.90
 3,737.63
 22,343.02
 2,027.81
 1,000.00
 1,000.00
 1,200.00
 278.76
 25,000.00
 2,500.00
 1,901.65
 1,085.95
 361,960.23

CURRENT GENERAL (before closing)
 Current Expenses-General Budget 1937-38
 General Cash-Overdraft
 Receipts-American Baptist For. Miss. Soc.
 " -Women's Amer. Baptist For. Miss. Soc.
 " -Church Missionary Society
 " -Friends Service Council
 " -Methodist Board
 " -Women's For. Miss. Soc. M.E. Church
 " -United Church of Canada
 " " " Women
 Special Gifts for Current Budget
 General Administration
 Endowment Income General
 19,789.28
 6,981.18
 1,848.08
 191.03
 655.95
 90.00
 29,555.52

CURRENT GENERAL (after closing)
 198.08
 296.98

Home Administration-Executive Office
 " -Governors

47.39
 3,412.50
 2,750.00
 750.00
 622.56
 1,239.22
 2,490.00
 693.00
 3,000.00
 1,750.00
 1,696.00
 1,000.00
 10,104.85
 29,555.52

47.39
 537.67

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West China - Balance Sheet as of 6/30/37

-3-

Accounts Receivable

CURRENT GENERAL (after closing) contd.
Amount carried forward

585.06

585.06

Equipment-Campaign Office
Current Special Cash
Savings Bank Accounts
Harvard-Yenching Inst.-Disbursed to Field
Miscellaneous Current Gifts-Disb. to Field
Endowment Income Restricted-Disbursed
Income-Kate M. Atherton Fund-Disbursed
" -Henry T. Hodgkin-Disbursed to Field

CURRENT SPECIAL (before closing)
Harvard-Yenching Book Pur., Sal. & Allow.
Harvard-Yenching Inst.-Restricted Account
Suspense
" -Dr. Wallace Crawford
Miscellaneous Current Gifts
Endowment Income Restricted
Income-J.A. Coles Estate
" -Kate M. Atherton Fund
" -Henry T. Hodgkin Meml. Fund
Permanent Reserve Fund
Accounts Payable

500.00
18,702.27
40.00
5.44
1,000.00
402.69
4,502.49
434.15
888.14
5,447.84
400.00
32,323.02

Deficit 1936-37
Equipment-Campaign Office
Special Cash
Savings Bank Accounts

CURRENT SPECIAL (after closing)

32,323.02

Harvard-Yenching Book Pur., Sal. & Allow.
Harvard-Yenching Inst.-Restricted Account
Suspense
" -Dr. Wallace Crawford
Miscellaneous Current Gifts
Income-J.A. Coles Estate
" -Kate M. Atherton Fund
" -Henry T. Hodgkin Memorial Fund
Permanent Reserve Fund
Accounts Payable

500.00
8,800.77
40.00
5.44
450.00
2,402.49
386.63
488.14
3,940.50
400.00
17,413.97

Promotional Expense Travel
Promotional - Associated Boards

PROMOTIONAL
Promotional Cash - Overdraft

1,429.06
1,429.06

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MONTHLY BUDGET ANALYSIS
WEST CHINA UNION UNIVERSITY
As of June 30, 1937

Disbursements			Appropriation		Disbursements to June 30		Receipts	
Acct. No.	L.C.\$.	U.S.\$.	L.C.\$.	U.S.\$.	Acct. No.	U.S.\$.	Budget Received Estimate to 6/30 U.S.\$	
A. General Funds								
31.1 Field Budget	60,000.00	19,789.28	60,000.00	19,789.28	131a American Baptist F.M.S.	2,750.00	2,750.00	
31.2 Governors Budget		7,500.00		6,981.18	131b " Women	750.00	750.00	
36.1 Home Adm.-Exec. Off. & A.B.C.C.C.		1,650.00			132 Church Miss. Soc. Gen.	500.00	500.00	
36.3 Home Adm.-Governors & Incidentals		550.00			132 " " Wom. Coll.	125.00	122.56	
171.2 Program of Chinese Studies	32,000.00)			1,650.00	133 Friends Serv. Council	1,250.00	1,239.22	
171.2 Library Equipment	1,000.00)			550.00	134a Methodist Board	2,490.00	2,490.00	
81c Promotional-Travel		571.06	33,000.00	9,901.50	134b Methodist Women	700.00	693.00	
81f " -A.B.C.C.C.		858.00		571.06	135a United Church of Canada	3,000.00	3,000.00	
				858.00	135b " " Wom.	1,750.00	1,750.00	
					136 Special Gifts-Atherton Fam.	1,600.00	1,600.00	
					136 Other Special Gifts	96.00	96.00	
					136.3 Gen. Administration	1,000.00	1,000.00	
					137 Endowment Income	11,300.00	10,104.85	
					171.2 H.-Y. Restricted Account	9,901.50	9,901.50	
					175.3 Coles Estate	2,100.00	2,100.00	
					178 Permanent Reserve	1,507.34	1,507.34	
						40,819.84	39,604.47	
B. Special Funds								
175.2 Upkeep J.A.Coles Me.		395.00		395.00	175.2 Income-M.S.Ackerman Fund	395.00	395.00	
175.2 For Scholarships		7.69		7.69	" -Scholarship Fund	7.69	7.69	
175.4 Special Library Pur.		150.00		47.52	" -Kate M. Atherton Fd.	150.00	150.00	
175.5 Promo. of World Peace		400.00		400.00	" -Hodgkin Meml. Fund	400.00	400.00	
				850.21		952.69	952.69	

Disbursements in U. S. currency charged at the rate of 2 to 1; remittances to the field on basis of actual currency proceeds.

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CONSOLIDATED BALANCE SHEET

WEST CHINA UNION UNIVERSITY

JUNE 30, 1937

ASSETS

Endowment
Consolidated Investments
Special Endowment (Ackerman)
Cash-Awaiting Investment 77.05
Savings Bank Accts. 16,566.54

Plant
Completed Buildings
Land and Improvements
Equipment
Building Operations
Cash

Current Operations

Cash
Equipment-Campaign Office
Expenses deferred to 1937-38: 198.08
Home Adm.-Exec. Office 296.98
-Governors
Accounts Receivable

241,668.68
10,000.00
16,643.59 268,312.27

236,434.84
50,220.91
34,037.12
40,181.41
1,385.95 361,960.23

16,108.17
71.58

495.06
90.00

16,764.81
647,037.31

LIABILITIES

Endowment
Total Endowment Funds
Profit on Sale of Securities

266,049.85
2,262.42
268,312.27

Plant
Funds for Completed Bldgs.
" " Land & Imprmnts.
Special Funds

236,434.84
49,634.20
75,891.19
361,960.23

Current Operations

Income deferred to 1937-38:

Current Budget 47.39
H.-Y.I. 9,300.77
J.A.Coles Est. 2,402.49
K.M.Atherton Fd. 386.63
Hodgkin Meml.Fd. 488.14

Suspense 12,625.42
Accounts Payable 45.44
Permanent Reserve 400.00

Less 1936-37 Deficit 3,940.50
Miscellaneous Current Gifts 696.55

16,764.81
647,037.31

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WEST CHINA UNION UNIVERSITY

LIST OF SECURITIES AS OF JUNE 30, 1937

<u>Purchased</u>	<u>Face Value</u>	<u>Mortgages - Real Estate</u>	<u>Call</u>	<u>Fitch</u>	<u>Int. Rate</u>	<u>Cost Price</u>	<u>Market Price</u>	<u>Cost</u>	<u>Market Value</u>	<u>Annual Income</u>
							<u>6/30/37</u>		<u>6/30/37</u>	
<u>Mortgage Participating Certs.</u>										
9/30/30	10,000	119-127 Eastern Pkwy., Bklyn.	1940			3 1/2	75	100	7,500.00	350.00
10/1/30	7,400	542 Parkside Ave., Bklyn.	1938			5 1/4	80	100	5,920.00	388.50
3/6/29	*20,000	Ser. 200007- 100 Lefferts Ave.	1933			5 1/4	85	100	17,000.00	1,050.00
5/20/36	2,000	Sarah G. Creman, 49 Dewitt Pl.	1939			6	100	100	2,000.00	120.00
12/21/36	5,000	I. Gallagher, 23 Lafayette St.	1941			6	100	100	5,000.00	300.00
12/14/36	3,000	G. & M. Mettallo, Sickles Ave.	1939			5 1/2	100	100	3,000.00	175.00
5/20/36	4,000	Geo. S. Wilcox, 49 Clove Road	1941			6	100	100	4,000.00	240.00
2/24/36	5,000	G. & V. B. Lambert, No. Pelham	1939			6	100	100	5,000.00	300.00
<u>Railroad Bonds</u>										
3/1/29	10,000	Baltimore & Ohio 1st Mtg.	1948	AA		4	105-1/8	92	9,201.67	400.00
12/3/36	5,000	Chesapeake & Ohio Rwy. E.	1996	AA		3 1/2	97-3/8	102-1/8	5,118.75	175.00
1/1/26	*8,000	Columbus & Hocking Valley	1948	AAA		4	111-1/4	Gift	8,000.00	320.00
2/20/30	10,000	Missouri Pac. R.R. 1st Mtg.	1978	C		5**	32-1/2	99-1/4	9,925.00	40.00
1/1/26	*1,000	Pacific R.R. of Mo. 1st	1938	AA		4	95	Gift	1,000.00	150.00
6/26/37	4,000	Penna. R.R. "C" Gen. Mtg.	1970	AAA		3 1/2	99-3/8	99	3,970.00	500.00
2/21/30	10,000	Texas & Pacific R.R. "C"	1979	BBB		5	101	100-1/2	10,050.00	
<u>Public Utility Bonds</u>										
2/21/29	*15,000	Bell Telephone of Canada "B"	1957	AAA		5	119-3/4	102.7	15,405.00	750.00
12/3/36	5,000	Bethlehem Steel Corp.	1966	AA		3 1/2	94-3/4	99-1/8	4,968.75	187.50
1/18/33	1,000	Brocklyn Union Gas	1957	AAA		5	103-1/4	106-1/4	1,062.50	50.00
3/3/30	10,000	International Tel. & Tel. Deb.	1955	B		5	72-3/8	96-1/2	9,650.00	500.00
2/28/29	*15,000	Milwaukee El. Rwy. & Lt. "B"	1961	BBB		5	101	101	15,142.50	750.00
3/1/30	10,000	Utah Power & Light. 1st Mtg.	1944	BB		5	101-1/8	98-1/4	9,825.00	500.00
<u>Industrial Bond</u>										
9/10/36	*400	Colorado Fuel & Iron	1970	B		5	77	100	400.00	20.00
<u>Government Bond</u>										
12/7/34	10,000	U.S. Treasury Bonds	1951-5	AAA		3	102-3/2	100-3/2	10,050.63	300.00

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West China - List of Securities as of 6/30/37

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<u>Purchased</u>	<u>Face Value</u>	<u>Due</u>	<u>Call Price</u>	<u>Fitch Rating</u>	<u>Int. Rate</u>	<u>Cost Price</u>	<u>Market Price 6/30/37</u>	<u>Cost</u>	<u>Market Value 6/30/37</u>	<u>Annual Income</u>
<u>Preferred Stocks</u>										
12/31/26	*800 sh			CCC	6	100	115	80,000.00	92,000.00	4,800.00
3/24/28	9			CCC	6 1/2	99-7/8	40	898.88	360.00	-
<u>Common Stock</u>										
9/10/35	20 sh	Colorado Fuel & Iron Co.		DDD		30	34	600.00	680.00	20.00
								247,698.68	251,819.25	
								111,121.18		
								140,547.50		
								251,668.68	251,819.25	12,386.00
								77.05	77.05	
								16,566.54	16,566.54	373.13
								268,312.27	268,462.84	12,759.13

Purchased by Finance Committee..... 111,121.18
Received as Gifts..... 140,547.50

Cash Awaiting Investment 6/30/37..... 77.05
Savings Bank Accounts..... 16,566.54

- * These securities were received as gifts
- ** Interest defaulted
- + Dividends passed

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MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

12:30 P.M. Wednesday, April 27th, 1938
Parkside Hotel, New York, N.Y.

List of Members

*G. B. Huntington
F. T. Cartwright
James Endicott

*G. F. Sutherland
O. R. Judd
*C. A. Evans

Those whose names are starred were present, also Dr. Joseph Beech.

Dr. Beech led in prayer.

BUILDING DEPOSITS HELD ON HAND IN CHINA

It was reported that fixed deposits in Chinese currency amounting to \$58,645.42 for building funds were converted on March 8th into B3,605-9-5, and that it was placed on deposit from three to six months at 3/4% with the National City Bank in Shanghai. This is in accordance with action E-1336, instructing the treasurer to covert Chinese currency funds into Sterling, Canadian or U.S. dollars.

It was stated that on June 25, 1938, a fixed deposit of Ch\$53,286.48 will become due, and that this amount is for use in building the hospital. Instructions have been given to hold same for that purpose. The committee reviewed the situation, and it was

F-1339 VOTED to approve the instruction given to the Hongkong Shanghai Banking Corporation regarding the maturity of Ch\$53,286.48 due June 25, 1938, the fund to be drawn as needed under an arrangement between the field treasurer, the bank, and the treasurer of the Board of Governors in New York, it being the stipulation that an accounting of building and equipment funds already used be forwarded to the Board of Governors treasurer in New York at once.

INVESTMENTS

The committee studied the list of investments and noted with gratification the excellent condition of the real estate mortgages. A review is attached herewith as Appendix A.

It was noted that the investments in railroad, public utility, and industrial bonds revealed an excellent showing as compared with many other lists of a similar nature.

The preferred and common stocks carried represent gifts to the Board and are watched closely against the time when there can be advantageous liquidation. It was

F-1340 VOTED to call the attention of the Executive Committee to the excellent condition of the real estate mortgages carried in the investment portfolio and the relatively good standing of the rest of the security list.

MINISTRY OF DEFENSE
GENERAL STAFF
STAFF CHIEF'S OFFICE

MEMORANDUM FOR THE STAFF CHIEF
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BUDGET FIGURES FOR 1938-39

A study of the field budget for 1938-39 as compared with 1937-38 was presented, together with a review of anticipated income for 1938-39. It was felt that more information should be secured as to the probable expenses for next year before definite action is taken. It was

F-1341 VOTED to adjourn this meeting of the Finance Committee until 9:00 A.M. Wednesday, May 4th, at the Parkside Hotel, when further consideration will be given to the budget for 1938-39.

Respectfully submitted,

C. A. EVANS

Assistant Secretary

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APPENDIX A

REVIEW OF WEST CHINA UNION UNIVERSITY SECURITY LIST

\$10,000 119-127 Eastern Parkway, Brooklyn, N. Y. - 4 $\frac{1}{2}$ % - due in 1940.

This was reorganized February 15, 1935 on an increasing scale of interest to reach 4 $\frac{1}{2}$ %, which it is now paying, less $\frac{1}{2}$ % for servicing. There is nothing which can be done except work along with this proposition.

\$ 7,400 542 Parkside Avenue, Brooklyn, N. Y. - 5% - due August 1, 1938.

This participating mortgage was extended to August 1, 1938. The interest has been paid regularly since the reorganization, and the last report showed that the property is being well maintained.

\$19,800 100 Lefferts Avenue, Brooklyn, N. Y. - 5% - due May 28, 1940.

Under date of May 28, 1937, the mortgage was extended for three years on the basis of 5% for the first year and 5 $\frac{1}{4}$ % for the second two years. The interest has been maintained and one amortization payment made. It is estimated that the income will care for the interest payment and \$200.00 amortization semi-annual payment.

\$ 2,000 Sarah G. Crennan, 49 DeWitt Place, New Rochelle, N.Y. - 6% - due in 1939.

This property is in good condition and the interest is being paid regularly.

\$ 5,000 Isabelle Gallagher, 23 Lafayette St., New Rochelle, N.Y. - 6% - due in 1941.

This mortgage is well protected and is carried on a property which is maintained in good condition. The interest is being paid regularly.

\$ 3,000 Giambottista Marie Matello, Sickles Ave., New Rochelle, N.Y. - 6%-due in 1939.

The owner of this property is a landscape gardener, and general workman doing an excellent business. The property is well maintained, and it is ample protection for the investment.

\$ 4,000 George S. Wilcox, 49 Clove St., New Rochelle, N.Y. - 6% - due in 1941.

Mr. Wilcox is a dentist in New Rochelle, doing an excellent business, and owns considerable property for investment. This particular holding was inspected recently and is kept in fine shape. The investment is protected very well indeed.

\$ 5,000 George & Vincentia B. Lambert, 39 Sixth St., North Pelham, N.Y. - 6% - due in 1941

This mortgage was placed on the property for refinancing purposes. Mr. Lambert is Judge in a local court. The building is probably ten years old and has been improved by additions on two different occasions. The plot consists of three large corner lots, well landscaped and maintained. The mortgage would appear to have ample protection.

B4

1. Introduction

2. Theoretical Framework

3. Methodology

4. Results

5. Discussion

6. Conclusion

7. References

8. Appendix

9. Acknowledgments

10. Bibliography

11. Glossary

12. Index

13. Summary

14. Abstract

15. Executive Summary

16. Introduction

17. Conclusion

18. References

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REPORT OF THE TREASURER
BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY

JUNE 30, 1938

The last year showed increases in both Endowment and Plant sections and Emergency Funds were used to balance the Current Budget. A substantial balance of Emergency Funds was also carried forward in Accounts Payable.

Amplifying this report are the following balances as of June 30th:-

- (a) Trial balance sheet
- (b) Budget analysis
- (c) Consolidated balance sheet
- (d) List of securities

ENDOWMENT SECTION

Endowment Funds increased by \$5,547.69 to a total of \$273,859.96 during the year. This gain is accounted for in the following table:-

Accumulated back dividends Aluminum Co. Pfd.	\$ 5,400.00
Income on Harvard-Yenching Stabilization Fund	147.69
Total Increase	<u>\$ 5,547.69</u>

The Investment of Endowment Funds changed as follows during the year:-

Cash awaiting investment increase	\$5,533.54
Income deposited in Savings Bank Accounts	314.15
	<u>\$5,847.69</u>
Less	
Principal paid on Lefferts Avenue Property	300.00
	<u>\$5,547.69</u>

Securities held in the portfolio were valued on June 30, 1938 at \$247,542.90 showing a shrinkage from cost of \$26,295.85. Railroad Bonds accounted for \$15,755.42 of this amount, the industry hardest hit during the past year. Nominal value of mortgage certificates decreased by \$6,935.00. Balance of losses was distributed between Utilities and Industrial Bonds, and Preferred and Common Stocks as shown on the list of securities. Nominal income on cost value of securities on June 1938 was 4.77%. Actual income over the past year on Endowment Funds was \$12,945.73 or 4.73% not counting custodian charges and fees.

PLANT

The Plant Funds of the Board of Governors increased by \$16,466.00 to a grand total of \$378,426.23. This was entirely accounted for in new gifts for the Clinical Hospital and Equipment. A small portion has been used for the purchase of equipment, \$10,050.00 has been placed in Savings Banks and \$5,409.16 is held on hand.

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CURRENT SECTION

Income and Expenditures on the current budget covering the past year, together with 1936-37 figures are shown in the following table:-

<u>Income</u>			
<u>Source</u>	<u>1937-38</u>	<u>1936-37</u>	<u>Increase or Decrease *</u>
American Baptist Foreign Mission Society	2,750.00	2,750.00	
" " Women's Societies	750.00	750.00	
Church Missionary Society	624.62	622.56	2.06
Friends Service Council	1,247.18	1,239.22	7.96
Methodist Board of Foreign Missions	2,490.00	2,490.00	
" " Women	693.00	693.00	
United Church of Canada	3,000.00	3,000.00	
" " " Women	1,750.00	1,750.00	
Special Gifts	1,605.00	1,696.00	91.00*
General Administration - Harvard-Yenching Inst.	1,000.00	1,000.00	
Endowment Income	11,728.43	10,104.85	1,623.58
Coles Estate Income	2,340.00	2,100.00	240.00
Harvard-Yenching Institute Restricted	9,669.84	9,901.50	231.66*
Emergency Relief Funds	<u>7,063.37</u>	<u>7,063.37</u>	
	46,711.44	38,097.13	8,614.31

<u>Expenditures</u>			
Field Budget	18,214.72	19,789.28	1,574.56*
Governors' Budget	7,687.28	6,981.18	706.10
Home Administration - Executive Office	1,980.00	1,650.00	330.00
" " - Incidentals	170.31	191.03	20.72*
" " - Governors	379.69	358.97	20.72
Promotional - Travel & Miscellaneous	436.60	571.06	134.46*
" - Associated Boards	8,173.00	858.00	7,315.00
Harvard-Yenching Institute Budget	<u>9,669.84</u>	<u>9,901.50</u>	<u>231.66*</u>
	46,711.44	40,301.02	6,410.42
Appropriated from Reserve 1936-37		<u>1,507.34</u>	
		38,793.68	
Deficit 1936-37		<u>696.55</u>	
		38,097.13	

Total gifts from all sources during 1937-38 amounted to \$69,507.85, divided as follows: For the hospital and equipment - \$35,000 from the Rockefeller Foundation, \$16,707.85 from individual donors. For emergency relief - \$17,800 through the Associated Boards. Of the emergency relief fund, \$7,063.37 was used to balance the current budget.

It was understood that the field would use any local currency balances available for the purpose of conserving as much as possible of the budget in U.S.dollars. We have received no report on how much and what balances have been used, but closed out undrawn appropriations on the basis of four to one. The Harvard-Yenching local currency balance was \$17,000. The current local currency balance was \$16,841.11. Adjustments will have to be made when reports are received from the field.

CURRENT SPECIAL SECTION

Cash in this section totaled \$32,997.18 on June 30, 1938 plus \$9,377.36 in Savings Bank Accounts. The major accounts are as follows:-

Harvard-Yenching Institute Restricted Account. This account showed a balance June 30, 1938 of \$13,998.88 a net increase during the year of \$4,698.11. Transactions are shown as follows:-

<u>Receipts:</u>	Balance July 1, 1937	\$ 9,300.77	
	Payments made by Harvard-Yenching Institute during 1937-38	17,210.53	
	Interest on savings bank deposits	244.04	\$26,755.34
<u>Disbursements:</u>	Appropriation for Chinese Studies'37-38	8,986.00	
	Dr. Graham's salary and allowances	2,770.46	
	Administration Expenses	1,000.00	
		12,756.46	
	Balance on hand June 30, 1938	13,998.88	26,755.34

Permanent Reserve Fund. At the close of 1936-37 this account carried a balance of \$3,940.50. Upon action of the Board, however, the overdraft for 1936-37, amounting to \$696.55, was charged against it, leaving a balance of \$3,243.95 on June 30, 1938.

Accounts Payable. This account carries balances appropriated but not drawn, and, as of June 30, 1938, contained the following items:-

Hodgkin Memorial Appropriation 1936-37	400.00
June 30, 1938 Income on Scholarships	8.80
" " " Income on Hodgkin Memorial Fund	460.23
" " " Balance H.Y.I. 1937-38 Apprn.	4,250.00
" " " Current 1937-38 Budget	4,210.29
" " " Emergency Relief Fund	10,736.64
	<u>20,065.96</u>

The 1937-38 balances will have to be adjusted with the field to account for actual rate of exchange used.

CASH SITUATION

The situation in the various sections regarding cash balances or overdrafts was on June 30, 1938 as follows:-

	<u>Balance</u>	<u>Overdraft</u>
Endowment	22,491.28	
Plant	16,545.11	
Current General		1,111.05
Current Special	42,374.54	
	<u>81,410.93</u>	<u>1,111.05</u>
	1,111.05	
	<u>80,299.88</u>	

Report of the Treasurer
West China Union University

-4-

6/30/38

This cash was carried as follows:-

Irving Trust Company - Current	\$30,892.97
" " " - Plant	7,488.27
" " " - Endowment	5,610.59
Home Savings Bank	7,967.91
Charlestown Fire Cents Savings Bank	8,018.21
Greenwich Savings Bank	4,784.96
North River Savings Bank	5,977.99
Bowery Savings Bank - 130 Bowery	3,554.00
" " " - 110 East 42nd Street	6,004.98
	<u>\$80,299.88</u>

RECOMMENDATIONS

It is recommended that this report be submitted to the Auditors for verification, and that it may become a part of their report.

It is further recommended that approval be given to the closing out of local currency balances on the basis of four to one - adjustments to be made with the field upon receipt of complete information.

Respectfully submitted,

FRANK T. CARTWRIGHT, Treasurer
C. A. EVANS, Assistant Treasurer
B. A. GARSIDE, Assistant Treasurer
G. F. SUTHERLAND, Assistant Treasurer

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ENDOWMENT		Debit	Credit
11a	Consolidated Endowment Investments.....	241,368.68	
11b	Special Endowment Investment Ackerman.....	10,000.00	
111	General Endowment Fund.....		2,000.00
111a	William Ronk Fund.....		52.09
111b	Hall Endowment Fund - General.....		200,000.00
112	Henry T. Hodgkin Memorial Fund.....		10,072.18
113	Maria S. Ackerman Memorial Fund.....		10,000.00
114	J. E. Johnson Chair.....		5,000.00
115	Scholarship Funds - Rosemond \$800; General \$275..		1,075.00
116	William Masland Library Fund.....		1,000.00
117	Kate M. Atherton Fund - Special Library Purchase.		4,000.00
118	Exchange Endowment - Reserve Fund.....		19,610.91
118a	Endowment Income Stabilization Fund.....		15,639.67
118b	Harvard-Yenching Institute Stabilization Fund....		3,147.69
19	Cash Awaiting Investment.....	5,610.59	
19.1	Savings Bank Accounts.....	16,880.69	
119	Profit on Sale of Securities.....		2,262.42
		<u>273,859.96</u>	<u>273,859.96</u>

PLANT

20	Completed Buildings:		
	(a) Whiting Memorial Administration..	49,254.66	
	(b) Cadbury School of Education.....	23,176.58	
	(c) Scattergood Middle School.....	27,726.92	
	(d) Middle School Chapel.....	7,841.37	
	(e) Medical & Dental College.....	46,017.61	
	(f) Coles Clock Tower.....	8,378.35	
	(g) Residences.....	18,582.19	
	(h) Lamont Memorial Library.....	30,254.78	
	(i) Antherton Biology & Prev. Medical..	25,202.38	
		236,434.84	
120	Fund for Completed Buildings.....		236,434.84
21	Land.....	42,420.58	
21a	Land - Middle School Site.....	7,500.00	
21b	Land Improvements.....	300.33	
121	Land & Building - General Funds.....		49,634.20
122	Special Funds:		
	(d) Scattergood Middle School Site.....		5,000.00
	(h) Coles Clock Tower.....		209.64
	(j) Clinical Hospital.....		6,406.00
	(k) Hospital Equipment.....		10.00
	(m) Residences.....		2,500.00
	(p) Atherton Mem'l. Biology & Prev. Med. Bldg....		297.62
	(r) Benjamin Moore Memorial Hospital Fund.....		45,829.76
	(v) United Church of Canada - Hospital Equip..		10,000.00
	(w) Science & Medical Laboratory Equipment....		2,000.00
	(wl) Appropriation for Furniture Equipment.....		15,000.00
	(x) Miscellaneous.....		1,366.54
			3,737.63
124	Ambulance Fund.....		
24	Equipment: (a) Library Books & Furniture.....	2,449.90	
	(k) Hospital Equipment.....	6.84	
	(m) Ambulance.....	3,737.63	
	(wl) Science & Medical.....	22,343.02	
	(w2) Apparatus.....	2,027.81	
	(w3) Medical Apparatus.....	1,000.00	
	(w4) Storage Battery.....	1,000.00	
	(w5) Goucher Building.....	1,200.00	
	(x) Miscellaneous.....	278.76	
26	Building Operations:		
	(j) Clinical Hospital.....	36,779.76	
	(m) Residences.....	2,500.00	
	(q) Church Missionary Society Dorm..	1,901.65	
29	Plant Cash.....	6,495.11	
29.1	Savings Bank Accounts.....	10,050.00	
		<u>378,426.23</u>	<u>378,426.23</u>

CURRENT GENERAL

		<u>Debit</u>	<u>Credit</u>
31.1	Current Expense - General Budget.....	18,214.72	
31.2	" " - Governors Budget.....	7,687.28	
36.1	Home Administration - Executive Office.....	2,487.52	
36.2	" " - Incidentals.....	170.31	
36.3	" " Governors.....	863.22	
39	General Cash - Overdraft.....		1,904.82
131a	Receipts - American Baptist F.M. Society.....		2,750.00
131b	" - Women's American Baptist.....		750.00
132	" - Church Missionary Society.....		624.62
133	" - Friends Service Council.....		1,247.18
134a	" - Methodist Board.....		2,490.00
134b	" - Women's Missionary Society M. E. Church.		693.00
135a	" - United Church of Canada.....		3,000.00
135b	" - Women's Society U. C. of Canada.....		1,750.00
136	Special Gifts - Current Budget.....		1,605.00
136.3	General Administration.....		1,000.00
137	Endowment Income - General.....		11,728.43
139.1	Accounts Receivable.....	120.00	
		29,543.05	29,543.05

CURRENT SPECIAL

71.2a	Harvard-Yenching - Salaries & Allowance.....		4,183.84
71.2a	Disbursed - Account Dr. Graham's Salary.....	2,770.46	
76	Equipment - Campaign Office.....	71.58	
79	Special Cash.....	42,400.55	
79.1	Savings Bank Accounts.....	9,377.36	
171.2	Harvard-Yenching Institute Restricted Account.....		23,255.34
171.2	Disbursed - Harvard-Yenching Institute.....	10,669.84	
172	Suspense.....		1,090.00
172.1	" - Dr. Wallace Crawford.....	25.01	
175.1	Miscellaneous Current Gifts.....		571.50
175.2	Endowment Income - Restricted.....		383.80
175.2	Disbursed - Endowment Income Restricted.....	383.80	
175.3	Income - J. A. Coles Estate.....		4,742.49
175.4	" - Kate M. Atherton Fund.....		581.46
175.5	" - Henry T. Hodgkin Memorial Fund.....		977.12
175.5	Disbursed - Income - Henry T. Hodgkin Memorial Fund	460.23	
175.6	Emergency Relief Fund.....		17,800.01
175.6	Disbursed - Emergency Relief Funds.....	10,736.64	
178	Permanent Reserve Fund.....		3,243.95
179	Accounts Payable.....		20,065.96
		76,895.47	76,895.47

PROMOTIONAL

81c	Promotional - Travel & Expense.....	436.60	
81f	" - Associated Boards.....	8,173.00	
89	" Cash - Overdraft.....		8,609.60
		8,609.60	8,609.60

