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COLLEGE FILES
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Huachung
Financial records
Treasurer's reports 1940-1948

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January 20, 1940

Report of Treasurer of
CENTRAL CHINA COLLEGE FOUNDATION

to the

Executive Committee of the
Board of Founders

Dear Sirs:

I have the honor of presenting the following report:

Receipts and Disbursements

A statement of receipts and disbursements of the Central China College Foundation for the year ended December 31, 1939 will be found on page 6 hereof. The receipts during the year amounted to \$13,774.14, of which \$12,449.14 came through the Associated Boards. The disbursements totaled \$13,709.74. Of the latter total, \$1,677.00 was paid to the Associated Boards as our proportion of their administrative and promotional expense; \$532.74 was the amount of direct expense of the Trustees; and \$11,500.00 was paid to the College for emergency purposes. The balance of \$2,825.42 is in the treasury today.

Income and Expenses
of the College
Year ended July 31, 1939

The figures given in report of the Acting Treasurer at Hsichow, dated August 29, 1939, are summarized on pages 7 to 11, also on page 20, of my report to the Executive Committee, dated November 18, 1939.

The operating expenses, as given in this report, totaled U.S. \$17,000 plus N.C. \$226,282. Included in the latter figure are emergency expenses totaling N.C. \$104,236. These will be discussed in the next section of this report.

The income in National Currency used in operation came from various sources as follows:

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Nine Western Sources	N. C. \$169,732
Five Chinese Sources	56,550
	<hr/>
	N.C. \$226,282
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The income in U. S. Currency used in the operations came through three of the supporting missions except \$2,500 for which the source was not stated in the report.

Additional income was received from grants for special purposes and the balances in these grants are shown on page 20 of the report of November 18th. These balances, reduced to U.S. values, total U.S. \$16,199, which is substantially the amount in the National City Bank at Hongkong on July 31, 1939.

Emergency Expenses of
The College in China
Year ended July 31, 1939

The two moves by the College were both made in this year.

On page 11 of my report of November 18, 1939 there are quoted the figures for the cost of the two moves, as these figures appeared in the annual report by the Acting Treasurer of the College as of July 31, 1939. The totals are as follows:

Moving from Wuchang to Kweilin in the Fall of 1938, N.C. \$22,670.87	= U.S. \$3,600.00
Moving from Kweilin to Hsichow in the Spring and Summer of 1939, N.C. \$31,565.44	= U. S. 12,944.00
Total	N.C. \$104,236.21 = U.S. \$16,544.00

This was almost the exact amount which we had sent over for these emergency purposes.

I, therefore, assumed that the emergency expenses were completed as of July 31, 1939, except for such additional expenses as appear in the budget for 1939-'40 (summarized later in the report).

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On January 2nd we received a report from Dr. Wei showing that the net cost of the second move plus the cost of setting up the College in Hsichow had, on November 15, 1939, amounted to N. C. \$97,322.74 or N.C. \$15,757.30 more than the amount reported as of July 31, 1939. Furthermore, it developed that a number of the requirements anticipated in March 1939 had not been provided for.

Apparently this discrepancy was not realized by the Executive Committee Pro-tem of the College until November 1939. There had been a lack of control of expenses and commitments, such as called for by the Constitution.

The budget for 1939-'40, submitted herewith and discussed under a later section of the report, contains emergency items totalling N.C. \$41,805 equivalent to U.S. \$7,000 at the rate of exchange used in the budget. These items do not include any of the deficit above stated or any of the additional amounts requested in February 1939.

Last Spring we gave the Associated Boards an estimate of U. S. \$10,000 for the extraordinary expenses for the year ending July 31, 1940. We have advised them of the hope that U.S. \$7,000 would be sufficient. Now we shall have to report to them that these extraordinary expenses for 1939-'40, including the overrun in the year 1938-'39, will exceed U. S. \$10,000 at a rate of exchange of 6.3 to 1 without allowance for increase in salaries of the staff. If the rate of exchange shall continue at the present figure of over 10 to 1, the excess over the budget figures would provide *N. C.* \$40,000 for such salary increases, or 40% added to the present salary list of about N. C. \$100,000.

To assist in understanding the situation which resulted in the excess of emergency expense over the original estimates of March 1939, a study of the related circumstances has been made, which appears on pages 7 to 10 of this report.

The preliminary conclusion about this whole matter, from the evidence now available, is that the totally inadequate facilities for transportation and the primitive character of housing and living conditions along the road and at Hsichow are sufficient to account for most of the large cost of the second move and, although there may have been some extravagances, they probably were not very excessive. The principal error was in incurring large expense without the previous approval of the Executive Committee Pro-tem, who alone could know what could be spent without serious risk of insolvency.

Revised Budget of College
Year ending July 31, 1940

The only budget which we have received from the College was prepared in June 1939. Since that date various additions have been voted by the Executive Committee Pro-tem. Also special grants were made by Chinese sources. In order to have a definite budget for the consideration of the Trustees, a comparative study was made by the Treasurer and submitted to the Executive Committee (U.S.) on November 18, 1939.

The result is a revised budget which appears in the report of November 18th and which is submitted herewith for consideration and action. This budget will be found on pages 11 & 12 hereof.

I did not have enough copies of the report of November 18th to provide each member of the Executive Committee with one, but a copy is herewith submitted for the record.

I think the proposed budget given on pages 11/ and 12 hereof is as nearly right as it can be in the near future. However, we must realize that close budgeting is impossible under the present conditions in China.

This budget totals U. S. \$22,400 plus N. C. \$170,719. The contributing missions have been asked whether they can be relied upon to furnish the amounts of income listed and all have said that they will meet these figures. The amount specified for Miss Johnston is available in the unused balance of her 1938-'39 grant.

This budget, as stated above, does not include any of the overrun of moving expenses or any increase in Chinese salaries to correspond with the increased cost of living. It is hoped that the latter burden can be met from the greater rate of exchange than that used in the budget, via. 6:3 to 1.

Budget of
Yale School of Science
Year ending July 31, 1940

In the original budget of June 1939, it was assumed that the contribution from Yale-in-China would be \$14,000 (U.S.). This has been reduced to U. S. \$10,000.

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Dr. Wei, with his letter of November 20, 1939, submits a new budget for this school, providing for substantially the same disbursements as in the original budget and showing that they can be met with U. S. \$10,000 at exchange of 6 to 1. He asks that this budget be approved by the Trustees.

Other Additions
to the Budget

At the meetings of the Executive Committee Pro-tem on November 10 and 14, 1939 a few increases in salaries and wages were adopted, but no general increase; also N. C. \$1,000 for a safe. Also the amount of N.C. \$310 was voted to cover the expenses of the Tenth Anniversary celebration.

As all these additions came well within the surplus resulting from the higher rate of exchange, I see no reason why they should not be approved.

The Executive Committee Pro-tem also voted to recommend to the Board of Founders that U. S. \$1,000 from the balance of the Practice School Fund be allocated for the building up of the new major department of Music. This seems to be a matter requiring the approval of the Reformed Board.

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Receipts and Disbursements
of
CENTRAL CHINA COLLEGE FOUNDATION
Year ended December 31, 1939

Checking Account in
Bank of Manhattan Co.

RECEIPTS

Balance brought forward, January 1, 1939		\$ 2,761.02
Received from Associated Boards:		
Designated for Hua Chung	\$ 4,300.67	
From undesignated funds	8,148.47	
	\$12,449.14	
Received from Ferris J. Meigs	25.00	
" " Yale-in-China	325.00	
" " National Council of Prot. Episc. Church	650.00	
" " Board of Foreign Miss. of Ref. Church	325.00	
	13,774.14	
		\$16,535.16

DISBURSEMENTS

Remitted to Hua Chung in China - Emergency Funds		\$10,500.00
" " " " in New York - " "		1,000.00
Charges for Cabling		119.90
E. C. Lobenstine for telegram		1.62
O. S. Lyford - Disbursements for Stenographer and Postage		50.40
Louise Frumkin - Stenography and Postage		37.23
Associated Boards for Administration and Promotion		1,677.00
Yale-in-China - Services of Mr. R. A. Smith		300.00
" - Supplies and Postage		21.80
F. A. Russo, Inc. - for photostats		1.79
		\$13,709.74
Balance - Carried Forward		2,825.42
		\$16,535.16

Savings Account in
The Bank for Savings

Balance in Bank -- November 19, 1938		\$ 833.36
No changes since that date		-
		\$ 833.36

Interest since October 1, 1938 has not been entered.

January 20, 1940

HUA CHUNG COLLEGE

Emergency Expenses
Year Ended July 31, 1939

This is the year in which both moves of the College were made.

In 19~~28~~³ we had sent to the College in China U. S. \$6,000 for emergency purposes. On February 14, 1939 the move from Wuchang to Kweilin was substantially completed and there was U. S. \$2,296 left of this amount.

In February 1939 we called for an estimate of emergency expenses for the balance of the College year ending July 31, 1939.

On March 20, 1939 we received request for the following amounts to cover the emergency expenses expected in the second move (from Kweilin to Hsichow) and setting up the College in the new location:

1. Moving from Kweilin to Hsichow	U.S. \$ 6,000.00
2. Reference Books to duplicate Books left at Wuchang	750.00
3. Student Aids	2,000.00
4. Replace Books destroyed by fire, etc. at Kweilin	750.00
5. Replace physics machine shop	1,200.00
6. Replace Biological and Chemical Equipment, Books and Magazines left in Wuchang	800.00
7. Power Plant Subsidy	500.00
8. To balance abnormal exchange	550.00
	<hr/>
Total	<u>\$12,550.00</u>

We sent U. S. \$10,500 which, with the balance of U. S. \$2,296 left from the first move, covered this request.

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By November 20, 1939, the items 1 and 7 had grown to U.S. \$11,783 and the estimate of cost to complete the trucking, etc. is U.S. \$500 additional. Therefore the available emergency funds had been exhausted and apparently there was no balance left to cover the following items of the above request:

2.	Reference Books to duplicate books left at Wuchang	U.S. \$	750.00
3.	Student Aids		2,000.00
4.	Replace books destroyed by fire, etc. at Kweilin		750.00
5.	Replace physics machine shop		1,200.00
6.	Replace biological and chemical equipment, books and magazines left in Wuchang		800.00
			<u>800.00</u>
			<u>\$ 5,500.00</u>

The overrun in the emergency expenses appears to have occurred without the previous knowledge of the Executive Committee Pro-tem.

Action No. 3, taken at the meeting of the Executive Committee Pro-tem, on November 10, 1939, relates to these items. It reads as follows: "Resolved that the items listed in the radiogram and letter (2 to 6 as above) shall not be drawn upon until the accounts for moving the College are closed." It seems obvious that they will never be drawn from this particular emergency fund.

Action No. 9, taken at the same meeting, shows how seriously the Executive Committee Pro-tem is treating this matter:

Resolved that it be communicated to the Senate of Hua Chung College that the Executive Committee of the Board of Directors is greatly distressed to have discovered that items of expenditure have been incurred amounting to some thousands of dollars without proper approval and authorisation by this Committee. It is clearly stipulated in the constitution of the College that the Senate must refer every action involving finance outside of the approved budget to the Board of Directors or its representatives.

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The following Action No. 13 shows that the College Senate was hoping for additional improvements to buildings and plants at Hsichow which we now see cannot be financed without more emergency funds than those which had been received from the United States:

Resolved that as soon as the Executive Committee has ascertained the total expense of moving and preliminary reconstruction in Hsichow, the Senate Committee on Housing and Remodelling shall be informed of the amount available for its purposes, and that until then the Committee shall incur no more expenditure.

That improvements in living conditions are greatly needed is indicated by the following quotation from a report by Mr. H. B. Rattenbury written after a visit to Hsichow in September, 1939:

The people are living round courtyards and perhaps the students are not excessively overcrowded. But when I think of the staff and their families, Chinese and foreign, I wonder how they are to maintain that poise and health of mind that is essential for good work. They will often have to go on the mountain if they are to possess their souls. These things are harder for Westerners than for Chinese living in their own country. The place is 7,000 feet above the sea, and height seems to have a straining effect on foreign nerves. Dr. Wei plans to do something special about a staff room. I wish something in the way of a house of rest could be found for missionaries. It is rather pathetic the way in which people go off to Tali "for a holiday" from the beauties of their own place. I am sure it is the crowded conditions they are trying to escape.

There is indication in the correspondence from China that some of the expense incurred during the move from Kweilin to Hsichow and setting up the College at Hsichow was extravagant and wasteful. However, the figures show that a number of large items of expense, which undoubtedly were necessary, were not contemplated in March when the cost of moving was estimated at U.S. \$6,000.

and bus The sum of U.S. \$4,475.00 was spent for ^{one} ~~two~~ motor trucks, with spare parts. A total of N.C. \$9,213, or about U.S. \$1,460 was spent on an electric plant. Construction, repairs and furniture had cost (up to Nov. 15, 1939) N.C. \$17,210, or about U.S. \$2,740. These three items alone account for U.S. \$8,675 and they do not include many items of expense such as occurred in the first move to Kweilin. It thus appears

Emergency Expenses (Cont'd)

that the main trouble is due to the fact that the estimate of March 20, 1939 was made before the requirements of this second move were determined.

The criticisms regarding extravagance relate mostly to the expenses during transportation of equipment and personnel. The reports thus far received are not subdivided sufficiently to disclose such extravagance. It is hoped that eventually we shall receive a report which will show the costs with considerably greater detail.

It should be noted that much of the expense involved in the total of U. S. \$8,675 is for plant and equipment which will have a continued value. The statement of total emergency expenses as of November 15, 1939 assumes that expenses of this character should be spread over three years.

Referring to the item of U. S. \$2,000 for Student Aids in the estimate of March 20, 1939 for emergency requirements, it should be noted that the College year is now half over and any additional money for student aids, if sent from the U. S., will not arrive in time to do much good except to reimburse special funds which may have been drawn upon temporarily.

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January 20, 1940

HUA CHUNG COLLEGE

REVISIED BUDGET
Year Ending July 31, 1940

Exchange assumed at 6:3 to 1

INCOME BUDGET
(See Notes A and B)

	U. S. Currency	Chinese National Currency
<u>Contributing Missions:</u>		
London Missionary Society	\$ 4,500	\$ 1,000
Methodist " "	3,000	3,400
American Church Mission	6,000	5,887
" " " Miss Johnston	-	17,857
Reformed Church Mission	6,000	8,160
Yale-in-China (U.S. Total = \$10,000)	2,900	44,730
Scholarships	-	700
 Total from Contributing Missions	 \$22,400	 \$ 81,734
 Harvard-Yenging Fund	 -	 9,700
Associated Boards (U.S. \$7,000)	-	41,805
 Total from Western Sources	 \$22,400	 \$133,239
<u>Local Sources:</u>		
Student Fees	-	28,990
Interest	-	200
Scholarships	-	500
China Foundation Fund	-	7,790
 Total from Local Sources	 \$22,400	 \$ 37,480
 Total Annual Income	 \$22,400	 \$170,719

Note A -- Figures of Income from contributing sources are not the total grants but are the amounts to be withdrawn from such grants for operation.

Note B -- Exchange has been assumed the same as the actual average for the previous year, whereas the present exchange is approximately 11 to 1. Exchange is not involved in the salaries for Western personnel or in purchases made outside of China. The College will have the advantage in exchange in the contributions of Yale-in-China and the Associated Boards which are in U.S. Currency.

REVISED BUDGET (Continued)EXPENSE BUDGET

	<u>U. S. Currency</u>	<u>Chinese National Currency</u>
Administration	\$ 6,000	\$ 11,170
Operation and Maintenance	-	3,530
School of Arts	5,500	37,811
School of Education	8,000	10,744
School of Science	1,900	52,520
Physical Education	-	1,560
Military Training	-	720
Scholarships	-	3,750
Hostels	-	13,000
Books, etc.	1,000	-
Methodist Mission Cut	-	510
	<hr/>	<hr/>
Total for Regular Operations	\$22,400	\$135,315
Items Directly Relating to Regular Operations but Causing Deficit	-	20,004
	<hr/>	<hr/>
	\$22,400	\$155,319
Additional Imperative Needs	-	15,400
	<hr/>	<hr/>
Total Expense Budget 1939-'40	\$22,400	\$170,719
	<hr/> <hr/>	<hr/> <hr/>

This budget supersedes the budget submitted at the meeting of the Board of Trustees on October 9, 1939.

The total of each item in the budget is the sum of the amounts in the two columns.

Interpretations and explanations relating to the above budget are to be taken from Report of Treasurer of the Board of Founders dated November 18, 1939.

Respectfully Submitted,

Oliver S. Lyford
Oliver S. Lyford

New York, January 20, 1940

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HUA CHUNG COLLEGE

SPECIAL MEETING OF BOARD OF FOUNDERS

SEPTEMBER 27, 1940

REPORT OF TREASURER

Mr. Coe and I have been making a critical study of the capital and operating funds of the College and the annual cost of operations.

It seems necessary that the Board of Founders, acting both as trustees and as directors, shall have a very clear understanding of the material side of the college operations if we are to carry our responsibilities effectively and if we are to give adequate assistance to the President and the Executive Committee Pro-tem in carrying their responsibilities. The major burdens and the major hardships are theirs and we do not wish to increase these burdens, but the faculty and staff of the College must realize that we and they have a joint responsibility in establishing a record of efficiency in the use of the money which is being placed in our hands by the individuals and organizations on whose support the College depends.

REVISED BUDGET FOR 1940-41

Attached hereto are four sheets giving a summary of a revised budget for the year ending July 31, 1941, with comparative figures for the years 1939-40 and 1938-39. A previous budget was adopted by the Executive Committee at its meeting on July 2, 1940. The totals of the revised budget are the same as in the previous budget. The principal difference is in the transfer of subsistence allowances to the respective supporting missions from the list of emergency requirements. With exchange at the present high rates, it is proposed that the supporting missions should carry these allowances as long as the appropriations in U.S. Currency by these missions shall be sufficient therefor. This proposal is subject to the approval of the Founders and the respective contributing boards.

Sheet 3 of this budget summary gives a list of the Extraordinary Expenses to be financed with Sustaining Funds from the Associated Boards.

In Sheet 4 a three year comparison of budgets is given. It will be noted that the figures for 1938-39 are actual costs, whereas the figures for 1939-40 are the ~~budget~~ figures. The actual figures for that year have not been received. *estimated in April 1940.*

The revised budget, including Sheet 3, is submitted for approval. However, before approval, the Founders should consider the suggestions which will be made to the meeting that the provision for Sabbatical Leave, which are in the budget

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for 1940-41, be omitted. The amounts now in the budget are N.C.\$14,400.(U.S.\$1200.) for the School of Science and N.C.\$6,000.(U.S.\$500.) for the School of Arts.

The Income Budget for 1940-41 does not include any anticipated income from the British Boxer Indemnity Fund or from the China Foundation, although there is some chance that some income may be forthcoming from these sources. If any such payments are received they undoubtedly will be ear-marked for equipment for the School of Science.

OBSERVATIONS REGARDING REVISED BUDGET

The budget for 1940-41 shows that \$258,475. out of a total Chinese income budget of \$274,885. National Currency, or 94 per cent of the total, must come from Great Britain and the United States during the present emergency. This does not include any of the salaries and expenses of the 5 married and 5 single foreign members of the present staff whose salaries are paid in U.S. currency. Therefore, nearly all of the operating funds come from the Western Friends.

On the other hand, we of the west must realize that China, in its adversity, and because of it, is carrying a burden of U.S.exchange which at the present is about 18 to 1. This means that we are able to meet our part of the Chinese budget, viz NC\$258,475. with only US\$14,400. This amount of US\$14,400. at the rate of 3 to 1, which was prevalent before the Japanese invasion, would have produced only NC\$43,200. Considered from this point of view it might be said that the Chinese nation has produced out of its adversity the balance of the Chinese budget, or NC\$215,275. In this sense China is producing a much greater proportion of the Hua Chung College budget than it did in times of peace.

However, the matter is viewed, it is obvious that economy in the cost of operation is an obligation of all of us, both Chinese and westerners, to our constituency and to the people of China.

CASH RESOURCES OF THE COLLEGE

In sheets 5 to 11, attached hereto, there is a complete summary of cash resources held in the names of the Central China College and the Central China College Foundation. These have been combined so as to show the total cash resources.

It will be seen that the total cash in the Proctor-Johnston Land & Building Fund is U.S.\$82,731. , and in the Operating Accounts U.S.\$43,456. plus Chinese Currency equivalent to US\$2,250., or a total Operating Fund of U.S.\$45,706.