CURRENT GENERAL

	<u>Debit</u>	<u>Credit</u>
36.1 Home Administration - Executive Office.....	507.52	
36.3 " " - Governors.....	483.53	
39 Current General Cash - Overdraft.....		1,111.05
139.1 Accounts Receivable.....	120.00	
	<u>1,111.05</u>	<u>1,111.05</u>

CURRENT SPECIAL

71.2a Harvard-Yenching - Salaries & Allowances.....		1,413.38
76 Equipment - Campaign Office.....	71.58	
79 Special Cash.....	32,997.18	
79.1 Savings Bank Accounts.....	9,377.36	
171.2 Harvard-Yenching Institute - Restricted Account...		12,585.50
172 Suspense.....		1,090.00
172.1 " - Dr. Wallace Crawford.....	25.01	
175.1 Miscellaneous Current Gifts.....		571.50
175.3 Income - J. A. Coles Estate.....		2,402.49
175.4 " - Kate M. Atherton Fund.....		581.46
175.5 " - Henry T. Hodgkin Memorial Fund.....		516.89
178 Permanent Reserve Fund.....		3,243.95
179 Accounts Payable.....		20,065.96
	<u>42,471.13</u>	<u>42,471.13</u>

CONSOLIDATED BALANCE SHEET

WEST CHINA UNION UNIVERSITY

JUNE 30, 1938

ASSETS

		<u>LIABILITIES</u>	
<u>Endowment</u>		<u>Endowment</u>	
Consolidated Investments	251,368.68	Total Endowment Funds	271,597.54
Cash awaiting Investment	5,610.59	Profit on Sale of Securities	2,262.42
Savings Bank Accounts	16,880.69		
	22,491.28		273,859.96
<u>Plant</u>		<u>Plant</u>	
Completed Building	236,434.84	Funds for Completed Bldgs.	236,434.84
Land	50,220.91	Land Funds	49,634.20
Equipment	34,043.96	Special Funds	92,357.19
Buildings Operations	41,181.41		
Cash	6,495.11		378,426.23
Savings Bank Accounts	10,050.00		
	16,545.11		
	378,426.23		
<u>Current Operations</u>		<u>Current Operations</u>	
Balances to 1938-39	991.05	Harvard-Yenching, Salaries & Allow.	1,413.38
Accounts Receivable	120.00	" " Restricted Accts	12,585.50
Equipment	7158	Suspense	1,090.00
Suspense Dr. Wallace Crawford	25.01	Income Advanced to 38-39	571.50
Cash		Restricted Income	
Savings Bank Account	32,997.18	J.A. Coles Est.	2,402.49
	9,377.36	K.M. Atherton Fund	581.46
	42,374.54	Hodgkin Memorial Fund	516.89
Less Current Genl. Over-		Permanent Reserve Fund	3,243.95
draft	1,111.05	Account Payable	20,665.96
	41,263.49		
	42,471.13		42,471.13
	694,757.32		694,757.32

WEST CHINA UNION UNIVERSITY

LIST OF SECURITIES AS OF JUNE 30, 1938

Purchased	Value	Mortgages - Real Estate	Call	Fitch	Int. Rate	Cost Price	Market Pr. 6/30/38	Cost	Market Value 6/30/38	Annual Income
Mortgage Participating Cdfs.										
10/1/30	10,000	119-127 Eastern Parkway, Bklyn....1940			3 1/2	100	75	10,000.00	7,500.00	350.00
10/1/30	7,400	542 Parkside Avenue, Bklyn.....1938			5	100	80	7,400.00	5,920.00	370.00
3/6/29	*15,700	Ser. 200007 - 100 Lefferts Ave...1938			5	100	85	19,700.00	16,745.00	985.00
5/20/36	2,000	Sarah G. Greman, 49 DeWitt Pl..			6	100	100	2,000.00	2,000.00	120.00
		New Rochelle, New York.....1941								
12/21/36	5,000	Isabelle Gallagher, 23 Lafayette			6	100	100	5,000.00	5,000.00	300.00
		Street, New Rochelle, N.Y.....1941								
12/14/36	3,000	Giambattista & Marie Metalio			5 1/2	100	100	3,000.00	3,000.00	165.00
		Sickles Avenue.....1939								
5/20/36	4,000	George S. Wilcox, 49 Glove Road			6	100	100	4,000.00	4,000.00	240.00
		New Rochelle, New York.....1939								
2/24/36	5,000	George & Vincentia B. Lambert			6	100	100	5,000.00	5,000.00	300.00
		39 - 6th St., North Pelham....1939						56,100.00	49,165.00	2,830.00
Railroad Bonds										
3/1/29	10,000	Baltimore & Ohio 1st Mtg.....1948	105	AA	4	92	45	9,201.67	4,500.00	400.00
12/3/36	5,000	Chesapeake & Ohio Rwy. Co. "E"....1956	105	AA	3 1/2	102 1/8	94	5,118.75	4,700.00	175.00
12/31/18	* 8,000	Columbus &ocking Valley.....1948	NC	AAA	4	Gift	104 3/4	8,000.00	8,380.00	320.00
2/21/30	10,000	Missouri Pacific R.R. 1st Mtg....1978	105	C	5	99 1/4	20	9,925.00	2,000.00	500.00
12/31/18	* 1,000	Pacific R.R. of Mo. 1st Ext.....1938	NC	AA	4	Gift	70	1,000.00	700.00	40.00
6/26/37	4,000	Pennsylvania R.R. Co. "C".....1970	105	AA	3	3/4 99	87	3,970.00	3,480.00	150.00
2/21/30	10,000	Texas & Pacific R.R. Ref. "C"....1979	105	BBB	5	100 1/2	77 1/2	10,050.00	7,750.00	500.00
	48,000							47,265.42	31,510.00	2,085.00
Public Utility Bonds										
2/21/29	*15,000	Bell Telephone of Canada "B"....1957	105	AA	5	102.7	119 3/4	15,405.00	17,962.50	750.00
12/5/36	5,000	Bethlehem Steel Corporation.....1956	105	AA	3	3/4 99 1/8	98 3/8	4,968.75	4,918.75	187.50
1/18/53	1,000	Brooklyn Union Gas.....1957	107	AAA	5	106 1/4	83 1/4	1,062.50	832.50	50.00
3/1/50	10,000	International Tel. & Tel. Deb.....1955	110	B	5	96 1/2	73	9,650.00	7,300.00	500.00
2/28/29	*15,000	Milwaukee El. Rwy. & Light "B"....1961	103 1/4	BBB	5	101	103 1/2	15,142.50	15,250.00	750.00
3/1/30	10,000	Utah Power & Light 1st Mtg.....1944	105	BB	5	98 1/4	87 1/2	9,835.00	8,750.00	500.00
	56,000							56,053.75	55,288.75	2,737.50

WEST CHINA UNION UNIVERSITY - LIST OF SECURITIES

- 2 -

June 1, 1938

<u>Purchased</u>	<u>Face</u> <u>Value</u>	<u>Due</u> <u>Price</u>	<u>Fitch</u> <u>Call</u>	<u>Rating</u>	<u>Int.</u> <u>Rate</u>	<u>Cost</u> <u>Price</u>	<u>Market</u> <u>Price</u>	<u>Market</u> <u>Value</u>	<u>Nominal</u> <u>Income</u>
							<u>6/13/38</u>	<u>6/30/38</u>	
<u>Industrial Bonds</u>									
9/10/36	*400	Colorado Fuel & Iron Company..1970	100	B	5	100	52	400.00	20.00
<u>Government Bonds</u>									
12/7/34	10,000	U. S. Treasury Bonds.....19515	100	AAA	3	100 ¹³ / ₃₂	106 ⁹ / ₃₂	10,050.63	300.00
<u>Preferred Stock</u>									
12/31/28	*800sh.	Aluminum Co. of America.....		CCC	6	100	97 ³ / ₄	80,000.00	4,800.00
11/16;3/28	*9sh.	Cities Service Company.....		CCC	6 ¹ / ₄	99 ⁷ / ₈	45	898.88	-
								80,898.88	4,800.00
<u>Common Stock</u>									
9/10/36	*20sh.	Colorado Fuel & Iron Company..		DDD		30	12	600.00	20.00
								251,368.68	
		Purchased by Finance Committee.....						110,321.18	
		Received as gifts.....						141,047.50	
								251,368.68	12,792.50
		Cash Awaiting Investments 6/30/38.....						5,803.53	5,610.59
		Savings Bank Accounts.....						16,566.54	314.15
								273,738.75	13,106.65

* These securities were received as gifts.
/ Dividend passed.

0695

MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

12:30 P. M. Monday, January 15, 1940
Parkside Hotel, 18 Gramercy Park South, New York City

List of Members:

*George B. Huntington
*Frank T. Cartwright
J. H. Arnup

Herbert B. Clark
*G. F. Sutherland
O. R. Judd

Those whose names are starred were present, also B. A. Garside and C. A. Evans. Regrets were presented for O. R. Judd.

INVESTMENTS

The Committee reviewed the list of securities held by the Board of Governors and noted the depreciated position of the Missouri Pacific 5's/78, and the International Tel. & Tel. 5's/55, and the Colorado Fuel & Iron 5's/70.

The question arose as to the desirability of having competent investment counsel supervise the list or at least make periodical reviews and recommendations. It was

F-1424 VOTED to request the Treasurer to investigate the possibility of procuring investment counsel, either independently or in cooperation with other China Colleges, and report to the Executive Committee on January 19th if possible.

Attention was called to the \$5,000.00 mortgage on 39 Sixth Street, North Pelham, New York in the name of George and Vicentia Lambert. The mortgage has been running open since February 1939 and the hope was expressed that an extension would be signed soon. The Committee felt that some inducement might be offered to the owners in the shape of reduced interest, provided that amortizations be paid regularly; and it was

F-1425 VOTED that as an inducement to the owners of the 39 Sixth Street property, North Pelham, a reduction to 5% on the mortgage be offered on a three-year extension, provided that \$100.00 amortizations are made semi-annually.

INVESTMENTS IN WAR SECURITIES

The Chairman called attention to Action G-1417 which requested the Finance Committee to investigate the recommendations of the Associated Boards regarding securities in companies selling war material directly or indirectly to Japan. The Assistant Treasurer stated that West China holds bonds of Bethlehem Steel and Preferred Stock of Aluminum Company of America, but that the companies reported no sales to Japan, and, as a consequence, the securities held in the portfolio had not been disturbed.

0696

1/15/40

REPORT OF THE TREASURER FOR 1938-39

The Annual Report of the Treasurer for the Board of Governors for the year ending June 30, 1939 was presented and studied. It was observed that there were two recommendations; and it was

F-1426 VOTED to recommend to the Executive Committee the approval of the recommendations as set forth in the Report of the Treasurer as of June 30, 1939.

After further consideration, it was

F-1427 VOTED to recommend to the Executive Committee the acceptance of the Treasurer's Report for 1938-39.

REPORT OF THE AUDITORS' FOR 1938-39

The Auditors' Report for 1938-39, as submitted by Messrs. Chambellan, Berger and Welti, was presented and carefully considered. Upon motion duly made and seconded, it was

F-1428 VOTED to recommend to the Executive Committee the acceptance of the Auditors' Report for the year 1938-39.

FUNDS AVAILABLE FOR THE 1938-39 BUDGET

The Committee gave consideration to a statement presented which called attention to the greatly decreased purchasing power of local currency, and of the necessity of providing some relief from the constantly rising price of commodities. It was shown that whereas the original financial obligation of the cooperating boards was agreed to be US\$25,000.00, that at the present time these Boards are providing \$9,990.00 aside from personnel. This has been augmented by the admission of Women's Mission Boards with income of \$3,325.00.

All possible sources of revenue were reviewed, and it was felt that some immediate steps should be taken toward helping the field during these uncertain times, and that the future support of the University should be given further consideration at a later date. As an immediate measure, it was

F-1429 VOTED to recommend to the Executive Committee that the field be notified that the Board of Governors will contribute LC\$60,000.00 to the budget of the University for 1940-41, plus US\$8,000.00 - these items being aside from the Governors' budget as administered in America.

On motion adjourned.

C. A. EVANS,
Assistant Treasurer.

B/

0697

REPORT ON INVESTMENT COUNSEL

Action F-1224 of the West China Finance Committee instructed the Treasurer's office to investigate the possibility of procuring investment counsel for the West China portfolio of investments, in cooperation with other China Colleges or independently thereof and report to the Executive Committee.

At present the list of securities is brought up to date each month and mailed to members of the Committee. Meanwhile the Treasurer's office watches the list and, if there are securities which seem to need further study or changing, any investment counsel available, and/or one or more investment houses are consulted.

Spencer Trask, Investment Brokers, has a list of the West China securities and its institutional department usually calls attention to any situation which needs watching.

The Committee felt, however, that there should be even a closer supervision of the list, and following the instructions of the Committee the Assistant Treasurer has conferred with Fiduciary Counsel, Inc. which serves Yenching University in this capacity. The services rendered by this Company consists of a constant watching of the list with recommendations for sale or purchase as may be deemed wise, together with a semi-annual complete review of the securities. The services of counsel are available at any time for any purpose in relation to the investment holdings. Every bond or stock recommended for retention must pass the independent investigation of the Counsel.

In view of the fact that Yenching University is now a client, Fiduciary Counsel will give the same terms or one-half of their regular fee of one-half of one per cent per thousand. This will make the cost to West China slightly above \$500.00, and it is the most inexpensive counsel available. Communication with several of the more reliable banks indicates that they are not willing to make such a reduction, but will charge the regular fee of one-half of one per cent.

In conclusion it might be said that the Committee felt that ^{possibly} the fiduciary obligations of the Board could not be performed properly without more expert investment advice than is being obtained at the present time. If mistakes are now made, it is held that the Board might be open to serious criticism; whereas, with the employment of competent investment counsel the Board will have taken proper steps to fulfill its responsibility.

C. A. EVANS

January 17, 1940.

0698

MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

3:30 P. M. Monday, February 10, 1941
Room 606, 150 Fifth Avenue, New York City

List of Members:

*George B. Huntington, Chairman	O. R. Judd
J. H. Arnup	Dean Sage, Jr.
*Frank T. Cartwright	*Forrest Smith

Those whose names are starred were present, also C. A. Evans.

Regrets were presented from Dr. Arnup, Mr. Judd and Mr. Sage.

The meeting was opened with prayer led by Dr. Huntington.

LETTER FROM DEAN SAGE, JR.

Mr. Sage presented his regrets in the form of a letter reviewing in general the policy of investment, the use of investment counsel, and a review of various holdings in the portfolio.

The letter was read and considered with great appreciation and interest. It was recognized that to a degree something of the same policy as recommended is being followed, while also an effort is being made to strengthen the Finance Committee. Emphasis was laid upon the necessity of a periodical broader study of the list as is the custom of some of the cooperating boards; and it was

FC-1511 VOTED that the portfolio of West China Union University securities be submitted to any investment institution, the recommendation of which in the judgment of the Assistant Treasurer might be of value, with no costs involved.

Having voted this authorization and giving consideration to the present policy of allowing the list to remain in the hands of Spencer Trask and Company, it was

FC-1512 VOTED that the Committee believes it more advantageous as a policy to make the West China portfolio available to investment institutions of high standing and who are willing to make suggestions without cost - it being understood that such suggestions shall be without obligation to the Finance Committee.

INVESTMENTS

A study of the mortgages was presented to the Committee and it was observed that properties and payments thereon are in good order, but noting that some mortgages are due during the present year. It was

FC-1513 VOTED that as a general principle amortization on mortgages be invoked wherever possible.

0699

2/10/41

In the case of the Sarah Crennan mortgage for \$2,000 with interest past due from November 1940, it was

FC-1514 VOTED that the Assistant Treasurer demand payment of interest within ten days or the matter will be placed in the hands of our attorney for collection.

GENERAL INVESTMENTS

The list of bonds, preferred and common stocks was reviewed and, after individual attention to each item, it was

FC-1515 VOTED to sell the following securities at the price listed:

\$1,000 Pacific Railway of Missouri 4's/38 at 95
10,000 Baltimore and Ohio 4's/48 at 92
9,000 Pennsylvania Railroad 3 3/4/70 at 98 3/4
1,000 Brooklyn Union Gas 5's/57 at 106 1/4

To Buy -

6,000 Texas Corporation Debenture 3's/65
4,000 Firestone Tire & Rubber Debentures 3's/65 at or under call price.

FC-1516 VOTED that the Assistant Treasurer be instructed to study the Toledo Edison bonds and seek suggestions for substitution.

REPORT ON THE KEEN ESTATE

Under action E-1496, the Executive Committee authorized the Treasurer's office to settle the estate of Mr. James Keen for a cash payment of \$300. Lawyers representing the estate were communicated with and papers duly signed, and the cash received.

BEQUEST FROM THE LATE DR. C. W. SERVICE

It was stated that The United Church of Canada has reported the receipt in 1930 of \$2,000., \$1,000. of which was paid to the Field Treasurer, for the building fund of the medical unit of West China Union University. The other \$1,000. was invested in Canada through the National Trust Company. The earnings on same have reached \$635. At the request of Dr. Service's widow, the last \$1,000 and accrued interest have been sent to the field. It was

FC-1517 VOTED to authorize the Treasurers to enter this on the books of the University, after such investigation has been made to establish the status of the fund.

U. S. DOLLAR ACCOUNT FOR FIELD FUNDS

At the request of the Field Treasurer, approved by the Board of Directors, the Finance Committee by circulation vote on January 2nd approved opening a U. S. dollar account for field funds with the Centtal Hanover Bank & Trust Company.

Minutes
West China Finance Committee

- 3 -

2/10/41

After correspondence with members of the Committee, a resolution was amended to include the Board of Governors Treasurers in the authorization to sign checks. It was

FC-1518 VOTED that the Assistant Treasurer of West China Union University be authorized to open a U. S. dollar bank account with the Central Hanover Bank and Trust Company, and that the Treasurer and the Assistant Secretary be authorized to execute such documents as are required by the bank, and that any two of the following officers be authorized to sign checks:

The Field Bursar or Assistant Bursar

The President

The Chancellor

The Governors' Treasurer, First Assistant Treasurer, Second Assistant Treasurer and Third Assistant Treasurer.

On motion adjourned.

C. A. EVANS,
Assistant Treasurer.

0701

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MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

12:30 P. M. Tuesday, April 29, 1941
Irving Hotel, Gramercy Park, New York, N. Y.

List of Members:

J. H. Arnup
*Frank T. Cartwright
George B. Huntington

O. R. Judd
Dean Sage, Jr.
*Forrest Smith

Those whose names are starred were present, also Joseph I. Parker and C. A. Evans.

Dr. Cartwright called the meeting to order and was appointed Chairman pro tem.

REQUEST FOR HARVARD-YENCHING INSTITUTE FUNDS TO BALANCE 1939-40

It was stated that under date of March 8th, the field made a request for NC\$5,049.94 to cover an overdraft in the Harvard-Yenching budget for 1939-40. This was occasioned by the granting of bonuses due to the rising cost of commodities, and because of special purchases made by Dr. Dye before leaving on his furlough to America. It was

F-1520 VOTED that authorizations be given to draw LC\$5,049.94 to be charged to the balance in the Harvard-Yenching Institute account -- it being understood that this will cover the Harvard-Yenching Institute deficit for 1939-40.

REQUEST FOR COLES ESTATE FUNDS

It was recalled that the Executive Committee of October 16, 1940 requested the field to submit a list of needs to the Board of Governors which might be covered from the balance in hand from the Coles Estate. It was stated that the following schedule had been received in a letter dated March 8, 1941:

(1) University Gate balance (granted)	NC\$2,345.32	US\$137.96
(2) Biology Building - old bal. electric wiring, fixtures	950.42	55.91
(3) Insurance & Upkeep budget 1939-40	5,274.51	310.27
(4) Insurance & Upkeep budget 1940-41	8,000.00	470.60
(5) Repairs on buildings, over-spent budget 1939-40	724.01	52.59
(6) Administration Bldg. changes to provide satisfactory toilets	4,000.00	235.30
(7) Fire Pump, trailer & accessories, half cost	11,000.00	647.60
(8) Education Building - west wing (exchange rate 17:1)	60,000.00	3,529.41
	<u>\$92,294.26</u>	<u>5,439.64</u>

After studying the list and a covering letter and considering the terms governing the gift from the Coles Estate which indicates that it is a maintenance and repair fund, it was

F-1521 VOTED that authorizations be given to the field treasurer to draw NC\$28,998.52 to cover the requests as listed above with the exception of items (2) and (8), and that the field be informed that capital expenditures cannot be included in requests for funds from this source.

0702

4/29/41

REQUEST FOR \$50,000 FOR HOSPITAL EQUIPMENT

A request for authorization to include US\$50,000 in the askings from the United China Relief, Inc. income during the present campaign was lacking field action and the Treasurer's office was instructed to write the field accordingly.

\$1,000 BALANCE IN LOCAL CURRENCY APPROPRIATION

The field presented a request for \$1,000 balance resulting in gain on exchange through the drawing of the LC\$100,000 appropriation from the Board of Founders. It was

F-1522 VOTED that as action G-1461 covering the establishing of the budget implied the use of US\$7,500.00 and as there appears to be a deficit accumulating during the current year, the application for the total amount by the field is granted, provided the Governors' budget is otherwise secured by June 30, 1941.

BUDGET 1941-42

The Finance Committee had in hand the proposed budget for 1941-42 and studied same with care. The figures were reported as having the approval of the Managers in China, and the income from America as having been revised and checked by the Treasurer's office in New York.

Thought was given to the effect of making U. S. dollar appropriations in the General Budget, and provided the field understands that their's will not be additional U. S. dollars available when and as the exchange reverses itself, it was agreed to include figures in U. S. dollars, except the Harvard-Yenching Institute appropriation which will continue in local currency. It was

F-1523 VOTED to recommend that the Executive Committee give thought and approval of the following proposed budget for 1941-42 as being aside from the personnel supplied by the various cooperating missionary societies.

GENERAL BUDGET APPROPRIATION

Field Budget	\$7,500.00	
Special Appropriation	<u>12,500.00</u>	\$20,000.00

Governors' Budget	7,500.00	
Miscellaneous Expenses	1,000.00	
Home Administration and Promotion	<u>9,570.00</u>	18,070.00

Specially Designated Items:

Harvard-Yenching Institute	<u>LC\$80,800.00</u>	5,387.00 *
Maria S. Ackerman Fund for Rent	400.00	
Scholarships	8.75	
Hodgkin Memorial Fund	450.00	
Kate M. Atherton Fund for Books	<u>175.00</u>	1,033.75
		<u>\$44,490.75</u>

* A tentative figure to be adjusted when local currency is drawn.

0703

4/29/41

It is estimated that income to cover the above items will be derived from the following sources:

Mission Boards	\$12,825.00
Endowment Income	11,000.00
Colos Estate	2,300.00
Harvard-Yenching Institute for Administration	1,600.00
Special Gifts Atherton Family	1,600.00
Specially Designated Income	6,420.75
United Promotional Campaign	9,345.00
	<u>\$44,490.75</u>

F-1524 VOTED to recommend to the Executive Committee the following amounts be requested to complete the budget as received from China and which represents the most reliable figure available at the present:

- (a) To balance the Current Budget of the Governors \$9,345.00
- (b) To cover the deficit of the Field Budget after
due adjustments have been effected in the Governors'
Budget. 28,973.13
\$38,318.13

SECURITIES

A study of the security list was presented as shown in a letter from Spencer Trask & Company. As no recommendations for changes were made, no action was taken.

On motion adjourned.

C. A. EVANS,
Assistant Treasurer.

B/

0704

MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

4:00 P.M. Wednesday, June 18th, 1941
Room 900, 150 Fifth Avenue, New York, N.Y.

List of Members:

Dr. J. H. Arnup	Mr. O. R. Judd
*Dr. Frank T. Cartwright	*Mr. Dean Sage, Jr.
*Mr. Forrest Smith	Dr. George B. Huntington

Those whose names are starred were present, also Mr. William Small, newly appointed Bursar of West China Union University, and C. A. Evans.

Dr. Cartwright was elected Chairman pro tem, and opened the meeting with prayer.

RETURN OF DR. and MRS. H. H. HSIEH

The Treasurer's office reported that Dr. and Mrs. Hsieh had been able to secure passage across the Pacific but at a greatly increased rate. Apparently at least \$150.00 extra will be required to pay passage, and as additional expense would accrue by living expenses while waiting for President boats to resume, it was

⁵²
F-1547 VOTED to authorize the Treasurer's office to arrange for the return of Dr. and Mrs. H. H. Hsieh to the field as soon and as economically as possible.

TITLE OF UNIVERSITY PROPERTY

The following summary of a study of the Titles of Property was attached to the docket:

"Property was originally purchased by the United Church of Canada and held in trust for the University and the constituent mission boards. Early in 1940 Declarations of Trust were being checked and brought up to date where necessary. Each one of the mission boards was supposed to have a copy of this Declaration of Trust, and other copies were being held by the United Church of Canada. Legal advice then indicated that the United Church of Canada did not have the power to act in this capacity. Investigation indicated that the Board of Governors, insofar as the incorporation in New York is concerned, have the power to hold property. The question now would seem to involve the transfer of Deeds of Trust to the Governors. Before doing this, it will be necessary to make sure what Deeds of Trust have been carried through and placed in the hands of the United Church of Canada."

The Committee gave thought to the entire land situation, agreeing that certain steps must be taken to clarify matters, and it was

⁵³
F-1548 VOTED that the Treasurer's office be instructed to take the following steps toward clarifying the title to University Property in Chengtu.

- (a) Communicate with the United Church of Canada and obtain the records of such agreements with participating boards as have been prepared and executed.
- (b) Obtain from Canadian Board latest information as to the legality of that board's power to hold University property.

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June 18, 1941

- (c) If necessary consult counsel of the Canadian Board to clarify the whole situation.
- (d) Assemble final findings for a Finance Committee meeting to be held early in September.

REQUEST FOR \$50,000 FROM UNITED CHINA RELIEF, INC.

A communication from the field was presented covering the request for funds for equipping the new hospital. It was reported that this amount was the goal at the beginning of the campaign headed by Dr. Robert E. Brown and that when all collections and gifts are reported, less than \$10,000 has been realized. It was also noted that the basis of the appeal was Article 17, Section 1, of the By-Laws of the United China Relief, Inc., whereas this refers to the admission of additional national participating agencies. Thus the hospital could not be considered in this category. It was noted that the askings from the United China Relief include an item of \$50,000 for the equipping of the hospital, and it was

⁵⁴
F-1549 VOTED that as \$50,000 has been requested from United China Relief for equipping the new Hospital, the Committee solicits the good offices of the Associated Boards in getting the asking in as preferential position as possible near the top of the list.

ROBERT E. BROWN FUND

The Committee reviewed the situation growing out of establishing the Robert E. Brown Fund for equipment of the Hospital, and as it is not the policy of the University to establish funds in the name of living donors, it was

⁵⁵
F-1550 VOTED to transfer the Robert E. Brown Fund to the General Hospital Equipment Fund with such designations as will permit segregation of income from this particular source.

HARVARD-YENCHING INSTITUTE APPROPRIATION FOR 1941-42

Attention was called to the budget, which included a local currency figure, the equivalent of which, in U.S.dollars, would equal the entire appropriation of the Harvard-Yenching Institute for 1941-42. The field stated the Local Currency of \$80,800 appropriated in the past is totally inadequate to carry on this work. Several letters bearing upon this subject were in hand, and studied, and it was finally

⁵⁶
F-1551 VOTED that the Harvard-Yenching appropriation of \$8,250, less administrative expense of \$1,000, be voted as a part of the budget for 1941-42.

SPECIAL REQUEST FROM HARVARD-YENCHING BALANCES

The field presented urgent requests for funds from Harvard-Yenching balances carried on the books of the Governors, it being stated that the items included in the regular budget at Local Currency rates were hopelessly inadequate for purchasing books in United States. The Committee was agreeable to appropriating some of these balances if the books in question represented those which would be used for Chinese cultural work. It was

⁵⁷
F-1552 VOTED that the following items be appropriated from the Harvard-Yenching balances, provided the purchases are in accordance with the funda-

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June 18, 1941

mental purpose of the Harvard-Yenching Fund:
1940-41 budget: NC\$2,000; G\$800.
1941-42 budget: G\$800

INVESTMENTS

The Committee studied recommendations presented by Spencer, Trask & Company under date of June 17th, and reviewed the present status of a group of recommendations considered on February 10th. It was

⁵⁸
F-1555 VOTED that the following list of securities be maintained on sale pending further advances in market prices, and that consideration be given to each one as the market approaches the designated selling price:

	Selling Price
1M Pacific R.R. of Mo. 4/38	95
10M Balt. & Ohio 4/48	92
9M Penn R.R. 3-3/4/70	98-3/4
1M Bklyn. Union Gas 5/57	106-1/4

Consideration was given to the Toledo Edison Deb. 3¹/₂s, 1960, and it was

⁵⁹
F-1554 VOTED to place these bonds on sale at call price and, if sold, the proceeds to be invested in U.S. Government Series "G" Defense Bonds.

Recommendation was made to sell \$10,000 U.S. Treasury 3s, 1955-51, currently selling at 112-1/2-3/4. It was

⁶⁰
F-1553 VOTED to sell the foregoing bond and invest the proceeds in U.S. Series "G" Defense Bonds.

Thought was given to the Utah Power & Light 1st 5s, 1944, of which \$10,000 are held. No action was taken, but the Treasurer's office was instructed to watch the movement of these bonds, and if they reach call price, to check with individual members of the Committee for the purpose of securing a later decision.

Thought was also given to the sizable block of Aluminum, Pfd. held by the Board of Governors. The Treasurer's office was instructed to secure as much information as possible and to watch the security closely, while at the same time bringing this issue to the attention of the Finance Committee at regular intervals.

On motion adjourned.

C. A. EVANS
Acting Secretary

REPORT OF THE TREASURER

BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY

JUNE 30, 1941

The University continues to act as host to three other Christian colleges with gradual improvement of condition covering housing as well as space for class room work. Each letter from the field tells of some slight advance here or there which adds some comfort or assistance to an all too crowded campus.

The year has passed without any harm to the campus from bombings or the result of war. The City of Chengtu has been bombed, however, giving work to the already overworked hospital staff and drawing upon the hospital stores of supplies.

Plans have been made for the transportation of supplies to the four universities over the Burma road and two trucks were purchased for the work.

In the actual operation of the University as far as the New York Treasurer is concerned, little has transpired up to June 30 to call for extended comment. Investment and Plant funds increased and the year closed with a surplus in current operations.

A United States dollar banking account was opened for the field the latter part of the year only to be promptly frozen by the Executive order of July 26, 1941.

This report is accompanied by the following paper:

- (a) Trial Balance Sheet of June 30, 1941
- (b) Consolidated Balance Sheet
- (c) List of Securities of June 30, 1941
- (d) Budget analysis for 1940-41

All essential figures concerning the 1940-41 accounting in this report have been checked by the auditors, Messrs. Chambellan, Berger and Welti.