All of these cash resources, except the Chinese currency, are either in New York or in the hands of the American Church Mission in Shanghai.

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These are estimates of the amounts as they will be as of July 31, 1940, when the books have been closed. It is believed that the actual figures will be substantially the same as given in these sheets 5 to 11.

In addition, the College will have in Chinese Banks in Hsichuan and Kunming balances totaling about NC\$50,000.

The notes on the respective sheets explain many of the details.

Referring to the Proctor-Johnston Land and Building Fund, it will be noted that the payments which Mr. Whitney, Assistant Treasurer of the National Christian Council has made to Mr. Coe in China for the Land and Building Fund, as well as the payments made direct to Dr. Wei by Mrs. Proctor and Miss Johnston are accounted for by Mr. Coe on sheets 10 and 11.

SUSTAINING FUNDS FOR 1940-41

The Associated Boards at its annual meeting voted that a total sum of \$250,000. should be asked for in the campaign of 1940-41, of which \$175,000. is to be for the Sustaining Fund for the year 1940-41, and \$75,000. for the year 1941-42. The allotment to Hua Chung from this total is \$7,500. for 1940-41 and \$3,000, for 1941-42. The reports of Dr. Wei and Mr. Coe indicate that the figure of \$7,500. for 1940-41 will be more than sufficient, provided all five of our supporting missions can provide the quotas called for in the budget. However, the ability of the English missions to provide their quota is highly problematical and they may even have to let us pay part of the salaries of their English missionaries. The Associated Boards' officials have been advised of these contingencies.

It is requested that the Founders approve of these askings for Hua Chung.

The budget of the Associated Boards for the year 1940-41 amounts to a total of \$75,806. Of the total, Hua Chung is asked to provide \$2,338. The contributions by Hua Chung in previous years have been as follows:

1937-'38	\$1,744.
1938-'39.....	2,443.
1939-'40.....	1,675.

The request for \$2,338. from Hua Chung looked high to your treasurer, but an analysis of the operations of the Associated Boards Office in the interest of the respective colleges seemed to indicate quite conclusively that this allotment of \$2,338. to us was reasonable.

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The ratio of Total Operating Cost to the total askings for the entire group of colleges is 30%. The ratio of the Hua Chung quota of costs to the askings for Hua Chung is 22.2%. The smaller ratio in our case is due to the fact that no special administrative work is done for us by the staff of the Associated Boards.

The Treasurer recommends that the Founders approve of the askings for Hua Chung College and the payment of \$2,238. as our part of the Ass. Boards costs for 1940-41.

Respectfully submitted,

Oliver S. Lyford.

Oliver S. Lyford,
Treasurer

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Hua Chung College
Comparative Budgets

Expenses

	Estimate year ending July 31, 1940		Proposed Budget for year ending July 1941	
	For.sal.(2)	NC.\$	For.Sal.(2)	NC\$
Administration	2-1/6	\$12,366.	1-5/6	\$16,070.
Operation and Maintainance	-	2,200.	-	3,690.
(3) School of Arts Personnel	4-1/6	26,699.	5-2/3	46,400.
(1) " " " Equip., Books and Special Research	-	19,200.	-	24,200. x1
School of Education	2-2/3	11,810.50	2-1/2	14,680.
(1) " " " Equip.and books	-	3,100.	-	7,470.
(3) School of Science	-	38,202.	-	49,300.
(1) " " " Equip.& Books	-	48,509.52	-	48,000. x2
Phy.Ed. & Mil.Training	-	2,560.	-	3,340.
Scholarships	-	3,865.	-	2,300.
Miscellaneous	-	-	-	510.
Total for regular operation	9	168,512.02	10	215,960.
Items directly relating to regular operations but causing a deficit (see page 3)	-	22,108.25	-	29,165.
Extra expense because of location at Hsichow (see page 3)	-	37,460.73	-	29,760.
Total Expense	9	228,081.	10	274,885.

(1) These items are for equipment and books to be paid for in foreign currency. The amount of appropriation is in US\$ but for convenience it is carried here at the rate of 12 to 1 which is the rate the Associated Boards are using now.

(2) Foreign salaries are now carried by number rather than by an arbitrary amount as in the past. (M.denotes a married man; S denotes a single teacher.)

The average rate of exchange for 1939-40 has been 14,60 to one.

(3) In the School of Science proposed budget US\$1200 is to be set aside for sabattical leave. Also US\$500. in the School of Arts for the same purpose. These amounts at 12 to 1, come to NC\$14,400. and NC\$6,000. respectively and thus account for increases to this extent in the 1940-41 budget over the 1939-40 budget.

x1- School of Arts-Equip.,Bks.,etc.includes:Equip.& Bks...NC \$4,200.
 Research- Chinese Dept.-.....14,000. NC\$
 Reserve for Sabbatical Leaves. 6,000. 24,200.

x2-School of Science-Equip.,Bks.etc.includes-Equip.Bks..NC\$33,600.
 Reserve for Sabbatical Leaves14,400. 48,000.

Hua Chung College
Comparative Budgets
Income Required for Operation

	Estimate year ending July 31, 1940.		Proposed budget for year ending July 1941	
	<u>For.Sal.(2)</u>	<u>NC\$</u>	<u>For.Sal.(2)</u>	<u>NC\$</u>
<u>Contributing Missions:</u>				
London Mission Society	1 m. 1 s.	\$1,200.	1 m. 1 s.	1,200.
Methodist " "	1 m. 1 s.	3,400.	1 m. 1 s.	3,400.
(3) American Church Mission	2 m. 1 s.	7,410.	2 m. 2 s.	10,350.
" " Miss Johnston		3,327.	-	27,280.
(1) " " M.J.Brooks		19,200.	-	10,200.
Reformed Church Mission	1 m. 1 s.	8,700.	1 m. 1 s.	9,060.
(1) " " Books & Equip.		3,100.	-	7,470.
(3) Yale-in-China	-	32,562.	-	45,100.
(1) " " " (Equipment)	-	48,959.52	-	48,000.
Total from Contributing Missions	9	127,858.52	10	162,060.
Scholarships	-	2,000.00	-	1,800.
Harvard-Yenching Fund	-	12,810.00	-	31,280.
Balance to be provided	-	63,008.08	-	63,335.
	9	205,676.60	10	258,475.
<u>Local Sources:</u>				
Student fees	-	13,657.40	-	15,410.
Gov.grant for sal. Aug.Dec.1939	-	4,890.00	-	-
Scholarships	-	1,865.00	-	500.
Interest and Commissions	-	2,500.00	-	500.
Total Local Sources	-	22,912.40	-	16,410.
Total Income	9	228,589.00	10	274,885.

(1) Same as note (1) page 1.

(2) Same as note (2) page 1; m.denotes a married man; s.a single teacher,

(3) Same as note (3) page 1.

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Hua Chung CollegeComparative Budgets

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Extraordinary Expenses

The extraordinary expenses estimated for 1939-40 and the corresponding totals for similar purposes in 1940-41 are as follows:

	NC\$ 1939-40	NC\$ 1940-41
A. Items causing a deficit in regular operations:		
Extra postage and telegrams	1,500.	1,200.
Salary of acting treasurer(2/3)	1,254.	1,440.
Assistant in President's office	915.	960.
Assistant to Treasurer	560.	960.
Clerk in Dean's office	-	720.
Summer school expense	33.25	-
Physician	3,000.00	3,000.
Medicine and Infirmary equipment	4,000.00	4,000.
2 Nurses	-	1,920.
Rentals	2,160.00	2,465.
Lighting	1,800.00	1,800.
Maintenance of Wuchang campus	1,000.00	1,000.
Scholarships and student aids	5,886.	9,700.
	22,108.25	29,165.
B. Extra expenditures because of location at Hsichow:		
Balance of moving expense	9,000.00	-
Balance of furniture & Equip.at Hsichow	2,500.00	-
Balance of cost of power plant	4,219.61	-
Repairs at Hsichow	8,600.00	1,000.
Extra allowance to students and staff a/c high cost of food(1940-41 staff only)	5,000.00	5,600.
Subsidies for hostels possible	1,000.00	1,200.
Extra travel	1,541.12	-
Loans to cover fees due	5,000.00	-
Aid to local poor	600.00	-
Equipment	-	1,000.
Kunming office	-	3,000.
Transportation and truck upkeep	-	5,000.
Remission of fees	-	12,960.
	37,460.73	29,760.
Grand total	59,568.98	(3)58,925.

- (3) Note on page 2, the amount needed to balance the budget for 1940-41 is NC\$63,335., the difference of NC\$4,510. between these two amounts can be covered as follows: In the School of Arts there is the salary of C.F.Ling amounting to NC\$2,700. Also there is the matter of the amount to be covered for Dr. Wei's salary of NC\$600., Dr.Hwang NC\$960., and Dr.Hsiung NC\$660. This amounts to more than the above sum and the last three arise from the fact that the units concerned do not meet the salary according to the salary scale. This difference of NC\$4,510. being of the nature of regular operations will have to be covered from regular income.

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September 19, 1940

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Hua Chung College

Comparative Expense Budgets

National Currency Only

Salaries of Western Personnel not included

	<u>Actual</u> <u>Year ending 7-31-'39</u> <u>N.C.</u>	<u>Estimate</u> <u>Year ending 7-31-'40</u> <u>N.C.</u>	<u>Adopted Budget</u> <u>Year ending 7-31-'41</u> <u>N.C.</u>
1. Administration	13,099.	12,366.	16,070
2. Operation & Maintenance	4,467.	2,200.	3,690.
3. School of Arts	21,794.	26,699.	46,400.
4. " " Equipment & Books	1,402.	19,200.	24,200.
5. School of Education	15,153.	11,860.	14,680.
6. " " Equipment & Books	-	3,100.	7,470.
7. School of Science	44,580.	38,202.	49,300.
8. " " Equipment & Books	-	48,960.	48,000.
9. Phys.Educ. & Military Training	2,170.	2,560.	3,340.
10. Scholarships	3,850.	3,865.	2,300.
11. Hostels	12,071	-	-
12. Miscellaneous	<u>298.</u>	<u>-</u>	<u>510.</u>
Totals for Regular Operation	118,884.	169,012.	215,960.
Emergency Expenses	<u>106,709.</u>	<u>60,569.</u>	<u>58,925.</u>
	225,593.	229,581.	274,885.

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September 14, 1940

Hua Chung College

Tentative Consolidated Report

Cash Balances of Central China College

combined with those of Central China College Foundation

As of August 5, 1940

These figures are approximately correct but are subject to minor changes after final figures as of August 1, 1940, shall have been received from Hsichow.

Proctor - Johnston Land & Building Fund
(See sheets 5 to 7 hereof)

Balance in Account of Dom. & F.M.Soc. in New York.....	U.S. \$81,523.33
" " " " Am. Church Mission in Shanghai.....	1,207.43
Total Cash on hand in Capital Accounts.....	<u>\$82,730.76</u>

Operating Accounts
Approximate Figures

Balance in Joint Account in National City Bank in New York.....	U.S. \$18,558.
Balance in Account of Dom.& F.M.Soc. in New York.....	15,000.
" " " " Am.Church Mission in Shanghai....	4,131.
" " " " Central China College Foundation in New York.....	<u>5,767.</u>
Total Cash on Hand in Operating Accounts.....	<u>\$43,456.</u>

This total of U.S. Operating Cash belongs in the following special funds:

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1. Johnston Fund for School of Arts.....	\$15,000.
2. Yale-in-China balance for School of Science.	15,700.
3. Associated Boards Sustaining Fund.....	2,750.
4. Harvard-Yenching A.....	1,800.
" " B.....	500.
5. Thorne Research Fund.....	1,000.
6. Central China College Foundation.....	2,767.
7. Board of Founders special.....	278.
8. President's Discretionary Fund.....	200.
9. " Relief Fund.....	252.
10. Scholarships.....	75.
11. Science Museum.....	200.
12. Yale Sabbatical Reserve (set aside (in 1938-39).....	607.
13. Miscellaneous.....	1,427.
14. Practice School.....	900.
<hr/>	
Total of Operating Accounts.....	\$43,456.

All amounts are carried for this preliminary estimate to the nearest dollar and there may be some changes when final figures have been received from China.

As stated below, in the note pertaining to Item 3, there are sums available in Hong Kong currency and National currency which belong in the Sustaining Fund. These sums together are equivalent to about U.S.\$2,250. With this addition, the total in the Sustaining Fund is approximately U.S.\$5,000. and the total of balances of all grants for operating purposes is \$45,706.

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Regarding Item 3- Sustaining Fund

The amount of U.S.\$2,750. is the probable U.S. balance which will not have been exchanged into local currency when the books are closed as of July 31, the end of the college year. In addition to this amount there should be in the sustaining fund about \$1,300. in Hong Kong currency and \$40,000. in National currency. These two items together, at present exchange, are equivalent to approximately U.S. \$2,250., and the total balance in the Sustaining Fund in that case will be equivalent to about \$5,000.

The figure of N.C. \$40,000. is subject to change as some of the expenses during the last few months may have been heavier than estimated. Also, included in this N.C. \$40,000. there is about N.C.\$25,000. which was the balance as of July 31, 1939 and this may be reserved for the purchase of books and equipment authorized in 1938-39, these purchases not having all been made because prevented by the Japanese invasion.

Regarding Item 4-A & B - Harvard-Yenching

Harvard-Yenching A, \$1,800. is the estimated amount which will be left from the \$4,000. which was sent to the College in September 1938.

Harvard-Yenching B, \$500. was sent to Dr. Wei by Harvard-Yenching in the autumn of 1939 for the purchase of Chinese books. If this is not used for this purpose it is to be returned to the Foundation.

Regarding Item 6- Central China College Foundation

In the above figure it is assumed that of the balance of \$5,767. in the account of the Central China College Foundation as of August 5th, \$3,000. will be transferred to the Reserve Account of the College, making a total of \$7,000. paid to the College by the Foundation, from the Associated Boards, in the year 1939-40. It is assumed that \$2,767. will remain in the account of the Treasurer of the Central China College Foundation, to be disposed of later.

Regarding Item 7- Board of Founders School

The sum of \$278. which is under the name of "Board of Founders Special" represents funds which were sent out to China some time ago from the Board of Founders but which have never been used by the Board of Directors. \$100. of this may belong in the Building Fund.

Regarding Items 8 to 11.

These items represent small funds which are at the disposal of the President.

Regarding Item 12- Sabbatical Reserve

"Yale Sabbatical Reserve" is the amount which the Board of Directors in June 1938 voted to set aside in the 1938-39 budget for this purpose.

Regarding Item 13

"Miscellaneous" is the balance which cannot be broken down until further reports are received from China.

Regarding Item 14

"Practice School" is the unused balance of the funds provided for this purpose.

General Balance in National Currency

When Mr. Coe was in Hsichow the Chinese currency balance of the College was approximately N.C. \$130,000. His understanding with Dr. Wei was that there would be no more exchange business done until this balance had been very materially reduced. Mr. Coe considers it probable that the College will have about N.C. \$50,000. on hand as of July 31, 1940, of which about N.C. \$10,000. will be money which will then be on deposit for members of the staff and student body. A working balance of at least \$40,000. should be carried over each year and this amount, therefore, should not appear in the operating budget for 1940-41.

Balance in Chinese Grants

As of August 1, 1939 there were credit balances in various grants from Chinese sources which totaled N.C. \$23,856.94. On the other hand there was a debit balance of N.C. \$4,319.49 in one Chinese grant. These balances are not included in any of the above figures, unless it shall appear that they are in the balance discussed in the previous paragraph.

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Proctor-Johnston Land and Building Fund

The amounts paid to Dr. Wei or to Mr. J.E. Whitney, Asst. Treasurer of the National Council from Mrs. Proctor or Miss Mary E. Johnston, for land and buildings for Hua Chung College, are stated in a report which Mr. Whitney made to Miss Johnston on March 11, 1940, and in a reply from Miss Johnston to Mr. Whitney, dated March 21, 1940. These may be summarized as follows:

Receipts

For Land and Buildings in General

Paid direct to Dr. Wei.....	\$10,000.
" to Mr. Whitney previous to March 21.....	55,000.
" " " with letter of March 21.....	30,000.
	<u>\$95,000.</u>

For Proctor Memorial Bldg.

Paid direct to Dr. Wei.....	\$10,000.
" to Mr. Whitney.....	20,000.
	<u>\$30,000.</u>

Mr. Whitney, in his report of March 11, 1940, shows that of the sums received by him as above, the following amount was sent by him to China:

For Land and Buildings.....	\$25,000.
" Proctor Memorial Building.....	-
	<u>\$25,000.</u>

According to Mr. Whitney's report, the following balances in these capital accounts are being held in the Treasury of the Domestic & Foreign Missionary Society in New York, for the account of Hua Chung College:

<u>For Land and Buildings in General</u>	
From funds received previous to March 11, 1940....	\$30,000.
" " " after March 11, 1940.....	30,000.
	<u>\$60,000.</u>

<u>For Proctor Memorial Bldg. Specifically</u>	
Funds received previous to March 11, 1940.....	\$20,000.
	<u>\$80,000.</u>
Interest Accrued.....	1,523.33
Total on Hand in New York.....	<u>\$81,523.33</u>

(This amount of \$81,523.33 does not include another amount of \$15,000. now held by the Dom. & For. Miss. Society in New York,

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being the balance remaining from a total of \$25,000. received from Miss Johnston for the strengthening of the Liberal Arts College.) Of the total received, \$10,000. was sent to China by Mr. Whitney. (See page 2 of this report.)

Report by Mr. John L. Coe

The following is a condensed summary based on a report by Mr. John L. Coe, Treasurer of Hua Chung College, dated February 20, 1940, relating to this Proctor-Johnston Land & Building Fund Account of the College.
(For details see Sheet 7 attached hereto.)

Receipts

From Miss Johnston

Received direct for Proctor Memorial Bldg.....	\$5,000.
" " " New Land.....	5,000.
" through Dom. & F.M.Soc. for Physical Plant...	25,000.
	<u>\$35,000.</u>

From Mr. Proctor

Received direct for Proctor Memorial Bldg.....	5,000.
" " " New Land.....	5,000.
	<u>\$45,000.</u>

Interest.....	95.96
	<u>\$45,095.96</u>

Expenditures

Land Account N.C. \$121,095.77 =	U.S. \$33,910.00
Building Account N.C. \$38,714.86=	" 10,978.53
	" <u>\$43,888.53</u>
Balance on Hand, February 20, 1940.....	\$1,207.43
	<u>\$45,095.96</u>

Mr. Coe's report appears on Sheet 7 hereof. This report indicates that some of the money which was received direct from Mrs. Proctor and Miss Johnston for the Proctor Memorial Building has been used temporarily for other buildings, but this can be adjusted later.

One fortunate circumstance is that all of the cash in this account is in New York, except \$1,207.43 and this is in the control of the American Church Mission in Shanghai.

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Proctor-Johnston Land & Building Fund a/c

<u>Receipts:</u>		
	U.S.\$	
From Miss Johnston.....	\$35,000.00	
" Mrs. Proctor.....	10,000.00	
Bank Interest.NCB.....	95.96	
Converted, U.S. to N.C.....		N.C.\$
Interest and Rent.....		156,400.29
	<u>\$45,095.96</u>	<u>112.01</u>
		<u>156,512.30</u>

Expenditures:

Converted to N.C.\$145,400.29..\$43,888.53

<u>Land a/c</u>		N.C.\$
A. Yang Chia Tang (inside city).....	1,258.58	
B. Purchase of January 1935.....	1,064.28	
C. Liu Property.....	3,444.57	
D. Property by moat.....	1,246.90	
E. Wu Chia Shan.....	13,070.83	
F. Tu, Ko, Chou Chia Shan.....	5,454.07	
G. City wall land.....	52,791.43	
I. Cultivated land by moat.....	10,010.04	
J. Hsiao Wu Chia Shan.....	2,175.00	
K. Tu Chia Shan.....	9,109.28	
L. Hsia Chia Yuen.....	4,804.00	
M. Wu Chia Yuen- part c. 2/3.....	4,850.00	
N. " part about 1/3.....	9,681.36	
P. Chiang Chia Shan 1/3.....	876.72	
surveying, stones, trees, etc.....	458.41	
Removing graves on city wall.....	800.00	
Total Land Expenditures.....		<u>121,095.77</u>

Building Account:

Yen Hostel extension.....	15,985.30	
New House on city wall.....	13,910.98	
Fencing part.....	1,465.71	
Plans.....	2,550.00	
Materials on Hand.....	3,028.40	
Surveying, cables, travel.....	490.38	
House for workmen and bamboo fencing.....	599.20	
Grading on city wall.....	390.64	
Gate house for new houses.....	71.73	
Bergamini staff, Spring 1938.....	222.52	
Total Building Expenditures.....		<u>38,714.86</u>
		NC\$159,810.63

Total Expenditures.....US\$ 43,888.53

Credit Balance.....US\$ 1,207.43

Debit Balance.....NC\$ 3,298.33

John L. Coe,
Treasurer

Feb. 20, 1940

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October 17, 1941

HUA CHUNG COLLEGE

Report of Treasurer

This report consists of two sections. The first is a report of the operating account of the Foundation in New York for the college year ending July 31, 1941. The second section is a summary and analysis of the operating accounts of the College at Hsichow for the same period as reported by the College Treasurer, Mr. John L. Coe.

Capital Accounts are not included in either section as the only information available is the amount of cash in the building fund which remains the same as in the Report of Treasurer of September 27, 1940, namely U.S. \$82,730.16. This money is all in New York.

FOUNDATION ACCOUNT

See Page 5

This account is given in a statement on page 5 hereof. Reference is made thereto without further comment.

COLLEGE ACCOUNT

Mr. Coe, by what must have been a supreme effort, mailed on August 16 and 18 the details of financial operations for the year ended July 31, 1941. His report is more complete in some details than any which we have had thus far. It has not been copied yet, but will be copied and circulated to the supporting missions as soon as practicable. Copies will be sent to others who may desire them.

Operating Results for Year ending July 31, 1941

See pages 6 and 7.

The figures on these pages supercede those given in Report of Treasurer to the Executive Committee on June 19, 1941. The important points are as follows:

- (a) The actual cost of operations of the college for the year ending July 31, 1941 (exclusive of the fire loss referred to later) amounted to N.C. \$288,575.00 as compared with the total of N.C. \$274,885., in the budget approved by the Trustees on September 27, 1940. These expenditures are classified in the statement on page 6. The sources of income are listed on pages 6 and 7.

The average rate of exchange during the year was 22 to 1. Therefore the cost of N.C. \$288,575. was equivalent to about U.S. \$13,117.

- (b) In addition to the operating cost of N.C. \$288,575. purchases were made with U.S. Funds amounting to U.S. \$2,619. These consisted of a new truck and new items of equipment and supplies. These items had been purchased with money from the Sustaining Fund. The truck and contents were almost completely destroyed in a fire on the Burma Road on April 12, 1941. This loss must be added to the operating cost

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making the total cost for the year equivalent to U.S. \$14,736.⁵

- (c) Of the total income to cover this expense of U.S.\$15,736., the amount of income from Chinese sources was N.C. \$19,026., equivalent to U.S.\$865. The balance, or 94 percent of the cost, came from western sources. These figures do not include the operation of the hostels which were self supporting.
- (d) The above figures also do not include the salaries of the western personnel which are paid by the respective missions. There were seven of these persons.

Sustaining Fund
see Page 8.

There was on hand in the Sustaining Fund on April 1, 1940, a balance of U.S. \$6,145. Receipts for the Sustaining Fund during the year amounted to U.S. \$6,817., and the expenses paid from this fund amounted to U.S.\$6,683. Therefore, the fund increased by the amount of U.S.\$134. The expenses charged to this fund consisted of the deficit for 1940-41 N.C. \$89,401., equivalent to U.S. \$4,064., in the operation account plus the fire loss of U.S. \$2,619.

Summary of Reserve Accounts
see pages 9 & 10.

On page 9 is a balance sheet of the Operating Accounts of the College as of August 1, 1941. This shows the location of the cash and the balance available in each account.

There is given on page 10 a statement of these balances, compared with the corresponding balances for the previous year.

The total of reserve funds in the College treasury on August 1, 1940 was U.S. \$44,084. On August 1, 1941 this total had increased to U.S.\$51,936. Most of this total consists of funds granted for specific purposes. The only unrestricted funds in the August 1, 1941 total are the Presidents' Discretionary Fund of U.S. \$1,043., and the Sustaining Fund of U.S. \$6,279. The latter fund is restricted to special costs resulting from the invasion of the Japanese and the consequent location remote from the campus of the College.

Budget for 1941-42
see pages 11 to 13

A tentative budget was received from the College and was submitted to the Executive Committee of the Trustees on June 19, 1941. This tentative budget for 1941-42 was approved by the Executive Committee, "on condition (1) that the Sustaining Mission Boards in the United States agree to give the amounts prepared by Dr. Wei and (2) that the foregoing action is subject to review when an itemized budget for the year is received." The details have now been received and they are embodied in the figures given below.

On pages 11 to 13 there is a summary of the final budget. The two items added to the tentative budget are:

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- (a) The item "Extras because of Hsichow location" has been increased by \$10,000. to provide for unanticipated expense, there being no contingency item in the budget received from the College.
- (b) Inasmuch as the truck with equipment and supplies which were burned on April 12, 1941 were presumably necessary and are now lost, we have assumed that an amount equivalent to the loss, or U.S. \$2,619. must be provided for replacements in 1941-42.

With these additions to the total, expense for 1941-42 becomes N.C. \$296,249., plus U.S. \$6,819. Assuming an average exchange of 18 to 1, the National Currency item becomes U.S. \$16,458. and the total expense, and total income, become equivalent to U.S. \$23,276. as compared with an actual total of U.S. \$16,019. in 1940-41.

The income required from the supporting missions for 1941-42 is shown on page 11. These are the same figures as appeared in the tentative budget. These missions have not reported their willingness to supply the amounts indicated. However, it will be noted that the amounts required from the London Missionary Society, the Methodist Missionary Society, and the American Church Missions are substantially the same as they supplied last year. The amount in National Currency required of the Reformed Church Mission is substantially the same as supplied last year but the amount in U.S. Currency is \$600., greater than last year. The amount available in Miss Johnston's Grant is far beyond the amount required, as is the amount available in the Harvard Yenging Grant. Yale-in-China has only voted U.S. \$3,500. of new money towards its part of the 1941-42. With exchange at 18 to 1, the National Currency item in the 1941-42 budget becomes U.S. \$2,860., and the total required is equivalent to U.S. \$5,860. Unless Yale-in-China shall decide to meet the total annual requirement with new funds, the amount of U. S. \$2,360. will have to be taken from the reserves in the Yale-in-China Fund of the College.

It therefore seems fair to conclude that the amounts of income in the budget of 1941-42 from the supporting missions and from the Harvard Yenging Grant are reasonably assured.

Sustaining Fund for 1941-42

We now come to the most important problem for the Trustees to consider:

The Sustaining Fund required according to the Budget for 1941-42 is N.C. \$110,664., plus U.S. \$2,619. At exchange of 18 to 1 (the rate obtained on the last cable shipment of funds to the College) N.C. \$110,664., is equivalent to U.S. \$6,150. Adding the amount equivalent to the fire loss, U.S. \$2,619., we have for the need from the Sustaining Fund in 1941-42 a total of U.S. \$8,769. This may be compared with U.S. \$6,683. for the previous year.

Examination of the figures for 1940-41 shows that the total of salaries of the Chinese Administrative and Teaching staff (40 in number) was N.C. \$103,440. The regular salaries are but little higher than before the Japanese invasion. The total of subsidies to the people of the teaching staff amounted to N.C. \$9,704. which increased the payments to them by an average of only 9.4%. The result is that the families barely have been able to exist and

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their clothing is worn out. A climax has now been reached, as reported to us in a letter of September 10, 1941 from Dr. Wei, ^{being the} in which resignation of Dr. Zee, an important loss to the College. This came about because of the discontent of Mrs. Zee on account of the low family income. Dr. Zee's salary was N.C. \$3,900. and his subsidy N.C. \$384. Apparently he has accepted an offer of N.C. \$1,500. a month and N.C. \$15,000. for travel by air to Hongkong and then by boat to Shanghai. This offer is from a factory in Shanghai. Dr. Zee wanted to stay with the college but Mrs. Zee refused.

Our faculty has been very loyal and self-sacrificing, but Dr. Zee's experience will certainly unsettle others. It seems evident that the present salary basis must be increased.

We understand that one of the mission boards has doubled its payments in Chinese funds to the missions in China. A 40% average increase in our Chinese salaries would amount to about N.C. \$40,000. or, at exchange of 18 to 1, equivalent to U.S. \$2,222. Adding this to the above figure of U.S. \$8,769., we would have a total demand on the Sustaining Fund of about \$11,000.

The balance now in the Sustaining Fund of the College is U.S. \$6,279. This would be considerably less if the salaries had been increased in 1940-41. We should leave a reasonable amount in that account as a reserve fund. Therefore, it is suggested that we plan to apply U.S. \$3,000., towards the budget of U.S. \$11,000., and unless the contributing missions increase their N.C. contributions we should have to ask the Associated Boards for U.S. \$8,000. Our allotment from the Associated Boards, Askings for 1940-41 was \$10,500., of which \$7,500. has been received. The remainder is on hand in the Associated Board and can be applied on this proposed budget, leaving U.S. \$5,000., as the amount to be included in the askings of the Associated Boards for 1941-42.

In considering this problem we should have in mind the precedent which would be established and its effect on the requirements of future years. Presumably any increase should be stated as a subsidy and the regular salaries should remain as at present. However, the subsidy having been established will have to be maintained except as the cost of living shall increase or decrease.

Obviously any decision of the Trustees should be in the form of a recommendation to the Executive Committee Pro-tem or an expression of willingness to consider increased subsidies up to the extent indicated.

Respectfully submitted

Oliver S. Lyford
Treasurer.

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CENTRAL CHINA COLLEGE FOUNDATION
Account in Bank of the Manhattan Co.
1940 - 1941

August 1, 1940 - Balance on hand	\$ 5,767.71
August 1, 1940 to July 31, 1941	
Received from Associated Boards	7,500.00
" " Yale-in-China	325.00
" " Reformed Church	325.00
	<u>\$13,917.71</u>

Disbursements

August 1, 1940 to July 31, 1941		
Associated Boards for Expenses	\$2,338.00	
Yale-in-China " "	258.47	
" " " Honorarium	300.00	
O.S. Lyford - Office Expenses	34.93	
" " Cablegram	7.58	
John L. Coe - Travelling Expenses	95.90	
City Printing Co. - Printing Pres. Address....	41.50	
Total Expenses	<u>\$3,076.38</u>	
 *Central China College 1939-40 Acc't.....	 3,000.00	 <u>6,076.38</u>
 #July 31, 1941 Balance on Hand		 \$7,841.33

*This payment was due from the Foundation to the College for the year 1939-40. No payments were made in the year 1940-41 out of the sustaining funds received that year. This payment of \$3,000.00 was made from the balance available in the Foundation Account on July 31, 1940.

#Because of the uncertainties of financial transactions with China it has been thought best not to transfer to the Joint Account of the College all the money which is available for the College for operating purposes. Therefore, there is \$6,000.00 of the balance as of July 31, 1941 which is held for the account of the College, leaving \$1,841.33 for payment of expenses of the Foundation, in 1941-42.

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October 8, 1941.

Page 6.

HUA CHUNG COLLEGE

1940 - 1941 Operations
(See Notes 1 to 5, on Page

	Budget Approved Sept. 27, 1940	Actual - Reported by Mr. Coe - August 19, 1941 (Note 2)
<u>Expenditures - National Chinese Currency -</u>		
Administration	N. C. \$16,070.00	N. C. \$31,000.73
Operation & Maintenance	3,690.00	16,774.28
School of Arts-Personnel	46,400.00	43,501.40
Equipment, Books, etc.	24,200.00	13,500.00
School of Education - Personnel	14,680.00	11,993.00
Equipment & Books	7,470.00	7,467.02
School of Science - Personnel	49,300.00	53,701.72
Equipment & Books	48,000.00	56,000.00
Physical Education & Military Training	3,340.00	4,388.39
Scholarships	2,300.00	8,299.60
Miscellaneous	510.00	-
	<u>215,960.00</u>	<u>246,626.14</u>
Items directly related to regular operations but carrying a deficit	29,165.00	In above figures
	<u>245,125.00</u>	<u>246,626.14</u>
Extras because of Hsichow location	29,760.00	<u>41,948.65</u>
Total Expenditure (Notes 2, 3 and 5)	N.C. \$274,885.00	N.C. \$288,574.79

	Budget Approved Sept. 27, 1940	Actual - Reported by Mr. Coe - August 19, 1941
<u>Income Used in Operations - National Currency (Note 2)</u>		

<u>Western Sources</u>		
London Missionary Society	N.C. \$ 1,200.00	N.C. \$ 1,000.00
Methodist " "	3,400.00	3,854.00
American Church Mission	20,550.00	10,850.00
Miss Johnston's Grant	27,280.00	17,797.33
Reformed Church Mission	16,530.00	16,159.06
Yale-in-China	93,100.00	101,711.72
Total from Contributing Missions	<u>162,060.00</u>	<u>151,372.11</u>
		(Note 3)
Scholarships	1,800.00	2,130.00
Harvard Yenging Grant	31,280.00	24,644.70
Ass'n. Boards - Sustaining Fund	63,335.00	89,401.15
Adjustment (Note 1)	-	2,000.00
Totals Forward.....	<u>258,475.00</u>	<u>269,547.96</u>

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	Budget Approved Sept. 27, 1940	Actual - Reported by Mr. Coe - August 19, 1941
Totals brought forward - -	258,475.00	269,547.96
<u>Local Sources</u>		
Chinese Government Grant)	(11,555.33
Local for Scholarships)	(3,100.00
Bank Interest & Remittance Fees) \$ 16,410.00	(4,253.00
Miscellaneous Fees)	(118.50
Total Income Used (Note 2)	N.C. \$ 274,885.00	N.C. \$ 288,574.79

NOTE 1 - In the report received from Mr. Coe there is a discrepancy of N.C. \$2,000.00 on the Income side, which could not be located. To minimize the confusion, this amount has been entered as an adjustment.

NOTE 2 - The figures of expenditures and income do not include the salaries of western personnel which are paid by the respective missions. There were seven of these persons.

NOTE 3 - The purchases of books and equipment, which were made in U.S. Dollars, amounted to U. S. \$3,400. These were for the following schools:

School of Arts - From Miss Johnston's Grant	... \$ 350.00
" " Education " Reformed Church	" ... 250.00
" " Science - " Yale-in-China	" ... 2800.00
	U.S. \$3400.00

To make the actual figures comparable with the budget, these U.S. expenditures have been converted to National Currency at 20 to 1, and the items added to the N.C. figures. Hereafter the U.S. expenditures are to be shown separately.

NOTE 4 - These figures are compiled from reports made by Mr. Coe.

NOTE 5 - In the spring of 1941 a truck was purchased in Rangoon and loaded with purchases which had been made for the account of the College (also miscellaneous goods belonging to others). On April 12, 1941, on the Burma Road, the truck and its contents were almost totally destroyed by fire. The loss to the College amounted to \$2,619.35. As most of this expense was for plant items, this loss is not included as part of the operating cost for 1940 - 41. These purchases were made with cash from the Sustaining Fund. They constitute a cost incurred in addition to the Operating Budget.

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October 14, 1941

HUA CHUNG COLLEGESustaining Fund Operation
Year ending July 31, 1941

Operations were in four currencies. Consolidated into U.S. currency, the figures become as follows:

RECEIPTS

Balance on hand August 1, 1940			
U.S. Currency	\$2,445.00		
Other Currencies equivalent to	<u>3,700.00</u>		U.S. \$6,145.00
Received from United Committee (British)			817.00
Credited by Central China College Foundation (From Sustaining Fund of Associated Boards)			<u>6,000.00</u>
			U.S. \$12,962.00

EXPENSES

For deficit in operation accounts			
N.C. \$89,401. at exchange of 22 to 1 = U.S.	\$4,064.00		
Fire loss on Burma Road	<u>2,619.00</u>		6,683.00
			<u>U.S. \$ 6,279.00</u>

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October 14, 1941

HUA CHUNG COLLEGE

Page 9.

BALANCE SHEET OF OPERATING ACCOUNTS

As of August 1, 1941
See Notes 1 to 5

	<u>Dr.</u>	<u>Cr.</u>
Sustaining Fund		U.S. \$ 6,279.00
Board of Founders (Special)		279.00
Johnston Fund for School of Arts		14,459.00
Harvard-Yenging Fund		8,128.00
Yale-in-China-Sabbatical Reserve		607.00
Operating Fund		15,744.00
President's Discretionary Fund		1,043.00
Practice School Fund		1,988.00
Relief Fund		252.00
Scholarships		76.00
Thorne Fund		859.00
Science Museum		200.00
Arts Book Fund		420.00
Science Sch. Reserve & Book Funds		641.00
Music Fund		695.00
Biology Fund		219.00
Deposits		47.00
Joint & Reserve Acct in New York	U.S. \$14,837.00	
Drafts in transit to New York		
(arrived after Aug. 1)	1,945.00	
In Kuming-Shanghai C & S.B.	534.00	
In other banks - China & Burma (Note 2)	4,890.00	
American Church Mission-Shanghai (Note 3)	6,785.00	
Yale payments made in New Haven	1,054.00	
Domestic & Foreign Miss. Societies - N.Y.	15,000.00	
Receivable from Central China College		
Foundation	6,000.00	
Advance payments (Note 4)	891.00	
	U.S. \$51,936.00	\$ 51,936.00

* * * * *

- Note 1: These figures are based on reports by Mr. Coe
- Note 2: The College has balances in various banks in China and in one in Rangoon. The local currencies in these banks have been reduced to U.S. Currency for purposes of this report and are accumulated in the item "In other banks - China & Burma \$4,890.00.
- Note 3: The money held under control of American Church Missions in Shanghai is actually in New York.
- Note 4: The item Advance payments consists of certain payments which had not been passed to the proper accounts before August 1, 1941.
- Note 5: These figures do not include any capital funds.

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HUA CHUNG COLLEGEOperating Cash on Hand
U.S. Currency

	<u>Aug. 1, 1941</u>	<u>Aug. 1, 1940</u>
Ass'n. Boards - Sustaining Fund	\$ 6,279.00	\$ 6,145.00
Board of Founders - Special	279.00	278.00
Johnston Fund for School of Arts	14,459.00	15,000.00
Harvard Yenging	8,128.00	2,300.00
Proctor Johnston Land & Building (omitted because actually a reserve item for building purposes)	-	-
Yale-in-China Reserve	15,744.00	15,700.00
" " " Sabbatical Reserve	607.00	607.00
Presidents Discretionary Fund	1,043.00	200.00
Practice School	1,988.00	900.00
Relief Fund	252.00	252.00
Scholarships	76.00	75.00
Thorne Fund	859.00	1,000.00
Science Museum	200.00	200.00
Arts Book Fund	420.00	-
School of Science Reserve & Book Fund	641.00	-
Biology Fund	219.00	-
Deposits	47.00	-
Music Fund	695.00	-
Miscellaneous	-	1,427.00
	<hr/>	<hr/>
U.S.	\$ 51,936.00	\$ 44,084.00
	<hr/> <hr/>	<hr/> <hr/>

The above figures do not include capital funds. On August 1, 1940 the capital funds totaled \$82,731. This money is all held in the United States. No change in this total since August 1, 1940 has been reported.