ENDOWMENT SECTION

Funds in this section increased during the year by \$4621.75 to a new total of \$281,565.74. The largest portion of this increase came from the J. W. L. Forster Estate designated for scholarship use. The actual details of the increase are as follows:

J. W. L. Forster Estate Fund.....	\$4450.00	
Income on Mead Memorial Library Fund and gift.....	54.47	
Income on Harvard Yenching Stabilization Fund.....	154.78	\$4659.25
Loss on Firestone Tire & Rubber 3 $\frac{1}{2}$ /48 called.....		37.50
		<u>\$4621.75</u>

Changes in the investments and cash are shown herewith:

Cash on hand July 1, 1940.....	\$14643.10
Received on Home Title Mortgage #21,294.....	442.76
Received on Loefferts Avenue Mortgage.....	150.14
Received on Lambert Mortgage.....	150.00

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Changes in the investments and cash are shown herewith: (Contd.)

Firestone Tire and Rubber Bonds called and less...	\$5187.50	
New Cash received as above*	4621.75	\$25195.25
Purchased 10 M Cleveland Electric Illuminating Co.		
3/40		\$10500.00
4 M Texas Corporation 5/45		4145.00
27 and 187/1000 Home Title Gty. Co. dividend on claims		237.89
Interest added to Savings accounts		214.99
Purchased Canadian Permanent Mortgage Corp. for Forster Fund		4450.00
		\$19547.88

Investment Cash on hand June 30, 1941

The securities list attached herewith shows the value to be \$842.65 on June 30, 1941. With nominal income to be \$12,245.89 the actual income for the past year was \$12202.52 on 4.41% in funds and cash as of June 30, 1941, not including custodian charges and commissions.

PLANT SECTION

Plant funds increased \$9,583.89 during the past year total gross total of \$455,613.14. This increase came from the following sources:

Gift Estate--Dr. C. W. Service through U. C.	\$2635.00	
of Canada		
Rockefeller Foundation for Hospital		
Equipment.....	2500.00	
Interest on the Moore Memorial Funds.....	189.38	
Receipts on the Hospital Equipment Campaign.....	\$8596.54	
Less Costs.....	274.18	
Purchases	537.85	
Remitted to field....	3500.00	4312.03
Less adjustments with endowment gift		4284.51
		\$9608.89
		25.00
		\$9583.89

This increase and other cash was treated thus:

Expenditures on Clinical Hospital.....	\$12068.15	
Medical and Dental College Unit.....	2635.00	
Interest deposited in Savings Banks	189.38	
		\$14892.53
Less credit in Equipment transportation.....	63.09	
Cash used from 1939-40.....	5245.55	15308.64
		\$9583.89

The \$5000.00 Canadian Dollars received in the J. W. L. Forster Estate, depreciated for entry on the books of the Governors to confirm to U. S. dollar equivalent, is held to accumulate income toward helping a student in religious training upon recommendation of the United Church of Canada.

CURRENT GENERAL

This section ordinarily includes only items underwritten by the Board of Governors, but other items applicable to the field budget and carried on Current Special are also included. Income and expenditures for 1940-41 as well as 1939-40 are scheduled also loss or gain.

INCOME

	1940-41	1939-40	Increase or * Decrease
Source	\$ 2500.00	\$ 2500.00	---
American Baptist Foreign Miss. Society	750.00	750.00	---
" " " " (Women)	600.62	583.33	\$ 17.29
Church Missionary Society.....	1006.24	945.63	60.61
Friends Service Council.....	2500.00	2498.50	1.50
Methodist Board of Foreign Missions.....	700.00	700.00	---
" " " " (Women) ..	2702.25	2976.78	* 274.53
United Church of Canada.....	1574.77	1649.26	* 74.49
" " " " Women's Society,...	1600.00	1600.00	---
Special Gift Atherton family.....	1900.00	1000.00	---
General Administration (H. Y. I.).....	10892.83	11383.15	* 490.32
Endowment Income.....	1700.00	1700.00	---
James Estate Income.....	4858.83	3088.90	1769.93
Edward Yenching Institute Restricted....	11538.25(A)	18112.80	* 6574.55
Sustaining Funds.....	1017.08	1021.53	* 245.00
Designated Endowment Income.....	\$44942.87	\$50509.88	*\$5567.01

DISBURSEMENTS

Field Budget.....	20000.00	19356.75	643.25
Governors' Budget.....	4744.89	5191.92	* 447.03
Home Administration and Promotion.....	9770.00	9001.89	768.11
Governors' Miscellaneous Expenses.....	965.44	1240.03	* 274.59
Chinese Cultural Studies Budget.....	4858.83	3088.90	1769.93
M. E. Board Upkeep, Coles Mem. Bldg.....	385.00	374.58	10.42
Scholarships.....	7.54	8.37	* .83
Special Library Purchases.....	3.61	3.00	.61
World Peace Program.....	450.00	450.00	---
Sustaining Fund Balance for field.....	2466.42	9986.97	*7520.55
	43651.73	48702.41	*\$5050.68
Designated Income carried forward.....	172.93	185.58	
Surplus.....	1118.21	1621.89	
	\$44942.87	\$50509.88	

(A) These sustaining funds were allocated to the 1940-41 Budget but \$18,800.00 for West China was approved and raised by the Associated Boards and is subject to action as to its use. This largely offsets the difference between 1939-40.

The fluctuation of income from cooperating Boards was entirely due to variation of exchange.

Increase in Chinese Cultural Studies was due to the vastly expanded cost of commodities and adjustments in salaries. Still further provision for this purpose has been made in the 1941-42 Budget.

CURRENT SPECIAL

It is proper to review some of the accounts in this Section:

Harvard-Yenching Institute Restricted Account. The income and expenses within this account are shown as follows:

RECEIPTS

Balance July 1, 1940.....	\$20394.98	
Received from Harvard-Yenching Institute during year.....	13421.06	
Adjustment from 1939-40.....	6511.10	
" " 1938-39 (Dr. Graham's expense).....	138.03	
Income on Investments and Savings Accounts.....	276.28	\$40741.45

DISBURSEMENTS

Appropriated for Chinese Studies.....	4600.00	
Fellowship Balance--T. K. Cheng.....	105.88	
Special Appropriation.....	152.95	
Administration Expense.....	1000.00	5858.85
Balance on hand June 30, 1941.....		\$34882.62

During the year \$15,168.75 of this fund was invested in Chicago Union Savings Bank 3 1/8/63 @ 101 7/8 while \$11,658.42 was in Savings Banks.

Permanent Reserve Fund. This account increased materially during the year by the application of a portion of the 1939-40 surplus--also incomes from Savings Bank accounts.

Balance July 1, 1940.....	\$4216.82
Surplus 1939-40 Action E-1499.....	1550.31
Interest on Savings Bank account.....	47.92
	\$5815.05

This fund is carried in a group of Savings Banks.

Income J. A. Coles Estate. Cash at the beginning of the year and income during the period is shown as follows:

Balance on hand July 1, 1940.....	\$5110.83	
Income from Fidelity Union Trust Co.....	2314.64	\$7425.47
Appropriated to Current Budget.....		1700.00
		\$5725.47

Recommendations from the field have been made for the use of a portion of this balance and action has been taken by the Finance Committee approving some of the items.

Hodgkin Memorial Fund Income. The balance in this account on July 1, 1940 was \$493.66 and income in investments amounting to \$447.85, made total receipts to be \$941.51. From this, \$450.00 was appropriated for the field, leaving a balance on hand of \$491.51.

Accounts Payable. The following schedule shows the funds belonging to the field through budget appropriation but not drawn.

Report of the Treasurer
West China Union University

June 30, 1941

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Hodgkin Memorial Fund 1937/8-1940/41.....		\$ 1415.24
Scholarships 1938/9-1940/41.....		23.46
Sustaining Fund Balance 1938/9.....	\$ 2662.90	
" " " 1939/40.....	792.73	
" " " 1940/41.....	2466.42	\$ 5922.05
H. Y. I. Appropriations 1939/40.....	\$ 1480.80	
" " Special Grant.....	500.00	
" " Fellowship J. K. Chong 1939/40	108.10	
" " " " " 1940/41	258.83	2347.73
Authorization Extra Salary Secretary.....		120.00
" Assistant Business Office.....		225.00
		<u>\$ 10053.47</u>

CASH SITUATION

Cash on hand June 30, 1941 totaled \$45,516.62, carried in the following sections:

Endowment.....	\$ 5647.37
Plant.....	5906.59
Current General.....	243.69
Current Special.....	33718.97
	<u>\$45516.62</u>

This cash was carried in three accounts--Endowment, Plant and General, with the Irving Trust Company, 21 Street Branch.

Aside from the foregoing checking account balances, the following amounts were carried in savings banks:

Endowment.....	\$ 10912.24
Plant.....	11390.37
H. Y. I. Reserve Fund.....	11658.42
Governors' Reserve Fund.....	5815.05
	<u>\$39776.08</u>

The combined totals in checking accounts and Savings banks on June 30 was \$85,292.70.

RECOMMENDATIONS

Account #175 shows a surplus for the year of \$1118.21, and it is

RECOMMENDED: that the surplus of \$1118.21, accruing as of June 30, 1941 be transferred to the Permanent Reserve Fund--account #178.

Respectfully submitted,

FRANK T. CARTWRIGHT, Treasurer
C. A. EVANS, Assistant Treasurer
B. A. GARSIDE, 2nd Assistant Treasurer
J. I. PARKER, 3rd Assistant Treasurer

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BALANCE SHEET

WEST CHINA UNION UNIVERSITY

JUNE 30, 1941

A S S E T S

ENDOWMENT

Consolidated Endowment Investments 250,556.13
 Special Endowment Investments - Ackerman 10,000.00
 J.W.L. Forster Estate Fund Investments 4,450.00
 Cash Awaiting Investment 5,647.37
 Savings Bank Accounts 10,912.24

General Endowment Fund 2,000.00
 William Rank Fund 52.09
 Hall Endowment Fund - General 200,000.00
 J.W.L. Forster Estate Fund 4,450.00
 Henry T. Hedgkin Memorial Fund 10,072.18
 Maria S. Ackerman Memorial Fund 10,000.00
 J.E. Johnson Chair of Prac. 5,000.00
 Christianity.
 Scholarship Fds. Rosemond \$800 1,075.00
 General \$275 1,000.00
 William Masland Library Fund 697.32
 Mead Memorial Hospital Library Fund 4,000.00
 K.M. Atherton Fd.-Spec. Library Pur. 19,610.91
 Exchange Endowment - Reserve Fund 17,127.74
 Endowment Income Stabilization Fd. 3,594.33
 Harvard-Yenching Inst. " 2,886.27
 Profit on Sale of Securities 281,565.74

L I A B I L I T I E S

PLANT

Completed Buildings:
 Whiting Memorial Administration 49,254.66
 Gadbury School of Education 23,176.58
 Scattergood Middle School 27,726.92
 Middle School Chapel 7,841.37
 Medical & Dental College 48,652.61
 Coles Clock Tower 8,378.35
 Residences 18,582.19
 Lamont Memorial Library 30,254.78
 Atherton Bio. & Prev. Med. 25,202.38

Funds for Completed Buildings 239,069.84
 Land & Building Fund - General 49,634.20
 Special Funds:
 Scattergood Middle School Site 5,000.00
 WCUU Hospital - Rockefeller Fdn. Grant 1941. 2,500.00
 Pharmacy Building 2,000.00
 Coles Clock Tower 209.64
 Clinical Hospital 20,000.00

West China Balance Sheet

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<u>PLANT</u> (continued)			
Land	42,420.58	Hospital Equipment	24,528.63
Land - Middle School Site	7,500.00	Residences	2,500.00
Land Improvements	300.33	Atherton Memorial Bio. & Prev. Med. Bldg.	297.62
Equipment:		Benjamin Moore Memorial Hosp.	58,484.53
Library Books & Furniture	2,449.90	Chemistry Building	15,000.00
Hospital Equipment	21,213.75	United Church of Canada-Hosp. Equip.	10,000.00
Ambulance	3,737.63	Scientific & Med. Lab. Equip.	2,000.00
Scientific & Medical Apparatus	22,343.02	Approp. for Furniture Equip.	15,000.00
Medical Apparatus	2,027.81	Miscellaneous	1,366.54
Storage Battery	1,000.00	Dr. R.E. Brown Hosp. Equip. Fund	4,284.51
Goucher Building	1,000.00	Ambulance Fund	3,737.63
	-		

CURRENT GENERAL (before closing)

Current Expense-General Budget	20,000.00	General Cash & Overdraft	9,409.93
" " Governors Budget	4,744.89	Receipts - Amer. Baptist F.M.S.	2,500.00
Home Administration-Executive Office	9,570.00	" " Women's Amer. Bap. F.M.S.	750.90
" " Incidentals	321.53	" " Church Missionary Society	600.62
" " Governors	643.91	" " Friends Council	1,006.24
Promotional Expense	200.00	" " Methodist Board	2,500.00
Accounts Receivable	150.00	" " Women's Miss. Soc. M.E. Ch.	700.00
		" " United Church of Canada	2,702.25
		" " Women's Soc. U.S. of Canada	1,968.46
		" " Special Gifts Cur. Budget	1,600.00
		" " General Administration	1,000.00
		Endowment Income - General	10,892.83

West China Balance Sheet

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CURRENT GENERAL (before closing) contd.

Amount carried forward 35,630.33

35,630.33

CURRENT GENERAL (after closing)

Current General Cash	243.69	Receipts - Women's Soc. United Church of Canada	393.69
Accounts Receivable	150.00		
	393.69		393.69

CURRENT SPECIAL (before closing)

Investments - Harvard-Yenching Inst.	15,168.75	Harvard-Yenching Inst. - Restricted Account	40,741.45
Special Cash	43,372.59	Suspense	3,355.67
Savings Bank Accounts - Special	11,658.42	" Dental Unit	335.00
" " - Reserve Fd.	5,815.05	Miscellaneous Current Gifts	1,934.30
Disbursed-Harvard-Yenching Inst. - Restricted Account	5,858.83	Endowment Income-Restricted	392.54
" " Endowment Income Restr.	392.54	Income - J.A. Coles Estate	7,425.47
" " Kate M. Atherton Fund	3.61	" - Kate M. Atherton Fund	1,016.75
" " Henry T. Hodgkin Mem. Fd.	450.00	" - Henry T. Hodgkin Memorial Fd.	941.51
" " Sustaining Fund	2,466.42	Sustaining Fund	13,175.00
		Permanent Reserve Fund	5,815.05
		Accounts Payable	10,053.47
			<u>85,186.21</u>

CURRENT SPECIAL (after closing)

Investments-Harvard-Yenching Inst.	15,168.75	Harvard-Yenching Institute-Restricted Account.	34,882.62
Current Special Cash	33,718.97	Suspense	3,355.67
Savings Bank Accounts - Special	11,658.42	" - Dental Unit	335.00
" " - Reserve Fd.	5,815.05	Surplus	1,118.21
		Miscellaneous Current Gifts	1,934.30
		Income - J. A. Coles Estate	5,725.47
		" - Kate M. Atherton Fund	1,016.14

West China Balance Sheet

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CURRENT SPECIAL (after closing) contd.

Income - Henry T. Hodgkin Memorial Fd.	491.51	
Sustaining Fund	1,636.75	
Perment Reserve Fund	5,815.05	
Accounts Payable	<u>10,053.47</u>	
	66,361.19	
Amount carried forward		<u>66,361.19</u>

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CONSOLIDATED BALANCE SHEET

WEST CHINA UNION UNIVERSITY

ASSETS

JUNE 30, 1941

LIABILITIES

Endowment

Consolidated Investments 5,647.37
Cash Awaiting Investment 10,912.24
Savings Bank Accounts 10,912.24

265,006.13

237,271.59

Scholarship Funds 1,075.00

16,559.61 281,565.74 Exchange Endowment

Research Fund. 19,610.91

Endowment Inc.-Stabilization Fund. 17,127.74

Harvard-Yenching Stabilization Fund. 3,594.33

Profit on Sale of Securities 2,886.17

281,565.74

Plant

Completed Buildings

239,069.84

Funds for Completed Buildings

50,220.91

Land Funds

55,250.87

Special Plant Funds

93,774.56

166,909.10

Cash 5,906.59

Savings Bank Account 11,390.37

17,296.96 455,613.14

455,613.14

Current Assets

Investments Harvard-Yen. A/C

General Cash 243.69

Special Cash 33,718.97

Savings Bank Accounts 17,473.47

Accounts Receivable

Current Liabilities

Harvard-Yen. Restricted A/C

Suspense 34,882.62

" - Dental Unit 3,355.67

Surplus 335.00

Receipts-Womens Soc. of 1,118.21

United Church of Can. 393.69

Miscellaneous Cur. Gift. 1,934.30

Restricted Income Bal. 7,230.12

Sustaining Funds Bal. 1,636.75

Permanent Reserve Fund 5,815.05

Accounts Payable 10,053.47

66,754.88

803,933.76

803,933.73

MONTHLY BUDGET ANALYSIS
WEST CHINA UNION UNIVERSITY
JUNE 30, 1941

DISBURSEMENTS

	<u>A. General Funds</u>		<u>RECEIPTS</u>	
	<u>Appropriation</u>	<u>Disbursed to June 30</u>	<u>Budget Estimate</u>	<u>Rec'd. to 6/30.</u>
	<u>LC\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Field Budget	100,000.00	6,500.00	2,500.00	2,500.00
Field Budget-Spec. Appro.		13,500.00	750.00	750.00
Governors Budget		7,500.00	500.00	500.00
			125.00	100.62
Home Administration			1,250.00	1,006.24
Executive Office		9,570.00	2,500.00	2,500.00
			700.00	700.00
Home Administration Incidentals		400.00		
			3,000.00	2,702.25
Home Adm.-Governors Exp.		400.00	1,750.00	1,574.77
Promotional Expense		200.00	1,600.00	1,600.00
			1,000.00	1,000.00
			11,623.17	10,892.83
			1,700.00	1,700.00
			9,071.83	9,071.83
	100,000.00	38,070.00	33,070.00	36,598.54

B. Special Funds

Program Chinese Studies	80,800.00	4,752.95	80,800.00	4,752.95	4,752.95
Fellowship, T.K. Cheng	800.00	105.88	1,800.00	105.88	105.88
For Upkeep of J.A. Coles Memorial Building		400.00		400.00	385.00
For Scholarship		8.75		8.75	7.54
Special Library Purchase		175.00		175.00	178.69
Promotion of World Peace		450.00		450.00	447.85
Sustaining Fund		2,466.42		2,466.42	2,466.42
	82,600.00	8,359.00	82,600.00	8,359.00	8,344.33

WEST CHINA UNION UNIVERSITY

LIST OF SECURITIES AS OF JUNE 30, 1941

Amount	Security	Cost Price	6/30/41 Market Price	Cost	6/30/41 Market Value	Nominal Income
(a) Consolidated Endowment Investments						
Mortgage Participating Certificates						
10,000.00	119-127 Eastern Pkwy., Brooklyn 4 $\frac{1}{2}$ /40.	100	75	10,000.00	7,500.00	450.00
6,892.78	542 Parkside Ave., Brooklyn 4-3/4/43.	100	80	6,892.78	5,514.22	349.32
19,249.28	Series 200007 - 100 Lefferts Ave. 5 $\frac{1}{4}$ /40	100	85	19,249.28	16,361.89	928.57
Mortgages - Real Estate						
2,000.00	Sarah Crennan, 49 DeWitt Pl., N. Rochelle	6/41 100	100	2,000.00	2,000.00	120.00
5,000.00	I. Gallagher, 23 Lafayette, N. Rochelle	6/41 100	100	5,000.00	5,000.00	300.00
3,000.00	G. & M. Metello, 243 Sickles Ave. " 5 $\frac{1}{2}$ /42	100	100	3,000.00	3,000.00	165.00
4,775.00	G. & V. B. Lambert, 39-6th St. No. Pelham	6/42 100	100	4,775.00	4,775.00	295.50
50,917.06				50,917.06	44,151.11	2,608.39
Railroad Bonds						
10,000.00	Baltimore & Ohio-1st Mtg. 4/48.	92	63-1/4	9,201.67	6,325.00	400.00
10,000.00	Chesapeake & Ohio Railway "E" 3 $\frac{1}{2}$ /96.	100-7/8	105	10,098.75	10,500.00	350.00
8,000.00	Columbus & Hocking Valley 1st. 4/48.	Gift	110	8,000.00	8,800.00	320.00
10,000.00	Missouri Pacific R.R. "G" 5/78.	99-1/4	27-7/8	9,925.00	2,787.50	-
1,000.00	Pacific I.R. of Missouri 1st. 4/38.	Gift	90	1,000.00	900.00	35.00
9,000.00	Pennsylvania K.R. Company "C" 3-3/4/70.	93	95	8,388.75	8,550.00	337.50
10,000.00	Texas & Pacific K.R. "C" 5/79.	100-1/2	69-3/4	10,050.00	6,975.00	500.00
58,000.00				56,664.17	44,837.00	1,942.50
Public Utility Bonds						
15,000.00	Bell Telephone of Canada "B" 5/57.	102-1/2	108-3/8	15,405.00	16,256.25	750.00
1,000.00	Brooklyn Union Gas 1st. "B" 5/57.	106-1/4	104-3/8	1,062.50	1,043.75	50.00
10,000.00	Cleveland Elec. Illum. Co. 3/70.	105	108-1/2	10,500.00	10,850.00	300.00

West China List of Securities

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West China List of Securities						
Amount	Security	Cost	6/30/41	Cost	6/30/41	Nominal
		Price	Market Price		Market Value	Income
Public Utility Bonds (contd.)						
10,000.00	International Tel. & Tel. Deb. 5/55....	96-1/2	44-3/4	9,650.00	4,475.00	500.00
10,000.00	Toledo Edison Co. Deb. 3-1/2/60.....	102	108-7/8	10,200.00	10,887.50	350.00
10,000.00	Utah Power & Light Ist. Mtg. 5/44....	98-1/4	102-3/4	9,825.00	10,275.00	500.00
56,000.00				56,642.50	53,787.50	2,450.00
Industrial Bonds						
400.00	Colorado Fuel & Iron Co. 5/70.....	100	81-7/8	400.00	327.50	20.00
4,000.00	Texas Corporation - Deb. 3/65.....	103-5/8	107	4,145.00	4,280.00	120.00
4,400.00				4,545.00	4,607.50	140.00
Government Bonds						
10,000.00	U. S. Treasury Bonds 3% 1951-55.....	100.13	113-4/32	10,050.63	11,312.50	300.00
Preferred Stock						
800sh.	Aluminum Co. of America - Cum. 6%....	100	110-7/8	80,000.00	88,700.00	4,800.00
9	Cities Service Company 6%.....	99-7/8	55	898.88	495.00	-
				80,898.88	100,507.50	4,800.00
Common Stock						
20sh.	Colorado Fuel & Iron Company.....	30	16-3/8	600.00	327.50	5.00
27	Home Title Guaranty Co. (Cap. Stock)...	8-3/4	3-1/2	237.89	94.50	-
				837.89	422.00	5.00
GRAND TOTAL						
				260,556.13	248,312.61	12,245.89

MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

3:30 P.M. Thursday, October 23rd, 1941
Room 900, 150 Fifth Avenue, New York, N. Y.

List of Members

Dr. J. H. Arnup
*Dr. Frank T. Cartwright
Mr. Forrest Smith

Mr. O. R. Judd
Mr. Dean Sage, Jr.
*Dr. George B. Huntington

Those whose names are starred were present, also C. A. Evans. Telephone conversation with Mr. Smith and Mr. Judd were reported, the recommendation of each being in accord with the actions taken.

APPROVAL OF MINUTES

Minutes of the Finance Committee meeting of June 18 were presented for approval with one suggested change.
It was

F-1561 VOTED to approve the minutes of the Finance Committee of June 18 with the exception that Action-F-1556 be amended to substitute the figure of \$13,421.06 for the \$8,250.00 used in error, the deduction of \$1000.00 to remain as in F-1556.

REPORT ON FINANCES

The following report from Spencer Trask & Co. was submitted.

"Recently authorized sales and purchases leave but little to comment at this time. However, there are still remaining two second-grade rail bonds--Missouri Pacific 5/78 and Texas & Pacific 5/79, which we will continue to watch carefully. Also International Tel. & Tel. 5/59 are undesirable, and should be replaced with a more suitable holding. Here again we do not think it necessary to sell at the moment as conditions are improving for this company.

"The Aluminum Company preferred is an important item which should probably be partially liquidated sometime only for purposes of diversification - if not restricted as to sale. This is a very attractive holding at the cost price of 100, and as reinvestment in an issue of the same quality and yield is virtually impossible today, we recommend that this be held indefinitely, unless diversification is deemed important by the committee.

"The other two or three small items of Colorado Fuel and Iron bonds and preferred and Cities Service preferred are also unsuitable for permanent investment, and these ~~could be sold~~ at any time when general changes are being made."

It was stated that the recommendations made at the last meeting have all been executed, with the exception of the following sales, which are still pending a rise in market price:-

10,000 Baltimore & Ohio 4/48
7,000 Toledo Edison 3 $\frac{1}{2}$ /60

0721

10/23/41

The purchase of \$20,000 U.S. Savings Bonds Defense Series "G" 2 $\frac{1}{2}$ /53 was reported.

The Committee reviewed the list of securities and took the following action:

F-1562 VOTED to sell

400 Colorado Fuel & Iron 5/70
20 shs. " " " " Common Stock
9 " Cities Service 6% Preferred Stock

It was the thought of the Committee that Aluminum Company Preferred represents such a good income producing investment that for a time at least the recommendation of Spencer Trask should be followed.

DEPOSIT OF INACTIVE FUNDS IN SAVINGS BANK

The Committee learned that the Newton Savings Bank of Newton, Massachusetts is willing to accept deposits up to \$5000.00 on 2% interest basis. Reference was made to the possible deposit of some of the Harvard-Yenching Balances.

F-1563 VOTED to instruct the treasurer's office to open an account with the Newton Savings Bank of Newton, Massachusetts at 2% interest, the proper officers of the board being instructed to execute necessary papers and using such funds as shall be for daily employment.

Observing that other savings institutions might be utilized for cash balances, the treasurer's office was requested to investigate other Savings Banks in New England, particularly in Hartford and report at the next meeting of the Committee.

TITLE TO UNIVERSITY PROPERTY

The Committee noted that the last action referring to this situation was voted at the June 18th meeting and read as follows:

"F-1553 VOTED that the Treasurer's office be instructed to take the following steps toward clarifying the title to University property in Chengtu.

(a) Communicate with the United Church of Canada and obtain the records of such agreements with participating boards as have been prepared and executed.

(b) Obtain from Canadian Board latest information as to the legality of that board's power to hold University property.

(c) If necessary consult counsel of the Canadian Board to clarify the whole situation.

(d) Assemble final findings for a Finance Committee meeting to be held early in September."

A report from the China Secretary of The United Church of Canada dated October 22, 1941 stated:

"There does not seem to be much to write in reply as we have no knowledge of any further documents than those which we have reported to the Board. However, I have asked Mr. Whitehead, our solicitor, to prepare a memorandum for the Board meeting on the matter of titles received from our point of view, and I judge that is under way. If there is anything specific that you think we can furnish please let me know and I will have it prepared."

0722

10/23/41

In giving thought to the situation the Committee felt that it should give more time to the study of the problems involved and explored the possibility of holding another meeting of the Finance Committee before the Board of Governors convened on November 5. It was left to the acting secretary to arrange such a meeting, with sufficient time available to review any matter requiring attention of the Finance Committee. Therefore, action on this Land situation was deferred to the next meeting.

STATUS OF THE GOVERNORS BUDGET

The Assistant Treasurer stated that word had been received from the University indicating the possible need of more funds for travel for staff supported by the Governor's budget. The Committee learned that exclusive of the present year's commitments there appeared to be a balance of approximately \$1,500.00 available.

It was suggested that this information be conveyed to the Board of Governors.

APPLICATION FOR SUSTAINING FUNDS

The Committee reviewed the figures presented to the Associated Boards requesting assistance in the raising of an emergency fund to carry on the work during 1941-42. It also noted that Action-E-1541 approved the sum of \$38,318.13 as the emergency askings and as conditions have not materially changed, this amount should represent the West China goal.

1940-41 REPORT OF THE TREASURER OF GOVERNORS

Copies of the 1940-41 treasurer's report were distributed along with the Auditor's Report. It was felt that the Annual Report should be distributed to Committee members for study and action at a later meeting.

On motion adjourned

C. A. Evans

Assistant Treasurer

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MINUTES OF MEETING

FINANCE COMMITTEE

WEST CHINA UNION UNIVERSITY

10:00 A.M. War Time, Wednesday, November 5, 1941
Board Room, 299 Queen St. West
Toronto, Canada

List of Members

*Dr. George B. Huntington, Chairman	Mr. O. R. Judd
*Dr. J. H. Arnup	Mr. Dean Sage, Jr.
Dr. Frank T. Cartwright	*Mr. Forrest Smith

Those with names starred were present, also Mr. A. T. Whitehead, Counsel for the United Church of Canada, Bishop H. Welch, alternate for Dr. Cartwright, and Mr. C. A. Evans.

LAND SITUATION

Dr. Huntington called the meeting to order and stated that the main purpose was to take advantage of the presence of Mr. Whitehead, who had been making a study of the Agreements covering the Land situation at West China Union University. It was stated that this represented a continuation of the discussion on Land titles considered at the Finance Committee meeting of October 23, 1941 and prior thereto. It was recalled that Dr. Arnup had volunteered to consult Mr. A. T. Whitehead and the latter was requested to present such findings as were available.

Mr. A. T. Whitehead, counsel for The United Church of Canada informed the committee that by certain deeds executed according to the laws of China certain lands in Chengtu, Szechwan, China, were conveyed to The Canadian Methodist Mission, an unincorporated body under the control and direction of the Methodist Church in Canada, for the several missionary societies cooperating in that place for the purpose of establishing a Union University in West China; and that by declaration of trust dated the 27th day of March 1916 The Methodist Church in Canada acknowledged the said lands to be held in trust for the various boards therein referred to; and by declaration of trust dated the 20th day of June 1931 The United Church of Canada similarly executed a declaration of trust in respect of the said lands.

WHEREAS for the purpose of clarifying the ownership and ultimate registration of the titles of the lands referred to it is deemed expedient to enter into new agreements and that for that purpose it was

F-1564 VOTED to recommend to the Board of Governors

- (1) That new agreements be entered into contemplating
 - (a) Continuance of present registration of the said titles in China.
 - (b) Acknowledging the Board of Governors of West China Union University to be the owner of the lands purchased for or contributed for the use of the University.
 - (c) That separate agreements be entered into with the several boards having an interest in properties other than those exclusively occupied by West China Union University whereby the equitable interests of those boards in the respective properties are duly recognized.