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HUA CHUNG COLLEGE

Budget for 1941-1942

Compared with Actual Figures for 1940-41

(See Notes 1 to 7 on pages

	<u>Budget for 1941-1942</u>		<u>Actual for 1940-1941</u>	
	<u>Expenditures - See Notes 3,4,6 and 7</u>			
Administration	N.C.	\$29,780.00		N.C.\$31,001.00
Operation & Maintenance		15,880.00		16,774.00
School of Arts-Personnel		54,230.00		43,501.00
Equipment, books, etc.		21,600.00	U.S.\$350.00	6,500.00 U.S.\$ 350.00
School of Education - Personnel		14,610.00		11,993.00
Equipment, books, etc.		1,700.00	U.S. 850.00	2,467.00 U.S. 250.00
School of Science-Personnel		46,020.00		53,702.00
Equipment, books, etc.			U.S.3000.00	U.S. 2800.00
Physical Education & Military Training		4,740.00		4,388.00
Scholarships		13,120.00		8,300.00
		<hr/>		<hr/>
	N.C.	\$201,680.00	U.S.\$4200.00	N.C.\$178,626.00 U.S.\$3400.00
Items directly related to regular operations, but carrying deficits (i.e. subsidies)		49,269.00		In above figures
	N.C.	\$250,949.00	U.S.\$4200.00	N.C.\$178,626.00 U.S.\$3400.00
Fire Loss & replacement Extras because of Hsichow location		45,300.00	2619.00	41,949.00 2619.00
	N.C.	\$296,249.00	U.S.\$6819.00	N.C.\$220,575.00 U.S.\$6019.00

Income used in Operations

	<u>Budget for 1941-1942</u>		<u>Actual for 1940-1941</u>	
<u>Western Sources</u>				
London Missionary Society	N.C.	\$1,200.00		N.C.\$1,000.00
Methodist " "		3,400.00		3,854.00
American Church Mission		9,719.00		10,850.00
Miss Johnston's Grant		27,140.00	U.S. \$ 350.00	10,797.00 U.S.\$ 350.00
Reformed Church Mission		11,696.00	850.00	11,159.00 250.00
Yale-in-China		51,446.00	3,000.00	45,712.00 2,800.00
		<hr/>		<hr/>
Total from Contributing Missions	N.C.	\$104,601.00	U.S.\$4,200.00	N.C.\$83,372.00 U.S.\$3,400.00
Forward				

	<u>Budget for 1941-1942</u>		<u>Actual for 1940-1941</u>	
Totals Forward	N.C. \$104,601.00	U.S. \$4,200.00	N.C. \$83,372.00	U.S. \$3,400.00
Scholarships	6,000.00		2,130.00	
Harvard-Yenging Grant	58,184.00		24,645.00	
Associated Boards				
Sustaining Fund	110,664.00	2,619.00	89,401.00	2,619.00
Adjustment			2,000.00	
Total from Western Sources	N.C. \$279,449.00	U.S. \$6,819.00	N.C. \$201,548.00	U.S. \$6,019.00
Chinese Government Grant	12,000.00		11,555.00	
Local for Scholarships	2,000.00		3,100.00	
Old Balance - Education Grants	2,800.00			
Bank Interest & Remittance Fees	?		4,253.00	
Miscellaneous Fees			119.00	
	<u>N.C. \$296,249.00</u>	<u>U.S. \$6,819.00</u>	<u>N.C. \$220,575.00</u>	<u>U.S. \$6,019.00</u>

Note 1: The College year ends July 31

Note 2: The figures for expenditures and income do not include the salaries of western personnel which are paid by the respective missions. There were seven of these persons in 1940-1941. The budget for 1941-42 assumes 10 such persons.

Note 3: These figures are compiled from reports from Dr. Wei and Mr. Coe.

Note 4: A tentative budget for 1941-42 was received from Dr. Wei and was approved by the Executive Committee of the Trustees on June 19, 1941. The totals in this tentative budget were N.C. \$286,249.00 and U.S. \$4,200.00. This budget differs from the above budget only in the amount of N.C. \$10,000.00. This has been added in New York to provide for emergencies - there being no emergency item in the budget.

Note 5: The tentative budget for 1941-42 was approved by the Executive Committee, on condition (1) that the sustaining mission boards in the United States agree to give the amounts prepared by Dr. Wei and (2) that the foregoing action is subject to review when an itemized budget for the year is received. The details received are embodied in the above figures. The amounts anticipated from the respective mission boards are the same.

The detail figures of actual cost and income for 1940-41 have been received but have not been copied. They will be copied and circulated to the respective supporting missions.

Note 6: The figures in the budget for 1941-42 do not include equipment grants from the Government or from other sources in China. The Chinese Government has granted, in addition to N.C. \$12,000.00 for operations, the sum of N.C. \$8,000.00 for equipment. We have no report of other grants for such purposes.

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Note 7: The actual costs and income for 1940-41 differ from the corresponding figures in sheets 6 and 7 as follows:

On sheets 6 and 7 the U.S. expenditures and income were converted into N.C. equivalent and added thereto in order to produce figures comparable with the budget of Sept. 27, 1940. In sheets 11 and 12 the U.S. figures are kept separate in the budget from China as well as the actual figures the U.S. items are kept separate.

To complete the picture for 1941-42 the amount of the Fire Loss and its replacement has been added in both cases, thus showing all the disbursements contemplated.

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February 12, 1942

HUA CHUNG COLLEGE

Report of Treasurer

On October 16, 1941 the Treasurer submitted to the Trustees a report covering the financial operations of Central China College Foundation and of the College as reported by Mr. John L. Coe. Both sections of the report were for the college year ending July 31, 1941.

The following is a report to bring the figures up to date.

FOUNDATION ACCOUNT

The operations of the Foundation Account for the calendar year 1941 are reported on page 3 hereof.

The receipts for the year amounted to \$11,549.10 of which \$10,495 came from the Associated Boards. The expenses of the Trustees' offices (New York and New Haven) amounted to \$3,122.33 of which \$2,338 was paid to the Associated Boards as our proportion of the total expense of that organization. The amount paid into the Joint Account of the College was \$6,000. and the net balance brought into 1942 was \$4,667.

The operations from January 1, 1942 to July 31, 1942 are estimated as follows:

Balance on hand, December 31, 1941		\$4,967
<u>Estimated Receipts before July 31, 1942</u>		
Associated Boards	\$ 7,079	
National Council	1,300	
Reformed Church	325	
Yale-in-China	325	
		<u>9,029</u>
		13,996
 <u>Estimated Expenses to July 31, 1942</u>		
Associated Boards for expenses	\$2,336.	
Yale-in-China for services & expenses	525	
New York Office, expenses	75	
		<u>2,936</u>
		11,060
 Available for College by July 31, 1942		<u>9,000</u>
 Estimated balance to carry forward into 1942-43		2,060

Attention is called to the last item on page 3. This is the amount of \$882.49 which is the balance on hand in the Wei Faculty Fund. This amount is not included in the above figures.

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COLLEGE ACCOUNT

The Operating Results for the College for the year ending July 31, 1941 were discussed at length in the Treasurer's Report of October 16, 1941. On page 8 of that report there was a balance sheet of the operating accounts as of August 1, 1941 which showed a total of U.S. \$51,936 available in the regular and special funds of the College. These do not include the balance in the Foundation Account. There was on hand in the Joint and Reserve Accounts of the College, in the National City Bank, total of U.S. \$14,837. This is the fund from which regular and emergency requirements have been drawn since August 1, 1941.

On December 26, as requested by Dr. Wei and Mr. Coe, and after conferring with Dr. Warnshuis and Dr. Lobenstein, we sent by radio to the Bank of China at Hsiakwan for the account of the College, N.C. \$240,000. The total cost of this transaction including radio charges, was N.C. \$13,245.57. This was taken from the balances of the College in the National City Bank, leaving a combined balance, as of January 22, 1942, of U.S. \$12,748.30. The amount of N.C. \$240,000 is for regular operations within the budget and will be distributed against the proper funds at the end of the college year.

ANALYSIS OF INCOME USED IN OPERATIONS

To answer various questions as to the effect of the Japanese invasion on the cost of operations of the College and the contributions from each source, a comparative statement of Income used in Operations has been worked out and may be found in page 4.

The college year 1935-36 was the only one previous to the invasion for which the information was available in the Treasurer's office. It was not the maximum for each contributing mission. For instance I believe the maximum for Yale-in-China was \$14,000.

This sheet will enable each contributing mission to consider the problem which will arise if, as and when the College shall return to its campus. The cost of transportation back to Wuchang will be great as will be the cost of building repairs, etc. The continuance of the sustaining fund of the Associated Boards is problematical. The desirability of retaining all the reserves we now have is obvious.

Respectfully submitted,

Oliver S. Lyford

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[3]

Report of Treasurer
of
CENTRAL CHINA COLLEGE FOUNDATION

February 12, 1942

The operating accounts of Central China College Foundation for the year ending December 31, 1941 may be summarized as follows:

Checking Account in
Bank of the Manhattan Co.

Receipts

Balance brought forward, January 1, 1941		\$2,539.83
Received from Associated Boards	\$10,495.00	
" " Yale-in-China	325.00	
" " Reformed Church - See Note "A"	650.00	
" " John L. Coe - Advance in previous year returned	54.10	
" " F. J. Meigs - Contribution	25.00	11,549.10
		14,088.93

Disbursements

January 1, to December 31, 1941		
Associated Boards for Expenses	\$ 2,338.00	
Yale-in-China " "	218.10	
" " honorarium	300.00	
City Printing Co.-Printing Dr. Wei's annual report.	41.50	
Sidney C. Hsiao - Advanced for traveling Expense	100.00	
L.B. Franklin, Treas.- Repayment of Cable Charge	8.07	
Helen Stearn - Stenography	27.75	
Accounts Payable to O.S. Lyford - Office Expenses	49.93	
Telegraph & Cable Charges	38.98	
	3,122.33	
Central China College Foundation 1940-41 Acct.	6,000.00	9,122.33
December 31, 1941 - Balance on hand (less Account Payable)		\$ 4,966.60

NOTE "A" - One-half of this amount was paid on Feb. 17 for the 1939-40 Account and one-half on November 28 for the 1940-41 account.

Savings Account in
The Bank for Savings

Balance in Bank - January 1, 1942	\$ 882.49
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There have been no deposits in the account nor any withdrawals since November 19, 1938.

This is known as the Wei Faculty Fund. It is to be used to aid in providing for the expenses of travel when Dr. Wei or some professor of the College visits America. See Minutes of the Board of Founders, Feb. 14, 1935.

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Income used in Operations

National Currency items reduced to U. S.
at the average rates prevalent each year
See Note 1.

	1935-36 Budget Exch. 3 to 1	1939-40 Actual (See Note 2) Exch. 12 to 1	1940-41 Actual Exch. 20 to 1	1941-42 Budget (See Note 3) Exch. 18 to 1
<u>Contributing Missions</u>	<u>U.S.</u>	<u>U.S.</u>	<u>U.S.</u>	<u>U.S.</u>
London Mission Society	\$ 4,500	\$ 4,600	\$ 4,550	\$ 4,567
Methodist Mission Society	5,633	4,763	3,193	3,188
American Church Mission	14,716	8,118	5,042	12,540
" " " (Miss J.)	1,556	1,716	890	1,860
Reformed Church Mission	6,353	5,840	5,308	6,000
Yale-in-China	11,691	6,745	5,086	5,860
Total from Contributing Missions	44,449	31,782	24,069	34,015
Scholarships	849	166	107	334
Harvard-Yenging	-	1,126	1,233	3,233
Associated Boards - Sustaining Fund	-	4,896	4,470	8,769
Total from Western Sources	45,298	37,970	29,879	46,351
Local Sources	⊗ 20,160	2,520	-	925
Total Income Used - Expressed in U.S. dollars	65,458	40,490	29,879	47,276

Note 1 - In the reports which have been submitted to the Trustees for the last two years, the figures represented only the money spent by the College and did not include the salaries of western personnel. To indicate the comparative total support furnished by each source of operating income, the western salaries have been added on the basis of \$3,000 for man and wife and \$1,500 for a single person. For instance in the figures for 1941-42 budget, the expenditures contemplated by the College are equivalent to U.S. \$23,276 and the salaries of 5 married and 5 single westerners are included at \$24,000.

Note 2 - An exchange rate of 12 to 1 was used in the figures for that year to convert U.S. to N.C. and therefore was used in this column. The actual rate of exchange was somewhat greater than this.

Note 3 - The figures for 1941-42 compared with the budget as adapted by the Trustees on October 16, 1941. Later in the same meeting it was voted to increase the budget received from China by N.C. \$50,000. Further study of this budget indicates that the total requirements for the year, including this additional N.C. \$50,000 will not exceed the figures in the last column above.

⊗ Of this, U.S. \$ 5,000 was in a in hostle fees, which are not included in statements for the other years.

March 1942

STATEMENT
HUA CHUNG COLLEGE, WUCHANG, HANKOW

<u>DATE</u>	<u>RECEIPTS</u> <u>CONTRIBUTORS</u>	<u>SCHOOL</u> <u>OF ARTS</u>	<u>PHYSICAL</u> <u>PLANT</u>	<u>STORK</u> <u>TOWER</u>	<u>MEM'L BLDG. WM.</u> <u>COOPER PROCTER</u>	<u>TOTAL</u>
<u>1936</u> Jan. 13	Miss Mary E. Johnston 1936 installment 3 yr pledge	\$ 5,000.00				\$ 5,000.00
June 11	Miss Mary E. Johnston		5,000.00			5,000.00
Oct. 8	" " " "		10,000.00			10,000.00
Nov. 30	" " " "		20,000.00			20,000.00
<u>1937</u> Feb. 13	" " " "	5,000.00				5,000.00
June 7	Mrs. Wm. Cooper Procter				10,000.00	10,000.00
7	Miss Mary E. Johnston				10,000.00	10,000.00
7	" " " "		15,000.00			15,000.00
<u>1938</u> Jan. 24	" " " "	5,000.00				5,000.00
<u>1939</u> Jan. 3	" " " "		5,000.00			5,000.00
Feb. 23	" " " "	5,000.00				5,000.00
<u>1940</u> Feb. 14	" " " "	5,000.00				5,000.00
Mar. 28	" " " "		30,000.00			30,000.00
Dec. 16	Mrs. Wm. Cooper Procter			12,275.00		12,275.00
<u>1941</u> May 23	" " " "			12,725.00		12,725.00
July 11	Miss Mary E. Johnston	5,000.00				5,000.00
	Total	<u>\$30,000.00</u>	<u>\$85,000.00</u>	<u>\$25,000.00</u>	<u>\$20,000.00</u>	<u>\$160,000.00</u>
	<u>PAYMENTS</u>					
<u>1936</u> Sept 22	Pd: M.P. Walker Item rec'd 1/13/36 for salaries	\$ 5,000.00				\$ 5,000.00
Oct 9	" M.P. Walker Item rec'd 10/8/36		10,000.00			10,000.00
<u>1937</u> Jan. 22	" M.P. Walker Item rec'd 6/11/36		5,000.00			5,000.00
Feb. 16	" M.P. Walker Item rec'd 2/13/37	5,000.00				5,000.00
July 2	" P.C. Gilmore Item rec'd 11/30/36 (Part)		5,000.00			5,000.00
July 2	" P.C. Gilmore Item rec'd 11/30/36 (Part)		5,000.00			5,000.00
	Total	<u>\$10,000.00</u>	<u>\$25,000.00</u>			<u>\$35,000.00</u>
	BALANCE	\$20,000.00	\$60,000.00	\$25,000.00	\$20,000.00	\$125,000.00
	INTEREST					4,007.19
						<u>\$129,007.19</u>

March 16, 1942
HB/

Statement received from Mr. James E. Whitney
with his letter of March 23, 1942.
O.S. Lyford

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October 15, 1942.

HUA CHUNG COLLEGE

Report of Treasurer

This report consists of two sections. The first is a report of the operating account of the Foundation in New York for the college year ending July 31, 1942. The second section is a summary and analysis of the operating accounts of the College at Hsichow for the same period and the budget for 1942-43 as reported by the College Treasurer, Mr. John L. Coe.

FOUNDATION ACCOUNT

See page 4

During the College year ending July 31, 1942 the receipts of the Foundation in New York amounted to \$12,054.33; the expenses amounted to \$2,992.89; \$9,000.00 was transferred to the account of the College; and the balance on July 31 was \$7,902.77, of which \$7,000 was held for the account of the College. For further details, see statement on page 4.

COLLEGE ACCOUNT

See pages 5 to 7

Mr. Coe was prompt, as usual, in sending his report for the year ending July 31. His statements were mailed on August 12 and 19, but did not reach New York until October 5 and 10. They are prepared with the usual care, but the dispersion of the funds in many locations have necessitated some assumptions. The details are available in the Treasurer's Office, where they can be examined at any time. The important figures are summarized on pages 5 to 7.

Operating Accounts for the Year Ending July 31, 1942

The important points on pages 5 and 6 are as follows:

- (a) The figures on these pages relate to the expenditures incurred and paid by the College authorities. They do not include the salaries and expenses of western personnel which are paid direct by the respective missions. (There were nine western persons on the faculty out of a total personnel of 49).
- (b) The actual total of these Chinese expenditures amounted to N.C. \$473,640.42 as compared with the approved budget totalling \$418,991.00. Considering the very rapid rise in the cost of living during this year, this increase is certainly very small. The reserve in the Sustaining Fund, obtained from the Associated Boards, was sufficient to more than cover this increase.
- (c) The operating cost of N.C. \$473,640 may be compared with N.C. \$287,915 for the previous year, showing an increase of N.C. \$185,725 or 64.5% (see pages 7 and 8). This increase was due mainly to the necessary allowances for increase in the cost of living, although it was partly due to increased research operations in the School of Science and the Department of Chinese Studies.

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- (d) Of the total income used to cover this cost, 93.5% came from western sources. It is interesting to compare this fact with the conditions in the college year 1937-38 when the total cost of operations, exclusive of western personnel, was N.C. \$167,435 and 55% of this cost was covered by income from Chinese sources.

College Budget for 1942-43
See pages 7 and 8

A budget of Chinese expenditures totalling N.C. \$650,000 was approved by the Trustees at their meeting in New York on June 12, 1942. This was based on cable information from Hsichow. An analysis was received later which may be found on page 7. On this sheet this budget is compared with the actual figures for 1941-42 and 1940-41. Attention is called to the following:

- (e) The total expenditures are as follows:

1942-43	Budget	\$645,554
1941-42	Actual	473,640
1940-41	"	287,914
1937-38	"	167,435

- (f) The budget for 1942-43 includes N.C. \$125,000 as an emergency fund. Since May 1942 the cost of living has increased so much that Dr. Wei and Mr. Coe now expect it to absorb this entire emergency fund.
- (g) We are assured by our constituency that this whole 1942-43 budget will be covered by new money thus leaving the reserve funds of the College intact. The distribution of the income needed therefor will be substantially as indicated on page 7.
- (h) We understand that the cost of food has increased to about 50 times the cost in 1937-38 so that this cost will absorb nearly all the salaries and allowances provided for the faculty and staff numbering 49 plus their families.
- (i) It will be noted that N.C. \$342,754 out of a total budget of \$645,554, or considerably more than half, is to come from the Sustaining Fund of the Associated Boards.
- (k) Somehow the Executive Committee Protom at Hsichow expect to keep the College in operation for the current year at an expenditure of only four times the 1937-38 budget in spite of this increase of 5000 percent in the cost of food.

Reserves

The Operating Cash of the College on hand as of August 1st, 1942, is shown on page 9, with comparative figures for the two previous years. These are expressed in United States Currency. It will be noted that the totals of cash reserves are as follows:

July 31, 1942	U.S.	\$57,409.38
1941		51,867.76
1940		47,364.00

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Designated grants have been observed scrupulously.

The increases in these reserves are mainly in the grants of Miss Johnston, and the Harvard Yenching Foundation, and the amount obtained from the Associated Board. These reserves do not include considerable sume which have been voted by one or more of the supporting missions, but which have not been turned over to the Foundation or the College.

Suggested Move to Another Location

During the last week in May there was a concerted effort on the part of younger members of the faculty to have the College moved to a safer location. Apparently the location in mind was Kweiyang, a distance of over 600 miles. This would involve moving 160 people and 80 tons of books and equipment. (Now that the students have been matriculated, the number of persons would be nearer 300.) Moving by truck, if trucks were available, would cost more than the equivalent of the entire reserve funds, totaling U.S. \$57,000. Such transportation is not to be had. Therefore, it was concluded that no attempt to move the College should be made, but if Hsichow should become totally unsafe, the personnel will have to be moved further back into the interior and abandon the College property. The risk of sustenance in such a location would be great. A scouting party was sent north to investigate possibilities.

Nothing is included in the 1942-43 budget to cover such a move.

A radiogram dated September 26 and October 8 included the statement "conditions favorable."

Respectfully submitted,

Oliver S. Lyford

Treasurer.

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October 15, 1942.

CENTRAL CHINA COLLEGE FOUNDATION

Account in Bank of the Manhattan Co.

1941-42

August 1, 1941 - Balance on hand		7,041.33
August 1, 1941 to July 31, 1942		
Received from Associated Boards	10,079.33	
" " National Council (Note 1)	1,300.00	
" " Reformed Church	325.00	
" " Yale-in-China	325.00	
" " Ferris J. Meigs	25.00	
		<u>12,054.33</u>
		\$19,895.66

Disbursements

August 1, 1941 to July 31, 1942		
Associated Boards for expenses (Note 2)	2,090.70	
Yale-in-China for expenses	525.00	
O.S. Lyford - Office Expenses in 1941	88.91	
Stenography -	94.19	
Cablegrams	41.64	
Sidney O. Chiao - Travelling Expense (Note 3)	100.00	
Draft on London - Charge College (Note 3)	52.45	
	<u>2,992.89</u>	
Central China College 1941-42 Acct.	9,000.00	<u>11,992.89</u>
July 31, 1942 - Balance on hand (Note 4)		7,902.77

Note 1 - This payment was for 1940-41 and 1941-42.

Note 2 - On July 31 there was \$196.04 additional, due on this account.

Note 3 - These are payments made for the account of the College.

Note 4 - Of this balance, as of July 31, 1942, \$7,000 is held for the account of the College.

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October 15, 1942

HUA CHUNG COLLEGE

1941 - 1942 Operations
Chinese National Currency
(See Notes 1 to 3 on page

Budget Approved
October 16, 1941

Actual - Reported
by Mr. Coe -
August 12, 1942

Expenditures (Note 1)

Administration	N. C.	\$29,780.00	N.C.	\$63,042.38
Operation & Maintenance		15,880.00		28,017.17
School of Arts - Personnel		54,230.00		89,216.85
Equipment & Books		27,900.00		19,392.48
School of Education - Personnel		14,610.00		21,071.16
Equipment & Books		17,000.00		9,397.28
School of Science - Personnel		46,020.00		78,681.90
Equipment & Books		54,000.00		91,286.64
Physical Education & Military Training		4,740.00		7,166.45
Scholarships		13,120.00		13,889.26
		<u>277,280.00</u>		<u>421,161.57</u>
Items directly related to regular operations but carrying a deficit (Note 2)		96,411.00	In above total	
Extras because of Hsichow location		<u>45,300.00</u>		<u>52,478.85</u>
Total Expenditures	N. C.	\$418,991.00	N.C.	\$473,640.42

Income Used in Operations (Note 1)

<u>Western Sources</u>				
London Missionary Society	N. C.	\$1,200.00	N.C.	\$ 1,000.00
Methodist Missionary Society		3,400.00		3,400.00
American Church Mission		9,719.00		16,535.00
Miss Johnston's Grant		33,440.00		25,715.33
Reformed Church Mission		26,990.00		27,794.38
Yale-in-China (Note 3)		105,446.00		90,000.00
Total from Contributing Missions -		<u>180,195.00</u>		<u>164,444.71</u>
Scholarships		6,000.00		4,243.75
Harvard Yenching Grant		58,184.00		61,055.46
Associated Boards - Sustaining Fund		157,806.00		211,556.34
Total from Western Sources		<u>402,185.00</u>		<u>441,300.26</u>

(continued on next page)

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	<u>Budget Approved</u> <u>October 16, 1941</u>	<u>Actual - Reported</u> <u>by Mr. Coe -</u> <u>August 12, 1942</u>
Totals brought forward -	402,185.00	441,300.26
<u>Local Sources</u>		
Local for Scholarships	2,000.00	5,400.00
Chinese Gov. Grant for Scholarships	-	1,000.00
Chinese Gov. Grant for Salaries	12,000.00	16,491.81
Source not stated		3,685.00
Miscellaneous	2,800.00	1,673.75
Bank Interest	-	4,089.60
N.C.	<u>\$418,985.00</u>	N.C. <u>\$473,640.42</u>

NOTE 1 - The figures of expenditures and income do not include the salaries of western personnel, which are paid by the respective missions. There were nine of these persons.

NOTE 2 - At the meeting of Trustees on Oct. 16, 1941, the Trustees added N.C. \$50,000 to the budget from China to meet the increase in cost of living which had been reported after the budget was prepared by Mr. Coe - See "Discussion of Budget" prepared by O.S.L. on April 15, 1942.

NOTE 3 - Yale-in-China was able to provide for 1941-42 only U.S. \$5,000, equivalent to \$90,000 in Chinese money, whereas the total required was N.C. \$156,802.27. Therefore, the difference, or N.C. \$66,802.27 had to be charged to the Sustaining Fund, which fortunately was sufficient to carry it.

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HUA CHUNG COLLEGE

Comparative Costs of Operation

Year ending July 31
(See Notes 1 to 3)

	<u>1941-42</u> <u>Budget</u>	<u>1941-42</u> <u>Actual</u>	<u>1940-41</u> <u>Actual-Revised</u>
<u>Expenditures</u>			
Administration	N.C. \$72,166	N.C. \$63,042.38	N.C. \$32,001.73
Operation & Maintenance	29,800	28,017.17	16,774.28
School of Arts - Personnel	103,764	89,216.85	43,501.40
Equipment & Books	17,500	19,392.48	13,500.00
School of Education - Personnel	20,964	21,071.16	10,713.00
Equipment & Books	7,820	9,397.28	7,466.02
School of Science - Personnel	87,496	78,681.90	47,321.72
Equipment & Books	70,700	91,286.64	62,000.00
Physical Education & Military Training	15,284	7,166.45	4,388.39
Scholarships	19,500	13,889.26	8,299.60
	444,994	421,161.57	245,966.14
Extras due to location at Hsichow	60,560	52,418.85	41,948.65
Emergency Fund	125,000		
New Hostel for Men	15,000		
	N.C. \$645,554	N.C. \$473,640.42	N.C. \$287,914.79

Income used in Operations

<u>Western Sources</u>			
London Missionary Society	N.C. 1,000	N.C. 1,000.00	N.C. 1,000.00
Methodist Missionary Society	3,400	3,400.00	3,854.00
American Church Mission	35,000	16,535.00	10,870.00
Miss Johnston's Grant	50,000	25,715.33	17,797.33
Reformed Church Mission	30,000	27,794.38	16,648.06
Yale-in-China	90,000	90,000.00	101,711.72
Total from Contributing Missions	209,400	164,444.71	151,881.11
Scholarships from Abroad	6,400	4,243.75	2,130.00
Harvard Yenching Grant	60,000	61,055.46	24,644.70
Associated Boards - Sustaining Fund	342,754	211,556.34	89,401.15
Total from Western Sources	618,554	441,300.26	268,056.96
<u>Local Sources</u>			
Chinese Government Grant	20,000	17,491.81	11,555.33
Local for Scholarships	2,000	5,400.00	3,100.00
Bank Interest & Remittance Fees	4,000	4,089.60	4,253.00
Miscellaneous Fees	1,000	1,673.75	949.50
Unspecified		3,685.00	
	N.C. \$645,554	N.C. \$473,640.42	N.C. \$287,914.79

(See Notes on Next Page)

- NOTE 1 - These figures do not include the salaries and expenses of western personnel which are paid direct by the respective missions.
- NOTE 2 - All items budgeted in U.S. currency have been converted to Chinese National Currency at rates current in each year.
- NOTE 3 - The figures of 1942-43 budget expenditures are taken from Mr. Coe's figures dated April 1942. The 1942-43 budget income figures are substantially the same as those approved by the Founders' Executive Committee. The 1941-42 actual figures are as reported by Mr. Coe on August 11, 1942. The 1940-41 actual figures are the corrected figures reported by Mr. Coe on April 22, 1942.

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October 15, 1942.

HUA CHUNG COLLEGE

Operating Cash on Hand

U.S. Currency

	<u>Aug. 1, 1942</u>	<u>Aug. 1, 1941</u>	<u>Aug. 1, 1940</u>
Associated Boards - Sustaining Fund	\$ 7,203.49	\$ 6,219.34	\$ 6,145.00
Board of Founders - Special	278.57	278.57	279.00
Johnston Fund for School of Arts	18,044.68	14,458.54	15,314.00
Harvard-Yenching Fund	9,774.92	8,218.27	4,801.00
Yale-in-China - School of Science Reserves	15,760.00	15,744.08	15,720.00
Yale-in-China - School of Sabbatical Reserve	-	607.50	607.00
President's Discretionary Fund	219.99	1,043.14	102.00
Practice School	2,816.13	1,988.34	245.00
Relief Fund	252.00	252.00	252.00
Scholarships	75.99	75.99	76.00
Theme Fund	461.42	858.76	973.00
Arts Book Fund	441.30	420.05	436.00
School of Science Research & Book Fund	-	640.83	583.00
Science Museum	200.00	200.00	200.00
Biology - China Foundation	219.42	219.42	219.00
Music Fund	635.78	695.02	710.00
Chemistry - China Foundation	-	-	702.00
Education Book Fund	418.67		
Deposit Account	607.02	37.91	
	<u>\$57,409.38</u>	<u>\$51,867.76</u>	<u>\$47,364.00</u>

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February 1, 1943.

HUA CHUNG COLLEGE
Report of Treasurer
of Foundation

On October 15, 1942, the Treasurer submitted to the Trustees a report covering the financial operation of Central China College Foundation and of the College as reported by Mr. John Coe. Both sections of the report were for the college year ending July 31, 1942.

The following is a report of the operations of the Foundation Account for the calendar year 1942.

Foundation Account
Calendar Year 1942

January 1, 1943 - Balance brought forward		\$5,055.51
Received from Associated Boards	\$12,329.33	
" " Yale in China	325.00	
" " Reformed Church	325.00	
" " National Council (Note A)	1,300.00	
" " Eugene T. Hsu (Note B)	200.00	
" " Hobart Haskins (Note B)	10.00	
" " Clive M. Lyford (my daughter)	15.00	
	<u>14,504.33</u>	
		\$ 19,559.84

Disbursements

Associated Boards for Expenses	\$ 2,286.74	
Yale-in-China - Services & Expenses	525.00	
Western Union - Cable charges	59.07	
Bank of China - Cable to Kunming	11.66	
Helen Stearn - Stenography	15.38	
Catherine VanderWende - Stenography	94.79	
O.S. Lyford for Office Expenses	94.51	
	<u>3,087.15</u>	
Paid for the Account of the College:		
Contributions to English Missions (Note C)	52.45	
Stechert & Co. - Books sent to China (Note D)	48.89	
Thurlow C. Nelson, Treas. - for Dr. Hsiao (Note E)	12.00	
Amer. Artists Prof. League - " Dr. Hsiao (Note E)	3.00	
Transferred to College Reserve Acct.	3000.00	
Sent through Nat. Council to the College	5000.00	
	<u>8,116.34</u>	
		<u>11,203.49</u>
December 31, 1942 - Balance on Hand (Note F)		\$ 3,356.35

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- Note A - Of this total, \$650.00 is for 1941 and \$650.00 is for 1942.
- Note B - These two amounts were paid to the Treasurer for transfer to friends in College Faculty at Hsichow. These amounts were included in one of the payments cabled to the College to be paid to the friends at Hsichow.
- Note C - The Chinese equivalent of this amount had been collected from faculty and students at Hsichow for the English Missions. The payment was made to Rev. William Paton for the account of the College.
- Note D - This payment was made for the account of the College, for books purchased by Dr. Hsiao. The books never reached the College but the evidence of purchase and shipment is complete in the Treasurer's record.
- Note E - These two payments were made at the request of Dr. Hsiao who paid or agreed to pay the corresponding amounts to Mr. Coe.
- Note F - Of this balance of \$8,356.25, it is necessary to hold for New York expenses only \$1,000. and the balance is available for transfer to the College as required.

At the suggestion of the United China Relief, an audit of the Foundation Accounts for the fiscal years ending July 31, 1941 and 1942 has been made by Chambellan, Berger and Welti, Public Accountants, who audit the books of the Associated Boards. A copy of the audit is submitted herewith.

Savings Account in

The Bank for Savings

This is known as the Wei Faculty Fund and is for the aid in travelling expenses when Dr. Wei or some professor of the college may visit America - See Minutes of Board of Founders, February 14, 1935.

The balance in this fund as of February 1 is \$892.43 plus interest from October 1942.

College Account

The Operating Results for the College for the year ending July 31, 1942 were discussed at length in the Treasurer's Report of October 15, 1942. The operating cash on hand on August 1, 1942 totaled U.S. \$56,409.38, including Chinese currency converted to U.S. at 18 to 1.

The Chinese operating budget for the college year ending July 31, 1943, as proposed by Dr. Wei and Mr. Coe, and as reported to the Founders on October 15, 1942, showed estimated expenses totaling N.C. \$645,554. This was covered by estimated new income of the same amount thus preserving the reserves available at the beginning of the year. A revised estimate received from Mr. Coe with his letter of November 17, 1942 indicates that the total cost will probably be about N.C. \$720,000, an increase of 16%. Mr. Coe estimates that a higher rate of exchange will keep the equivalent in U.S. currency down to the same total as originally contemplated.

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This means that if Mr. Coe's estimate is not exceeded, the U.S. funds, or their equivalent, received from this country and England, will not exceed the budget approved by the Founders. This also means the possibility that the operating cash on hand on August 1, 1942 may be intact on August 1, 1943. This, however, will be accomplished through great hardship and insufficient food and clothing for all of our Chinese faculty and staff.

At the request of United China Relief and the Associated Boards Dr. Wei and Mr. Coe have made a preliminary estimate of the probable Chinese budget for the year beginning March 1, 1943. Based on the fact that the average annual increase in the minimum requirements for each of the last 3 years has been 50 percent above the previous year, they conclude that the present estimated cost of National Currency \$720,000 will have to be increased at least 50% for the next year, or to a minimum of N.C. \$1,080,000. At that, the cost in U.S. Currency with exchange at 20 to 1 will be only U.S. \$61,200 as compared with the prewar cost of 1937-38 equivalent to U.S. \$55,700. The increase in the need for U.S. funds is greater than this because in 1937-38, 55% of the Chinese budget income came from Chinese sources, and western sources provided the equivalent of U.S. \$25,900. Now with local sources providing only 5% of the Chinese income, the demand for U.S. funds if conditions get no worse than at present will be more than double what they were before the Japanese invasion and 50% above what they are expected to be for the current year. Dr. Wei and Mr. Coe forecast a possible increase of 70% or to a total of N.C. \$1,224,000.

No official action on this budget for 1943-44 will be necessary until next October when we should have fuller information on which to act.

Respectfully submitted,

Oliver S. Lyford

Treasurer

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CORBETT

REC'D 7/7/43

ANS'D

OLIVER SMITH LYFORD
54 DANA PLACE ENGLEWOOD, NEW JERSEY

File
July 4, 1943

Dear Mr. Corbett,

Following are the T Hua Chung
figures for the United China Relief, for the
year 1941-42

I mean in U. S. Dollars.

From Chinese Government	-----	\$ 975.
" Private Sources in China	-----	620.
" Other Chinese Sources	-----	205.
" China Total	-----	1,800.
" U. S. A. - Other than U. C. R.		
Mission Boards		719,080.
Endowment		-----
Foundations and		
College Groups	8,392.	27,472.
" Countries other than U. S. A.		7,556.
" U. C. R.	-----	7,079.
Grand Total Receipts	-----	\$ 43,907.

The total expense for the year was \$ 48,581.

The difference, or \$ 4,674., was covered by
a reserve of that amount from Sustaining Funds
received from the Associated Boards in previous
years. We had limited our askings for 1941-42
because of this reserve which had accumulated.

Yours very truly,

Oliver S. Lyford

Exchange figured at 18 to 1.

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October 21, 1943

HUA CHUNG COLLEGE

Report of Treasurer

This report, as usual, consists of two sections. The first is a report of the operating account of the Foundation in New York for the college year ending July 31, 1943. The second section is a summary and analysis of the operating accounts of the College at Hsichow for the same period and the budget for 1943-44, all as reported by the President and Treasurer of the College.

Cash Account of the Foundation

See page 3.

On August 1, 1943 there was in this account a balance of \$7,902.77. During the year the receipts totaled \$17,500.00 and the expense totaled \$1,851.55. Budget payments from this account to the College totaled \$20,750.00 and the balance carried forward to the new year amounted to \$2,802.10. For further details, see page 3. The operations in this account for 1941-42 were audited by Messrs. Chambellan, Berger & Welti, Public Accountants and the account for 1942-43 will be audited in due course.

COLLEGE ACCOUNT

The annual report of the Treasurer of the College, for the year ending July 31, 1943, was received on October 6. This report was detailed as usual. The figures are summarized on pages 4 to 6 attached hereto.

Operating Accounts for the Year Ending July 31, 1943

The important points are as follows:

- (a) The figures on these pages relate to the expenditures incurred and paid by the College authorities in China. They do not include the salaries and expenses of western personnel which are paid direct by the respective missions. There were seven such persons on the faculty.
- (b) The average rate of exchange throughout the year was 23 to 1.
- (c) The operating cost for 1942-43 was N.C. \$1,030,688.75 as compared with N.C. \$473,640.42 for the previous year, an increase of 217 per cent.

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College Budget for 1943-44

A budget of Chinese expenditures totaling N.C. \$1,225,000 was prepared by Dr. Wei and approved by the Executive Committee tentatively on April 30. This budget did not contain any emergency item to cover the rapidly increasing cost of living. Nor did it contain estimates of the emergency income probable from Chinese sources, such as had been received in 1942-43. On May 21, 1943, on instructions from the Executive Committee, we cabled final approval of the budget but notified the College that the receipts for the year from regular western sources probably would not exceed U.S. \$44,000. This at the new rate of exchange of approximately 30 to 1 would cover the budget but nothing more. We saw the probability of a total requirement of at least N.C. 1,600,000 for the year owing to further inflation, but it seemed probable that the additional amount would be made available by contributions from Chinese sources. Since May Dr. Wei and Mr. Coe have reported such contributions or prospects, (not included in the Budget) totaling over N.C. \$400,000. Therefore the total which we then anticipated is in sight. Whether further inflation will carry the total requirement far beyond this remains to be seen. Fortunately the reserves are available to cover the shortage if this should be necessary. Apparently the Executive Committee Protem omits these abnormal receipts and disbursements from the budget because of the uncertainty of their continuance.

Reserves

The operating cash on hand as of August 1st is shown on page 6 with figures for the two previous years for comparison. These are expressed in United States Currency. The College authorities are holding on to these reserves desperately to cover the cost of transportation back to Wuchang and rehabilitation of the campus there. The totals at the close of each year were as follows:

July 31	1943	U.S. \$71,656.42
	1942	57,409.38
	1941	51,867.76

Respectfully submitted,

Oliver S. Lyford

Treasurer

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Central China College Foundation
Cash Account in Bank of the Manhattan Co.

1942-43

August 1, 1942 - Cash in Bank -		7,902.77
August 1, 1942 to July 31, 1943		
Received from Associated Boards	15,765.00	
National Council	650.00	
Reformed Church	325.00	
Yale-in-China	325.00	
Eugene Hsu - to be forwarded to Prof. C. K. Cheng	400.00	
Hobart Haskins to Dr. Biem	10.00	
Accounts Payable 1941-42	10.88	
Miss Olive M. Lyford	15.00	
		17,500.88
		25,403.65

Disbursements

August 1942 to July 31, 1943		
Associated Boards - for expenses	1,035.21	
less Rebate from 1941-42	169.63	865.58
Yale-in China for expenses		525.00
O.S. Lyford - Office Expenses		5.60
Stenography		100.16
Cablegrams		91.37
G. E. Stechert - Books for College		48.89
Hua Chung College - Transmitting payment from Hsiao to		
C. K. Cheng		200.00
" " " -Subscriptions paid for Dr. Hsiao		15.00
		1,851.55
Central China College - Budget Payments	20,750.00	22,601.55
August 1, 1943 - Cash in Bank		\$ 2,802.10

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HUA CHUNG COLLEGE
1942-43 Operations
Chinese National Currency

	Budget Approved by Exec. Comm. June 12, 1942	Actual Reported by Mr. Coe August 6, 1943
<u>Expenditures (Note 1)</u>		
Administration	\$ 72,166.	\$ 154,091.01
Operation and Maintenance	29,800.	54,829.85
School of Arts - Personnel	103,764.	164,954.45
Books and Research	17,500.	54,414.75
School of Education - Personnel	20,964.	41,681.25
Books and Investigation	7,820.	7,300.00
School of Science - Personnel	87,496.	177,459.25
Equipment and Maintenance	70,700.	85,289.02
Physical Education and Military Training	15,284.	13,298.00
Scholarships and Student Aids	19,500.	18,954.50
Emergency Fund	125,000.	
Extra Subsidies to Faculty from special gifts in China	-	80,360.00
Extras because of Hsichow Location	60,560.	178,056.17
New Hostel for Men	15,000.	-
	<u>\$ 645,554.</u>	<u>\$1,030,688.25</u>
<u>Income used in Operation (Note 1)</u>		
<u>Western Sources</u>		
London Missionary Society	\$ 1,000.	\$ 2,728.50
Methodist Missionary Society	3,400.	3,400.00
American Church Mission	35,000.	45,267.15
" " " (Miss Johnston)	50,000.	39,969.93
Reformed Church Mission	30,000.	35,316.55
Yale-in-China	90,000.	105,565.02
Total from Contributing Missions	<u>\$ 209,400.</u>	<u>\$ 232,247.15</u>
Scholarships from Abroad	6,400.	-
Harvard-Yenching Grant	60,000.	74,711.35
Associated Boards - Sustaining Fund	342,754.	493,056.67
British Relief Fund	-	75,380.00
Total from Western Sources	<u>\$618,554.00</u>	<u>\$ 875,395.17</u>
<u>Local Sources</u>		
Chinese Government Grant	20,000.	72,040.00
Local for Scholarships	2,000.	18,954.50
Rice Subsidy	-	45,000.00
Chungking Alumni Gift	-	5,000.00
China Foundation	-	2,400.00
Wu Tai School for Practice School	-	3,127.70
Music Fees	-	450.00
Miscellaneous Fees	1,000.	1,062.20
Bank Interest	4,000.	7,258.68
	<u>27,000.</u>	<u>155,293.08</u>
	<u>\$645,554.</u>	<u>\$1,030,688.25</u>

Note 1 - The figures for expenditures and income do not include the salaries of western personnel, which are paid by the respective missions. There were seven of these persons.