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- (d) That in consultation with the Finance Committee, Mr. Whitehead be requested to negotiate and confer with counsel for the Baptist and Methodist Churches in New York in respect of these matters, full report to be made to the Finance Committee.
- (e) That meanwhile counsel be instructed to confer with the Boards in England regarding their interest in these properties.

INSURANCE ON PROPERTY

It was reported that several Insurance Companies in the United States had been consulted regarding insuring property in China but all had refused. The Home Insurance Company, with headquarters in New York, had suggested that their agent in China could handle it satisfactorily. It was further stated that the field had given evidence that the property is properly insured, the present policy expiring July 4, 1941, however, there is no information available regarding amounts, conditions or specific coverages. It was.

- F-1565 VOTED that the Assistant Treasurer be requested to communicate with the field asking for an up-to-date map of the campus with specific designation as to the U.S.\$ coverage value of insurance, names of insurance companies, and any other pertinent information.

TREASURER'S REPORT, 1940-41

The Treasurer's Report for 1940-41 was presented and reviewed with recommendations and it was

- F-1566 VOTED to recommend to the Board of Governors the acceptance of the 1940-41 Report of the Treasurer and the adoption of the resolutions transferring surplus to the Trustee's Reserve Fund.

AUDITOR'S REPORT, 1940-41

The Committee studied the report of Chambellan, Berger & Welti, covering the period from July 1, 1940 to June 30, 1941, and it was

- F-1567 VOTED to recommend to the Board the acceptance of the Auditor's Report for 1940-41.

BEQUEST FROM WALLACE ESTATE

A communication from the National Trust Company, Limited, Toronto, Canada, was presented. It was

- F-1568 VOTED to present the following letter to the Board of Governors for consideration and action.

"This Company has applied for probate of the Will of the late Dr. Edward W. Wallace formerly Chancellor of Victoria University, Toronto. Under the provisions of his Will his widow receives the income until death or remarriage with provisions for payment out of capital for herself and for the son. Upon the death or remarriage of Mrs. Wallace one-half the estate or \$5,000, whichever is the larger, goes to the son and the remainder of the estate.

is divided as follows:

5. (b) To divide the remainder of the residue of my estate, in equal shares, amongst my sister Muriel Joy Wilson Wallace, my brother Paul Anthony Wilson Wallace, The Board of Governors of the West China Union University for the maintenance in perpetuity of the Rose Cullen Wallace Scholarship for women students and The Board of Regents of Victoria University for establishing, or if already established, for increasing the capital of, a scholarship in Emmanuel College in memory of my late father The Reverend Francis Huston Wallace. In case either my said sister or my said brother shall predecease my said wife leaving issue which shall be living at the death of my said wife, such issue shall take, in equal shares amongst them if more than one, the share of the residue of my estate which the deceased parent would have taken if living, but in case either my said sister or my said brother shall predecease my said wife leaving no issue which shall be living at her death the said share shall lapse and the aforesaid remainder of the residue of my estate shall be divided amongst the remaining beneficiaries mentioned or referred to in this paragraph of my Will.

The estate has been valued for probate at \$15,641.97."

REPORT ON SAVINGS BANKS

The Assistant Treasurer reported that an investigation of three Savings Banks in Hartford had shown all to be very satisfactory, and any or all would be receptive to the deposit of University Funds. The suggestion was made that U. S. Government Series G Bonds be used instead of Savings Banks, as they would yield 2.90. It was

F-1569 VOTED that the Treasurer's office investigate the possible use of U. S. Government Series G. Defense Bonds for balances on the books, and be authorized to make such investment if the Treasurer's office and Chairmen of the Finance Committee so agree.

On Motion Adjourned.

Respectfully submitted

C. A. EVANS
Assistant Treasurer

MINUTES OF CONFERENCE
ATTORNEYS AND FINANCE COMMITTEE REGARDING LAND TITLES
WEST CHINA UNION UNIVERSITY

10:00 A.M. Tuesday, December 30, 1941
120 Broadway, New York, N. Y.

Members

Dr. George B. Huntington, Chairman
Dr. J. H. Arnup
*Dr. Frank T. Cartwright

Mr. O. R. Judd
Mr. Dean Sage, Jr.
Mr. Forrest Smith

Regrets were presented from Dean Sage, Jr., O. R. Judd, Forrest Smith, G. B. Huntington, and J. H. Arnup.

Dr. Cartwright of the Committee was present, the others being Mr. A. T. Whitehead, representing the United Church of Canada, Mr. St. John, representing the American Baptist Missionary Society and West China Union University, and Mr. J. T. Murray, representing the Board of Missions and Church Extension and Mr. C. A. Evans.

Mr. Whitehead read a temporary deed of trust executed by the Methodist Church, (Canada) dated 27th March 1916, which assumed trusteeship for University Mission Board property at West China, and a similar deed of trust executed by The United Church of Canada dated 20th June 1931.

Correspondence upon the subject was read by Mr. St. John, principally a letter from Dr. Huntington dated November 13, 1930 to Howell, Reid, Wright & McMillan, and the reply of Mr. Langford thereto dated November 7, 1930.

Mr. Whitehead stated that the United Church of Canada was not organized to act as trustee for the University, and that some other method should be found to properly invest a trusteeship for land titles. Alternative methods were suggested but transfer to the Board of Governors seemed to be the most sensible and simple procedure. After establishing the fact that American organizations may hold title to property in China while continuing to use same for eleemosynary purposes, it was agreed that Mr. Whitehead prepare a statement covering the attitude of The United Church of Canada to be submitted to cooperating Mission Boards and the Board of Governors for consideration.

STATUS OF THEOLOGICAL COLLEGE

Reference was made to action G-1632, wherein the Finance Committee was requested to investigate the powers of the Governors in relation to accepting legal responsibility of the Theological College.

Item (3), paragraph (b), section 2 (Affiliated Colleges and Schools) of Article III in the constitution was read, as follows: "The aim of these colleges shall be to supplement the work of the University by contributing to the physical, social, intellectual, and religious education of their college group, or continuing with other colleges for this purpose."

Feeling satisfied that the Governors could rightly accept a limited responsibility for the Theological College under the foregoing constitutional pronouncement it was agreed to circulate the following to the Finance Committee and those present for final vote:

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THAT the Board of Governors of West China Union University serve the West China University Theological College in such matters as may be related to the church in North America, and if requested it shall hold property for West China University Theological College under deed of trust properly executed.

Respectfully submitted,

C. A. Evans

C. A. Evans
Assistant Secretary

CAE:MM

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MINUTES OF MEETING
COMMITTEE ON FINANCE
WEST CHINA UNION UNIVERSITY

10:30 A.M. Wednesday, April 22nd, 1942
Room 900, 150 Fifth Avenue, New York, N. Y.

List of Members:

Dr. J. H. Arnup	Mr. O. R. Judd
*Dr. Frank T. Cartwright	Mr. Dean Sage, Jr.
Dr. George B. Huntington	*Mr. Forrest Smith
*Bishop Herbert Welch, ex officio	

Those whose names are starred were present, also C. A. Evans.

Dr. Cartwright was elected Chairman pro tem.

The meeting was opened with prayer led by the Chairman.

DR. HUNTINGTON'S RESIGNATION

It was reported that Dr. Huntington had requested the Board of Governors to relieve him of the responsibility of holding the office as Chairman of the Finance Committee. In view of his long and faithful service in this capacity, it was

F-1641 VOTED that the Secretary express to Dr. Huntington the regrets of the Committee in that he has felt called upon to retire as Chairman, and to extend best wishes for his future welfare.

LAND SITUATION IN CHINA

The Committee gave consideration to a letter received from Mr. A. T. Whitehead, reviewing his understanding of the land situation in China as related to the United Church of Canada. It seemed to appear that with the approval of other cooperating Boards opportunity is now available to proceed with the drawing up of an agreement. It was felt that, barring the final advice of counsel to the Baptist Board and to the Methodist Board, the understanding seemed to be conclusive relative to the immediate execution of the deed of trust for certain properties previously held in trust by the United Church of Canada, but that other properties held by Boards have not been cleared by the mission organizations. It was therefore

F-1642 VOTED (a) To request the United Church of Canada to transfer to the Board of Governors of the University that property held in trust for the University such as the Administration building, the library, the educational building, science building, and the Cole Clock Tower.

(b) That properties designated as having been held in trust for other Boards be conveyed to the Board of Governors to be held in trust for these individual mission boards.

(c) That the attorneys for the Methodist and Baptist Mission Boards be approached immediately for legal judgment covering the proposed transfers.

April 22, 1942

(d) That complete information from the attorneys and the foregoing actions be transmitted by the Secretary to Mr. Whitehead in Toronto, Canada, with the request that the finished document be in readiness for the meeting of the Executive Committee to be held on May 6th.

REVIEW OF LIST OF SECURITIES

A review of the list of securities by Mr. Orrin R. Judd was presented, also one from Spencer Trask & Company. The committee studied the recommendations with interest, giving special attention to the amount of Aluminum preferred stock held in the portfolio. After reviewing various aspects of the aluminum industry and the possibility and desirability of disposing of a portion of the West China holdings, it was

F-1643 VOTED that authority be given to the Treasurer's office to sell 200 shares of Aluminum Company preferred stock at a time best suited to secure a recognized value of approximately 107 or better.

With reference to the cash on hand, due thought was given to the purchase of U. S. Government securities, and it was

F-1644 VOTED to purchase \$20,000 U. S. Savings Bonds Defense Series "G" from cash available and held on hand.

Isabelle Gallagher mortgage, 23 Lafayette St., New Rochelle.

The Assistant Treasurer reported that this mortgage is in difficulties and that steps are being taken to reclaim the property. It was felt that no deed should be accepted without proper investigation except through legal advice, and it was

F-1645 VOTED that the Treasurer's office be instructed to take such legal advice as is necessary in establishing the status of the Isabelle Gallagher mortgage, and in case the deed is properly received, to approve the recording of same.

It was also

F-1646 VOTED to authorize the Treasurer's office to arrange rental of the property, applying income toward the arrearages of taxes and other charges.

International Tel. & Tel. 5/55 debenture.

A further study of this situation seemed to be advisable, and the Treasurer's office was instructed to make a careful survey of the situation, and if the new report seems to indicate no future probabilities of appreciation that authority be given to sell the holding at once.

Government Securities.

Upon recommendation of investment counsel, it was

F-1647 VOTED to authorize the sale of \$20,000 U. S. Savings Bonds 2½%, 9/1/53, and to purchase U. S. Defense Bonds Series "G" with the proceeds.

It was also

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April 22, 1942

F-1648 VOTED to further check upon the standing of the Toledo Edison $3\frac{1}{2}/60$ bonds, and if the loss upon the total sale does not amount to more than \$75.00, that same be sold.

ACKERMAN FUND

It was reported that the following securities held in the Ackerman Fund, the income of which has been remitted to the field treasurer through the Methodist Board have been sold:-

	<u>Proceeds</u>
\$1,000 Pacific Railroad of Missouri	846.98
400 Colorado Fuel & Iron Co.	318.80
20 shs. " " " " " common stock	302.89
	<u>1,468.67</u>

It was

F-1649 VOTED that the proceeds of the Ackerman Fund sales be invested in U. S. Defense Bonds Series "G" in \$1,000 units, the odd amount to be placed in a savings bank account, and the Treasurer's office be authorized to sign such documents as are necessary for the opening of such an account.

BUDGET FOR 1942-43

The Committee learned that efforts have been made to secure a total figure representing an approximate amount for the field budgetary needs in 1942-43. As no reply has been received, the Committee felt it necessary to refer the entire matter to the Executive Committee meeting to be held on May 6th.

NEED OF US\$5,000 TO COMPLETE CENTRAL UNIT OF THE MEDICAL TEACHING BUILDING

The communication from China regarding the \$5,000 needed to complete the central medical teaching unit was presented, and it was revealed that an appeal had been made to the United Church of Canada for funds to cover this overdraft. With a hope that a sufficient amount could be secured from some source for this very needy purpose, it was

F-1650 VOTED that the Committee record its approval of the askings of \$5,000 for the completion of the medical teaching unit, with the hope that with this endorsement the request may receive consideration by the United Church of Canada or the United China Relief.

ACTION BY TRUSTEES OF HARVARD-YENCHING INSTITUTE ON NOVEMBER 17, 1941

The following action by the Harvard-Yenching Institute was presented at the meeting:

"VOTED That this Board request the Board of Governors of West China Union University in New York to explain the policy whereby they maintain in New York a considerable balance of the Restricted Fund income received from the Harvard-Yenching Institute and yet the authorities on the field continue to send requests for additional appropriations to the Institute and also when the field of Chinese undergraduate studies is inadequately developed at the University. The Board would also appreciate information as to why they were not notified of the existence of these free balances in New York."

Drafts of two letters in answer to the foregoing were presented, and it was

F-1651 VOTED to refer the matter to a committee of three, consisting of the Chairman of the Board, the Assistant Treasurer, and Dr. Eric M. North, the final communication to be presented at the Executive Committee meeting on May 6th. On motion adjourned.

C. A. EVANS
Assistant Secretary

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REPORT OF THE TREASURER
BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY
JUNE 30, 1942

Cut off from the outside world most of the year except for airplanes and radio, yet West China Union University continued to carry on still acting as host to three other Christian institutions. Yenching University will be added when the fall work begins. Thus in adversity do Christian institutions thrive.

Here in America the task has been to keep sufficient funds flowing to the field to counteract the terrific advance of living costs. With the wholehearted cooperation of the participating Mission Boards and the Associated Boards through United China Relief, funds were made available to balance the budget in China. There was a surplus on the Governors' books on June 30, 1942.

This report has been checked by the Auditors, Messrs. Chambellan, Berger and Welti and is accompanied by the following documents:

- (a) Trial Balance Sheet of June 30, 1942 (Pages 7-10)
- (b) Consolidated Balance Sheet (Page 6)
- (c) Budget Analysis for 1941-42 (Page 11)
- (d) List of Securities of June 30, 1942 (Pages 12-13)

ENDOWMENT

West China Endowment Funds (Page 7) increased \$1,756.95 to a total of \$283,322.69. This additional amount came from the following sources:

Special Gift Mead Memorial Library Fund	\$300.00
Interest on " " " "	38.69
Interest on H. Y. I. Stabilization Fund	171.27
Profit on Sale of Securities	1,246.99
	<u>\$1,756.95</u>

Most of the cash increase was held waiting investment on June 30 -- the exact schedule being as follows:

Increase of Investments	265.09
Income carried in Savings Banks	205.68
Cash awaiting investment increase	1,817.51
	<u>\$2,288.28</u>
Less: Decrease in Ackerman Fund Investments	531.33
	<u>\$1,756.95</u>

Changes in investments were made through the Finance Committee of which reports have been made in the minutes of that Committee.

June 30, 1942

The list of securities (Pages 12-13) indicates the market value as of June 30 to be \$238,096.92 with a nominal income of \$11,907.42. The actual income as shown on our books for 1941-42 not deducting custodian fees was \$12,948.75 or 4.9%.

PLANT

The funds in this section increased by \$12,134.28 to a new total of \$467,747.42 (see Page 8). The source of this increase is shown as follows:

Rockefeller Foundation grant for Hospital	\$7,500.00
Hospital Equipment (Thru R. E. Brown Campaign)	4,253.85
" " " " Special Gifts	220.00
Savings Bank Interest	160.43
	<u>\$12,134.28</u>

Expenditures in this section for the year were as follows:

Sent to field for Hospital Equipment	9,661.21
" " " " Clinical Hospital	7,008.48
	<u>\$16,669.69</u>
Less: Cash balances of 1940-41 used	4,535.41
To reconcile with income.	<u>\$12,134.28</u>

Early in the fiscal year, the new Chemistry building was put into operation as the result of the cooperation of all units working on the West China campus. Ultimately this becomes the property of the University.

CURRENT GENERAL

Listed below are the total income and disbursement schedules for 1941-42. Not alone is the past year's income shown, but the figures for 1940-41 are also included for comparison:

INCOME

<u>Source</u>	<u>1941-42</u>	<u>1940-41</u>
American Baptist Foreign Missionary Society	\$2,500.00	\$2,500.00
" " " " " Women	750.00	750.00
Church Missionary Society	600.00	600.62
Friends Service Council	1,010.00	1,006.24
Methodist Board	3,545.84	3,200.00
United Church of Canada	2,625.04	2,702.25
" " " " " Women	1,574.76	1,574.77
Special Gift Atherton family	1,500.00	1,600.00
General Administration (H. Y. I.)	1,000.00	1,000.00
Endowment Income	11,576.70	10,892.83
Coles Estate Income	2,300.00	1,700.00
H. Y. I. Restricted	12,421.06	4,858.83
Sustaining Funds	36,662.13	11,538.25
Designated Income	1,058.97	1,019.08
	<u>\$79,124.50</u>	<u>\$44,942.87</u>

<u>EXPENDITURES</u>	<u>1941-42</u>	<u>1940-41</u>
Field Budget	\$20,000.00	\$20,000.00
Governors' Budget	5,700.00	4,744.89
Home Administration & Promotion	8,999.13	9,770.00
Governors' Miscellaneous Expenses	1,031.08	965.44
Chinese Cultural Budget	12,421.06	4,858.83
M.E. Board Upkeep Coles Mem. Bldg.	357.50	385.00
Scholarships	35.27	7.54
Special Library Purchases	--	3.61
World Peace Program	450.00	450.00
Sustaining funds for the Field	27,575.13	2,466.42
	76,569.86	43,651.73
	216.20	172.93
Designated Income carried forward	2,338.44	1,118.21
Surplus	\$79,124.50	\$44,942.87

Changes to be noted in receipts are as follows:

The increase in receipts from the Methodist Board amounting to \$345.84.
The slight decrease from the United Church of Canada, due to difference in exchange.
The \$100.00 decrease from the Atherton family.
The increase of Endowment income traceable to the complete investment of funds.
The \$600.00 increase in Coles Estate income resulting in the use of additional funds from the reserve carried in the Restricted account.
The full use of the Harvard-Yenching restricted appropriation.
The more than trebling of income from Sustaining Funds.

From the increases listed above it will be seen that there was a total of \$34,181.63 more available than in 1940-41. The bulk of this increase was passed on to the field aside from the surplus shown of \$2,338.44.

In addition to the Sustaining funds carried within the budget, West China also received \$6,402.75 from the Associated Boards as a distribution of funds carried forward from 1940-41.

CURRENT SPECIAL SECTION

Harvard-Yenching Restricted Account showed a credit balance on June 30 of \$34,248.50 representing a net decrease of \$634.12 accounted for as follows:

Charges:-	Gustodian fees	\$ 7.50	
	Authorized Book Purchases	800.00	
	Bal. due field T.K. Cheng fellowship	486.02	\$1,293.52
			639.40
Less Income on Investments			\$ 634.12

The major portion of the fund is invested or carried in Savings Bank accounts.

J. A. Coles Estate. This fund was decreased during the year due to action E-1538 as follows:

Total Income		\$1,885.00
Balance, June 30, 1941		5,725.47
		<u>\$7,610.47</u>
Less Authorizations	\$1,854.32	
Budget	<u>2,300.00</u>	4,154.32
		<u>\$3,456.15</u>

Kate M. Atherton Fund. This fund increased \$190.20 which represented income on investments, the closing total being \$1,203.34.

The Henry T. Hodgkin Memorial Fund. The receipts in this fund during 1941-42 totaled \$476.00 representing income on investments. As \$450.00 was included in the Budget, \$26.00 was carried forward in the balance, making that figure \$517.51.

Permanent Reserve. The surplus of 1940-41 of \$1,118.21 and interest (\$116.95) on investments brought the total of this Fund to \$7,050.21 on June 30.

Accounts Payable. The total balance in this account June 30 was \$40,617.94, consisting of the following:

Hodgkin Memorial Appropriations, 1937-42	\$1,865.24
Scholarships, 1938-42	58.72
Sustaining Fund, 1938-1942	23,164.69
Harvard-Yenching Balances	14,768.79
Special Items	<u>760.50</u>
Total-	\$40,617.94

The "Special Items" were merely transfers, and cleared in the first journal entry of the new year, and \$10,500.00 of Harvard-Yenching Institute Balances upon field instructions have been labeled as "current funds."

CASH

The Cash on hand June 30 totaled \$64,829.53, shown in the following sections:

	<u>Balance</u>	<u>Overdraft</u>
Endowment	\$7,464.88	
Plant	2,719.23	
Current General		\$2,228.69
Current Special	<u>56,874.11</u>	
	67,058.22	<u>\$2,228.69</u>
Less overdraft	<u>2,228.69</u>	
	\$64,829.53	

The total of the above cash was carried with the Irving Trust Company, 21st St. Branch - in three accounts - Endowment, Plant, and Current.

In addition to the above the following funds were carried in Savings
Banks:

Maria S. Anderson Memorial Endowment Fund	\$.468.67
Endowment	11,117.92
Plant	10,042.32
H-Y Inst. Reserve Fund	16,849.07
Governors' " "	<u>5,932.00</u>
	\$44,409.98

RECOMMENDATIONS

As current operations resulted in a surplus of \$2,338.44 in the Governors' Budget, it is

Recommended that the 1941-42 surplus be carried forward to be applied on the Home Administration charges for 1942-43.

Respectfully submitted,

F. T. Cartwright, Treasurer

C. A. Evans, Assistant Treasurer

8245.894.04

WEST CHINA UNION UNIVERSITY

TRIAL BALANCE JUNE 30, 1942

<u>ENDOWMENT</u>	<u>Debit</u>	<u>Credit</u>
11a Consolidated Endowment Investments.....	250,821.22	
11b Special Endowment Investments - Ackerman.....	9,468.67	
11d J. W. L. Forster Estate Fund Investments.....	4,450.00	
111 General Endowment Fund.....		2,000.00
111a William Ronk Fund.....		52.09
111c Hall Endowment Fund - General.....		200,000.00
111d J. W. L. Forster Estate Fund.....		4,450.00
112 Henry T. Hodgkin Memorial Fund.....		10,072.18
113 Maria S. Ackerman Memorial Fund.....		10,000.00
114 J. E. Johnson Chair of Practical Christianity.....		5,000.00
115 Scholarship Funds - Rosemond \$800; General \$275.....		1,075.00
116 William Masland Library Fund.....		1,000.00
116a Mead Memorial Hospital Library Fund.....		1,036.01
117 The Kate M. Atherton Fund - Special Library Purchase		4,000.00
118 Exchange Endowment - Reserve Fund.....		19,610.91
118a Endowment Income Stabilization Fund.....		17,127.74
118b Harvard-Yenching Institute Stabilization Fund.....		3,765.60
19 Cash Awaiting Investment.....	7,464.88	
19.1 Savings Bank Accounts.....	11,117.92	
119 Profit on Sale of Securities.....		4,133.16
	<u>283,322.69</u>	<u>283,322.69</u>

WEST CHINA UNION UNIVERSITY

TRIAL BALANCE JUNE 30, 1942

PLANT		Debit	Credit
20	Completed Buildings:		
	(a) Whiting Memorial Administration.....	49,254.66	
	(b) Cadbury School of Education.....	23,176.58	
	(c) Scattergood Middle School.....	27,726.92	
	(d) Middle School Chapel.....	7,841.37	
	(e) Medical & Dental College.....	48,652.61	
	(f) Coles Clock Tower.....	8,378.35	
	(g) Residences.....	18,582.19	
	(h) Lamont Memorial Library.....	30,254.78	
	(i) Atherton Biology & Preventive Med....	25,202.38	
		239,069.84	
120	Funds for Completed Buildings.....		239,069.84
21	Land.....	42,420.58	
21a	Land - Middle School Building Site.....	7,500.00	
21b	Land Improvements.....	300.33	
121	Land & Building Fund - General.....		49,634.20
122	Special Funds:		
	(d) Scattergood Middle School Site.....		5,000.00
	(f) WCUU Hospital-Rockefeller Foundation Grant 1941		10,000.00
	(g) Pharmacy Building.....		2,000.00
	(h) Coles Clock Tower.....		209.64
	(j) Clinical Hospital.....		20,000.00
	(k) Hospital Equipment.....		33,286.99
	(m) Residences.....		2,500.00
	(p) Atherton Memorial Biology & Prev. Med. Bldg..		297.62
	(r) Benjamin Moore Memorial Hospital.....		58,644.93
	(t) Chemistry Building.....		15,000.00
	(v) United Church of Canada - Hospital Equipment.		10,000.00
	(w) Scientific & Medical Laboratory Equipment....		2,000.00
	(wl) Appropriation for Furniture Equipment.....		15,000.00
	(x) Miscellaneous.....		1,366.54
124m	Ambulance Fund.....		3,737.63
24	Equipment:		
	(a) Library Books & Furniture.....	2,449.90	
	(f) New Hospital - Rockefeller Grant 1941.....	4,443.36	
	(k) Hospital.....	26,431.60	
	(m) Ambulance.....	3,737.63	
	(wl) Scientific & Medical.....	22,343.02	
	(w2) Apparatus.....	2,027.81	
	(w3) Medical Apparatus.....	1,000.00	
	(w4) Storage Battery.....	1,000.00	
	(w5) Goucher Building.....	1,200.00	
	(x) Miscellaneous.....	278.76	
26	Building Operations:		
	(g) Pharmacy Building.....	2,000.00	
	(j) Clinical Hospital Building.....	79,381.39	
	(m) Residences.....	2,500.00	
	(q) Church Missionary Society Dormitory.....	1,901.65	
	(t) Chemistry Building.....	15,000.00	
29	Plant Cash.....	2,719.23	
29,1	Savings Bank Accounts.....	10,042.32	
		467,747.42	467,747.42

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WEST CHINA UNION UNIVERSITY

TRIAL BALANCE JUNE 30, 1942

<u>CURRENT GENERAL</u>		<u>Debit</u>	<u>Credit</u>
31.1	Current Expense - General Budget.....	20,000.00	
31.2	" " - Governors Budget.....	5,700.69	
36.1	Home Administration - Executive Office.....	8,999.13	
36.2	" " - Incidentals.....	312.46	
36.3	" " - Governors.....	695.59	
36.4	Promotional Expense.....	23.03	
39	General Cash - Overdraft.....		11,277.25
131a	Receipts - American Baptist Board.....		2,500.00
131b	" - Women's American Baptist For. Miss. Soc.		750.00
132	" - Church Missionary Society.....		600.00
133	" - Friends Service Council.....		1,010.00
134a	" - Methodist Board.....		2,708.34
134b	" - Women's Missionary Society M. E. Church.		837.50
135a	" - United Church of Canada.....		2,625.04
135b	" - Women's Society United Church of Canada.		1,574.76
136	Special Gifts for Current Budget.....		1,500.00
136.3	Receipts - General Administration.....		1,000.00
137	Endowment Income - General.....		11,576.70
139	Accounts Receivable.....	2,228.69	
		37,959.59	37,959.59

CURRENT SPECIAL

71.2	Investments - Harvard-Yenching Institute.....	15,168.75	
79	Special Cash.....	65,922.67	
79.1	Savings Bank Accounts - Special.....	16,849.07	
79.2	" " " - Reserve Fund.....	5,932.00	
171.2	Harvard-Yenching Institute - Restricted Account....		47,669.56
171.2	Disbursed - Harvard-Yenching Inst. Restricted Acct.	13,421.06	
172	Suspense.....		3,015.75
172.2	" - Dental Unit.....		2,905.72
172.2	Disbursed to Field - Suspense - Dental Unit.....	1,500.00	
172.3	Suspense - Harvard-Yenching Special Book Purchases.		716.22
175.1	Miscellaneous Gifts for Current Budget.....		254.15
175.2	Endowment Income - Restricted.....		392.77
175.2	Disbursed - Endowment Income - Restricted.....	392.77	
175.3	Income J. A. Coles Estate.....		7,610.47
175.3	Disbursed - Income J. A. Coles Estate.....	1,854.32	
175.4	Income - Kate M. Atherton Fund.....		1,203.34
175.5	" - Henry T. Hodgkin Memorial Fund.....		967.51
175.5	Disbursed - Henry T. Hodgkin Memorial Fund.....	450.00	
175.6	Sustaining Fund.....		36,662.13
175.6	Disbursed - Sustaining Fund.....	27,575.13	
178	Permanent Reserve Fund.....		7,050.21
179	Accounts Payable.....		40,617.94
		149,065.77	149,065.77

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WEST CHINA UNION UNIVERSITY

TRIAL BALANCE AFTER CLOSING JUNE 30, 1942

<u>CURRENT GENERAL</u>	<u>Debit</u>	<u>Credit</u>
39 Current General Cash - Overdraft.....		2,228.69
139.1 Accounts Receivable.....	2,228.69	
	2,228.69	2,228.69
<u>CURRENT SPECIAL</u>		
71.2 Investments - Harvard-Yenching Institute.....	15,168.75	
79 Current Special Cash.....	56,874.11	
79.1 Savings Bank Account - Special.....	16,849.07	
79.2 " " " - Reserve Fund.....	5,932.00	
171.2 Harvard-Yenching Institute - Restricted Account.....		34,248.50
172 Suspense.....		3,015.75
172.2 " - Dental Unit.....		1,405.72
172.3 " - Harvard-Yenching Special Book Purchases..		716.22
175 Surplus.....		2,338.44
175.1 Miscellaneous Special Gift.....		254.15
175.3 Income - J. A. Coles Estate.....		3,456.15
175.4 " - Kate M. Atherton Fund.....		1,203.34
175.5 " - Henry T. Hodgkin Memorial Fund.....		517.51
178 Permanent Reserve Fund.....		7,050.21
179 Accounts Receivable.....		40,617.94
	94,823.93	94,823.93

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BUDGET ANALYSIS 1941/42
WEST CHINA UNION UNIVERSITY
AS OF JUNE 30, 1942

DISBURSEMENTS

Acct. No.	Appropriation	Disbursed to June 30	Acct. No.	Budget Estimate	Rec'd to June 30
31.1	Field Budget	7,500.00	131a	American Baptist F.M.S.	2,500.00
	Field Budget -- Special	12,500.00	131b	American Baptist Women	750.00
31.2	Governors Budget	7,500.00	132	Church Miss. Society General	500.00
			132	" " Women's	100.00
36.1	Home Administration -- Executive Office	9,312.00	133	Friends Service Council	1,025.00
36.2	Home Adm. -- Incidentals	400.00	134a	Methodist Board	2,500.00
36.3	" -- Governors Expense	400.00	134b	Methodist Women	700.00
36.4	Promotional Expense	200.00	135a	United Church of Canada	3,000.00
			135b	" " Women	1,750.00
			136	Special Gifts; Atherton Family	1,600.00
			136.3	General Administration	1,000.00
			137	Endowment Income	11,000.00
			175.3	Coles Estate	2,300.00
			175.6	Sustaining Fund	9,087.00
		37,812.00			38,069.34

B. SPECIAL FUNDS

171.2	Program of Chinese Studies	12,421.06	171.2	Harvard-Yenching Institute	12,421.06
175.2	For Upkeep of J. A. Coles Memorial Building	400.00	175.2	Income Maria S. Ackerman Fund	400.00
175.2	For Scholarship	8.75	175.2	" Scholarship Fund	8.75
175.4	Special Library Purchase	175.00	175.4	" Kate Atherton Fund	175.00
175.5	Promotion of World Peace	450.00	175.5	" Hodgkin Memorial Fund	450.00
175.6	Sustaining Fund	27,575.13	175.6	Sustaining Fund	27,575.13
		41,029.94			41,029.94

RECEIPTS

WEST CHINA UNION UNIVERSITY

LIST OF SECURITIES AS OF JUNE 30, 1942

<u>Amount</u>	<u>Security</u>	<u>Cost Price</u>	<u>6/30/42 Market Price</u>	<u>Cost</u>	<u>6/30/42 Market Value</u>	<u>Nominal Income</u>
<u>(a) Consolidated Endowment Investments</u>						
<u>Mortgage Participating Certificates</u>						
10,000.00	119-127 Eastern Pkwy., Brooklyn 4 $\frac{1}{2}$ /40.....	100	75	10,000.00	7,500.00	450.00
6,836.39	542 Parkside Ave., Brooklyn 4-3/4/43.....	100	80	6,836.39	5,469.11	310.43
19,249.28	Series 200007 - 100 Lefferts Ave. 5 $\frac{1}{4}$ /40.....	100	85	19,249.28	16,361.89	1,189.60
<u>Mortgages - Real Estate</u>						
2,000.00	Sarah Crennan, 49 DeWitt Pl., N. Rochelle 6/41..	100	100	2,000.00	2,000.00	120.00
5,000.00	I. Gallagher, 23 Lafayette, N. Rochelle 6/41....	100	100	5,000.00	5,000.00	300.00
3,000.00	G.&M. Metallo, 243 Sickles Ave. N. Rochelle 5 $\frac{1}{2}$ /42.	100	100	3,000.00	3,000.00	165.00
4,625.00	G.&V.B. Lambert, 39-6th St. No. Pelham 6/42.....	100	100	4,625.00	4,625.00	295.50
				50,710.67	43,956.00	2,830.53
<u>Railroad Bonds</u>						
10,000.00	Baltimore & Ohio-1st Mtg. 4/48.....	92	56-1/2	9,201.67	5,650.00	400.00
10,000.00	Chesapeake & Ohio Railway "B" 3 $\frac{1}{2}$ /96.....	100-7/8	101-3/8	10,098.75	10,137.50	350.00
8,000.00	Columbus & Hocking Valley 1st. 4/48.....	Gift	110	8,000.00	8,800.00	320.00
10,000.00	Missouri Pacific R.R. "C" 5/78.....	99-1/4	27	9,925.00	2,700.00	---
10,000.00	Texas & Pacific R. R. "C" 5/79.....	100-1/2	59	10,050.00	5,900.00	500.00
				47,275.42	33,187.50	1,570.00

List of Securities (Cont'd)

<u>Amount</u>	<u>Security</u>	<u>Cost Price</u>	<u>6/30/42 Market Price</u>	<u>6/30/42 Market Value</u>	<u>Nominal Income</u>
<u>Public Utility Bonds</u>					
15,000.00	Bell Telephone of Canada "B" 5/57.....	102-1/2	114-1/4	17,137.50	750.00
10,000.00	Cleveland Elec. Illum. Co. 3/70.....	105	106-1/8	10,612.50	300.00
10,000.00	International Tel. & Tel. Deb. 5/55.....	96-1/2	56-5/8	5,662.50	500.00
				33,412.50	1,550.00
<u>Industrial Bonds</u>					
4,000.00	Texas Corporation, Deb. 3/65.....	103-5/8	105-1/2	4,220.00	120.00
<u>Government Bonds</u>					
20,000.00	U. S. Treasury Bonds Defense Series "G" 9/1/53 100			19,760.00	500.00
21,000.00	" " " " 5/25/54 100			20,748.00	525.00
				40,508.00	1,025.00
<u>Preferred Stock</u>					
800 sh.	Aluminum Co. of America, Cum. 6%.....	100	102-1/2	82,000.00	4,800.00
9	Cities Service Company 6%.....	99-7/8	30	270.00	—
				82,270.00	4,800.00
<u>Common Stock</u>					
27 sh.	Home Title Guaranty Co. (Cap. Stock).....	8-3/4	2-3/4	74.25	4.86
<u>Savings Bank Account</u>					
	Emigrant Industrial Saving.....			468.67	7.03
				260,289.89	11,907.42
	GRAND TOTAL.....				

MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

11:30 A. M. Friday, November 20, 1942
Room 900, 150 Fifth Avenue, New York, N. Y.

List of Members:

*Forrest Smith, Chairman
J. H. Arnup
*Frank T. Cartwright
George B. Huntington

O. R. Judd
*Dean Sage, Jr.
*Bishop Herbert Welch, Ex-officio

Those whose names are starred were present -- regrets being presented from Messrs. Arnup and Judd. The Secretary was also in attendance.

The meeting opened with prayer led by Bishop Welch.

TREASURER'S REPORT

The Treasurer's Report for the year ending June 30, 1942 was presented and studied. Comparisons were made with the work of the previous year and several recommendations were made for incorporation in the next annual report. It was

F1684 VOTED That the Report of the Treasurer for 1941-42 be presented to the Annual Meeting of the Board with recommendation for acceptance, subject to the further consideration of the final recommendation on page 5 of the Report.

AUDITORS' REPORT

The Auditors' Report for the year 1941-42 was presented and read; and it was

F-1685 VOTED To present the Auditors' Report as of June 30, 1942 to the Annual Meeting of the Board for final consideration and action.

ROCKEFELLER GRANT TO THE MEDICAL SCHOOL

It was stated that at the Annual Meeting of the Associated Boards attention was called to the Rockefeller Foundation grants of \$5,000 each to several medical colleges in China and that such distributions would place the teaching staffs of Shantung and West China at a disadvantage, and the following action was taken:

"AB-1410 VOTED that the Associated Boards call to the attention of the respective College Boards concerned (Shantung and West China) the matters presented by Dr. Lobenstine and to request these Boards to transmit their action concerning these matters to the Allocations Committee so that the Associated Boards may present the matter for the consideration of United China Relief."

The Assistant Treasurer stated that \$5,000 had been given to Shantung Christian University which placed West China medical staff at a disadvantage because of the larger number needing assistance rather than the fairly limited group at Shantung. In view of this, United China Relief had voted \$5,000 for the relief of the staff at West China Union University. The Committee noted with satisfaction this adjustment.

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INVESTMENTS

A partial study of the investment portfolio was presented, but it was felt that larger opportunity for a detailed study would be required. The security list with market prices is distributed to the Committee monthly and recommendations and telephone discussions are held at intervals. It was agreed that the entire matter be deferred for a date in the near future when the matter can be given more deliberate attention.

ADDITIONAL COST OF DENTAL BUILDING

It was stated that the cost of the Dental Building was originally figured at \$3,000, but due to the rising cost of commodities, the actual final figure was \$4,000. The field is requesting that some provision be made to cover this extra cost.

The Committee felt that a careful analysis of all possible sources of income should be made and referred the matter back to the Treasurer's office for further study and report to the Annual Meeting of the Board.

COMMUNICATION FROM HARVARD-YENCHING INSTITUTE

The following action was taken at the Spring Meeting of the Harvard-Yenching Institute, and was referred to this Committee for consideration:

"To advise the interested colleges that, if in their judgment the emergency has reached a point where they need to begin to draw on the Restricted Fund reserve account, it would be looked on by this Board as something within their discretion and that the Trustees would feel that, in the present circumstances, no restriction should be placed on the application of these funds for whatever purposes seem dictated by the emergency; that the needs are likely to continue for several years and that should be kept in mind in drawing on the fund."

After a very thoughtful consideration of the factors involved, it was

F-1686 VOTED That it is the opinion of this Committee that the funds held in reserve by the Harvard-Yenching Institute remain intact for the present, or during the period when the United China Relief functions satisfactorily in providing relief and rehabilitation funds for the work in China; and that the Committee makes this recommendation to the Board, together with an expression of gratification for the action of the Institute.

BUDGET ESTIMATES FOR 1942-43

Budget figures received from China for field operations were presented and reviewed with interest. It was noted that the Board of Managers included US\$20,000 as an anticipated grant to the field from the Trustees; whereas, the tentative figures submitted for a revised governors budget contained only \$10,000. Reference was made to the action of the Executive Committee (E-1662) setting forth tentative figures for 1942-43 and to the altered condition necessitating a restudy. The principal reason mentioned was the request from United China Relief that all relief and rehabilitation credited through the U. C. R. program be sent to China, thus requiring West China to find other sources of income for the Administration funds.

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costs formerly carried within the budget. Shrinkage of Endowment Income was also mentioned.

In reference to Home Administration costs, it was suggested that record be made that approximately fifty per cent of expenditures are for Administration with the balance being used for Promotion.

After much reflection, it was

F-1687 VOTED That the Assistant Treasurer restudy the sources of income and the budget requirements, taking into consideration the suggestions made by the Committee and present same to the Board of Governors for final action.

(The restudy is appended herewith)

On motion adjourned.

C. A. EVANS,
Assistant Secretary.

B/

WEST CHINA UNION UNIVERSITY

REVISED BUDGET 1942-43

The following represents the revisions as suggested by the Finance Committee (Action F-1687) taking into consideration possible shrinkage of income in Endowment Funds and the necessity of caring for Governors' expenses aside from Relief and Rehabilitation fund sources:

COSTS FOR HOME ADMINISTRATION, PROMOTION AND EXPENSES

Based on actual Administrative work done and percentage of total ABCCC Promotional cost based upon receipts for 1941-42	\$10,817.40
(The actual ratio 1941-42 was 48% for Administration and 52% for Promotion)	
Less: Credit for proportionate share of ABCCC Surplus 1941-42.....	2,186.69
Net Charge for 1942-43	\$ 8,630.71

An application has been filed with United China Relief asking for substantial assistance in caring for Administration costs. If granted, this will further decrease costs to individual Colleges.

In the light of the foregoing, the following is recommended for adoption by the Board of Governors:

General Budget Appropriations:

For the Field Budget	\$7,500.00	
Special Appropriation	12,500.00	
	20,000.00	\$20,000.00
Governors' Field Budget	6,000.00	
Home Administration & Promotion (As shown above)	\$8,630.71	
Incidentals (Mimeographing, cables stationery, safe deposit rental)	400.00	
Governors' Expenses (Auditing, ratio of Fidelity Bond, travel)	400.00	
West China Promotion	200.00	
	9,630.71	15,630.71
		\$35,630.71

Specially Designated Items:

Program of Chinese Studies	12,421.04	
Upkeep Coles Memorial Building	300.00	
Scholarship	6.44	
Hodgkin Memorial	385.00	
Sustaining Funds	100,000.00	
Total Budget	113,112.48	\$148,743.19

The above is to be met from the following sources:

Mission Boards		13,085.00
General Endowment Income	10,617.20	
Less reserve for shrinkage	1,117.20	
	9,500.00	
Designated Income (interest)	691.44	10,191.44

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Carried Forward		\$148,743.19
Coles Estate	2,300.00	
H. Y. I. for Administration	1,000.00	
Special Gift Atherton Family	1,600.00	
Harvard-Yenching Institute	12,421.04	
Sustaining Funds	<u>100,000.00</u>	
		<u>140,597.48</u>
Deficit		<u>8,155.71</u>

It is proposed to meet the deficit from some of the following sources:

Deficit		8,155.71
(a) Surplus 1941-42	\$2,338.44	
(b) Endowment Income		
Stabilization Fund	1,000.00	
(c) Permanent Reserve	1,000.00	
(d) Request the Field to Appropriate balance from Accounts Payable of unused appropriations on hand (29,773.32)	<u>3,817.27</u>	<u>8,155.71</u>

In lieu of (d) authorization might be given to operate on the proposed budget with the hope that credits for Administration may be secured in the assurance that sufficient balances in (b) and (c) will be ample protection.

MINUTES OF MEETING
FINANCE COMMITTEE
BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY

11:00 A.M., Monday December 28, 1942
150 Fifth Avenue, New York, N.Y.

Members

*Forrest Smith, Chairman
J. H. Arnup
*Frank T. Cartwright

George B. Huntington
*Dean Sage, Jr.
*Bishop Herbert Welch, Ex-Officio

Those with starred names were present; also C. A. Evans.

BUDGET, 1942-43

The Chairman reviewed the various steps leading up through the reconsideration of the 1942-43 Budget for Administration and Promotion, and called attention to the division of costs for Promotion. Reference was made to the recommendations presented to the Annual Meeting for covering the costs, and attention was directed to the possible results of such a move.

Without taking definite action, the Committee felt that a closer analysis of promotional charges should be made by the Associated Boards. It was pointed out that the present Associated Boards Promotional Budget includes the educational program for the continuing work of the Colleges after the emergency and relief campaigns are no longer conducted by United China Relief. It was

F-1725 VOTED that as the United China Relief feels the necessity of reporting all relief and rehabilitation funds to China, and as in the past a stipulated amount equivalent to Administration and Promotional expenses has been included as income in calculating the budget, and as the continuance of that procedure would decrease the amount reported to United China Relief,

This Committee approves the following method of meeting the cost of Home Administration and Promotion for the current year.

Deficit		\$8,155.71
(a) Surplus 1941-42 (Voted G-1695)	\$2,338.44	
(b) Endowment Income		
Stabilization Fund	1,000.00	
(c) Permanent Reserve	1,000.00	
(d) Request the Field to Appropriate balance from Accounts payable of unused appropriations on hand (\$29,773.32)	3,817.27	<u>8,155.71</u>

BUDGET, 1943-44

A study of anticipated income for 1943-44 was presented to the Committee and it was noted that the Home Administration and Promotional Expenses as listed would greatly reduce the allocations of Trustee funds for the Field Budget. There seemed to be no alternative, however, and it was

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December 28, 1942

F-1726

VOTED that in so far as can be visualized at the present time, the cost of Home Administration and Promotion for 1943-44 must be met from regular sources of income which will materially reduce the remittances to the field from Endowment Income, Mission Boards, and Special Sources, and that the following schedule represents the best judgment of the Committee at the present time.

Mission Boards,		\$13,085.00
Endowment Income,	\$9,000.00	
Designated Income,	<u>650.00</u>	9,650.00
<i>Atherton</i> ?-Atkinson Gift,		1,600.00
H.Y.I. Cost Administration		1,000.00
Coles Estate		<u>2,100.00</u>
		\$27,435.00
Less Home Administration and Promotion,	\$9,435.00	
Governors Budget	<u>6,000.00</u>	15,435.00
		<u>\$12,000.00</u>

\$1,000 DEFICIT ON DENTAL BUILDING ACCOUNT

Attention was called to the added cost of \$1,000.00 in the construction of the Dental Clinic beyond the \$3,000.00 secured through the American Dental Association.

The Committee found no source of income available for building purposes, and

F-1727

VOTED that the Assistant Treasurer be instructed to write the field indicating that the Finance Committee can find no source of income to offset the overdraft in the Dental Clinic Building account and that the field be asked to explore possible sources of income in China to balance the indebtedness.

SECURITIES

The Chairman suggested a more convenient time when a prolonged study of the security list might be made. The Secretary's office was asked to canvass dates in the week of January 11th, and to call a meeting at 10:00 A.M. on the most available day.

On motion adjourned.

C.A. EVANS,
Assistant Treasurer.

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MINUTES OF MEETING
FINANCE COMMITTEE

WEST CHINA UNION UNIVERSITY

10:00 A. M., Friday, January 22, 1943
Room 900, 150 Fifth Avenue, New York, N.Y.

List of Members:

*Forrest Smith, Chairman	George B. Huntington
J. H. Arnup	*J. W. Decker
*Frank T. Cartwright	Dean Sage, Jr.
Bishop Herbert Welch, Ex-officio	

Those whose names are starred were present; also C. A. Evans. Regrets were presented for Dean Sage, Jr.

The meeting opened with prayer led by Dr. Decker.

SECURITIES

The Chairman stated that the particular reason for the meeting was the need for reviewing the list of investments. Accordingly each holding was studied both regarding price, maturity, prospects of the industry, and of individual worth. As a result it was

- F-1728 VOTED (a) To give consideration to the sale of
10M Baltimore & Ohio 4s, '48 at approximately 80.
- (b) To Sell 8M Columbus & Hocking Valley 4s, '48 @ Market and
Buy United States Series "G" Bonds with proceeds.
- (c) To Sell 10M Missouri Pacific 5s, '78; 5 @ $42\frac{1}{2}$.- 5 @ 45.
10M Texas & Pacific 5s '49, @ 80, or better.
- (d) To Sell 10M International Tel. & Tel. 5s, '55 @ 80 or better,
if a more careful analysis seems to so warrant after further
consultation with the Committee.

The Aluminum Company holding was studied but no action was taken, the Treasurer's office being instructed to bring it before the Committee at recurring intervals.

The Treasurer's office was also instructed to investigate more fully the status of the fund established by the gift of Cities Service Preferred Stock.

The Common Stock of the Home Title Guaranty Company was discussed and the Assistant Treasurer was instructed to investigate the standing of the Company and report to the next meeting, or before it, if convenient.

The Assistant Treasurer was also asked to secure up-to-date data regarding the Canada Permanent Mortgage Corporation.

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MORTGAGE SITUATION

Certificated Mortgages were reported upon as follows, and suitable action was taken upon consideration of the several situations.

\$10,000.00 Certificated Mortgage $4\frac{1}{2}\%$ due February 15, 1940
119-127 Eastern Parkway, Brooklyn, N. Y.

Known as the "Theodore Roosevelt" this was a beautiful building when first erected, situated across from Prospect Park adjacent to Grand Army Plaza. There are 41 apartments in a six-story brick building and with the exception of the period from 1934 to 1939 has been able to maintain service on Mortgages and under more intelligent and conscientious management would have fared much better.

Reorganization was accomplished in 1935 after great difficulty with the certificate holders, but later a trustee was appointed by the court as the owner, L. A. Keller, went through bankruptcy proceedings. Since then the building has been serviced by the Brooklyn Trust Co.

Interest is being paid at the rate of $4\frac{1}{2}\%$ or more if earned. Income last year was $5\frac{1}{4}\%$. It was

F-1729 VOTED to set aside all income above $3\frac{1}{2}\%$ as a reserve against future possible losses on principal.

\$6,788.42 Certificated Mortgage
542 Parkside Avenue, Brooklyn, N. Y.

This is a six-story brick apartment building containing 42 apartments the original mortgage being \$165,000 on an investment of \$275,000. It opened August 1930 and was well operated, and the thoroughly modern apartments rented rapidly and have been filled better than the average ever since. It was, however, caught in the rent competition and slicing during 1934/35 and income dropped off. It is well located one long block from the Flatbush shopping area. While the better class of Yiddish tenant is predominant, yet it is still in excellent condition.

The Home Title Company continued to service the mortgage until forced out of business by law. Then the Manufacturer's Trust Company took over. With good management the agreed interest varying between $4-3\frac{1}{4}\%$ and 5% has been paid regularly and amortizations have been paid since February 1939. The original mortgage was \$7,400.00. It was

F-1730 VOTED that the Assistant Treasurer seek quotations from time to time with the hope of liquidating the holding and that income above $3\frac{1}{2}\%$ up to a maximum of $1\frac{1}{2}\%$ be set aside against future losses on principal.

\$19,058.52 Certificated Mortgage (Original Mortgage \$20,000)
100 Lefferts Avenue, Brooklyn, N. Y.

This is a six-story and cellar brick elevator apartment house. There are 60 apartments with 190 rooms. It has always been well operated--

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much better than the average under the management of the Lawyers Mortgage Co. In 1935 the Mortgage Co. was forced to cease business by law and the State Insurance Department eventually placed it in the hands of the Brooklyn Trust Company.

Amortizations are kept up as payments in rentals will permit while $5\frac{1}{2}\%$ interest is being maintained. Nothing can be done at the present time as the Trustee has control and reports regularly to the court. It was

F-1731 VOTED to set aside 1% of income to help defray future losses on principal.

\$2,300.00 Individual Mortgage 6% due May 20, 1941
Sarah Crennan, 49 DeWitt Place, New Rochelle, N. Y.

In 1936 this property was well located but recently colored people have come into the nearby area. Mr. Ollie Crennan has been handling the property and allowed taxes to accumulate until a lien of \$788.15 was sold to the New York Lien Corporation. However, we secured an attachment to a mortgage owned by Mr. Crennan which has been sold and \$1,000.00 is now in hand as a credit against the lien and outstanding taxes.

It was reported that an agreement has been signed whereby all indebtedness against the property will be paid by November 29, 1943. It was

F-1732 VOTED that in the event of any default in the terms of the aforementioned agreement, foreclosure proceedings be instituted at once.

\$5,000.00 Individual Mortgage 6% due December 22, 1941
Isabelle Gallagher, 23 Lafayette Street, New Rochelle, N. Y.

This property has experienced many changes since December 21, 1926 when the mortgage was placed. It was a joint ownership and one person died leaving her portion to the other partner who shortly after also died. Heirs of the estate were not too intelligent in the operation of the property and taxes accumulated although the interest was paid. One of the heirs is related to an attorney who has taken a personal interest to the extent of buying a tax lien and paying one half of the 1941 tax charge. The personal element is so strong in this group that it seems probable that the situation will work out satisfactorily. It was

F-1733 VOTED to proceed with the agreement as made with the attorney in charge, with the purpose of securing an extension subject to the approval of this committee.

\$3,000.00 Individual Mortgage $5\frac{1}{2}\%$ due December 15, 1942.
Giambattista & Marie Metallo, 243 Sickles Avenue, New Rochelle, N. Y.

This mortgage is on a well located valuable piece of property and was originally placed to permit the owner to carry on his business. The mortgage was originally 6% but in 1939 was reduced to $5\frac{1}{2}\%$ and

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renewed for three years. Question is raised regarding the future course of procedure. It was

F-1734 VOTED to instruct the Assistant Treasurer to secure a renewal for three years with as large amortization terms as possible - even to the extent of applying some portion of income to effect this purpose.

\$4,550.00 Individual Mortgage 6% due February 24, 1945.
George & Vincentia B. Lambert, 39-6th Street, North Pelham, N. Y.

Mr. Lambert is City Judge in Pelham, and upon the date of the first renewal volunteered \$75.00 amortization semi-annually. This has brought the original \$5,000.00 to the present \$4,550.00.

This is an exceptionally fine lot with a very ordinary building which has been enlarged at different times and it is kept in fair order.

No action was taken.

RECOMMENDATIONS FOR USE OF CASH

Consideration was given to the use of Common stocks as a protection against further loss in income, through the sale of bonds earning a high yield. In the light of the drastic departure from the previous conservative attitude of the Board, it was

F-1735 VOTED that no investment in common stocks be undertaken at the present time but that a study, containing definite recommendations and concrete suggestions, be presented to the next meeting of the Board.

PURCHASE OF U. S. DEFENSE BONDS

Upon due consideration, it was

F-1736 VOTED to invest \$25,000 of Endowment cash in U. S. Defense Series "G" Bonds.

FIELD REPORT FOR 1941-42

Report from China giving the closing figures for 1941-42 was briefly summarized by the Assistant Treasurer. It was suggested that further study be made, and if found advisable to mail copies to the Board of Trustees.

On Motion Adjourned.

C. A. EVANS,

Secretary

MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

9:30 A. M. Tuesday, March 30, 1943
Room 900, 150 Fifth Avenue, New York, N. Y.

List of Members:

*Forrest Smith, Chairman
J. H. Arnup
*Frank T. Cartwright

J. W. Decker
Dean Sage, Jr.
*Bishop Herbert Welch, Ex-officio

Those whose names are starred were present, as were Mr. Charles H. Corbett and C. A. Evans.

The meeting was opened with prayer by Bishop Welch.

APPROVAL OF MINUTES

The minutes of the meeting of the Finance Committee held January 22, 1943 were approved as distributed.

REPORT ON ACTIONS TAKEN JANUARY 22

(a) Status of Cities Service Stock. It was reported that this is the Fred L. Rosemond Scholarship Fund and Investment -- the stock having been given November 1916 for that purpose. The income has always been considered a part of the general appropriation to the field budget. However, income ceased June 1932, until August 6, 1941 when the balance of 1932 interest was paid, but nothing since. There are no specific restrictions on the sale of the stock, but the implications are that the donor thought his contribution could best be made in this stock.

The Committee felt that the present value could be best protected by selling and investing otherwise. It was

F-1737 VOTED To sell the 9 shares Cities Service Preferred Stock at market, investment to be made later.

(b) Canada Permanent Mortgage Corporation. It was stated that these securities were purchased by the United Church of Canada for the J. W. Forster Estate Fund. The Corporation is a guarantee mortgage organization operating in the Toronto area. It does the general business such as mortgage guarantee companies in the United States were carrying on prior to 1933. It is, however, rigidly inspected by the Government and is doing an excellent business. Last year it paid 6% on its common stock. There is no implied or direct guarantee by the Government expressed in the indenture back of these debentures. It is, however, considered a first class investment by Canadians as well as many investors on this side of the border. An effort is being made to secure a more detailed statement.

The Treasurer's Office was instructed to continue the investigation.

(c) Delay by Assistant Treasurer in Executing Orders. The Assistant Treasurer reported that a letter had been sent to the Committee on February 6, 1943 calling attention to the conditions outlined by Spencer Trask & Company's recommendation to sell second grade rails; i.e., to invest the proceeds in common stock as well as cash derived from previously sold preferred stock yielding 6%. Counsel questioned advisability of reinvesting funds of high yield in 10 year Government Bonds on a

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money basis with the probability of new 2 $\frac{1}{2}$ % Government issue coming in the near future, but more specifically urged the consideration of the use of high grade common stocks. It was stated that orders had been filed and the markets were being watched. The Missouri Pacific 5's /78 represent the only issue reaching and exceeding the sale price voted January 23, for one-half the holding.

The Committee reviewed the situation, and it was

- F-1738 VOTED (a) That the following action taken January 23 be confirmed:
 To sell: 10M Baltimore & Ohio 4's/48 @ 80, or better
 10M International Tel. & Tel. 5's/55 @ 80, or better
 (b) To sell: 10M Texas & Pacific R.R. 5's/79 @ 80, or better
 (c) To sell: 5M Missouri & Pacific 5's/78 @ Market
 5M " " 5's/78 @ 55

On January 23, 1943 the Committee voted the sale of 8M Columbus & Hocking Valley 4's/48, the proceeds to be invested in U. S. Defense "G's." Upon presenting the bonds for sale, the custodian stated that they were marked "to be held to maturity and not to be sold." As the order for the Defense Bonds had been placed, it was allowed to go through but the order to sell was cancelled at no loss to the Trustees. This disposed of \$10,000 in cash and no other purchases were made as it was reported that a 2 $\frac{1}{2}$ % Treasury issue was forthcoming in April. The Columbus & Hocking Valley bonds were received in 1918 and have been in the hands of the custodians ever since and there are no restrictions entered on the books of the Trustees.

As the sale was based upon conserving the present appreciation of the bonds, and as there is no reason to question the soundness of the investment, it was:

- F-1739 VOTED To rescind the action taken January 23 selling 8M Columbus & Hocking Valley 4's/48.

USE OF COMMON STOCKS

Attention was called to Committee Action F-1735 which referred the consideration of the employment of common stocks as an investment medium to the Board of Governors.

A letter from Spencer Trask & Company was presented reviewing recent recommendations and a prepared study of the entire investment portfolio was in hand. Diversification of the list was shown as follows:

<u>Type</u>	<u>Fund Value</u>	<u>% of Total</u>
Cash	\$ 20,397.71	6.29
Savings Banks	34,367.66	10.61
U. S. Bonds	51,000.00	15.74
Mortgages	50,632.34	15.61
Good Bonds	67,767.50	20.90
Poor Bonds	38,926.67	11.98
Preferred Stock	60,898.88	18.79
Common Stock	236.25	.08
	<u>\$ 324,127.01</u>	<u>100.00%</u>

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The above Governments include \$10,000 purchased since the list was made out thus decreasing the cash available for investment.

The documents before the Committee were studied carefully and discussed at length. Various changes were suggested in the prepared statement, and it was:

F-1740 VOTED That the Chairman and Assistant Treasurer revise the prepared statements regarding the use of common stocks, shortening same when possible, bringing out the various points of view as expressed in the discussion, and that the revised form be sent to the Board of Governors in advance of the Executive Committee meeting.

It was also

F-1741 VOTED That the Committee submit to the Board of Governors the proposition that up to a limit of 25% of Investment funds may be employed in Common Stocks of the highest grade companies in America.

REVIEW OF 1941-42 REPORT

It was observed that the Committee instructed the Assistant Treasurer to review the report of 1941-42, and if it seemed advisable to make further report to the Governors. A copy of the Field Treasurer's remarks was submitted and also a statement of receipts and disbursements. As it seemed in order to distribute this to the entire Board, it was:

F-1742 VOTED That the annual financial report of the Field Treasurer be submitted to the entire Board of Governors and same is attached herewith as Appendix A.

FIELD BUDGET FOR 1943-44

In this connection it was stated that United China Relief began early to press for budget requirements for 1943-44, and as a result cabled figures were received which later cables somewhat altered. Within the past month, however, complete budgets have been received and that for West China is attached herewith as Appendix B.

It was noted that comparison was made with the 1942-43 figures and also that the advance in Expenditures represented approximately a 50% increase. This increased the request for relief funds by more than 100% over 1942-43.

It was also shown that the West China askings from the Associated Boards this year (1942-43) are \$100,000 and there is every prospect that these funds will be secured. However, it is highly improbable that the United China Relief will grant West China \$227,876 for 1943-44. In fact, the Program Committee of United China Relief in Chungking has cabled United China Relief in New York an approved figure for 1943-44 of approximately one-half of the askings of the present year.

It was stated that West China Union University received this year L. 3,000 (U. S. \$12,000) or approximately L. C. \$240,000 from the British United Aid to China Fund and that no gift from this source had been included for 1943-44. Also efforts are being made to secure sizable donations in Canada for China Relief. Neither has the question been answered regarding the Chinese Government's attitude toward the Exchange situation. It is hoped that relief funds will be matched dollar for dollar as the Government has done in one famine project. It was

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F-1743 VOTED To present the proposed Budget for 1943-44 (Appendix B) to the Executive Committee in the anticipation that West China will receive its proper share of any funds available with the Associated Boards for the coming year and that hope is entertained that other help will be forthcoming from sources mentioned above, but that the field be advised accordingly.

JOINT NEEDS FOR ALL COLLEGES ON THE WEST CHINA CAMPUS

By way of information it was reported that when the budgets were presented for 1942-43 no Joint Needs were included, but it was intimated that they were included in the budgets of the various Colleges. However, during the year frantic appeals have been made for an appropriation to cover campus costs, and on December 12th the Special Committee on Emergency Askings of the Associated Boards included \$15,000 for this purpose for the current year. The askings from the field were \$20,000 and for 1943-44 they are \$30,000. It is not known what action will be taken by the Associated Boards for 1943-44.