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HUA CHUNG COLLEGE
Budget for 1943-44
 Compared with Actual Figures
 for 1942-43
Figures are in Chinese National
 Currency

Expenditures (Notes 1 & 2)	Budget for 1943-44 including sub- sidies (Note 2)	Actual for 1942-43
Administration	196,157.50	154,091.01
Operation and Maintenance	107,000.00	54,829.85
School of Arts - Personnel	370,922.50	164,954.45
Books and Equipment	40,000.00	54,414.75
School of Education - Personnel	58,700.00	41,681.25
Books and Equipment	15,800.00	7,300.00
School of Science - Personnel	268,600.00	177,459.28
Books and Equipment	73,000.00	85,289.02
Physical Education & Military Training	37,310.00	13,298.00
Scholarships and Students Aids	19,500.00	18,954.50
Extra Subsidies to Faculty from Special Gifts in China	In above fig.	80,360.00
Extras because of Hsichow Location	30,000.00	178,056.17
Reserve for Travel Abroad	10,000.00	
	1,226,990.00	1,030,688.25
<u>Western Sources (Used in Operations)</u>		
London Missionary Society	3,800.00	2,728.50
Methodist Missionary Society	3,400.00	3,400.00
American Church Mission	159,925.00	45,267.15
" " " (Miss Johnston)	94,660.00	39,969.93
Reformed Church Mission	35,600.00	35,316.55
Yale-in-China	116,680.00	105,565.02
Total from Contributing Missions	414,065.00	232,247.15
Harvard Yenching Grant	172,250.00	74,711.35
Associated Boards Sustaining Fund	604,875.00	493,056.67
British Relief Fund		75,380.00
Total from Western Sources	1,191,190.00	875,395.17
<u>Local Sources</u>		
Chinese Government Grant for Salaries	15,000.00	72,040.00
Research Grant	10,800.00	
Local for Scholarships		18,954.50
Rice Subsidy		45,000.00
Chungking Alumni Gift		5,000.00
China Foundation		2,400.00
Wu Tai School for Practice School		3,127.70
Music Fees		450.00
Miscellaneous Fees		1,062.20
Bank Interest		7,258.68
Total from Local Sources	25,800.00	155,293.08
	1,226,990.00	1,030,688.25

Note 1 - Figures for expenditure and income do not include the salaries of western personnel which are paid by the respective missions. The budget for 1943-44 contemplates nine of these persons. In the year 1942-43 seven such persons were employed.

Note 2 - The figures for salaries of personnel for 1943-44 contain subsidies totaling \$689.080.

Note 3 - The above budget total was reported in detail by Dr. Wei on April 1, 1943. Acting on instructions from the Executive Committee at its meeting on April 30, the Treasurer on May 24 cabled approval. The budget contained no emergency item to cover increasing cost of living above 1942-43.

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October 28, 1943

HUA CHUNG COLLEGE

Balances in U.S. Grants

U.S. Currency

	<u>Aug. 1, 1943</u>	<u>Aug. 1, 1942</u>	<u>Aug. 1, 1941</u>
Associated Boards - Sustaining Fund	\$ 4,869.97	\$ 7,203.49	\$ 6,219.34
Assoc. Boards -Sust. Fund-Advance from 1943-44	2,728.40		
Board of Founders - Special	278.57	278.57	278.57
Johnston Fund for School of Arts	21,306.86	18,044.68	14,458.54
Harvard-Yenching Fund	11,526.62	9,775.92	8,218.27
Yale-in-China - School of Science Reserves	16,154.38	15,760.00	15,744.08
Yale-in-China - School of Sabbatical Reserve			
President's Discretionary Fund	559.12	219.99	1,043.14
Practice School	3,734.89	2,816.13	1,988.34
Relief Fund	152.00	252.00	252.00
Scholarships	300.89	75.99	75.99
Thorn Fund	461.42	461.42	858.76
Arts Book Fund	682.41	441.30	420.06
School of Science Research & Book Fund	1,926.91	-	640.83
Science Museum	200.00	200.00	200.00
Biology - China Foundation	219.42	219.42	219.42
Music Fund	635.78	635.78	695.02
Education Book Fund	418.67	418.67	-
Deposit Account	2,818.50	607.02	37.91
American Church Mission	5,500.00	-	-
	<u>\$ 74,474.81</u>	<u>\$ 57,409.38</u>	<u>\$ 51,867.76</u>

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DATA REGARDING COST OF LIVING IN CHENG TU

COMPARATIVE COMMODITY PRICES

<u>Commodity</u>	<u>Oct. 4, 1943</u>	<u>Dec. 27, 1943</u>	<u>Increase</u>
Rice (teo)	NC\$ 300.00	NC\$ 420.00	40%
Flour (cattie)	21.00	25.00	19%
Pork (cattie)	38.00	48.00	26%
Lard (cattie)	50.00	64.00	28%
Eggs (each)	4.20	6.00	43%
Vegetable Oil (cattie)	31.00	46.00	48%
Salt (cattie)	10.00	24.30	143%
Sugar (cattie)	40.00	46.00	15%
Native Cloth (foot)	30.00	42.00	20%
Coal (100 catties)	420.00	750.00	76%
Firewood (bundle)	36.00	58.00	61%
Labor (day)	135.00	290.00	114%
Ministry of Economics Index	16170	24444	50% -

CHENG TU PRICES IN DECEMBER 1943 COMPARED WITH
THOSE IN MAY 1940

Rice	25 times	
Sugar	43 "	
Eggs	86 "	
Salt	61 "	
Lard	45 "	
Beef	70 "	
Pork	96 "	
Mutton	100 "	
Coal	63 "	
M.O.E. Index	70 "	
		Compare these with Brookings Institute indices for compa- rable period of time:
		Canada 1.17 times
		U. S. A. 1.28 "
		Great Britain 1.28 "

COMPARATIVE COMMODITY PRICES IN CHENG TU
1943 (Dec.) and 1937, in Terms of U.S. Currency Needed

Lumber	17 to 24.4 times	Firewood	34.9 times
Lime	19.4 "	Coarse Linen	
Rice	19.6 "	Cloth	38.0 "
Vegetable Oil	21.2 "	Electric Bulbs	39.4 "
Sugar	22.4 "	Paper	43.4 "
Flour	23.8 "	Cotton	46.7 "
Wheat	25.8 "	Coarse Cotton	
Pork	26.0 "	Cloth	57.4 "
Soy Beans	26.8 "	Coal	65.0 "
Salt	27.9 "	Nails	74.8 "

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February 11, 1944

HUA CHUNG COLLEGE

Report of Treasurer

of Foundation

On October 22, 1943 the Treasurer submitted to the Trustees and to the Foundation a report covering the financial operations of Central China College Foundation and also of the College as reported by Mr. John Coe. These reports were for the college year ending July 31, 1943. It is necessary to consider such reports in October in order that they may be of assistance in reviewing the budget of the College for the college year then current.

At the annual meeting in February, therefore, the Treasurer's report is limited to the operation of the Foundation Account for the previous calendar year and general observation regarding the current financial circumstances of the College.

The following is a report of the operations of the Foundation Account in the Bank of the Manhattan Co. for the calendar year 1943. During that year the balance in this account was reduced by transferring to the Reserve Account all money received for operations of the College in China and thus leaving in the Bank of Manhattan Account only the money available for operation of the office in New York. On December 31, 1943 this balance was \$2,319.95 which is considered sufficient reserve.

Foundation Account
Bank of the Manhattan Co.
Calendar Year 1943

<u>1943</u>			
January 1	Balance		\$8,356.35
	<u>Receipts (Note A)</u>		
	Associated Boards	\$10,500.00	
	Yale-in-China	325.00	
	National Council	650.00	
	Garth Cate (Note B)	10.00	
	Elizabeth R. Gerhard (Note B)	5.00	
	Eugene Hsu (Note C)	200.00	
	Accounts Receivable	10.88	11,700.88
			<hr/>
			\$20,057.23
	<u>Disbursements</u>		
	Associated Boards for Expenses	839.17	
	Refund	169.63	669.54
	Yale-in-China - Services and Expenses	525.00	
	Catherine VanderWende - Stenography	95.53	
	Chambellan, Berger & Welti - Auditing	233.00	
	Cable Charges	54.21	
		1,577.28	
	Transfer to College Reserve Account	16,160.00	
			<hr/>
			17,737.28
	December 31st, 1943 - Balance on hand		<hr/>
			\$ 2,319.95

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Note A - A payment of \$325.00 from the Reformed Church Mission for the year 1943 was received on January 26th. The total normally received from the three U.S. Supporting Missions is \$1,300. which should cover the normal expenses of the New York Office, as the work is now being handled.

Note B - These items of \$10. and \$5., respectively, are personal gifts for the current needs of the College. They came through the Associated Boards and are the total of personal gifts received during year. Up to the present time the Trustees, as such, have made no direct appeals to individuals for financial support.

Note C - This item is a second amount paid to the treasurer by Mr. Eugene T. Hsu for transfer to his family who are members of the faculty of Hua Chung.

Now that Mr. John Greiner has assumed his duties as Assistant Treasurer, and therefore two persons in our organization check each other in the financial records, it is hoped that an audit by public accountants will not be necessary. Working together, we shall be able to audit the account of Mr. Coe as far as any audit is practicable at this distance.

Savings Account in
The Bank for Savings

During the year 1943 there were no changes in this account except the addition of \$16.83 in interest which increased the total on February 11, 1944 to \$909.26.

College Account

The Operating Results for the College for the year ending July 31, 1943 were discussed at length in the Treasurer's Report of October 21, 1943. The operating cash on hand on August 1, 1943 totaled U.S. \$74,474.81. The totals at the close of each of the recent college years have been as follows:-

July 31, 1943	U.S. \$74,474.81
1942	57,409.38
1941	51,867.76

Thus the reserves are being built up by the College Administration to meet the emergencies of the future.

The College Budget for 1943-44 totaled N.C. \$1,226,990. It was prepared in March 1943 and was based on costs of living then current. By October we could see that the total of expenses probably would be at least N.C. \$1,600,000. Probable receipts to cover this were in sight and the budget was therefore approved. By November 17, conditions had grown worse and Mr. Coe's guess then was that the total of the current college year would be between N.C. \$1,900,000 and \$2,000,000. It is interesting to compare this figure with the actual expense of operations in 1937-38 which totaled N.C. \$167,435. (for both years the totals are exclusive of salaries of western personnel).

Figures compiled by Dr. Lossing Buck and recently received in this country show that in West China the "cost of living" in the early months of 1943 was about 100 times the corresponding costs before the Japanese invasion but by the Fall of 1943 this cost had arisen to 200 times that of 1937. We understand that prices in Hsichow are somewhat lower than at Kunning. Also we know that our people, both Chinese and Westerners are getting along without many important items of expense normally proper in the family budget. Nevertheless we must be prepared for reports that the mere existence expenses before the close of the present college year will have lifted the total cost for the college year far beyond Mr. Coe's November estimate.

Recently the Chinese Government has raised the exchange rate to 40 to 1 for missions and Christian educational institutions. Also the College is receiving subsidies in considerable amounts from various sources. We can feel fairly certain that the College will finish the present college year without a serious operating deficit but Dr. Wei has stated in a recent letter that he has many misgivings regarding the financial conditions during the following year. These misgivings, however, do not seem to affect his assurance that the College will carry on effectively, if only they can secure enough western personnel.

Since August 1, 1943, Mr. Coe has withdrawn U.S. \$20,000 from the balance in the National City Bank and that balance today stands at U.S. \$26,214.72, with a \$16,000.00 still expected from the Associated Boards for the current college year. The total available for expenses in this country is upwards of U.S. \$50,000. I assume that Mr. Coe is using up local funds to save losses from further inflation.

A separate report is being submitted regarding an endowment fund which has been proposed by Dr. Wei and the Executive Committee Pro-tem.

Respectfully submitted,

Oliver S. Lyford

Treasurer.

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October 5th. 1944

HUA CHUNG COLLEGE

Report of Treasurer of Central China College Foundation

For the year ending July 31, 1944

It has been the custom for some years for the Treasurer to submit to the Trustees, at the October meeting, a financial report covering operations of the account of the Foundation and also a summary of the financial figures of the College operations as reported by Mr. Coe for the same period. This year Mr. Coe's report arrived September 21st. (mailed by him 18 days after the close of the period, another remarkable achievement by Mr. Coe) Furthermore, the meeting of the Trustees is two weeks earlier than last year. Consequently, there has not been time enough for the Treasurer and the Assistant Treasurer to analyse and verify the figures.

For the above reasons the summary statements submitted herewith should be treated as a preliminary report to be followed later by a final official report. It is believed that the tentative figures are substantially correct and that they afford a sufficient basis for discussion by the Trustees at the meeting to to-day. It is proposed that the Finance Committee of the Foundation be requested to receive and act upon the final report after its completion.

The figures in the Foundation Report are in U.S. currency and the figures in the College Report are in Chinese National currency. The average rate of exchange for the year 1943-44 was 1 to 39. These figures for the College cover the disbursements by the College only and do not include the payments by the respective missions to the missionary teachers whom they support.

Previous to 1943-44 it had been the custom to pass through the Foundation account all amounts received in New York for the College, such as those from the Associated Boards and Yale-In-China. Since August 1st. 1943, all such amounts were deposited in the "Reserve Account" of the College in the National City Bank of New York.

Operating Account of the Foundation

The operating account of the Foundation for the year ending July 31, 1944 is summarized on page #3 hereof. The substance of this report is evidence that the annual balance in this operating account is decreasing and it may become necessary eventually to ask the supporting missions to increase their annual payments to a small extent.

Operating Accounts of the Hua Chung College

The summary figures derived from Mr. Coe's report may be found on pages #4 and #5 hereof.

The substance of this report is that in spite of the runaway exchange situation and all the other disturbances of the war, the expenses of the College were met by its income for the year, and the reserves on hand at the beginning of the year were intact at its close. Also second hand transportation equipment had been sold for cash to the extent of \$9,246 which is available for investment in new equipment when return to Wuchang becomes practicable.

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Estimated Operating Costs of Hua Chung College
for year ending July 31, 1945

The present indications are that the total operating costs of the College in 1944-45 may amount to N.C. 6,000,000 in the depreciated Chinese currency. We have advised Dr. Wei that the total in U.S. currency which we expect for this year from Western sources is U.S.\$58,000. This at an average rate of exchange 100 to 1 plus income from Chinese sources equivalent to the total received in 1943-1944 will more than equal the expected expenditures.

Respectfully submitted

Oliver S. Lyford

OLIVER S. LYFORD
Treasurer

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CENTRAL CHINA COLLEGE FOUNDATION

Cash Account in the Bank of Manhattan Co.

1943-44

August 1st. 1943 - Cash in Bank \$ 2,802.10

Receipts:

National Council.....	\$ 650.00	
Reformed Church.....	325.00	
Yale-In-China.....	<u>325.00</u>	<u>1,300.00</u>
		\$ 4,102.10

Disbursements:

Associated Boards - for expenses....	\$ 824.19	
Transferred to the College Accounts in the "Reserve Acct." The National City Bank of N.Y.....	1,210.00	
Chambellan, Berger & Welti, Auditing fees.....	233.00	
Stenographic fees.....	213.61	
Cablegrams.....	60.93	
Printing.....	10.53	
Christian Medical Council.....	2.10	
Assistant Treasurer.....	<u>100.00</u>	<u>2,654.36</u>
July 31st 1944 - Cash balance in bank.....	\$ 1,447.74	
Balance owing to Hua Chung College		<u>783.66</u>
Available for future expenses.....	\$ 664.08	

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HUA CHUNG COLLEGE
Budget for 1943-44
 Compared with Actual Figures reported by Mr. Coe
Figures are in Chinese National Currency

#4

<u>Expenditures (Notes 1 & 2)</u>	Budget for 1943-44 including subsidies	Actual Figures for 1943-44 (Note 2)
Administration	196,157.50	619,477.00
Operation and Maintenance	107,000.00	487,995.00
School of Arts - Personnel	370,922.50	946,659.00
Books and Equipment	40,000.00	56,038.00
School of Education - Personnel	58,700.00	203,019.00
Books and Equipment	15,800.00	22,240.00
School of Science - Personnel	268,600.00	494,680.00
Books and Equipment	73,000.00	137,206.00
Physical Education & Military Training	37,310.00	65,092.00
Scholarships and Students Aids	19,500.00	346,796.00
Extra Subsidies to Faculty from Special Gifts in China	In above fig.	-
Extras because of Hsichow Location	30,000.00	-
Reserve for Travel Abroad	10,000.00	-
	<u>1,226,990.00</u>	<u>3,379,202.00</u>
<u>Income used in Operations</u>		
<u>Western Sources</u>		
London Missionary Society	3,800.00	11,000.00
Methodist Missionary Society	3,400.00	63,464.00
American Church Mission	159,925.00	280,000.00
" " " (Miss Johnston)	94,660.00	195,000.00
Reformed Church Mission	35,600.00	57,119.00
Yale-in-China	116,680.00	195,000.00
Total from Contributing Missions	<u>414,065.00</u>	<u>801,583.00</u>
Harvard Yenching Grant	172,250.00	195,000.00
Associated Boards Sustaining Fund	604,875.00	1,235,857.00
British Relief Fund		125,650.00
Special Commodity Grant of November		59,200.00
Sustaining Fund from Other Sources	10,000.00	306,396.00
Total from Western Sources	<u>1,201,190.00</u>	<u>2,723,686.00</u>
<u>Local Sources</u>		
National Government	15,000.00	42,027.00
Local for Scholarships		33,900.00
Rice Subsidy		176,640.00
Government Loan for Students		312,897.00
Li Jui Special Gift		49,982.00
Wu Tai School for Practice School		8,388.00
Miscellaneous Fees		15,620.00
Bank Interest		16,062.00
Research Grant	10,800.00	
Total from Local Sources	<u>25,800.00</u>	<u>655,516.00</u>
Total Income used in Operation	<u>1,226,990.00</u>	<u>3,379,202.00</u>

Note 1 - Figures for expenditure and income do not include the salaries of western personnel which are paid by the respective missions. The budget for 1943-44 contemplated nine of these persons. In the year 1942-43 seven such persons were employed.

Note 2 - Average rate of exchange for the year 1943-44 -- 1 to 39.

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HUA CHUNG COLLEGE
U.S. Balance Sheet as of August 1
U.S. Currency
As Reported by Mr. Coe

#5

	<u>U.S. \$ Aug. 1, 1944</u>	<u>U.S. \$ Aug. 1, 1943</u>
(Sustaining Fund from Associated Boards	5,208.33	4,896.97
(Associated Bds. Sust. Fund for 1943-44		2,728.40
(Johnston Fund, School of Arts	21,306.86	21,306.86
A (Harvard-Yenching Chinese Dept.	11,526.62	11,526.62
(Yale-in-China, School of Science	16,154.38	16,154.38
(American Church Mission	5,500.00	5,500.00
(President's Discretionary Fund	796.12	559.12
(Practice School	4,218.17	3,734.89
(Relief Fund	152.00	152.00
(Scholarships	300.99	300.99
(Art Books	889.55	682.41
(Education Books	668.67	418.67
B (Music	635.78	635.78
(Biology	1,566.63	725.30
(Chemistry	1,033.78	1,033.78
(Physics	223.25	223.25
(Science Books	359.41	184.00
(Thorne Fund	461.42	461.42
(Science Museum	200.00	200.00
Page Fund	400.00	
(Transportation	9,245.92	
(Alumni Fund	530.00	
C (Board of Founders Special	278.57	278.57
(Deposit Account	872.66	2,818.50
R. E. Lo	375.00	
	82,904.11	74,521.91

The above has been divided into three sections: A. appropriations for current needs of the college even though restricted to certain schools. B. money which has accumulated for special departments for books and equipment which definitely is not current and will all be needed to build up departments. In some cases this has come from the sale of extra things with the idea it was better to dispose of them and then replace after the war with better equipment. In the case of the Practice School fund this is very clearly earmarked for the Practice School and current income from that is only used for Paul Wu who is kept on for practice work for the education students. C. Funds of a more permanent nature. The first item here comes from the sale of tires, springs and other parts of the trucks which are not needed to operate the power plant. This fund should be available to help in the eventual moving as it came from sale of truck parts.