SAVINGS BANK ACCOUNTS FOR COLLEGE OF DENTISTRY

A memorandum from the Field Treasurer dated November 30, 1942 was presented wherein it was requested that certain appropriations available for the College of Dentistry be set up as savings accounts in the United States. The initial amount is \$6,000 which presumably will require two savings bank accounts. It was

F-1744 VOTED That the Treasurer's Office be instructed to open accounts for the College of Dentistry -- the banks to be approved by the Treasurer, Chairman of the Finance Committee, and Assistant Treasurer -- and that the proper officers be authorized to sign any documents required by the bank. This approval is granted provided the funds are for capital purposes and not current balances.

There being no other business, the meeting adjourned.

C. A. Evans
Secretary

The following are comments on the West China Union University Annual Report of the Treasurer in Chengtu. It is written by the Bursar, Mr. William Small, and is dated November 10, 1942.

SURPLUS

The current operations for the year resulted in a surplus of C\$867 811 88. The source of the surplus is shown in the table on page 1 of the accompanying report. This total is divided between the two groups of accounts: \$808 205 64 for current budget accounts and \$59 606 24 for non-budget accounts. The seemingly large surplus for the current budget may be accounted for by certain special factors. First, a grant from sustaining funds of US\$18 211 65 arrived from New York in June, which increased the small balance by C\$340 739 97. Second, salaries had been raised by 50% in April and with the steady increase in prices a further addition was expected. Actually the change did not come into effect until after the end of June, so that the amount which had been set aside for this purpose added further to the surplus. (It may now be said that the amount proved to be far from adequate to meet the need as a special commodity grant was made to each staff member which amounted in total to \$280,000, and further increases in salaries have added approximately \$40 000 00 to the monthly payroll, before taking into account a new cost of living increment which seems inevitable.) We were fortunate, therefore, in having funds on hand to meet the extraordinary requirements, which we had foreseen in some measure.

SELF SUPPORTING ACCOUNTS

As shown by the table on page 1, the activities which the college endeavours to operate on a self-supporting basis have in large measure met that expectation. The operation of the residential colleges met running expenses for the first term. The financial management during the second term was entirely in the hands of the college principals. The change was made as a result of the increasingly large amounts involved in the running of the residences and the lack of sufficient staff in the treasurer's office to meet the situation. The Huata Press and the Electric Light Committee were allowed advances to purchase stock, before prices increased to a level where purchases would be impossible. A grant of \$20 000 had been made by the Government for work in the Tanning Course. This arrived early in July and wiped out the overdraft on June 30.

ADDITIONS TO BUILDINGS

During the past year prices of building materials have increased at a rate even above the general trend. This was largely due to the construction programs inaugurated by the city and private individuals last spring. Street widening has been in progress in many sections of the city, making necessary the construction of many new buildings. In spite of these difficulties the university building program continued to go forward. Satisfactory progress on the University Hospital was made possible to a large extent by the stocks which had been purchased in previous years. Materials for the Centre Block of the College of Medicine and Dentistry were purchased, with the expectation of starting work in the near future. A further unit added to the Tanning School residences was made possible by a grant from the Provincial Government. We are glad to report the completion of the Chemistry and Pharmacy buildings.

Expenditures for the Chemistry building and initial furnishings during the year amounted to \$159 172 27, bringing the total to \$327 858 72. (This amount represents a total expenditure of US\$26 790 20, which should be added to the total of completed buildings in the New York records. The university is indebted to the University of Nanking, Ginling College, and Cheeloo University for the financial support received for this building and also to the Associated Beards and United China Relief for the funds made available. The Pharmacy building required C\$116 130 29 to complete. (This amount represents US\$6 112 11, which should also be recorded in the New York records for completed buildings.) These buildings were made ready for use at a most opportune time and have enabled the Universities to meet the ever increasing demand for better facilities in these departments.

AUDITOR'S REPORT OF EXAMINATION

The accounts, cash, and investments of the university have been examined and found correct by Messrs. E. Hibbard and L. Todnem.

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WEST CHINA UNION UNIVERSITY

Summary of Income and Expenditure July 1941 to June 1942

CURRENT BUDGET ACCOUNTS:	EXPENDITURE	INCOME
Administration	179,841.22	
Operation and mainten.	148,839.61	
College of Arts	229,999.66	
College of Science	321,865.41	
College of Med. & Dent.	471,606.92	
Library	105,963.14	
CCS Research Institute	223,388.33	
Student Activities	41,777.47	
" scholarships, etc.	301,902.79	
Faculty insurance	<u>5,043.98</u>	2,030,228.53
Library fees		1,447.00
Mission personnel		165,000.00
Admission and spec. fees		5,098.01
Board of governors		374,200.00
H-Y Institute		232,398.03
Tuition fees		87,181.20
Ministry of Education		132,502.00
M Of E special grant		109,840.32
M of E " "		2,994.01
Provincial government		72,000.00
" special grant		3,000.00
University scholarships		35,273.53
Non-university "		284,866.20
British Boxer grant		19,960.08
Cheeloo payment		144,665.39
United Committee London		18,750.00
Joint funds		371,883.49
Sustaining funds		<u>777,374.91</u>
		2,838,434.17
SPECIAL NON-BUDGET ACCOUNTS:		
Huata press	67,563.78	54,879.07
Agriculture extension	36,022.68	28,523.96
Dairy barn	3,860.93	4,220.80
Dyeing course	17,016.61	21,922.14
Tanning "	13,691.38	2,343.06
Machine shop	99,436.47	95,146.04
Leper hospital	32,545.09	41,931.79
Residential colleges	354,343.29	356,551.53
Union middle school	82,862.96	78,204.85
T. B. Ward	24,042.00	26,000.00
Chemistry stockroom	33,001.91	39,800.39
Biological supplies serv.	96,493.81	89,808.05
Chemical pharm. labs.	238.00	238.00
Pharmaceutical labs.	391,942.02	422,053.57
Frontier Research Inst.	30,994.68	47,303.00
Border expedition	14,537.55	14,537.55
Electric Lt. Comte.	90,539.89	79,417.96
Accommodation accts.	<u>69,311.89</u>	<u>115,169.42</u>
	1,458,444.94	1,518,051.18
TOTAL	3,488,673.47	4,356,485.35
Balance on hand	<u>867,811.88</u>	
	4,356,485.35	4,356,485.35

Financial statement - summary - June 30, 1942

PROPERTY ACCOUNTS:	EXPENDITURE	INCOME
Land - wall	1,667.75	1,667.75
Medical buildings:		
hospital	181,962.95	187,668.65
Hospital equipment	78,978.24	28,455.65
Dental wing-fire	9,493.65	36,862.15
Med.&Dent.Centre block	66,578.03	84,305.72
Animal House	2,004.25	2,004.25
University residences	45,263.38	45,263.38
Tannary building	13,492.53	20,000.00
Biology building	11,945.90	11,945.90
Chemistry building & furniture	159,172.27	159,407.27
Pharmacy building	66,234.18	66,234.18
University truck	49,144.40	108,298.62
	685,937.53	752,113.52
BALANCE JUNE 30	66,175.99	
	<u>752,113.52</u>	<u>752,113.52</u>

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WEST CHINA UNION UNIVERSITY
Budget for 1942-1943 revised November 1942 and
Budget for 1943-1944
SUMMARY

RECEIPTS:	1942-1943	1943-1944
General-		
From students (990)	C\$ 236,190.00	236,190.00
Board of Governors (US\$20,000)	395,000.00	395,000.00
Harvard-Yenching Int. 12,412)	245,137.00	245,137.00
Sustaining funds (99,999)	1,974,980.25	
Mission personnel	144,000.00	144,000.00
Ministry of Education	260,000.00	260,000.00
Szechuen Provincial Govt.	120,000.00	120,000.00
Reserve for commodity grant	350,000.00	
Sustaining funds recvd. June	340,739.97	
Balance on hand July 1	15,908.83	
British Relief Fund (13,000)	238,756.40	
Transfers, salaries	150,941.00	218,913.00
Cheeloo & Yenching payments	110,000.00	150,000.00
University health clinic	13,500.00	20,250.00
Shortage from interest & exch.	7,946.21	1,789,490.00
	4,603,099.66	
Projects-		
Special restricted funds	8,760.00	8,760.00
Huata press	95,620.00	143,430.00
Agriculture school & research	118,512.00	177,768.00
Dyeing	25,000.00	37,500.00
Tanning	20,000.00	30,000.00
Pharmacal laboratories	500,000.00	750,000.00
Leper hospital	35,000.00	52,500.00
Machine shop	150,000.00	225,000.00
Research	60,000.00	
Science subsidiary units	200,000.00	300,000.00
Electric light committee	200,000.00	300,000.00
Residential colleges (no board)	300,000.00	450,000.00
	1,712,892.00	2,474,958.00
Subsidiary unit-		
Union Middle School	150,000.00	225,000.00
Amount required before June 1944		4,557,520.00
Total receipts	6,465,991.66	9,046,968.00
EXPENDITURES:		
General-		
Administration	477,360.40	716,041.00
Operation and maintenance	350,889.00	526,334.00
College of Arts	840,389.00	1,260,559.00
College of Science	825,297.40	1,237,921.00
College of Med. & Dentistry	1,122,244.00	1,682,455.00
Library	292,534.00	438,801.00
Museum	95,345.86	143,018.00
Research Chinese Cul. Studies	123,804.00	49,027.00
Faculty insurance	6,500.00	9,750.00
Drill instructor	39,730.00	59,595.00
Athletic instructor	31,220.00	46,830.00
University health clinic	23,766.00	35,649.00
Religious activities	2,460.00	3,690.00
Freshman dean's office	36,560.00	54,840.00
University hospital director	5,000.00	7,500.00
Staff commodity grant	280,000.00	
	4,553,099.66	6,272,010.00
Projects-		
Special restricted funds	8,760.00	8,760.00
Huata press	95,620.00	143,430.00

WEST CHINA UNION UNIVERSITY
Budget for 1942-1943 revised November 1942 and
Budget for 1943-1944
SUMMARY

EXPENDITURES: (continued)

Projects- (continued)

Agriculture school & research	C\$118,512.00		C\$177,768.00	
Dyeing	25,000.00		37,500.00	
Tanning	20,000.00		30,000.00	
Pharmaceutical laboratories	500,000.00		750,000.00	
Leper Hospital	35,000.00		52,500.00	
Machine shop	150,000.00		225,000.00	
Research	60,000.00			
Science subsidiary units	200,000.00		300,000.00	
Electric light committee	200,000.00		300,000.00	
Residential colleges (no board)	300,000.00	1,712,892.00	450,000.00	2,474,958.00
Subsidiary unit-				
Union Middle School		150,000.00		225,000.00
Special-				
United hospital - teaching		50,000.00		75,000.00
Total expenditures	C\$	<u>6,465,991.66</u>	C\$	<u>9,046,968.00</u>

The field states that in estimating 1943-44 income only regular items have been included such as the Board appropriations, Endowment income, Harvard-Yenching Restricted income, Coles Estate income and a few miscellaneous items. No income is estimated to come from Great Britain or Canada, and neither is anticipated income from United China Relief included.

The estimated expenditures for 1943-44 have been reached by increasing the 1942-43 figures by fifty percent. This basis was used to allow for probable increases in commodity prices, and seems to be the only way the field could protect itself from the inflation China is experiencing.

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RESTUDY OF 1943-44 PROPOSED INCOME

On December 28 the Committee approved the following figures for the 1943-44 Budget of the Governors. This was based upon estimated income from endowment funds to the amount of \$9,000. A restudy follows with revised estimates:

	<u>Budget as approved December 28</u>		<u>Restudy with Revised Estimates</u>
Mission Boards	\$13,085.00		\$13,085.00
Endowment Income \$9,000.00		\$10,000.00	
Endowment Income Desig. 650.00	9,650.00	<u>750.00</u>	10,750.00
Atkinson Gift	1,600.00		1,600.00
H. Y. I. Adm.	1,000.00		1,000.00
Coles Estate	2,100.00		2,100.00
	<u>27,435.00</u>		<u>28,535.00</u>
Less:			
Home Adm. 9,435.00			
Gov'ts. Budgets 6,000.00	15,435.00		15,435.00
	<u>12,000.00</u>		<u>13,100.00</u>
Figured @ 20:1	C\$240,000.00		C\$262,000.00
Field Estimate US\$20,000.00	<u>395,000.00</u>		<u>395,000.00</u>
Shortage	<u>155,000.00</u>		<u>133,000.00</u>

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REPORT OF THE TREASURER

BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY

JUNE 30, 1943

Another year has passed with West China Union University acting as host to practically four other Colleges. Even in spite of ~~practical~~ isolation from the outside world, except by air, the work has gone on. Commodities have risen to excessive heights bringing new problems but the loyalty of the staff has kept the ~~plant~~ ^{institution} in operation.

It will be seen by the following schedules that a real task has been accomplished for the welfare of the institution. Funds have been obtained which in size a few years ago would have been thought impossible. In this connection earnest thanks should be accorded Associated Boards and United China Relief for the magnificent assistance.

The auditors, Messrs. Chambellan, Berger and Welti, have checked the figures in the following report and the following papers attached.

- (a) Trial Balance Sheets as of June 30, 1943 (Pages 6,7,8,9)
- (b) Consolidated Balance Sheet (Page 10)
- (c) Budget Analysis for 1942-43 (Page 11)
- (d) List of Securities as of June 30, 1943 (Pages 12,13)

ENDOWMENT

There was a net decrease on the credit side of the Endowment section as shown in the following schedules:

	<u>Increase</u>	<u>Decrease</u>
Income Mead Memorial Library Fund	37.45	
Funds used from Endowment Stabilization Account (actions F 1725 and F 1726)		1,442.27
Income Harvard-Yenching Stabilization Account	136.53	
Report on sale of Securities		4,133.16
<i>Profit</i>	\$ 173.98	\$ 5,575.43
		<u>173.98</u>
Net decrease		\$ 5,401.45

The reconcilment of the net decrease of \$5,401.45 in the investments and distribution of cash is as follows:

	<u>Increase</u>	<u>Decrease</u>
Interest on Ackerman Fund	5.86	
Interest and increased deposit in Savings Banks	4,074.10	
Loss on Sale of Securities	3,127.78	

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Report of the Treasurer
West China Union University

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June 30, 1943

Investment changes:

Amortization Lefferts Ave. Mtg.	190.76		
" #21294 Mtg.	112.57		
" Lambert Mtg.	150.00		
" Metallo Mtg.	60.00		
Rec'd for Back Taxes 49 DeWitt Place	1,300.00		
Sale 200 shs. Aluminum Pfd.	21,309.56		
" 9 shs. Cities Service Pfd.	693.83	loss	205.05
" 5M Missouri Pac. 5/78	2,547.44	"	2,415.06
" 10M Texas Pacific 5/79	7,994.83	"	2,055.17
" 10M International Tel. & Tel.	7,982.34	"	1,667.66
" 5M Missouri Pac. 5/78	2,734.94	"	2,227.56
			<u>8,570.50</u>
Gross Loss on sales			1,309.56
Less Gain on Aluminum			<u>7,260.94</u>
	<u>45,076.27</u>		
	<u>7,260.94</u>		
	<u>52,337.21</u>		

Less Payments

Taxes on 49 DeWitt Place	1,768.32
Bought 10M U. S. Gov't "G" Bonds	10,000.00
" 15M Chicago Union Station Bonds	15,168.75
" 20M U. S. Treas. 1½% Notes '47	<u>20,000.00</u>
	<u>46,937.07</u>

Net decrease Investment changes
Cash from 1941-42 used

5,400.14
5,400.14

7,207.74

Net Decrease

5,400.14
7,209.05
12,609.19
7,207.74
5,401.45

The total income for the past year not deducting custodian charges and fees was \$9,793.58 or 3.52%. The value of the list shown on Pages 12 and 13 as of June 30 was \$260,879.37 as against \$238,096.92 of a year ago. The nominal income is shown to be \$9,741.45 or 3.73% on market value.

PLANT

An analysis of the Plant Section shows an increase of totals by \$1,281.31 to an aggregate of \$469,028.73. This was caused by the transfer of the Rockefeller Foundation charges for Hospital Equipment to West China where there are funds to care for same. The increase however is largely in the nature of an overdraft due to the over expenditure in the Robert E. Brown Fund transferred to Plant during 1941-42. The schedules follow:

Gifts toward Hospital Equipment	\$ 35.00	
Interest on Benj. Moore Memorial Hospital Fund	151.43	
Overdraft in Cash	<u>1,094.88</u>	\$ 1,281.31

Reconcilement of the foregoing with charges is as follows:

New Charges in Hospital Equipment	3,849.11	
New Interest in Savings Bank Accounts	<u>151.43</u>	4,000.54
Less Cash on hand July 1, 1942		<u>2,719.23</u>
		\$ <u>1,281.31</u>

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The only Plant Funds invested are carried in Savings Banks as follows:

Greenwich Savings Bank	\$5,221.38	
North River Savings Bank	<u>4,972.37</u>	\$10,193.75

CURRENT SECTION

The following schedules show the income and disbursements for both 1942-43 and 1941-42. This is to show any variation in receipts or expenditures over the two periods.

	<u>1942-43</u>	<u>1941-42</u>
<u>INCOME</u>		
<u>SOURCE</u>		
American Baptist Foreign Missionary Society	\$ 2,500.00	\$ 2,500.00
American Baptist Foreign Missionary Society Women	625.00	750.00
Church Missionary Society	500.00	500.00
Church Missionary Society Women	100.00	100.00
Friends Service Council <i>missions and</i>	1,010.00	1,010.00
Methodist Board of Church Extension	2,500.00	2,708.34
Methodist Board of Church Extension Womens Division	779.15	837.50
United Church of Canada	2,715.00	2,625.04
United Church of Canada Women	1,574.76	1,574.76
Special Gifts Atherton Family	1,700.00	1,500.00
General Administration (H.Y.I.)	1,000.00	1,000.00
Endowment Income	9,231.66	11,576.70
Coles Estate	2,300.00	2,300.00
Special for Administration	8,145.71	- - -
Harvard Yenching Institute	12,421.04	12,421.06
Sustaining Funds	132,000.00	36,662.13
Designated Income	859.56	1,058.97
Special Gifts for Current Budget	<u>846.84</u>	<u>- - -</u>
	\$180,808.72	\$ 79,124.50
<u>EXPENDITURES</u>		
Field Budget	\$ 20,000.00	\$ 20,000.00
Governor's Budget	5,936.99	5,700.69
Home Administration and Promotion	8,630.71	8,999.13
Governor's Miscellaneous Expenses	960.42	1,031.08
Chinese Cultural Budget	12,421.04	12,421.06
M.E. Board Upkeep Coles Memorial Building	340.00	357.50
Scholarships	6.64	35.27
World Peace Program	- - -	450.00
Sustaining Funds for the Field	<u>132,000.00</u>	<u>27,575.13</u>
	\$180,295.80	\$ 76,569.86
Designated Income Carried Forward	512.92	216.20
Surplus	<u>- - -</u>	<u>2,338.44</u>
	\$180,808.72	\$ 79,124.50

Notable among changes in receipts are:

Decrease in Endowment income due to changes in the security list.
Vast increase in Sustaining Funds from Associated Boards.
The very sizable amount of specially designated gifts.

June 30, 1943

In Expenditures:

The slight decreases in Administration and Governors Expenses.
The with-holding of the Hodgkin Memorial Gift (temporarily).
The considerable size of designated income carried forward

From the totals in the two schedules above it will be seen that income increased by \$101,684.22 over the previous year. All of which increase was made available for the field.

Aside from the foregoing, West China Union University shared in the distribution of Joint Funds given for the five Colleges in Chengtu.

CURRENT SPECIAL SECTION

A considerable amount of cash was carried in this section (\$145,198.07) but \$78,950.97 was in Accounts Payable upon which the field has drawn heavily since the close of the year.

Suspense likewise carried a goodly sum (\$23,223.15) all of which is subject to orders from China.

Miscellaneous Current Gifts (\$17,578.21) of this balance \$16,474.06 represents income received from the Associated Boards as a first payment on the 1943-44 Sustaining Fund appropriation. It was therefore held for immediate distribution,

Harvard-Yenching Institute Restricted Funds. There was a credit balance at closing of \$34,043.20. Of this \$20,000.00 was designated by the field for 1942-43's work while the balance will be used over a period of two years. The following figures show income and expenditures, aside from that listed in Current General:

Charges: Telegraph and Cable Fees	\$ 60.68
Special Allowance T. K. Cheng	900.00
	<u>960.68</u>
Less, Income on investments less custodian charges	<u>755.38</u>
Net decrease in the account	\$ 205.30

The balance of \$14,043.20 beyond the \$20,000.00 used currently was carried in Savings Bank Accounts.

J. A. Coles Estate. Income for the year amounted to \$2,005.00 whereas \$2,300.00 was used in the current budget, leaving a balance in the account of \$3,161.15.

Permanent Reserve. Of the \$7,050.21 on hand June 30, 1942, \$1,000.00 was used toward the current budget (F 1725) but during the year the account was credited with interest in savings bank account. The balance is now \$6,165.64.

CASH SITUATION

Cash on hand as of June 30, 1943 amounted to \$143,464.02 distributed in the following manner:

	<u>Overdraft</u>	<u>Balance</u>	<u>Net</u>
Endowment Section		255.83	
Plant Section	1,094.88		
Current Section	895.00		
Current Special		<u>145,198.07</u>	
	<u>1,989.88</u>	<u>145,453.90</u>	<u>143,464.02</u>

The above net balance was on deposit with the Irving Trust Company 21st Street Branch in three accounts - Endowment, Plant, and Current.

In addition, the following amounts were carried in Savings Bank accounts:

M. S. Ackerman Memorial Endowment Fund	474.53	
Endowment	15,192.02	
Plant	10,193.75	
H. Y. Institute Reserve Fund	14,043.20	
Governors Reserve Fund	<u>6,047.43</u>	
Total		<u>45,950.93</u>

Respectfully submitted,

F. T. Cartwright, Treasurer
C. A. Evans, Assistant Treasurer
Charles H. Corbett, Assistant Treasurer

<u>ENDOWMENT</u>		<u>Debit</u>	<u>Credit</u>
11a	Consolidated Endowment Investments.....	245,421.08	
11b	Special Endowment Investments - Ackerman.....	9,474.53	
11d	J. W. L. Forster Estate Investments.....	4,450.00	
111	General Endowment Fund.....		2,000.00
111a	William Ronk Fund.....		52.09
111c	Hall Endowment Fund - General.....		200,000.00
111d	J. W. L. Forster Estate Fund.....		4,450.00
112	Henry T. Hodgkin Memorial Fund.....		10,072.18
113	Maria S. Ackerman Memorial Fund.....		10,000.00
114	J. E. Johnson Chair of Practical Christianity.....		5,000.00
115	Scholarship Funds - Rosemond \$800; General \$275.....		1,075.00
116	William Masland Library Fund.....		1,000.00
116a	Mead Memorial Hospital Library Fund.....		1,073.46
117	The Kate M. Atherton Fund - Special Library Purchase..		4,000.00
118	Exchange Endowment - Reserve Fund.....		19,610.91
118a	Endowment Income - Stabilization Fund.....		15,685.47
118b	Harvard-Yenching Institute Stabilization Fund.....		3,902.13
19	Cash Awaiting Investment.....	255.83	
19.1	Savings Bank Accounts.....	15,192.02	
119	Loss on Sale of Securities.....	3,127.78	
		277,921.24	277,921.24

WEST CHINA UNION UNIVERSITY

TRIAL BALANCE JUNE 30, 1943

PLANT		Debit	Credit
20	Completed Buildings:		
	(a) Whiting Memorial Administration....	49,254.66	
	(b) Cadbury School of Education.....	23,176.58	
	(c) Scattergood Middle School.....	27,726.92	
	(d) Middle School Chapel.....	7,841.37	
	(e) Medical and Dental College.....	48,652.61	
	(f) Coles Clock Tower.....	8,378.35	
	(g) Residences.....	18,582.19	
	(h) Lamont Memorial Library.....	30,254.78	
	(i) Atherton Biology & Preventive Med..	25,202.38	
		239,069.84	
120	Funds for Completed Buildings.....		239,069.84
21	Land.....	42,420.58	
21a	Land - Middle School Building Site.....	7,500.00	
21b	Land Improvements.....	300.33	
121	Land & Building Fund - General.....		49,634.20
122	Special Funds:		
	(d) Scattergood Middle School Site.....		5,000.00
	(f) WCUU Hospital - Rockefeller Foundation Grant '41.		10,000.00
	(g) Pharmacy Building.....		2,000.00
	(h) Coles Clock Tower.....		209.64
	(j) Clinical Hospital.....		20,000.00
	(k) Hospital Equipment.....		33,321.99
	(m) Residences.....		2,500.00
	(p) Atherton Mem. Biology & Preventive Medical Bldg.		297.62
	(r) Benjamin Moore Memorial Hospital.....		58,796.39
	(t) Chemistry Building.....		15,000.00
	(v) United Church of Canada-Hospital Equipment...		10,000.00
	(w) Scientific & Medical Laboratory Equipment,...		2,000.00
	(w1) Appropriation for Furniture Equipment.....		15,000.00
	(x) Miscellaneous.....		1,366.54
			3,737.63
124m	Ambulance Fund.....		
24	Equipment:		
	(a) Library Books & Furniture.....	2,449.90	
	(f) New Hospital - Rockefeller Grant 1941.....	4,443.36	
	(k) Hospital.....	30,280.71	
	(m) Ambulance.....	3,737.63	
	(w1) Scientific & Medical.....	22,343.02	
	(w2) Apparatus.....	2,027.81	
	(w3) Medical Apparatus.....	1,000.00	
	(w4) Storage Battery.....	1,000.00	
	(w5) Goucher Building.....	1,200.00	
	(x) Miscellaneous.....	278.76	
26	Building Operations:		
	(g) Pharmacy Building.....	2,000.00	
	(j) Clinical Hospital Building.....	79,381.39	
	(m) Residences.....	2,500.00	
	(q) Church Missionary Society Dormitory.....	1,901.65	
	(t) Chemistry Building.....	15,000.00	
			1,094.88
29	Plant Cash - Overdraft.....		
29.1	Savings Bank Accounts.....	10,193.75	
		469,028.73	469,028.73

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<u>CURRENT GENERAL</u>		<u>Debit</u>	<u>Credit</u>
31.1	Current Expense - General Budget.....	20,000.00	
31.2	" " - Governors Budget.....	5,936.99	
36.1	Home Administration - Executive Office.....	8,630.71	
36.2	" " - Incidentals.....	272.78	
36.3	" " - Governors.....	528.22	
36.4	Promotional Expense.....	159.42	
39	General Cash - Overdraft.....		12,187.55
131a	Receipts - American Baptist Foreign Missionary Soc.		2,500.00
131b	" - Women's American Baptist For. Miss. Soc.		625.00
132	" - Church Missionary Society.....		600.00
133	" - Friends Service Council.....		1,010.00
134a	" - Methodist Board.....		2,500.00
134b	" - Women's Missionary M. E. Church.....		954.15
135a	" - United Church of Canada.....		2,715.00
135b	" - Women's Society United Church of Canada.		1,574.76
136	Special Gifts for Current Budget.....		1,700.00
136.3	General Administration.....		1,000.00
137	Endowment Income - General.....		9,231.66
139.1	Accounts Receivable.....	1,070.00	
		<hr/>	<hr/>
		36,598.12	36,598.12

CURRENT SPECIAL

79	Special Cash.....	156,490.62	
79.1	Savings Bank Accounts - Special.....	14,043.20	
79.2	" " " - Reserve Fund.....	6,047.43	
171.2	Harvard-Yenching Institute - Restricted Account..		46,464.24
172	Suspense.....		9,631.64
172.1	" - Dr. Wallace Crawford.....		5,650.00
172.2	" - Dental Unit.....		25.00
172.3	" - Harvard-Yenching Special Book Purchases.		716.22
172.4	" - Chemistry Department.....		4,446.00
172.5	" - College of Dentistry.....		6,000.00
172.6	" - Mr. Tu Shu-tung.....	100.00	5,000.00
175.1	Miscellaneous Gifts for Current Budget.....		18,425.05
175.2	Endowment Income - Restricted.....		352.50
175.2	Disbursed - Endowment Income - Restricted.....	340.00	
175.3	Income J. A. Coles Estate.....		5,461.15
175.4	" - Kate M. Atherton Fund.....		1,237.57
175.5	" - Henry T. Hodgkin Memorial Fund.....		880.02
175.6	Sustaining Funds.....		132,000.00
175.6	Disbursed - Sustaining Funds.....	87,976.09	
178	Permanent Reserve Fund.....		6,165.64
178.2	Mortgage Reserve Fund.....		42.93
179	Accounts Payable.....		22,499.38
		<hr/>	<hr/>
		264,997.34	264,997.34

WEST CHINA UNION UNIVERSITY

TRIAL BALANCE AFTER CLOSING - JUNE 30, 1943

<u>CURRENT GENERAL</u>	<u>Debit</u>	<u>Credit</u>
39 General Cash - Overdraft.....		895.00
134b Receipts - Women's Missionary M. E. Church.....		175.00
139.1 Accounts Receivable.....	1,070.00	
	<hr/>	<hr/>
	1,070.00	1,070.00

CURRENT SPECIAL

79 Special Cash.....	145,198.07	
79.1 Savings Bank Accounts - Special.....	14,043.20	
79.2 " " " - Reserve Fund.....	6,047.43	
171.2 Harvard-Yenching Institute Restricted Account.....		34,043.20
172 Suspense.....		1,485.93
172.1 " - Dr. Wallace Crawford.....		5,650.00
172.2 " - Dental Unit.....		25.00
172.3 " - Harvard-Yenching Special Book Purchase.....		716.22
172.4 " - Chemistry Department.....		4,446.00
172.5 " - College of Dentistry.....		6,000.00
172.6 " - Mr. Tu Shu-tung.....	100.00	5,000.00
175.1 Miscellaneous Current Gifts.....		17,578.21
175.2 Endowment Income - Restricted.....		5.86
175.3 Income - J. A. Coles Estate.....		3,161.15
175.4 " - Kate M. Atherton Fund.....		1,237.57
175.5 " - Henry T. Hodgkin Memorial Fund.....		880.02
178 Permanent Reserve Fund.....		6,165.64
178.2 Mortgage Reserve Fund.....		42.93
179 Accounts Payable.....		78,950.97
	<hr/>	<hr/>
	165,388.70	165,388.70

CONSOLIDATED BALANCE SHEETWEST CHINA UNION UNIVERSITYJUNE 30, 1943A S S E T SL I A B I L I T I E S

Endowment
Consolidated Investments 258,871.08
Cash on Hand 255.83
Savings Bank Accounts 15,666.55

Endowment
Total Endowment Funds 237,647.73
Scholarship Funds 1,075.00
Exchange Reserve Fund 19,610.91
Endowment Inc. Stabilization Fund 15,685.47
H. Y. Inst. Stabilization Fund 3,902.13

274,793.46 Less Loss on Sale of Securities 3,127.78 274,793.46

Plant
Completed Buildings 239,069.84
Land and Improvements 50,220.91
Equipment 68,761.19
Building Operation 100,783.04
Savings Bank Accounts 10,193.75
Less Cash Overdraft 1,094.88 9,098.87

Plant
Funds for Completed Buildings 239,069.84
Land Funds 49,634.20
Special Funds 179,229.81

467,933.85 467,933.85

Current Assets
Investment H. Y. I. Account (Sav. Acct't) 14,043.20
Accounts Receivable 1,070.00
Cash 144,303.07
Savings Bank a/c Reserve 6,047.43 150,350.50

Current Liabilities
Harvard Yenching Restricted Act. 34,043.20
Suspense Account 23,223.15
Miscellaneous Gifts 17,578.21
Restricted Income Balances 5,284.60
Permanent Reserve Fund 6,165.64
Mortgage Reserve Fund 42.93
Accounts Payable 78,950.97
Income advanced to 1943-44 175.00

165,463.70 165,463.70
908,191.01 908,191.01

BUDGET ANALYSIS 1942/43

11.