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Original

February 9, 1945

CENTRAL CHINA COLLEGE FOUNDATION

Report of Treasurer

Following the usual procedure the Treasurer's Report for the annual meeting of the Trustees the detail figures are limited to the operations of the Foundation Office Account for the previous calendar year, including the funds which are under its direct control. The accounts of the College in China are reported annually for the College Year ending July 31st. Report by the Treasurer of the College is forwarded to New York in August of each year and is summarized in the report of the Treasurer of the Foundation at the October meeting of the Trustees.

Foundation Office Account

Bank of the Manhattan Company

Calendar Year 1944

1944
January 1

Balance \$ 2,319.95

Receipts

Board of the Reformed Church	\$ 325.00	
Yale-in-China	325.00	
National Council-Episcopal Board	650.00	1,300.00
		<u>1,300.00</u>
		\$ 3,619.95

Disbursements

Associated Boards for Expenses	\$ 824.19	
Catherine VanderWende-Stenography	242.10	
Cable Charges	62.11	
Printing and official expense	15.53	
Christian Medical Council	2.10	
Bank Charges	1.00	
Assistant Treasurer-Salary	360.00	
	<u>1,507.03</u>	
Transfer to College Reserve		
Account	1,000.00	2,507.03
		<u>2,507.03</u>
December 31st, 1944-Balance on hand		\$ 1,112.92

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Wei Faculty Fund

The Bank for Savings

This is a travel fund for President or Faculty Members. Except for interest accumulation, this fund has been inactive since the last visit of Dr. Wei to this country. The total in this account, with interest to February 6, 1945 amounted to \$922.94.

Holmes Scholarship Fund

Chase Safe Deposit Co., 23rd St. & 4th Ave.

The sum of \$4,800. was invested in U.S. Government Bonds, Series G, according to the vote of the Finance Committee of the Foundation at its special meeting held on April 4, 1944. The bonds were issued in the name of the Foundation. This box in the Chase Safe Deposit Co. is held in the name of Central China College Foundation and access to the box may be by either the president, treasurer or assistant treasurer of the Foundation.

Hua Chung College Accounts

National City Bank of New York

There are two accounts in the National City Bank both of which are for the exclusive use of Hua Chung College. One is called the Joint Account and is under the full control of officers of the College in China. It is called "Joint Account" because of a provision that checks may be drawn by two officers of the College in China or, in an emergency, the treasurer of the Foundation, acting for the College, may draw against it.

The other account is called the Reserve Account. As a precaution, the Foundation has exclusive control of this account, and draws against it as requested by the President or Treasurer of the College, transferring money from it to the Joint Account or to other payees as directed from China. Original deposits in these accounts came from the supporting missions or from individual friends.

The available balance in the Joint Account as of February 9, 1945 was \$3,603.17, and in the Reserve Account \$33,757.61.

The Financial State of the College

The College has kept its head well above water even since the Japanese invasion started, thanks to its many friends in China, America and Great Britain and especially to the Associated Boards of Christian Colleges and the United China Relief. Great credit is also due to the men and women of the faculty and staff in China who have cheerfully accepted great hardships throughout the entire period.

Each year the reserves available for return travel to Wuchang and the rehabilitation of the College have increased. The balances carried forward

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at the close of each of the last four years have been as follows:

July 31, 1944	U.S. \$91,517.60 (See Note below)
1943	74,474.81
1942	57,401.38
1941	51,867.76

Note: Of the surplus of \$91,517.60 as of July 31, 1944, approximately \$85,000. was in the U.S.A. at that time. The increase over the surplus of the previous year results mainly from a payment made in advance for the next year and from the sale of automobile parts and other spare equipment disposed of in anticipation of replacements after the war.

Estimated Cost of College Operation after the War

In a report by Dr. Wei, dated September 9, 1944, concerning the planning for the Christian Colleges in China after the war, the assumption is made that eventually there will be six universities with a total of 33 colleges and the total annual cost of these six universities is estimated at N.C. \$6,700,000. An approximate comparison indicates that this estimate is fairly consistent with the annual cost of Hua Chung College per student in 1943-44 after due allowance is made for the elimination of the extra war costs and for the return of exchange to the prewar rate of 3 to 1.

Therefore if there should be six universities and one of these should be located in the Wuhan area, the annual operating cost of this university may be in the neighborhood of N.C. \$1,000,000, equivalent to U.S. \$334,000. This does not include anything for rehabilitation or for new plant. It is thought that this figure may be of use in considering the responsibility of Hua Chung in the Wuhan area after the war.

Respectfully submitted,

Oliver S. Lyford

Oliver S. Lyford,
Treasurer.

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Copy of
O. L. Z.

February 16, 1945

HUA CHUNG COLLEGE

Supplemental Report by Treasurer

Following the Annual Meeting of February 9

At the Annual Meeting of the Trustees, the Treasurer was requested to supplement his report with further explanation of two points:-

A. Location of Operating Reserves

The location of the total of U.S. \$91,517.60 in operating reserves as of July 31, 1944 is substantially as follows. The corresponding items, as far as known, as of January 31, 1945 are stated in the last column.

U.S. Balances in Operating Funds

	<u>July 31, 1944</u>	<u>Jan. 31, 1945</u>
<u>Cash in Bank</u>		
Nat. City Bank - Reserve Account	\$ 48,384.67	\$ 33,757.61
" " " - Joint Account	3,603.17	3,603.17
Bank of Manhattan-Foundation Account(Note 1)	<u>783.66</u>	<u>783.66</u>
Total Cash	52,771.50	38,144.44
<u>Invested</u>		
Domestic & Foreign Miss. Society (Note 2)	30,000.00	35,000.00
<u>Receivable</u>		
American Church Mission	1,236.14	1,236.14
Advances on account of Mrs. Lo (Note 3)	<u>1,709.68</u>	<u>2,511.08</u>
Total Surplus in U.S. for operations	85,717.32	76,891.66
<u>In China</u>		
Equivalent of Hongkong deposit (Note 4)	1,580.00	1,580.00
Equivalent of Rangoon deposit	9.90	9.90
Equivalent of Other Chinese Balances	3,460.38	?
Receivable from the Reformed Church	<u>750.00</u>	<u>?</u>
Total Surplus in China for operations	5,800.28	?
Grand Total	<u>\$91,517.60</u>	?

Note 1 - This cash is owed to the College by the Foundation Office.

Note 2 - This consists of payments made by Miss Johnston to the Domestic & Foreign Missionary Society and held by the Society subject to call by the College. The total is invested in U.S. Government Bonds. In addition to this balance for operations, the Society is holding for the College gifts from Miss Johnston and Mrs. Proctor, totaling \$111,778.17. This is for new buildings and is also invested in U.S. Government Bonds.

Note 3 - This is the total of advances to date to Mrs. Lo, to be accounted for later.

Note 4 - This balance in Hongkong cannot be cleared up at present. Presumably it is included in New York balances and eventually will be available.

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Assets of Hua Chung College

(Disposal subject to approval by Board of Founders)

As of July 31, 1945

<u>Operating Funds</u> (mostly designated)		
In National City Bank, New York		
Reserve Account	U.S. \$32,675.61	
Joint Account	3,603.17	
	<u>36,278.78</u>	
Receivable from Dom. & Foreign Miss. Soc.	35,000.00	
" " Harvard-Yenching	5,000.00	
" " Yale-in-China	5,000.00	
" " Reformed Church Mission	2,250.00	
" " Central China College Foundation	783.66	
Equivalent of Hongkong Deposit	1,780.00	
" " Rangoon	9.90	
" " Chinese Balance	7,208.91	
Adjustment Account	3,011.08	
R. E. Lo	<u>265.00</u>	
Total Operating Funds - U.S.	\$ 96,387.33	

<u>Capital Funds</u>		
Proctor Johnston Building Fund	\$112,947.80	
Balance in American Church Mission	<u>1,236.14</u>	
Total Capital Funds	114,183.94	
Total Cash Assets	<u>\$210,571.27</u>	
Existing Land & Buildings of New Campus	<u>18,764.86</u>	
Total Assets	U.S. <u>\$229,336.13</u>	

This does not include three small trusts, which are held by the Foundation, as follows:-

Trust Funds - Controlled by

Central China College Foundation

As of July 31, 1945

Wei Travel Fund	U.S. \$ 922.84
Holmes Scholarship Fund	4,920.00
Yunnan Students' Scholarship Fund	<u>7,294.00</u>
U.S.	<u>\$13,136.84</u>

99,740
26,327
2,373

0475

Hua Chung College

Comparative Annual Expense

October 1, 1945

The comparative actual annual expense for the last previous eight college years and the present estimates for the current college year and the next year thereafter are as follows: (The figures are expressed in Chinese National Currency, in the nearest thousands. In each case the year ends on July 31).

1937-38	N.C.	\$167,000.	1	1943-44	N.C.	\$3,379,000.	20.2
1938-39	"	206,000.	1.23	1944-45	"	14,875,336.	89.1
1939-40	"	162,000.	0.97	1945-46	"	(60,000,000) (present estimate)	359.9
1940-41	"	281,000.	1.68				
1941-42	"	470,000.	2.81				
1942-43	"	1,039,000.	6.22				

Living Index

Living Index

$1944-45: 1800 \times 167,000 = 300,600,000$

$1945-46: 3300 \times 167,000 = 550,100,000$

These totals do not include the salaries paid by American and English Missions to the western personnel furnished by them, nor the subsidies which have been paid to these westerners to cover the present abnormal conditions.

The College has endeavored to maintain (as nearly as practicable) the same standards of teaching and study throughout these years. The number of members of the administrative and teaching staff has been kept as nearly the same as possible, but this number has varied between 42 and 55. To maintain the standards required by the Chinese Government 60 persons would be necessary and the budget for 1945-46 is based on this number. However, it is expected that the actual number probably will be between 50 and 55. The number of students during "these years" means the eight years quoted above, varied between 98 and 163, averaging 142, except in 1937-38 when refugees from other colleges increased the total to 350. Therefore the educational basis has been substantially the same throughout the eight years of actual operation and the budget for the new year is on the same basis. But the buying power, resulting from salaries and subsidies paid, has shrunk tremendously and these devoted persons have had to live on a hand-to-mouth basis.

It will be noted from the above figures of annual expense that the estimated operating cost in Chinese currency for the college year 1944-45 is 72 times the actual operating cost for the year 1937-38 and the estimated cost in the budget for 1945-46 is about 300 times the actual cost before the Invasion.

The index of the cost of living in Chungking in May, 1945 was 1350. It is now about 1,800. In other words, each dollar's worth of goods purchasable before the Japanese Invasion, would now, if available, have a value of 1,800 dollars of the present Chinese currency. Fortunately for Hua Chung, the cost of living in Hsichow has not risen as rapidly as this, but it has been serious enough and the rise in cost will trail along after that in the larger cities.

The uncertainty regarding currency matters makes accurate forecasting and budgeting impossible.

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Central China College Foundation

Report of Treasurer

For the year ending July 31, 1945.

November 2, 1945

The operations of the office account of Central China College Foundation are very simple in character and are summarized on page A hereof.

Two accounts are carried in the National City Bank, known as the Joint Account and the Reserve Account. These are considered to belong to the College and are controlled by Central China College Foundation as agents for the College in China. The Joint Account has been inactive for a number of years and the balance in this account has remained at \$3,011.08. The operations in the Reserve Account for the year ending July 31, 1945 are summarized on page B hereof. As both accounts are subject to call on short notice, no interest has accrued on either of them.

Income and Expenditures of the College

Mr. Coe's annual report was mailed on August 4 and received on September 25th. It is made with the usual care and with the usual details. It is summarized on page C hereof. The figures in dollars are in Chinese Currency. The figures in the last column indicate the number of foreign salaries paid. (I am not clear as to who received only a half salary). The notes at the bottom of the page give the explanation of the overrun in excess of the last total approved by the Executive Committee in New York.

The Chinese figures are so distorted by inflation and by fluctuating rates of exchange that budgets mean practically nothing and comparisons of actual costs with budget figures give little indication of the diligence with which finances have been controlled.

I can say with assurance that there is ample evidence in the correspondence that Dr. Wei and Mr. Coe, with the help of the Executive Committee Pro Tem, have kept close supervision over all purchases and disbursements. Dr. Fenn, representing the Associated Boards, has expressed admiration for the care of the Administration in these matters.

The salaries and other stipends paid to the Western personal are not reported to the Founders. The control over these disbursements is altogether in the hands of the respective supporting missions.

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All receipts and expenses in Chinese Currency are reported annually to the Treasurer of the Board of Founders.

The comparative total annual expenses in Chinese currency for the last eight years and the latest estimate of the total expense for 1945-46 are discussed on page D. I will simply add a few notes:

1. The expenses have been met with new income each year until 1944-45. To meet the expenses of that year, it was necessary to draw on the U.S. reserves to the extent of U.S. \$4,215.
2. The best indication of the dependability of the sources of income thus far is shown in its percentage of Chinese income which came from the various sources, as follows:

<u>Western Sources</u>	<u>Per Cent of Total Income</u>		
	<u>1944-45</u>	<u>1943-44</u>	<u>1942-43</u>
Supporting Missions	19.25	23.74	22.50
Harvard Yenching	5.11	5.70	7.27
Scholarships	.92	-	-
British Relief-Special	-	3.70	7.28
Commodity Extra	4.72	1.76	-
Sustaining Funds	<u>53.00</u>	<u>45.70</u>	<u>47.80</u>
Total from Western Sources	<u>83.00</u>	<u>80.60</u>	<u>84.80</u>
Chinese Sources	<u>17.00</u>	<u>19.40</u>	<u>15.20</u>
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

3. The figure of N.C. \$60,000,000, on page D for the possible cost of operation in 1945-46 is just a guess made by Mr. Coe some weeks before V-J day. We have a record of the yearly and monthly fluctuations in cost of living and in exchange in Chengtu, which indicates that since May, 1945 the index of the cost of living has remained fairly steady at about 1500 and, except for the month of July, exchange also was fairly steady, varying between 500 and 730. This indicates a possibility that the figure of N.C. 60,000,000 for 1945-46 may be somewhat too high.
4. The Japanese Surrender, the stoppage of the war, and the termination of war profits have had a marked effect ^{on the} liberality of American givers. The United China Relief is facing a considerable decrease in its power to help China. It will be some time before we can be sure of sufficient new income to meet the operating demand.
5. The Associated Boards have given much thought to the financial requirements for restoring campuses and the transportation and re-establishment of personnel and plant. This is a large subject which is beyond the scope of this report.

Assets of Hua Chung College

On page E there will be found a statement of the total assets of Hua Chung College as of July 31, 1945.

This constitutes all the assets known to the Treasurer except some buildings located on the Boone Campus and which were constructed with funds furnished by one or another of the supporting missions.

The capital funds are held by the Domestic & Foreign Missionary Society of the Episcopal Church under instructions from Miss Johnston.

The operating fund of \$35,000. receivable from the Domestic and Foreign Missionary is likewise held under instructions from Miss Johnston.

The other operating funds receivable will undoubtedly be paid in due season.

Respectfully submitted,

Oliver S. Lyford,
Treasurer

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CENTRAL CHINA COLLEGE FOUNDATION

Cash Account in the Bank of Manhattan Co.

1944 - 45

August 1st, 1944 - Cash Balance \$1,447.74

Receipts:

National Council	\$ 650.00	
Reformed Church	325.00	
Yale-In-China	<u>325.00</u>	<u>1,300.00</u>
		\$ 2,747.74

Disbursements:

Stenographic fees	\$ 174.28	
Cablegrams	176.37	
Travel expense to N.Y. for Mrs. E.P. Miller.	52.50	
Office expenses; Postage & supplies	5.00	
Bank fee for safe keeping of securities		
before securing Safe Deposit Box	1.00	
Safe Deposit Box Fee; Chase Safe Deposit Co.	7.20	
Assistant Treas. Salary; Bal. for 1943-44; \$110		
" " " for 1944-45 360	470.00	
Advanced to Mrs. Ruth Earnshaw Lo; which was		
refunded to the Foundation in Aug. 1945 in		
a remittance from Miss Mary E. Johnston.	<u>300.00</u>	<u>1,186.35</u>

July 31st, 1945 - Cash Balance \$ 1,561.39

July 31st, 1945 Balance as shown above.	\$ 1,561.39
Reimbursement from Miss Johnston for Mrs. Lo.	<u>300.00</u>
	1,861.39
Balance owing to Hua Chung College	<u>783.66</u>
Available for future expenses	\$ 1,077.73

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NATIONAL CITY BANK OF NEW YORK
(Reserve Account)

B

Deposits and withdrawals during the fiscal year ending July 31, 1945

Receipts

	Balance August 1st, 1944	\$38,307.26
<u>1944</u>		
Oct. 10th	Imperial Bank of India; Return of advance for Mrs. Ruth Earnshaw Lo.	\$1,200.00
Nov. 9th	Dom. & For. Missionary Society; From the Amer. Church Mission. Spec. China Fd . . .	10,278.75
Dec. 6	Associated Boards (Mr. Cate).	10.00
" 6	Interest on U.S. Bonds a/c Holmes Scholar. Fd	60.00
<u>1945</u>		
Mar. 26th	Associated Boards; (Mrs. Helm \$25; Rev. J.K. Adams and Undesignated \$718).	746.00
May 18	The Board of International Missions, Reformed Church; For Practice School \$1,250. For Books 250.	1,500.00
Jun 5	Interest on U.S. Bonds a/c Holmes Scholar. Fd	60.00
Jul 5	Grant from Yale-In-China	5,000.00
" 14	" " Harvard-Yenching.	5,000.00
" 14	Anonymous; for current needs	20.00
" 14	Associated Boards (Mr. J.C. Creasy \$5; Miss E.R. Gerhard \$5; Rev. L.W. Snell \$5; Rev. A.M. Sherman \$15; Dr. L.B. Franklin \$25).	55.00
		23,929.75
		\$62,237.01

Disbursements

<u>1944</u>		
Aug. 1	Mrs. Ruth Earnshaw Lo (Advance acct.). . .	\$1,000.00
Sep 8	National Council: To Coe thru India. . . .	10,000.00
Oct 4	E.P. Miller; Coe's L-#13	19.00
" 10	Mrs. R.E. Lo (Advance Acct) Bank chgs . . .	1.40
" 13	Mrs. Ruth Earnshaw Lo (Specials on hand) .	375.00
Dec 4	Mrs. Ruth Earnshaw Lo (Advance acct). . .	1,000.00
" 15	Harold M. Miller; Coe's L-#16	502.50
" 15	Mrs. Thomas M. Crottes; Coe's L-#16. . . .	541.00
" 15	Mrs. Henry R. Calvin; Coe's L-#16	469.50
" 15	Bernard Selkin; Coe's L-#16	223.00
<u>1945</u>		
Jan 31	Mrs. Ruth Earnshaw Lo; Coe's L-#17. . . .	200.00
" 31	Mary Richards; Coe's L-#17	100.00*
" 31	Rev. G.A. Sutherland; Coe's L-#18	1,667.00
Feb 21	Mrs. Ruth Earnshaw Lo (Advance Acct). . .	1,000.00
May 8	Mrs. Ruth Earnshaw Lo; Coe's L-#24	67.00
Jul 20	Advance Acct. for Dr. Wei's U.S. Travel . .	17.93
" 27	Miss Joyce Fan; Coe's L-#25.	15.00
" 27	Yunan Students Scholarship Fund, Purchase of U.S. Bonds	7,200.00
	Bank Balance July 31st, 1945	24,398.33
		\$37,838.68

*Refer to J.G.'s letter C-9 dated March 19, 1945

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Hua Chung College

C

Hua Chung Summary of Income and Expenditure for 1944-1945

	C\$	
A. Western sources		
	<u>Income</u>	<u>For sal.</u>
American Church Mission	1,039,316.	2 1/2
" " " Miss Johnston	700,000.	
Church Missionary Society		1/2
London Missionary Society	73,000.	2
Methodist Mission	130,560.	1 1/2
Reformed Church Mission	208,305.	
Yale-in-China	702,340.	
Harvard-Yenching Institute	750,399.	
Scholarships	136,760.	
Commodity extra	700,825.	
Sustaining Fund	<u>7,873,271.97</u>	
	12,314,776.97	6 1/2
B. Local sources		
Bank Interest	178,012.48	
Miscellaneous fees	70,585.	
Ministry of Education	33,100.	
Government Loan and Sch.	1,285,223.	
Relief Scholarships	251,947.	
Rice Subsidy	256,277.40	
Yunnan Student gift	200,000.	
Special gifts	250,000.	
Old Balance Music Dept.	35,414.	
Grand total income	<u>2,560,558.88</u>	
	14,875,335.85	6 1/2
	<u>Expenditure</u>	
Administration	2,815,084.10	1 1/4
Operations and Maintenance	2,203,351.	
Physical Education and Mil. Training	24,592.	
Government Loan, and Scholarships Etc.	1,673,430.	
Extras	250,000.	
School of Arts-Personnel	3,391,202.	
Books etc.	191,899.	3 3/4
School of Education-		
Personnel	829,834.	1/2
Books etc.	111,199.	
School of Science-		
Personnel	2,737,597.	1/2
Equipment etc.	647,147.75	
	<u>3,384,744.75</u>	
Grand total expenditure	14,875,335.85	6 1/2

The above total may seem to be considerably in excess of the total of C\$12,000,000 authorized by the executive committee of the Board of Founders. There are certain items in the above summary for which the college acted mainly as a disbursing agent and should not be classified under regular income or expenditure. They are as follows:

Government loan and scholarships	1,285,223.
Scholarships and student aids	388,207.
Gift from the Yunnan students	200,000.
Commodity grants	700,825.
Gifts	250,000.
	<u>2,824,255.</u>

If this total should be subtracted from the grand total of \$14,875,335.85 the result is \$12,051,080.85. The fact that this total is over \$12,000,000 can be

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(cont'd) C

accounted for by the fact that during the two months of June and July the cost of the servants at the college was nearly twice what had been expected when estimates were made in late April because of the sudden jump in the price of rice to double the figure of April.