WEST CHINA UNION UNIVERSITY

AS OF JUNE 30, 1943

DISBURSEMENTS

RECEIPTS

A. General Funds

Acct. No.	Appropriation	Disbursed to June 30	Acct. No.	Budget Estimate	Rec'd to June 30
31.1 Field Budget	7,500.00)	20,000.00	131a American Baptist F.W.S.	2,500.00	2,500.00
Field Budget - Special	12,500.00)		131b American Baptist Women	750.00	625.00
31.2 Governors Budget	6,000.00	5,936.99	132 Church Miss. Society General	500.00	500.00
			132 " " Women's	100.00	100.00
36.1 Home Adm. - Executive Office	8,630.71	8,630.71	133 Friends Service Council	1,025.00	1,010.00
36.2 " " - Incidentals	400.00	272.78	134a Methodist Board	2,622.50	2,500.00
36.3 " " - Governors Expense	400.00	528.22	134b Methodist Women	837.50	779.15
36.4 Promotional Expense	200.00	159.42	135a United Church of Canada	3,000.00	2,715.00
			135b " " Women	1,750.00	1,574.76
			136 Special Gifts: Atherton Family	1,600.00	1,700.00
			136 General Administration	1,000.00	1,000.00
			137 Endowment Income	9,500.00	9,231.66
			175.3 Coles Estate	2,300.00	2,300.00
			172 Suspense	8,145.71	8,145.71
			175.1 Gifts for Current	-	846.84
				35,630.71	35,528.12

B. Special Funds

171.2 Program of Chinese Studies	12,421.04	12,421.04	171.2 Harvard-Yenching Institute	12,421.04	12,421.04
175.2 For Upkeep of J. A. Coles Memorial Building	300.00	340.00	175.2 Income Maria S. Ackerman Fund	300.00	340.00
175.4 Special Library Purchase	163.25	-	175.2 " Scholarship Fund	6.44	6.64
175.2 For Scholarship	6.44	6.64	175.4 " Kate Atherton Fund	163.25	144.55
175.5 Promotion of World Peace	385.00	-	175.5 " Hodgekin Memorial Fund	385.00	362.51
175.6 Sustaining Funds	120,000.00	120,000.00	175.6 Sustaining Funds (Including Bldg.)	120,000.00	120,000.00
175.6 " " Spec. Appro.	12,000.00	12,000.00		12,000.00	12,000.00
	145,275.73	144,767.68		145,275.73	145,274.74

WEST CHINA UNION UNIVERSITY

12.

LIST OF SECURITIES AS OF JUNE 30, 1943

Amount	Security	Cost Price	6/30/43 Market Price	Cost	6/30/43 Market Value	Nominal Income
(a) Consolidated Endowment Investments						
<u>Mortgage Participating Certificates</u>						
10,000.00	119-127 Eastern Parkway, Brooklyn $\frac{1}{2}$ / $\frac{1}{4}$ 0.....	100	75	10,000.00	7,500.00	300.00
6,723.82	542 Parkside Avenue, Brooklyn $\frac{1}{4}$ - $\frac{3}{4}$ / $\frac{1}{4}$ 3.....	100	80	6,723.82	5,379.06	210.05
19,058.52	Series 200007 - 100 Leifers Ave. $\frac{5}{8}$ / $\frac{1}{4}$ 0.....	100	85	19,058.52	16,199.74	904.70
<u>Mortgages - Real Estate</u>						
2,468.32	Sarah Crennan, 49 DeWitt Pl., N. Rochelle 6/41.....	100	100	2,468.32	2,468.32	-
5,000.00	I. Gallagher, 23 Lafayette St., N. Rochelle 6/41..	100	100	5,000.00	5,000.00	-
2,940.00	G.M. Metello, 243 Suckles Ave., N. Rochelle $\frac{5}{8}$ / $\frac{1}{4}$ 5..	100	100	2,940.00	2,940.00	165.00
4,475.00	G. & V.B. Lambert, 39-6th St. No. Pelham 6/45.....	100	100	4,475.00	4,475.00	275.25
				50,665.66	43,962.12	1,855.00
\$5,000 Canadian	Canada Permanent Mortgage Debentures $\frac{3}{8}$ / $\frac{1}{4}$ 5.....	89	85	4,450.00	4,250.00	-
<u>Railroad Bonds</u>						
10,000	Baltimore & Ohio R.R., 1st. Mtge. $\frac{1}{4}$ / $\frac{1}{8}$	92	72	9,201.67	7,200.00	400.00
10,000	Chesapeake & Ohio Rwy. Co. "F" $\frac{3}{8}$ / $\frac{1}{9}$ 6.....	100-7/8	106-1/4	10,098.75	10,625.00	350.00
8,000	Columbus & Hocking Valley, 1st $\frac{1}{4}$ / $\frac{1}{8}$	41ft	110	8,000.00	8,800.00	320.00
15,000	Chicago Union Station 1st. Mtge. Series "F" $\frac{3}{8}$ -1/8/63	100-7/8	103-1/8	15,168.75	15,468.75	468.75
				42,469.17	42,093.75	1,538.75
<u>Public Utility Bonds</u>						
15,000	Bell Telephone Co. of Canada 5/57.....	102-1/2	115-1/2	15,405.00	17,325.00	750.00
10,000	Cleveland Electric Illuminating Co. 3/70.....	105	108-5/8	10,500.00	10,862.50	300.00
				25,905.00	28,187.50	1,050.00

List of Securities (Continued)

13.

<u>Amount</u>	<u>Security</u>	<u>Cost Price</u>	<u>6/30/43 Market Price</u>	<u>Cost</u>	<u>6/30/43 Market Value</u>	<u>Nominal Income</u>
<u>Industrial Bonds</u>						
4,000	Texas Corporation Debentures 3/65.....	103-5/8	106-3/8	4,145.00	4,255.00	120.00
<u>Government Bonds</u>						
20,000	U. S. Savings Bonds Defense Series "G" 2 1/2-9/1/53..	100	100	20,000.00	20,000.00	500.00
21,000	" " " " 2 1/2-5/25/54.	100	100	21,000.00	21,000.00	525.00
10,000	" " " " 2 1/2-3/1/55..	100	100	10,000.00	10,000.00	250.00
20,000	" " Treasury Bonds Series "A" 1 1/2-9/15/47.....	100	100	20,000.00	20,000.00	300.00
				71,000.00	71,000.00	1,575.00
<u>Preferred Stock</u>						
600 sh	Aluminum Company of America Cum. 6%.....	100	111-3/4	60,000.00	67,050.00	3,600.00
<u>Common Stock</u>						
27 sh	Home Title Guaranty Company.....	8-3/4	3	236.25	81.00	2.70
				258,871.08	260,879.37	9,741.45

MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

9:00 A. M. Friday, November 5, 1943
Council Room, Emmanuel College, Toronto, Canada

List of Members:

*Forrest Smith, Chairman	J. W. Decker
*J. H. Arnup	Dean Sage, Jr.
*Frank T. Cartwright	Bishop Herbert Welch, Ex-officio

Those whose names are starred were present, also C. A. Evans.

Regrets were presented from Dr. Decker, Bishop Welch and Mr. Sage.

The meeting opened with prayer led by Mr. Smith.

INVESTMENTS

It was stated that recent studies of the portfolio reveal that little needs to be done at present, aside from following through on previous authorization to sell the Baltimore & Ohio 4's/48 which are still below 80 set by action F-1728. It was felt that the order should stand as voted.

Sale of Aluminum Preferred.

It was noted that Aluminum Preferred stock is now selling around 111 and the question was raised as to the advisability of selling still more of the 600 shares now held. It was

F-1801 VOTED to sell 200 shares of Aluminum Preferred stock--the method of sale to be left to the judgment of the Treasurer's office.

Home Title Guaranty Company Stock.

It was stated that it had been suggested that the 27 shares of Home Title Guaranty Company stock be sold at the prevailing price of 4 3/4. The question as to the probability of further advance in the rising prices which real estate is now enjoying was felt unimportant in such a small holding. It was

F-1802 VOTED to sell 27 shares of Home Title and Guaranty Company common stock.

Mortgages:

The Assistant Treasurer stated that only one mortgage, at present, seemed to be in real difficulty, that being the following:

\$5,000 - Gallagher - 23 Lafayette Street, New Rochelle. The report was made that negotiations are still pending with the attorney representing the owner and he is working in close contact with the Board's agent in New Rochelle. As it appeared that monthly payments now being made will work out satisfactorily, no action seemed necessary.

November 5, 1943

USE OF FIELD BALANCE

The following copy of action E-1755 was presented:

"VOTED that action regarding the \$3,817.27 from balances due the field from current budget be referred back to the Finance Committee with power."

As this referred to the use of the stated amount for the current budget of the Governors for the purpose of giving the field the full use of sustaining funds without any deductions, it was

F-1803 VOTED that the Committee approves the use of this balance of \$3817.27 and that the field be notified accordingly.

COLES FUND RESERVES

Action E-1756 which reads as follows was presented:

"VOTED that the request for a grant of \$2,500 from the Coles Fund be referred to the Finance Committee."

It was revealed that this fund was requested by the field for the purpose of repairing the grounds and paths around the University Hospital and Medical School. As there was \$3,161.15 in the account on June 30, 1943, and as the object conformed to the restrictions on the income, it was

F-1804 VOTED to approve the use of \$2,500.00 from Coles Fund income for the use outlined above and notify the field accordingly.

RELIEF FUNDS FOR 1943-44

As this matter was referred to the Finance Committee with power, it was stated that arrangements with United China Relief and the Associated Boards have permitted the acceptance of the recommendations from the field for \$170,000 for West China Union University for 1943-44, it being understood that 50% is guaranteed by the Associated Boards, but that efforts are being made to raise the balance. It was

F-1805 VOTED to approve the arrangement with the Associated Boards whereby US\$170,000 represents West China Union University's sustaining fund quota for 1943-44.

RELIEF FUNDS FOR 1944-45

Budgets presented through the Associated Boards show that West China anticipates a deficit of LC\$13,428,000 for 1944-45, which at present rates is US\$447,600. As it seemed impossible to secure this amount, the Treasurer's office sought authority to negotiate with the Associated Boards for as much as possible to apply on this

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anticipated deficit. It was

F-1806 VOTED to authorize the Treasurer's office to carry on negotiations with the Associated Boards, United China Relief, or other interested agencies, with the hope of securing a sufficient amount to cover the 1944-45 deficit as reported from China.

TREASURER'S REPORT FOR 1942-43

Copies of the 1942-43 Treasurer's Report (Appendix A) had been distributed to the Committee and after careful study, and some changes, it was

F-1807 VOTED to recommend that the Board of Governors accept the Treasurer's Report for 1942-43 with thanks to the office staff which has carried on so efficiently.

AUDITORS' REPORT 1942-43

This report from the Auditors was presented at the meeting and it was studied with deep interest. After noting the findings of the Auditors, it was

F-1808 VOTED to recommend that the Board of Governors accept the 1942-43 Report of the Auditors, Messrs. Chambellan, Berger and Welti.

KEENE ESTATE

The Treasurer's office advised that the \$300.00 carried in Suspense Account as having been received from the Keene Estate should be transferred to the Endowment Section and properly invested. It was

F-1809 VOTED that the Treasurer be instructed to transfer \$300.00 representing the proceeds from the Keene Estate Bequest to Endowment Funds and invest the amount in U. S. Treasury Bonds.

On motion adjourned.

C. A. EVANS,
Assistant Secretary.

B/

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MINUTES OF MEETING
FINANCE COMMITTEE
WEST CHINA UNION UNIVERSITY

12:15 P. M. Friday, April 21, 1944
Hotel Irving, 26 Gramercy Park, N. Y.

List of Members

*Forrest Smith, Chairman
*Frank T. Cartwright
Dean Sage

C. Rogers Woodruff
Mrs. Hugh D. Taylor
Jesse J. Arnup, ex officio

Those whose names are starred were present, also Mr. C. A. Evans.

As a quorum was not present, it was agreed to circulate the minutes before submitting them to the Executive Committee.

REVIEW OF SECURITIES

The Committee had in hand a Revised List of Securities as of April 17th and studied same in detail.

Mortgage Participating Certificates

A report was made on the recent court decision refusing an offer to purchase the property located at 100 Lefferts Avenue for \$133,000. It was stated that the offer had been raised to \$200,000, but that a decision could not be rendered until the Court re-convened in about two weeks. West China is involved for \$13,677.02. In connection with the foregoing report, the other mortgage participating investments were studied and it was the consensus of opinion that they should be watched very carefully with the definite purpose of selling out as soon as a favorable market could be found. It was therefore

F-1828 VOTED to give immediate consideration to sale of the following mortgage participating certificates when the market reaches the price indicated:

119-127 Eastern Parkway, Brooklyn	80
542 Parkside Avenue	85
100 Lefferts Avenue	90

It was further

F-1829 VOTED that if by November 1st the market has not reached a favorable position on holdings listed in F-1828, that consideration be given to selling out at prevailing prices.

Mortgage on 49 DeWitt Place, New Rochelle

It was reported that this property had been transferred to Alfred M., Clarence A. and Andrew Brown, subject to the mortgage. Same is running on open basis and it was

F-1830 VOTED to instruct the Treasurer's office to request a re-financing of the mortgage with the hope of securing the entire amount of \$2,000, but failing in that to give not more than a three-year extension on the basis of a \$500.00 amortization per year.

Isabelle Gallagher - 23 Lafayette Street, New Rochelle

The Assistant Treasurer reported that Mr. John F. DeAngeli, an Attorney in New York City is financially interested in this property and is endeavoring to work out a solution during the next few months. It was

F-1831 VOTED that the Treasurer's office instruct the interested parties in the captioned mortgage that the 1943 taxes must be paid within the next four months and that suitable amortizations must be instituted or that the mortgage be re-financed.

The Committee reviewed other securities and learned that the twenty-seven shares of Home Title Guaranty Company Common Stock had been sold recently. It was noted that forty shares of Lawyers Mortgage Corporation stock was held on the books at a price of 5-5/8 and it was

F-1832 VOTED to sell Lawyers Mortgage Corporation Common Stock at market.

INVESTMENT OF CASH

The Committee was informed that \$9,215.86 of Endowment cash was unemployed. Noting the full investment in Government Bonds and cognizant of the low yield of high grade bonds, thought was turned to the possible use of Preferred Stock. Not having in hand exact information as to Trustee action on whether or not Preferred may be purchased, it was

F-1833 VOTED that the Treasurer's office ascertain the action of the Board of Governors regarding the purchase of Preferred Stock and if no action prevails that the question be presented to the Executive Committee with the favorable recommendation of the Finance Committee.

OMAR L. KILBORN AND THE RETTA G. KILBORN MEMORIAL LIBRARY FUND

Information was presented covering the gift of \$2,000.00 (Canadian) from the four children of Drs. Omar L. Kilborn and Retta Gifford Kilborn viz-Leslie, Constance, Cora, and Kenneth, the fund to be in memory of their parents. After studying the conditions set forth in the gift it was

F-1834 VOTED (a) to recommend to the Executive Committee the acceptance of the gift of \$2,000 (Canadian) as set forth in the following conditions:

1. "The Fund shall be known as the Omar L. Kilborn and the Retta G. Kilborn Memorial Library Fund.
2. "The capital sum shall be retained by the Board of Founders, either permanently or until such time as other assets of the university abroad are transferred to China. We prefer that the capital be retained in Canada at least until such time as Canadian and American funds are at par, when it may be transferred to the Treasurer of the Board of Founders in New York, if so desired by the Board of its executive.

April 21, 1944

3. "The interest only is to be used for the purchase of medical books or periodicals for the library of the College of Medicine and Dentistry of the West China Union University. The University shall not in any way reduce the amount granted to the College for Library purposes because of the existence of a special fund, nor shall the university refuse to allow the College to share in possible future increased grants for library purposes because of the existence of a special fund.
 4. "Each book or periodical purchased shall have a stamp upon it, or have a book-plate attached to it, to indicate the source of the volume.
 5. "It is hoped that others may also contribute to this fund so that in time an adequate endowment for the medical library may be available."
- and
- (b) It is further recommended that the fund be held in Canada for the present at least and same be invested in Bonds of the Dominion of Canada at 3%.

REPORT ON FIELD BUDGETS

Attached herewith as Appendix A is a schedule - showing:

- (a) Actual income and expenditures for the year ending June 30, 1943.
- (b) Revised Budget for 1943-44.
- (c) Proposed Budget for 1944-45.

The Committee was gratified to learn that the 1942-43 year closed with a surplus and raised the question regarding the present condition and the prospects as of June 30, 1944. No definite information was available and no immediate knowledge as how to meet the prospective deficits for 1943-44 and 1944-45. It was stated that efforts are being made to ease the exchange situation and not much planning can be done before this question is cleared. It was therefore suggested that latest information and the attached schedule be presented to the Executive Committee of the Board of Governors.

GOVERNORS BUDGET FOR 1944-45

The anticipated income from regular sources was presented to the Committee for consideration along with the proposed expenditures. It was observed that the larger budget including Sustaining Funds was not included. As these latter items must be sent to China for use as designated it was recognized that they would be in and out items. As the Associated Boards has notified the Field that no more can be expected for 1944-45 than the 1943-44 allocation, it was agreed to include the same figure for Sustaining Funds as used in the current budget. It was therefore

Minutes
West China Finance Committee

April 21, 1944

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F-1834 VOTED to present the following figures to the Executive Committee as anticipated income and expenses for 1944-45 subject to adjustments with the Associated Boards for Sustaining Funds.

WEST CHINA PROPOSED BUDGET FOR 1944-45

<u>Receipts</u>		<u>Class A</u>	<u>Expenditures</u>	
American Baptist		\$2,500.00	Field Budget	12,029.00
" " Women		1,000.00	Governors Budget	6,000.00
C. M. S.		500.00	Home Administration:	
C. M. S. Women		100.00	Executive Office	7,656.00
Friends Service Council		1,035.00	Incidentals	400.00
Methodist Board		2,500.00	Governors Expense	400.00
" " Women		700.00	Promotional Expense	200.00
United Church of Canada		3,000.00		
" " " Women		1,750.00		
Special Gifts - Atherton		1,600.00		
General Administration		1,000.00		
Endowment Income		9,000.00		
Coles Estate		2,000.00		
		<u>\$ 26,685.00</u>		<u>\$ 26,685.00</u>

Class B - Special Funds

The following funds are specially designated but are not underwritten by the Governors and are sent to the field when and as received:

Harvard-Yenching Institute	\$ 12,421.04
Income Marie S. Ackerman Fund	300.00
" Scholarship Fund	6.50
" Kate Atherton Fund	78.50
" Hodgkin Memorial Fund	365.00
Sustaining Funds (estimated)	<u>170,000.00</u>
	<u>\$183,171.04</u>

There being no other business the meeting adjourned.

Respectfully submitted

C. A. EVANS
Assistant Secretary

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WEST CHINA UNION UNIVERSITY

EXPENDITURES

	<u>Actual Expenditures</u> <u>1942-43</u>	<u>Revised Budget</u> <u>1943-44</u>	<u>Proposed Budget</u> <u>1944-45</u>
(Chinese		6,533,965	20,859,648
Salaries			
(Mission Brd.		144,000	4,270,000
Administration	640,544.26	182,750	534,750
Oper. & Maintenance	333,342.74	431,000	1,290,600
College of Arts	840,960.14	76,000	229,500
" Science	797,332.54	308,500	1,125,500
" Med. & Dent.	1,095,913.90	344,900	1,341,580
Library	383,355.86	174,750	296,250
Museum	104,510.61	79,000	300,000
Chinese Cult. Institute	126,712.71	-	-
Agricultural School	70,940.67	-	-
Student Activities	166,361.14	79,030	150,000
Faculty Service	3,002.43	-	-
Univ. Hospital			
Director's office	5,000.00	-	-
Grant Toward Teaching		75,000	225,000
 Total	 4,567,977.00	 8,428,895	 30,622,828
Bal. July 1, 1943	239,090.48		
	4,807,067.48		

INCOME

From:			
Government	420,736.53	492,000	492,000
Mission Br. Personnel	153,000.00	144,000	4,270,000
Student Fees	220,350.80	347,000	452,000
Br. of Governors	327,700.28	590,000	494,000
H.Y.I. (Bal. included)	504,608.04	366,154	489,640
China Med. Board	-	-	760,000
British Aid etc.	246,323.42	237,526	320,000
Miscellaneous (Bal. incl.)	491,098.41	584,615	1,769,138
U. C. R.	2,025,000.00	2,950,000	6,800,000
" Special	418,250.00	-	-
 Total	 4,807,067.48	 5,711,295	 15,846,778
Deficit	-	2,717,600	14,776,050
		8,428,895	30,622,828

All figures are in US\$

REPORT OF THE TREASURER
BOARD OF GOVERNORS, WEST CHINA UNION UNIVERSITY

JUNE 30, 1944

On the date of this report, nearly seven years of war had gripped China and still it struggled on. West China Union University, the only one of the Christian College group in free China to occupy its own campus, was still host to four other Colleges. The student body last year was larger than ever before and the work continued in spite of constant rise in cost of living. True, the people of the staff are war weary but their devotion to the task is a fine testimonial of loyalty and conscientiousness.

Here in America more money was handled by the Governors' Treasurer than ever before; \$316,000 representing transactions in cash income and security sales. In spite of this the Governors' books closed with a deficit of \$1,909.74 due to increased cost of living in China and excessive cost of travel.

This report is based on the following documents:

- (a) Trial Balance Sheets as of June 30, 1944 (Pages 7, 8, 9, 10)
- (b) Consolidated Balance Sheet (Page 11)
- (c) Budget Analysis as of June 30, 1944 (Page 12)
- (d) List of Securities as of June 30, 1944 (Pages 13-14)

The figures in this report have been checked by our auditors, Messrs. Chamberlan, Berger and Welti.

ENDOWMENT

The funds in the Endowment Section showed a net increase of \$211.10 as revealed in the following schedules:

	<u>Increase</u>	<u>Decrease</u>
General Endowment Fund - Keene Estate	\$300.00	
Mead Memorial Hospital Library Fund - Endowment		
Income	40.43	
Endowment Income - Stabilization Fund - Amount		
transferred to Endowment Income General		978.21
Harvard -Yenching Institute Stabilization Fund		
Income	145.67	
Profit on Sale of Securities	703.21	
	1,189.31	
	978.21	
	<u>211.10</u>	<u>978.21</u>
Net Increase		

The reconciliation of the net increase of \$211.10 in the investments and distribution of cash is as follows:

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Report of the Treasurer
West China Union University

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June 30, 1944

		<u>Increase</u>	<u>Decrease</u>
Interest on Ackerman Fund		7.13	
Interest and increased deposit in Savings Banks		246.67	
<u>Investment Changes:</u>			
Amortization Lefferts Ave. Mtg.	381.50		
" #21294 Mortgage	50.35		
" Lambert Mtg.	150.00		
" Metallo Mtg.	120.00		
" 40 De Witt Place Mtg.	468.32		
" 119-127 Eastern Parkway Mtg.	101.48		
	<u>1,271.65</u>		
Cost of 200 shs. Aluminum Pfd. sold	20,000.00		
" " 27 " Home Title Guranty Co. sold	236.25		
" " 10,000 Baltimore & Ohio, sold	9,201.67		
	<u>\$30,709.57</u>		
<u>Less</u>			
Lawyers Mtg. Stock acquired	225.08		
<u>Less Purchases</u>			
5,000 U.S. Treasury Bonds "A"	5,000.00		
22,500 " " " " "g"	<u>22,500.00</u>	<u>27,725.08</u>	
		2,984.49	
Cash awaiting investment		<u>2,941.79</u>	
		3,195.59	
		<u>2,984.49</u>	
		211.10	
Net Increase			

The total income for the year not deducting custodian charges and fees was \$10,149.87 or 3.95%. The value of the list shown on Pages 13 and 14 as of June 30, 1944 was \$257,008.46 as against \$260,879.37 of a year ago. The nominal income is shown as \$9,261.25 or 3.60% on market value.

It will be noted that \$1,271.65 was received on amortization of mortgages but pressure is being exerted to secure larger payments as soon as possible. The Lawyers Mortgage stock acquired came as a stock distribution in settling the affairs of the company. To enter same on our books the amortization of the Lefferts Avenue Mortgage was increased a like amount as that was the property originally involved with this Company.

PLANT

An analysis of the Plant Section shows an increase in funds of \$67,470.76 to an aggregate of \$535,404.61. This was caused partly by the completion of the Pharmacy and Chemistry Buildings, but more largely by the payment of cash for the use of the Hospital facilities by troops in China. Much of this latter cash may be used for current expenses. The schedule of changes follows:

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Report of the Treasurer
West China Union University

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June 30, 1944

	<u>Increases</u>	<u>Decreases</u>
<u>Increase in funds for:</u>		
Pharmacy Building	\$4,112.11	
Chemistry Building	11,790.20	
	<u>15,902.31</u>	
Special Funds for:		
Omar L. & Retta G. Kilborn Memorial Library Fund	1,810.00	
Gifts toward Hospital Equipment	40.00	
Interest on Benj. Moore Hospital Fund	114.94	
Miscellaneous Money from Blocked Account 59.51		
" Payment from U.S. Gov't. for		
space in Hospital 47,544.00		
" Payment from China Med. Board 2,000.00	49,603.51	
Net Increase in Plant Section	<u>67,470.76</u>	<u>67,470.76</u>
<u>This increase in funds is:</u>		
Completed Buildings:		
Pharmacy Building	4,112.11	
Chemistry Building	11,790.20	
Investment - Kilborn Memorial Library Fund	1,810.00	
Plant Cash	54,671.95	
	<u>72,384.26</u>	72,384.26
Less decreases:		
Savings Bank Accounts - Transferred to		
Plant Cash 4,972.37		
Less Interest on Savings Account 58.87		4,913.50
Net Increase in Plant Section		<u>4,913.50</u>
		<u>\$67,470.76</u>

Plant Fund Investments are carried as follows:

Kilborn Memorial Library - invested in Canada	1,810.00	
Savings Bank Accounts - Greenwich Savings Bank	<u>5,280.25</u>	7,090.25

CURRENT SECTION

The following schedules show the income and disbursements for both 1943-44 and 1942-43. This is to show any variation in receipts or expenditures over the two periods.

<u>INCOME</u>	<u>SOURCE</u>	<u>1943-44</u>	<u>1942-43</u>
American Baptist Foreign Missionary Society		\$2,500.00	\$2,500.00
American Baptist Foreign Missionary Society Women		1,000.00	625.00
Church Missionary Society		500.00	500.00
Church Missionary Society Women		100.00	100.00
Friends Service Council		1,010.00	1,010.00

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	Cont'd.	1943-44	1942-43
Methodist Board of Missions and Church Extension		2,500.00	2,500.00
Methodist Bd. of Missions & Church Ext. Women's Div.		700.00	779.15
United Church of Canada		2,715.00	2,715.00
United Church of Canada Women		1,574.76	1,574.76
Special Gifts Atherton Family		1,600.00	1,700.00
General Administration (H.Y.I.)		1,000.00	1,000.00
Endowment Income		10,000.00	9,231.66
Coles Estate		2,100.00	2,300.00
Special for Administration		-	8,145.71
Harvard Yenching Institute		12,421.04	12,421.04
Sustaining Funds		149,364.07	132,000.00
Designated Income		804.31	859.56
Special Gifts for Current Budget		46,560.93	846.84
		<u>\$236,450.11</u>	<u>\$180,808.72</u>

EXPENDITURES

Field Budget	12,350.00	20,000.00
Governor's Budget	7,871.03	5,936.99
Home Administration and Promotion	8,014.75	8,630.71
Governor's Miscellaneous Expenses	973.72	960.42
Chinese Cultural Budget	12,421.04	12,421.04
M. E. Board Upkeep Coles Memorial Building	353.99	340.00
Scholarships	6.82	6.64
Sustaining Funds for the Field	195,925.00	132,000.00
	<u>\$237,916.35</u>	<u>\$180,295.80</u>
Designated Income Carried Forward	443.50	512.92
	<u>\$238,359.85</u>	<u>\$180,808.72</u>
Less Deficit	1,909.74	
	<u>\$236,450.11</u>	

It is to be noted that Endowment Income was built up to \$10,000 by the use of \$978.21 from Endowment Income Stabilization account.

Attention is also called to the increase of \$17,364.07 in Sustaining Funds and the increase of nearly \$46,000.00 in Current Budget Gifts. These latter gifts were secured through the efforts of the Associated Boards. The decrease in Field Budget Appropriation was caused by deducting Home Administration Expenses from regular income rather than from Sustaining Funds. This was at the insistence of United China Relief. There was a deficit of \$1,909.74 on the transactions for the year 1943-44 because of the very marked increase of the Governor's Budget for personnel in China and largely as a result of travel expenses of returning a staff member.

CURRENT SPECIAL SECTION

A considerable amount of cash was carried in this section - \$123,567.80 but of this amount \$56,275.14 was in Accounts Payable and was due the field. Since closing the books the entire amount has been drawn on checks then enroute.

June 30, 1944

Suspense Accounts totaled \$66,837.32.

Harvard - Yenching Institute Restricted Funds amount to \$14,505.53. This included the amount carried in Savings Accounts last year - \$14,043.20 together with \$462.33 interest. Of this amount \$14,273.83 is on deposit in savings accounts. According to agreement all of this balance is to be used during 1944-45.

Miscellaneous Current Gifts amounting to \$2,084.15 included an item of \$100.00 for 1944-45 and the balance is specially designated for objects which cannot be attained during the war years.

J. A. Coles Estate - Income for the year totaled \$2,075 which was added to the previous balance making a total of \$5,236.15. From this amount \$2,100 was used for 1943-44 leaving a balance of \$3,136.15 for the future.

Permanent Reserve - This is the Governors Reserve which should be built up whenever possible. The following shows the transactions during the year:

Balance on hand June 30, 1943	\$6,165.64
Interest on Savings Fund	87.68
	<u>6,253.32</u>
Used for Dental Building deficit	1,000.00
Balance carried forward	<u>\$5,253.32</u>

Mortgage Reserve Fund was increased \$142.46 during the year making a total of \$185.39. This Fund was established to set aside a proportion of income to care for possible mortgage losses.

A new Savings Account was set up to take care of Dental Clinic Funds amounting to \$6,077.21.

CASH SITUATION

Cash on hand as of June 30, 1944 amounted to \$179,267.49 distributed in the following manner:

	<u>Overdraft</u>	<u>Balance</u>	<u>Net</u>
Endowment Section		3,197.62	
Plant Section		53,577.07	
Current Section	1,075.00		
Current Special		123,567.80	
	<u>1,075.00</u>	<u>180,342.49</u>	179,267.49

The above balance was on deposit with the Irving Trust Company 21st Street Branch in three accounts:

Endowment
Plant
Current

June 30, 1944

In addition the following amounts were carried in Savings Bank Accounts:

M. S. Ackerman Memorial Endowment Fund	518.34
" " " " " Savings Account	481.66
Endowment	14,920.35
Plant	5,280.25
H. Y. Institute Reserve Fund	14,274.83
Governors Reserve Fund	5,086.34
Dental Clinic	6,077.21
	<u>46,638.98</u>

RECOMMENDATIONS

It is recommended (a) that the overdraft of \$1,909.74 be carried as a deficit until the charges against the Governors Budget for 1944-45 can be determined or that any savings may be applied thereto,

(b) that the Finance Committee be instructed to watch developments within the 1944-45 Budget with the hope that other means may be discovered to reduce the 1943-44 deficit.

Respectfully submitted,

FRANK T. CARTWRIGHT, Treasurer

C. A. EVANS, Assistant Treasurer

C. H. CORBETT, Assistant Treasurer

WEST CHINA UNION UNIVERSITY

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TRIAL BALANCE AFTER CLOSING JUNE 30, 1944

<u>CURRENT GENERAL</u>		<u>Debit</u>	<u>Credit</u>
39	General Cash (Overdraft).....		1,075.00
134b	Receipts - Women's Missionary Society M. E. Church.....		175.00
139.1	Accounts Receivable.....	1,250.00	
		1,250.00	1,250.00
<u>CURRENT SPECIAL</u>			
75	Deficit.....	1,909.74	
79	Special Cash.....	123,567.80	
79.1	Savings Bank Accounts - Special.....	14,274.83	
79.2	" " " - Reserve Fund.....	5,086.34	
79.5	" " " - Dental Clinic.....	6,077.21	
171.2	Harvard-Yenching Institute - Restricted Account.....		14,505.53
172	Suspense.....		17,486.01
172.1	" - Dr. Wallace Crawford.....		10,165.00
172.3	" - Harvard-Yenching Special Book Purchases.....		1,216.22
172.4	" - Chemistry Department.....		4,446.00
172.5	" - Dental Clinic.....		23,000.00
172.6	" - Special.....		50.75
172.7	" - Department of Ophthalmology.....		973.34
172.8	" - University Community Church.....		5,000.00
172.9	" - Special Reserve - Friends Service Council....		2,500.00
172.10	" - Student Activities.....		2,000.00
175.1	Miscellaneous Gifts Current Budget.....		2,084.15
175.3	Income - J. A. Coles Estate.....		3,136.15
175.4	" - Kate M. Atherton Endowment Fund.....		1,386.00
175.5	" - Henry T. Hodgkin Memorial Fund.....		1,252.92
178	Permanent Reserve Fund.....		5,253.32
178.2	Mortgage Reserve Fund.....		185.39
179	Accounts Payable.....		56,275.14
		150,915.92	150,915.92

0795

		Debit	Credit
<u>CURRENT GENERAL</u>			
31.1	Current Expense - General Budget.....	12,350.00	
31.2	" " - Governors Budget.....	7,871.03	
36.1	Home Administration - Executive Office.....	7,656.19	
36.2	" " - Incidentals.....	345.50	
36.3	" " - Governors.....	973.72	
36.4	Promotional Expense.....	13.06	
39	General Cash (Overdraft).....		5,084.74
131a	Receipts - American Baptist Foreign Missionary Society.....		2,500.00
131b	" - Women's American Baptist For. Miss. ".....		1,000.00
132	" - Church Missionary Society.....		600.00
133	" - Friends Service Council.....		1,010.00
134a	" - Methodist Board.....		2,500.00
134b	" - Women's Missionary Society M. E. Church.....		875.00
135a	" - United Church of Canada.....		2,715.00
135b	" - Women's Society - United Church of Canada...		1,574.76
136	Special Gifts - Current Budget.....		1,600.00
136.3	Receipts - General Administration.....		1,000.00
137	Endowment Income - General.....		10,000.00
139.1	Accounts Receivable.....	1,250.00	
		30,459.50	30,459.50

CURRENT SPECIAL

79	Special Cash.....	127,577.54	
79.1	Savings Bank Accounts - Special.....	14,274.83	
79.2	" " " - Reserve Fund.....	5,086.34	
79.5	" " " - Dental Clinic.....	6,077.21	
171.2	Harvard-Yenching Institute - Restricted Account.....		47,926.57
171.2	Disbursed - Harvard-Yenching Institute.....	33,421.04	
172	Suspense.....		17,486.01
172.1	" - Dr. Wallace Crawford.....		10,165.00
172.3	" - Harvard-Yenching Special Book Purchases.....		1,216.22
172.4	" - Chemistry Department.....		4,446.00
172.5	" - Dental Clinic.....		23,000.00
172.6	" - Special.....		50.75
172.7	" - Department of Ophthalmology.....		973.34
172.8	" - University Community Church.....		5,000.00
172.9	" - Special Reserve - Friends Service Council.....		2,500.00
172.10	" - Student Activities.....		2,000.00
175.1	Miscellaneous Gifts for Current Budget.....		48,645.08
175.1	Disbursed - Miscellaneous Gifts for Current Budget.....	46,560.93	
175.2	Endowment Income - Restricted.....		360.81
175.2	Disbursed - Endowment Income - Restricted.....	360.81	
175.3	Income J. A. Coles Estate.....		5,236.15
175.4	" - Kate M. Atherton Fund.....		1,386.00
175.5	" - Henry T. Hodgkin Memorial Fund.....		1,252.92
175.6	Sustaining Funds.....		132,058.07
175.6	Disbursed - Sustaining Funds.....	132,058.07	
175.7	Sustaining Funds - Special.....		17,306.00
175.7	Disbursed - Sustaining Funds - Special.....	17,306.00	
178	Permanent Reserve Fund.....		5,253.32
178.2	Mortgage Reserve Fund.....		185.39
179	Accounts Payable.....		56,275.14
		382,722.77	382,722.77

PLANT		Debit	Credit
20	Completed Buildings:		
	(a) Whiting Memorial Administration.....	49,254.66	
	(b) Cadbury School of Education.....	23,176.58	
	(c) Scattergood Middle School.....	27,726.92	
	(d) Middle School Chapel.....	7,841.37	
	(e) Medical and Dental College.....	48,652.61	
	(f) Coles Clock Tower.....	8,378.35	
	(g) Residences.....	18,582.19	
	(h) Lamont Memorial Library.....	30,254.78	
	(i) Atherton Biology & Preventive Medical	25,202.38	
	(j) Pharmacy.....	6,112.11	
	(k) Chemistry.....	26,790.20	
		271,972.15	
120	Funds for Completed Buildings.....		271,972.15
21	Land.....	42,420.58	
21a	Land - Middle School Building Site.....	7,500.00	
21b	Land Improvements.....	300.33	
121	Land & Building Fund - General.....		49,634.20
22e	Investment - Kilborn Memorial Library Fund.....	1,810.00	
122	Special Funds:		
	(d) Scattergood Middle School Site.....		5,000.00
	(e) Omar L. & Retta G. Kilborn Memorial Library Fund		1,810.00
	(f) WCUU Hospital - Rockefeller Foundation Grant 1941		10,000.00
	(h) Coles Clock Tower.....		209.64
	(j) Clinical Hospital.....		20,000.00
	(k) Hospital Equipment.....		33,361.99
	(n) Residences.....		2,500.00
	(p) Atherton Memorial Biology & Preventive Med. Bldg.		297.62
	(r) Benjamin Moore Memorial Hospital.....		58,911.33
	(v) United Church of Canada - Hospital Equipment...		10,000.00
	(w) Scientific & Medical Laboratory Equipment.....		2,000.00
	(wl) Appropriation for Furniture Equipment.....		15,000.00
	(x) Miscellaneous.....		50,970.05
124n	Ambulance Fund.....		3,737.63
24	Equipment:		
	(a) Library Books & Furniture.....	2,449.90	
	(f) New Hospital - Rockefeller Grant 1941.....	4,443.36	
	(k) Hospital.....	30,280.71	
	(m) Ambulance.....	3,737.63	
	(wl) Scientific & Medical.....	22,343.02	
	(w2) Apparatus.....	2,027.81	
	(w3) Medical Apparatus.....	1,000.00	
	(w4) Storage Battery.....	1,000.00	
	(w5) Goucher Building.....	1,200.00	
	(x) Miscellaneous.....	278.76	
26	Building Operations:		
	(j) Clinical Hospital Building.....	79,381.39	
	(n) Residences.....	2,500.00	
	(q) Church Missionary Society Dormitory.....	1,901.65	
29	Plant Cash.....	53,577.07	
29.1	Savings Bank Accounts.....	5,280.25	
		535,404.61	535,404.61

		<u>Debit</u>	<u>Credit</u>
<u>ENDOWMENT</u>			
11a	Consolidated Endowment Investments.....	242,436.59	
11b	Special Endowment Investments Ackerman.....	9,481.66	
11d	J. W. L. Forster Estate Fund Investments.....	4,450.00	
111	General Endowment Fund.....		2,300.00
111a	William Ronk Fund.....		52.09
111c	Hall Endowment Fund - General.....		200,000.00
111d	J. W. L. Forster Estate Fund.....		4,450.00
112	Henry T. Hodgkin Memorial Fund.....		10,072.18
113	Maria S. Ackerman Memorial Fund.....		10,000.00
114	J. E. Johnson Chair of Practical Christianity.....		5,000.00
115	Scholarship Funds - Rosemond \$800; General \$275.....		1,075.00
116	William Masland Library Fund.....		1,000.00
116a	Mead Memorial Hospital Library Fund.....		1,113.89
117	The Kate M. Atherton Fund - Special Library Purchase..		4,000.00
118	Exchange Endowment - Reserve Fund.....		19,610.91
118a	Endowment Income - Stabilization Fund.....		14,707.26
118b	Harvard-Yenching Institute Fund.....		4,047.80
19	Cash Awaiting Investments.....	3,197.62	
19.1	Savings Bank Accounts.....	15,438.69	
119	Loss on Sale of Securities.....	2,424.57	
		<hr/>	<hr/>
		277,429.13	277,429.13

CONSOLIDATED BALANCE SHEET
WEST CHINA UNION UNIVERSITY

JUNE 30, 1944

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ASSETS

Endowment
Consolidated Investments 255,886.59
Cash on Hand 3,197.62
Savings Bank Accounts 15,920.35*

275,004.56

LIABILITIES

Endowment
Total Endowment Funds 237,988.16
Scholarship Funds 1,075.00
Exchange Reserve Fund 19,610.91
Endowment Inc. Stabilization Fund 14,707.26
H. Y. Inst. Stabilization Fund 4,047.80
277,429.13
2,424.57 275,004.56
Less Loss on Sale of Securities

Plant
Completed Buildings 271,972.15
Land and Improvements 50,220.91
Equipment 68,761.19
Building Operation 83,783.04
Building Fund Investments 1,810.00
Savings Bank Accounts 5,280.25
Cash 53,577.07 535,404.61

Plant
Funds for Completed Buildings 271,972.15
Land Funds 49,634.20
Special Funds 213,798.26

535,404.61

Current Assets
Investment H. Y. I. Account (Sav. A/c) 14,274.83
" Dental Clinic 6,077.21
Accounts Receivable 1,250.00
Cash 122,492.80
Savings Bank A/c Reserve 5,086.34

149,181.18
959,590.35

Current Liabilities
Harvard Yenching Restricted Acct. 14,505.53
Suspense Account 66,837.32
Miscellaneous Gifts 2,084.15
Restricted Income Balances 5,775.07
Permanent Reserve Fund 5,253.32
Mortgage Reserve Fund 185.39
Accounts Payable 56,275.14
Income Advanced to 1944-45 175.00
151,090.92
1,909.74 149,181.18
959,590.35
Less 1943-44 Deficit

* Including a deposit of \$481.66 of the Ackerman Fund.

6670

BUDGET ANALYSIS 1943-44

WEST CHINA UNION UNIVERSITY

AS OF JUNE 30, 1944

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DISBURSEMENTS

A. General Funds

Acct. No.	Appropriation	Disbursed to June 30	Acct. No.	Budget Estimate	Rec'd to June 30
31.1 Field Budget	12,350.00	12,350.00	131a American Baptist F. W. S.	2,500.00	2,500.00
31.2 Governors Budget	6,000.00	7,871.03	131b " " Women	1,000.00	1,000.00
36.1 Home Adm. - Executive Office	7,656.19	7,656.19	132 Church Miss. Society General	500.00	500.00
36.2 " " - Incidentals	400.00	345.50	132 " " Women's	100.00	100.00
36.3 " " - Governors Expense	400.00	973.72	133 Friends Service Council	1,035.00	1,010.00
			134a Methodist Board	2,500.00	2,500.00
			134b Methodist Women	700.00	700.00
			135a United Church of Canada	3,000.00	2,715.00
			135b " " Women	1,750.00	1,574.76
			136 Special Gifts: Atherton Fellowship		
36.4 Promotional Expense	200.00	13.06	136.3 General Administration	1,600.00	1,600.00
Contingent	778.81	-	137 Endowment Income	1,000.00	1,000.00
	27,785.00	29,209.50	175.3 Coles Estate	10,000.00	10,000.00
				2,100.00	2,100.00
				27,785.00	27,299.76

B. Special Funds

171.2 Program of Chinese Studies	12,421.04	12,421.04	171.2 Harvard-Yenching Institute	12,421.04	12,421.04
175.2 Upkeep-J. A. Coles Memorial Bldg.	300.00	353.99	175.2 Income Maria S. Ackerman Fund	300.00	353.99
175.2 For Scholarship	6.50	6.82	175.2 " Scholarship Fund	6.50	6.82
175.4 Special Library Purchases	78.50	-	175.4 " Kate Atherton Fund	78.50	78.50
175.5 Promotion of World Peace	365.00	-	175.5 " Hodgkin Memorial Fund	365.00	365.00
175.6 Sustaining Funds			175.6 Sustaining Funds		
175.1 Gifts for Current Budget)	178,619.00	132,058.07	175.1 Gifts for Current Budget)	178,619.00	132,058.07
175.7 Sustaining Funds - Special	17,306.00	17,306.00	175.7 Sustaining Funds - Special	17,306.00	17,306.00
	209,096.04	208,706.85		209,096.04	209,150.35

WEST CHINA UNION UNIVERSITY
LIST OF SECURITIES AS OF JUNE 30, 1944

Amount	Security	Cost Price	6/30/44 Market Price	Cost	6/30/44 Market Value	Nominal Income
(a) Consolidated Endowment Investments						
Mortgage Participating Certificates						
9,898.52	119-127 Eastern Parkway, Brooklyn 4 1/2/40	100	75	9,898.52	7,423.89	300.00
6,673.47	542 Parkside Avenue, Brooklyn 4-3/4/43	100	80	6,673.47	5,338.77	300.00
18,677.02	Series 200007 - 100 Lefferts Ave. 5 1/2/40	100	80	18,677.02	14,941.61	900.00
Mortgages - Real Estate						
2,000.00	Sarah Gremm, 49 DeWitt Pl., N. Rochelle 6/41	100	100	2,000.00	2,000.00	120.00
5,000.00	I. Gallagher, 23 Lafayette St., N. Rochelle 6/41	100	90	5,000.00	4,500.00	300.00
2,820.00	G & M Metallo, 243 Sickles Ave., N. Rochelle 5 1/2/45	100	100	2,820.00	2,820.00	160.00
4,325.00	G & VB Lambert, 39-6th St. No. Pelham 6/45	100	100	4,325.00	4,325.00	260.00
				49,394.01	41,349.27	2,340.00
5,000.00	Canada Permanent Mortgage Debentures 3 1/2/45	89	89	4,450.00	4,450.00	--
Canadian						
Railroad Bonds						
10,000.00	Giesapeake & Ohio Rwy. C "A" 3 1/2/96	100-7/8	108-1/8	10,098.75	10,812.00	350.00
8,000.00	Columbus & Hocking Valley, 1st 4/48	Gift	109	8,000.00	8,720.00	320.00
15,000.00	Chicago Union Station 1st Mte Series "A" 3-1/8/63	100-7/8	106-1/2	15,168.75	15,975.00	468.75
				33,267.50	35,507.00	1,138.75
Public Utility Bonds						
15,000.00	Bell Telephone Co. of Canada 5/57	102-1/2	113-3/4	15,405.00	17,062.50	750.00
10,000.00	Cleveland Electric Illuminating Co. 3/70	105	108	10,500.00	10,800.00	300.00
				25,905.00	27,862.50	1,050.00

(continued)

<u>Amount</u>	<u>Security</u>	<u>Cost Price</u>	<u>6/30/44 Market Price</u>	<u>Cost</u>	<u>6/30/44 Market Value</u>	<u>Nominal Income</u>
<u>Industrial Bonds</u>						
4,000.00	Texas Corporation Debentures 3/65	103-5/8	106-1/4	4,145.00	4,250.00	120.00
<u>Government Bonds</u>						
20,000.00	U.S. Savings Bonds Defense Series "G" 2 1/2-9/1/53	100	100	20,000.00	20,000.00	500.00
21,000.00	" " " " 2 1/2-5/25/54	100	100	21,000.00	21,000.00	525.00
10,000.00	" " " " 2 1/2-3/1/55	100	100	10,000.00	10,000.00	250.00
25,000.00	" Treasury Bonds Series "A" 1 1/2-9/15/47	100	100.23	25,000.00	25,179.69	300.00
22,500	" Savings Bonds Defense Series "G" 2 1/2-12/1/55	100	100	22,500.00	22,500.00	562.50
				98,500.00	98,679.69	2,212.50
<u>Preferred Stock</u>						
400 sh.	Aluminum Company of America Cum. 6%	100	112	40,000.00	44,800.00	2,400.00
<u>Common Stock</u>						
40 sh.	Lawyers Mortgage Corporation	5-5/8	2-3/4	225.08	110.00	-
				<u>855,886.59</u>	<u>257,008.46</u>	<u>9,261.25</u>

20800

MINUTES OF MEETING
FINANCE COMMITTEE
BOARD OF GOVERNORS - WEST CHINA UNION UNIVERSITY

9:00 A.M. Thursday, November 2nd, 1944
Room 900, 150 Fifth Avenue, New York, N. Y.

List of Members:

*Mr. Forrest Smith, Chairman
*Dr. Frank Cartwright
Mr. Dean Sage

Mr. C. Rogers Woodruff
*Mrs. Hugh D. Taylor
*Dr. Jesse H. Arnup, Ex-officio

Those whose names are starred were present also Mr. C. A. Evans.

BOARD OF GOVERNORS - TREASURER'S REPORT FOR 1943-44

Copies of this report had been mailed to members of the Committee in advance of the meeting. Several questions were asked regarding details and attention was directed to the recommendations in the report made by the Treasurer's office. It was noted that the adjustment of the overdraft of \$1,909.74 as of June 30 was to be dependent upon the revised costs of the Associated Boards budget. It was felt that the final disposition could be arranged more speedily than suggested in the report and, it was

F-1850 VOTED that after the adjustment of costs of the Associated Boards for the year ending June 30, 1944, any balance of the deficit remaining be charged against the Permanent Reserve Fund of the Governors.

After further study of the report, it was

F-1851 VOTED to recommend to the Governors that the Treasurer's Report for 1943-44 be received and placed on file.

REPORT OF THE AUDITORS FOR THE YEAR ENDING JUNE 30, 1944

This report was presented at the meeting and as enough copies were available it was reviewed by all. After a reading of the findings of the Auditors, it was

F-1852 VOTED to recommend to the Governors that the Auditor's report made by Messrs. Chambellan, Berger and Welti for 1943-44 be received and placed on file.

REVIEW OF SECURITIES

Mortgage Participating Certificates. It was recalled that Action F-1828 requested that all three blocks of Mortgage Participating Certificates held by the Governors be sold at indicated prices and barring that on November 3rd consideration be given to sell at lower prices. The prevailing quotations were as follows:

Certificate	<u>Voted to Sell</u>	<u>Price Oct. 30th</u>
119-127 Eastern Parkway, Brooklyn	80	63
542 Parkside Avenue	85	71
100 Lefferts Avenue	90	Sold @ 86

November 2, 1944

It was reported that the difference of price in these two properties was due to difference in management only to a small degree. The more influential factor being the amount of pressure generated by some groups to gain control. The Committee gave thought to the advisability of carrying these properties still longer and it was

F-1853 VOTED to lower the sale price on certificated holdings as follows:

119-127 Eastern Parkway, Brooklyn
542 Parkside Avenue "

75
80

Individual Mortgages.

\$2,000, 49 DeWitt Place, New Rochelle. The Committee was advised that it had been impossible to work out an extension of three years for the mortgage on the basis of \$500.00 amortization per year and efforts had been made to refinance the mortgage. There seemed to be some prospect of collecting the entire cash amount involved. It was

F-1854 VOTED to instruct the Treasurer's office to collect the principal on the 49 DeWitt Place mortgage as soon as possible.

23 Lafayette Street, New Rochelle. It was stated that this property had been deeded to the Trustees but considerable difficulty had been encountered in securing a clear title due to the many times the property has changed hands the last few years. The principal amount is \$5,000 to which has been added above \$880.00 for back taxes. Rents are being collected by Aaron Simmons, corporation counsel for New Rochelle. It was

F-1855 VOTED to authorize the Treasurer to proceed with the sale of the Lafayette Street property when title is secured and obtain the best possible price.

It was stated that the other two mortgages held do not face any difficulty at present.

Other Investments. There were no recommendations for changes on the balance of the list, and no action was taken.

CASH AWAITING INVESTMENT

The Committee learned that due to the receipt of proceeds from the settling up of the Lefferts Avenue property there was on hand \$21,683.69 awaiting investment. Approximately \$3,500 was in the Fung Memorial Scholarship to be sent to the field. It was

F-1856 VOTED to refer the investment of cash on hand to the Treasurers and Chairman of the Finance Committee.

AMORTIZATION OF INVESTMENTS

The Committee gave thought to the amortization of bonds and while it would have but little effect on present holdings, yet as a policy it was

F-1857 VOTED to adopt the plan of amortizing investments.

0804

REPORT ON SUSTAINING FUNDS FOR 1944-45

The following statement was made:

"The Sustaining Fund Budget has been previously approved at approximately \$170,000. Later figures call for a larger sum totaling LC\$31,676,362.00. At 120:1 this is equivalent to U.S. \$263,970.00. However, only the local currency needs will be paid by United China Relief but it would appear that the funds to be raised by the Associated Boards in connection with U.C.R. will meet requirements for 1944-45."

It was

F-1858 VOTED that authorization be given the Treasurer's office to negotiate with the Associated Boards in making any necessary adjustments in the 1944-45 Sustaining Funds.

SAVINGS ACCOUNTS FOR FIELD BALANCES

Checks for opening Savings Accounts for some field balances were on hand. The Assistant Treasurer requested authorization to proceed in the opening of the accounts and it was

F-1859 VOTED to authorize the Treasurer's office to open accounts in Savings Banks to absorb the total of \$28,000.00 held for the credit of the Dental Clinic, \$5,000 for the Community Church, \$4,446 for the Chemistry Department, and that the proper officials be authorized to sign such documents as are required.

On Motion Adjourned.

C. A. Evans, Assistant Secretary

MINUTES OF MEETING

FINANCE COMMITTEE

WEST CHINA UNION UNIVERSITY

12:30 p.m., May 9, 1945

Aldine Club, 200 Fifth Avenue, New York, N. Y.

List of Members:

*Mr. Forrest Smith, Chairman
*Dr. Frank T. Cartwright
Mr. Dean Sage

Dr. Albert E. Beebe
Mrs. Hugh D. Taylor
*Dr. Jesse H. Arnup, ex officio

Those with starred names were present also Mr. C. A. Evans.

REVIEW OF SECURITIES

A. Mortgages (Participating Certificate)

1) \$9,829.48. 119-127 Eastern Parkway, Brooklyn. The Committee read and discussed the following memorandum: "Originally a \$10,000.00. Little has been done to amortize the mortgage. It has been indifferently managed, first by the owner who secured control after 1934 and later by the Brooklyn Trust Company now managing the property as a trustee. Judgment of the Committee is sought as to the possibility of selling at a discount." Upon motion duly seconded it was

F-1907 VOTED to sell the Governor's interest in the 119-127 Eastern Parkway Mortgage upon receiving a suitable offer the selling price to be cleared by conference with the Chairman and Treasurer.

2) \$828.18. 542 Parkside Avenue, Brooklyn. The following statement was presented to the Committee. "This mortgage was originally \$7,400 and while under the management of the Home Title Guarantee Company was being handled very well. Present management (Manufacturers Trust Company) has secured a sale of the property with this small balance pending. There are possibilities of further distribution of assets by the Insurance Department of the State of New York. The question arises as to the treatment of this balance." It was

F-1908 VOTED to charge off the \$828.18 in this account to Profit and Loss on Sale of Securities, any subsequent distribution of assets to be credited to the same account.

3) \$2,740.59. 100 Lefferts Avenue, Brooklyn. The following statement was presented to the Committee. "This mortgage was formerly \$20,000 and through limited amortization sale and claim payments has been reduced as follows:

Amortizations	\$750.72
Lawyers Mortgage Co. payment of claims	820.25
Liquidating distribution	15,688.44
	<u>\$17,259.41</u>
Balance due	2,740.59
	<u>\$20,000.00</u>

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Not much is left to be salvaged but it is recommended that no action be taken at the present time." The Committee felt, however, that no advantage would result from waiting and it was

F-1909 VOTED to charge the debit balance of \$2,740.59 in the Lefferts Avenue Mortgage to Profit and Loss on Sale of Securities, any subsequent distribution of assets to be credited to the same account.

B. Individual Mortgages

1) \$2,000.00. Alfred H. Brown, 49 Dewitt Place, New Rochelle. The following report was made on this property. "Formerly owned by Ollie Crennan, who sold to Brown, who is in the trucking business, New Rochelle. Taxes are paid to July 1, 1945. Mortgagors will pay off sometime next summer. It is running on open mortgage." It was

F-1910 VOTED to instruct the Treasurer to press for the payment of the principal.

2) \$5,887.91. Isabelle Gallagher, 23 Lafayette Street, New Rochelle, N. Y. Attention was given to the following statement: "Originally in good hands; death of one of the co-owners involved the property in many difficulties. The original mortgage was \$5,000.00 but to save the mortgage back taxes of \$887.91 and penalties had to be paid. A recent offer of \$4,000.00 was made for the property but clear title could not be given. Mr. Aaron Simmons, Attorney in New Rochelle is endeavoring to straighten the matter out." Recalling previous unsatisfactory reports on this mortgage and having in mind former authorization to sell it was

F-1911 VOTED that the disposition of the 23 Lafayette Street Mortgage be left in the hands of the Treasurer.

3) \$2,820.00 Giambattista and Marie Metallo, 243 Sickles Avenue, New Rochelle, N. Y. The Assistant Treasurer stated that an offer had been received to pay off the mortgage. It was

F-1912 VOTED to accept payment of the Metallo Mortgage.

4) \$4,250.00. George and Vincentia B. Lambert, 39-6th Street, North Pelham, N. Y. It was reported that this mortgage was paid off on February 16, 1945, and the funds were available for reinvestment.

C. Other Investments

Attention was called to Cash Awaiting Investment amounting to \$11,500.36. It was

F-1913 VOTED that the above funds including the Metallo proceeds be invested in Government Bonds -- 2½'s 1972-67.

CURRENT BUDGET (1944-45)

A. Board of Governor's Budget

The following statement was made by the Assistant Treasurer: "From present indications it appears that there will be a deficit of more than \$1,000.00 in the

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Governor's Budget, due partly to shrinkage of Income on Investments. This may be modified very materially when the charges from the United Church of Canada are received."

B. Field Budget

Regarding the Field Budget the following was reported: "Up to January 1st, 1945, West China has received through the Associated Boards the sum of U.S.\$78,657.18. Other monthly payments have been paid since but in decreasing amounts due to the increased income in exchange. Additional appropriations have been made by United China Relief, and it now appears that the University will close the year without a deficit."

BUDGET for 1945-46

Governors' Budget

The following figures were presented to the Committee as representing anticipated income for 1945-46.

Regular Funds

American Baptist F.M.S.	\$2,500.00
" " Women	1,000.00
Church Missionary Society General	500.00
" " " Women	40.00
Friends Service Council	1,000.00
Methodist Board	4,835.00
" Women	700.00
United Church of Canada	3,000.00
" " " " Women	1,750.00
Special Gifts - Atherton Family	1,600.00
General Administration	1,000.00
Endowment Income	8,000.00
Coles Estate	2,000.00
Total	<u>\$27,925.00</u>

Special Funds

Harvard-Yenching Institute	\$12,421.04
Income Askerman Fund	275.00
Scholarship Fund	10.00
Atherton Fund	75.00
Hodgkin Memorial Fund	350.00
	<u>\$13,131.04</u>

The Committee noted that a deficit accrued in the Governor's Budget during 1944-45 and after further study it was

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F-1914 VOTED to recommend to the Governors that the Budget for 1945-46 be approved as follows:

	<u>Expenditures</u>
Field	\$11,425.00
Governors	7,500.00
Administration	9,500.00
Incidentals	400.00
Government Expenses	400.00
Promotional	200.00
	<u>\$29,425.00</u>

to be secured from the above listed sources.

As this showed a deficit of \$1,500.00 it was

F-1915 VOTED to recommend to the Governors that Cooperating Mission Boards be urged to restore their appropriations to the predepression amount and that

Special Funds be paid to the field when and as received.

There being no other business the meeting adjourned.

C. A. EVANS
Assistant Treasurer

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