John L. Coe, Treasurer

Hsichow
August 4, 1945

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Hua Chung College

Comparative Annual Expense

October 1, 1945

The comparative actual annual expense for the last previous eight college years and the present estimates for the current college year and the next year thereafter are as follows: (The figures are expressed in Chinese National Currency, in the nearest thousands. In each case the year ends on July 31).

1937-38	N.C.	\$167,000.	1943-44	N.C.	\$3,379,000.
1938-39	"	206,000.	1944-45	"	14,875,336.
1939-40	"	162,000.	1945-46	"	60,000,000. (present estimate)
1940-41	"	281,000.			
1941-42	"	470,000.			
1942-43	"	1,039,000.			

These totals do not include the salaries paid by American and English Missions to the western personnel furnished by them, nor the subsidies which have been paid to these westerners to cover the present abnormal conditions.

The College has endeavored to maintain (as nearly as practicable) the same standards of teaching and study throughout these years. The number of members of the administrative and teaching staff has been kept as nearly the same as possible, but this number has varied between 42 and 55. To maintain the standards required by the Chinese Government 60 persons would be necessary and the budget for 1945-46 is based on this number. However, it is expected that the actual number probably will be between 50 and 55. The number of students during "these years" means the eight years quoted above, varied between 98 and 163, averaging 142, except in 1937-38 when refugees from other colleges increased the total to 350. Therefore the educational basis has been substantially the same throughout the eight years of actual operation and the budget for the new year is on the same basis. But the buying power, resulting from salaries and subsidies paid, has shrunk tremendously and these devoted persons have had to live on a hand-to-mouth basis.

It will be noted from the above figures of annual expense that the estimated operating cost in Chinese currency for the college year 1944-45 is 72 times the actual operating cost for the year 1937-38 and the estimated cost in the budget for 1945-46 is about 300 times the actual cost before the Invasion.

The index of the cost of living in Chungking in May, 1945 was 1350. It is now about 1,800. In other words, each dollar's worth of goods purchasable before the Japanese Invasion, would now, if available, have a value of 1,800 dollars of the present Chinese currency. Fortunately for Hua Chung, the cost of living in Hsichow has not risen as rapidly as this, but it has been serious enough and the rise in cost will trail along after that in the larger cities.

The uncertainty regarding currency matters makes accurate forecasting and budgeting impossible.

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Assets of Hua Chung College

(Disposal subject to approval by Board of Founders)

As of July 31, 1945

Operating Funds
(mostly designated)

In National City Bank, New York		
Reserve Account		U.S. \$32,675.61
Joint Account		3,603.17
		<u>36,278.78</u>
Receivable from Dom. & Foreign Miss. Soc.		35,000.00
" " Harvard-Yenching		5,000.00
" " Yale-in-China		5,000.00
" " Reformed Church Mission		2,250.00
" " Central China College Foundation		783.66
Equivalent of Hongkong Deposit		1,580.00
" " Rangoon "		9.90
" " Chinese Balance		7,208.91
Adjustment Account		3,011.08
R. E. Lo		<u>265.00</u>
	Total Operating Funds - U.S.	\$ 96,387.33

Capital Funds

Proctor Johnston Building Fund	\$112,947.80	
Balance in American Church Mission	<u>1,236.14</u>	
Total Capital Funds		114,183.94
Total Cash Assets		<u>\$210,571.27</u>
Existing Land & Buildings of New Campus		18,764.86
	Total Assets	U.S. <u><u>\$229,336.13</u></u>

This does not include three small trusts, which are held by the Foundation, as follows:-

Trust Funds - Controlled by

Central China College Foundation

As of July 31, 1945

Wei Travel Fund	U.S. \$ 922.94
Holmes Scholarship Fund	4,920.00
Yunnan Students' Scholarship Fund	<u>7,294.00</u>
	U.S. <u><u>\$13,136.94</u></u>

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February 15, 1946

CENTRAL CHINA COLLEGE FOUNDATION

Report of Treasurer

Following the usual procedure, the Treasurer's Report for the annual meeting of the Trustees is limited, as to details, to the operations of the New York Office for the previous calendar year. The accounts of the College, being for the College Year ending July 31 are reported each year at the October meeting of the Trustees.

Foundation Office Account

Bank of the Manhattan Company

Calendar Year 1945

1945

January 1st. Balance \$ 1,112.92

Receipts

Board of the Reformed Church	\$ 325.00	
Yale-in-China	325.00	
National Council-Episcopal Board	650.00	
Miss Mary E. Johnston	<u>1,000.00</u>	<u>2,300.00</u>
		\$ 3,412.92

Disbursements

Associated Boards for expenses	\$1,034.00	
Stenographic service	218.22	
Cable charges	173.23	
Safe Deposit box rental	7.20	
Mrs. E.P. Miller - Travel expense	52.50	
Mrs. Ruth Earnshaw Lo	1,050.00	
Assistant Treasurer-Salary	<u>360.00</u>	<u>2,895.15</u>

December 31st. Balance..... \$ 517.77

Note

The balance as of February 15, 1946 amounts to \$782.10. The Foundation still owes the Hua Chung College account \$783.66 from College deposits made in the Foundation bank account in 1942-43.

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Miss Johnston provided \$1000. for Mrs. Lo, one of our fine teachers who was forced to return to her home in Scranton for medical aid for herself and one of her children and thus far has been unable to go back to China. During 1945 a total of \$1050 was paid to Mrs. Lo, in addition to travel funds advanced in China. Aside from these two items in the above report, the receipts and disbursements pertain to the regular operations of the New York Office. The comparative New York expenses for the last five years were as follows:

Comparative Office Expenses

	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>
Associated Boards for Expenses	2,338	2,287	670	824	1,034
Assistant Treasurer (See note)	518	525	525	360	360
Stenography	28	110	95	242	218
Cable Charges	47	71	54	62	173
Other Office Expense	91	94	-	19	58
Miscellaneous	100	-	-	-	52
Audit	-	-	233	-	-
	<u>3,122</u>	<u>3,087</u>	<u>1,577</u>	<u>1,507</u>	<u>1,895</u>

Note 1. During the years 1941, '42 and '43 the general office of the Foundation was in New Haven and the amounts indicated opposite the heading "Assistant Treasurer" were paid to Yale-in-China. During the years 1944 and 1945 the general office was in New York and Mr. Greiner was the Assistant Treasurer.

Note 2. During 1941 and 1942 most of the operating expenses of the Associated Boards were paid by the respective colleges and their supporting missions. Thereafter, in common with the other agencies of the United China Relief, a considerable part of these operating expenses was deducted from the gross income of the Associated Boards.

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The Wei Faculty Fund

This is a travel fund for the President or Faculty Members. As explained in previous reports, this fund has been inactive since the last visit of Dr. Wei to this country. This fund is on deposit in The Bank of Savings and the total in this account including interest credited to January 1946 amounted to \$936.81. At the November 2nd, 1945 meeting, the Board of Trustees voted to approve Dr. Wei's recommendation that one-half of this fund be used to help support Mrs. Ruth Earnshaw Lo. In accordance with this action, \$468.00 was transferred from the savings account to the Trustee's account in the Bank of Manhattan from which account Mrs. Lo is receiving \$150.00 per month. The balance in this Fund as of February 15, 1946 is \$468.81.

Scholarship Funds

The Holmes Scholarship Fund has now a total of \$4,980.00 of which \$4,800 is invested in U.S. Government Bonds, Series "C". The balance of \$180.00 cash represents the interest received to December 1945.

The Human Students Scholarship Fund amounts to \$7,294.00, of which \$7,200.00 was invested in U.S. Government Bonds.

All of the above bonds are in the safe deposit box at the Chase Safe Deposit Co. in the name of the Central China College Foundation.

Hua Chung College Bank Accounts

NATIONAL CITY BANK OF NEW YORK

Balance as of Jan. 31, 1946 in the Joint Account	\$ 3,603.17
Balance as of Jan. 31, 1946 " " Reserve Account	35,121.10

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Reserves in the College Accounts

The reserves on hand in the College Accounts at the close of each College year have continued to increase as shown below:

July 31, 1945	U.S. \$97,623
1944	91,618
1943	74,475
1942	57,401
1941	51,868

These increases have occurred in funds contributed from various sources for specific purposes other than war emergencies but most of the total probably can be used for rehabilitation if this shall become necessary. There are no other reserves.

The sources of these grants are listed in a report of the Treasurer, dated January 30, 1946 and entitled "Hua Chung College, Return of the College to Wuchang Campus."

Respectfully submitted,

Oliver S. Lyford,

Treasurer.

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Use Discretely

[1]

INCOME (Monthly) on basis of JUNE 1946
 (All figures except those in first column are in millions national currency)

	<u>Fees</u>		<u>Other Local Sources</u>	<u>Founders</u>	<u>Total</u>	<u>Deficit</u>	
	<u>Rate</u>	<u>Amount</u>				<u>@25%</u>	<u>@40%</u>
CHEELOO	1,000	0.40	0.00	7.20	7.60	17.50	28.70
FUKIEN	500	0.30	0.00	4.35	4.65	15.35	24.35
GINLING	1,000	0.30	0.05	8.35	8.70	21.00	34.30
HANGCHOW	10,000	6.00	1.00	1.90	8.90	13.60	22.80
HUACHUNG	0	0.00	0.05	6.70	6.75	6.55	12.95
HWA NAN	500	0.05	0.00	0.45	0.50	6.20	9.20
LINGNAN	4,150	2.50	16.00	2.75	21.25	46.55	79.05
NANKING	1,000	1.00	0.20	15.05	16.25	66.25	105.85
ST. JOHN'S	12,500	25.00	7.00	2.75	34.75	0.25	33.05
SHANGHAI	10,000	9.00	12.00	0.85	21.85	0.05	12.15
SOOCHOW	10,000	6.00	1.00	2.05	9.05	7.55	15.45
WEST CHINA	1,000	1.10	0.10	7.30	8.50	31.50	49.50
YENCHING	5,000	4.00	3.00	25.00	32.00	25.00	51.00
		55.65	40.40	84.70	180.75	257.35	478.35

At 25%, 257.350 x 12 = CN\$3,088.2 @ 3300:1 = US\$936,000

At 40%, 478.350 x 12 = CN\$5,740.2 @ 3300:1 = US\$1,739,000

Total enrollment - all colleges during year 70,000
 before year 46,000

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EXPENDITURES (Monthly) on basis of JUNE 1946
 (All figures except those in first column and in parentheses are in millions national currency)

	June 1946		Adjusted to 25% Prewar			Adjusted to 40% Prewar		
	Staff	Salaries ⁽¹⁾	Salaries	Operation ⁽²⁾	Total	Salaries	Operation ⁽³⁾	Total
CHEELOO	70	9.0 (12)	18.8	6.3 (25)	25.1	30.0	6.3	36.3
FUKIEN	120	9.0 (15)	15.0	5.0 (25)	20.0	24.0	5.0	29.0
GINLING	83	8.9 (10)	22.3	7.4 (25)	29.7	35.6	7.4	43.0
HANGCHEOW	80	13.6 (20)	18.0	4.5	22.5	27.2	4.5	31.7
HUACHUNG	50	8.5 (20)	10.6	2.7	13.3	17.0	2.7	19.7
HWA NAN	40	3.0 (15)	5.0	1.7 (25)	6.7	8.0	1.7	9.7
LINGNAN	360 ⁽⁴⁾	32.5 (15)	54.2	13.6	67.8	86.7	13.6	100.3
NANKING	260	26.4 (10)	66.0	16.5	82.5	105.6	16.5	122.1
ST. JOHN'S	236	22.8 (15)	28.0	7.0	35.0	60.8	7.0	67.8
SHANGHAI	140	14.8 (20)	17.5	4.4	21.9	29.6	4.4	34.0
SOOCHOW	152	10.6 (20)	13.3	3.3	16.6	21.2	3.3	24.5
WEST CHINA	228	18.0 (15)	30.0	10.0 (25)	40.0	48.0	10.0	58.0
YENCHING	185	24.0 (15)	40.0	17.0 (30)	57.0	66.0	17.0	83.0
	2004	201.1	338.7	99.4	438.1	559.7	99.4	659.1

1. Numbers in parentheses indicate approximate levels of June salaries in percentages of prewar purchasing power
2. Except as indicated, operational expenses are assumed to comprise 20% of the total budget, or 25% of the amount spent for salaries.
3. No increase for operational expenses is assumed in connection with a lifting of the salary level to 40%
4. It is thought that this total includes servants.

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See the

October 31, 1946

Central China College Foundation

Report of Treasurer

For the Year ending July 31, 1946

It is customary for the Treasurer to make at the October meeting of the Hua Chung Board of Founders and to Central China College Foundation a report relating to the financial operations in New York and in China for the college year ending on July 31st.

THE OFFICE ACCOUNT

The office account relates primarily to the operating receipts and disbursements of the New York Office. The Banking Account is in the Bank of the Manhattan Company. Occasionally other transactions are carried through the account. The record for the year 1945-46 is summarized in Exhibit A, attached hereto.

THE COLLEGE ACCOUNT

The remainder of this report pertains to the financial operations by and for the College.

Operating Funds

Two banking accounts are carried in the National City Bank in New York. They are under control of the Treasurer of the Foundation acting as agent for the College. One is known as the Joint Account and the other as the Reserve Account. In these accounts are carried all the payments received by the Foundation for the College. Disbursements from the Joint Account may be made either by the Treasurer of the Foundation or by the Treasurer or other accredited officers of the College. Disbursements from the Reserve Account can be made only by the Treasurer or other accredited officers of the Foundation. The Joint Account has been inactive during most of the period of the war. On July 31, 1946 the balance in this account was \$3,608.08 which has been practically the same for some years.

The operations of the Reserve Account for the year ending July 31, 1946, are summarized in Exhibit B and may be summarized further as

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follows:

Balance on hand April 1, 1945		37,838.68
Receipts for Operating Expenses	\$13,405.00	
" " Special Purposes	17,578.45	
Miscellaneous Receipts	80.00	
Total Receipts		<u>31,063.45</u>
		68,902.13
Disbursements		<u>8,393.72</u>
Balance on hand July 31, 1946		<u><u>60,508.41</u></u>

As both accounts are subject to call on short notice, no interest has accrued on either of them.

Other funds of Hua Chung College are held by the National Council of the Protestant Episcopal Church which are so held as requested by donors, but are available on call from the College. Interest is accumulating on some of the funds. These funds are included in the figures of Exhibit E which shows totals as follows:

Operating Funds	\$ 99,740.11
Building Fund	101,566.63
Moving & Rehabilitation Fund	95,560.91
Miscellaneous Specials	2,100.00
Scholarship Funds	13,072.45
Dr. Wei's Travel Fund	468.81
	<u>\$312,508.91</u>

Operating Accounts of the College

The expenses of the College for the regular operations during the year ending July 31, 1946, and the sources of income used for these purposes are summarized in Exhibit C. The total operating expense, exclusive of moving and rehabilitation during this college year amounted to N.C. \$62,520,865: This was covered by new money from the following sources:-

Western Sources

Supporting Missions	N.C. \$28,570,264
Harvard Yenching	6,000,000
British Sources	7,887,566
U.C .R. and Assoc.Boards	<u>12,715,465</u>
Total from Western Sources	55,173,295
Chinese Sources	<u>7,347,570</u>
N.C.	\$62,520,865

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Moving and Rehabilitation Costs

At a special meeting of the Board of Founders held on March 14, 1946, the Treasurer submitted a report with approximate estimates, totalling U.S. \$275,000. These estimates were adopted by the Executive Committee of the Board of Founders at an enlarged meeting on April 24 "as our guide in financing the return of the College to Wuchang and rehabilitation." They have been the basis for negotiations with the College and with sources of special support. The college authorities are holding down the costs as much as seems possible, but the present indications are that the total of expenditures will have to run over the figure of U.S. \$275,000. Of the total, the amount already made available in New York and in China is equivalent to U.S. \$187,000. The receipt of the balance in the estimate is largely dependent upon the ability of the Associated Boards and the United Service for China to provide \$85,000 which was requested some time ago.

The purchases in the United States have been made by Dr. Paul Ward who has done a remarkable job.

The present state of progress in China has not been reported.

Respectfully submitted,

Oliver S. Lyford

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Exhibit A

CENTRAL CHINA COLLEGE FOUNDATION

Cash Account in the Bank of Manhattan Co.

1945 - 46

August 1st, 1945 - Cash Balance.....\$ 1,561.39

Receipts:

National Council.....	\$	650.00	
Reformed Church.....		325.00	
Yale-In-China.....		325.00	
Contribution from Miss Mary E. Johnston for the support of Mrs. John Earnshaw Lo.....		1,000.00*	
Contribution from Dr. Wei's Travel Fund in the Savings Bank, as per Dr. Wei's suggestion and approval by Board of Trustees.....		468.00*	
Advance from College funds, National City Bank.....		852.00*	<u>3,620.00</u>
			\$ 5,181.39

Disbursements:

Stenographic fees	\$	207.55	
Cablegrams.....		63.41	
Bank fee for safe keeping of securities; Chase Safe Deposit Co.		7.20	
Luncheon expenses; Dr. A.M. Sherman		5.00	
Assistant Treasurer's salary		360.00	
Associated Board's a/c budget expenses		1,651.63	
Payments to Mrs. J.E.Lo at \$150.00 per mo.		1,800.00	<u>4,094.79</u>
July 31st, 1946 - Cash Balance.....			\$ 1,086.60

*These three items were used for the support of Mrs. Lo.

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Exhibit B

NATIONAL CITY BANK OF NEW YORK
(Reserve Account)

Deposits and withdrawals during the fiscal year ending July 31, 1946

Receipts

Bank balance August 1st, 1945.....\$37,838.68

For operating expenses 1945-46

Yale-In-China.....	\$5,000.00	
Harvard-Yenching	5,000.00	
Reformed Church; For Practice School.....	1,250.00	
" " " Grant for books.....	250.00	
" " " General Subsidy grant.....	1,500.00	
Associated Boards; From Mr. O.S. Lyford	100.00	
" " " Rev. J.K. Adams	5.00	
Income from Government Bonds; Holmes Scholarship	120.00	
" " " " Students Yunan	<u>180.00</u>	13,405.00

Specials

From Mr. Lim Foon for Miss Yung	\$ 100.00	
From Mrs. A.B. Duncan for education of Miss Wai-sen Taai	170.00	
From Bessie M. Guerry for scholarships	100.00	
From National Council Woman's Auxiliary for moving students to Wuchang	1,500.00	
From the Reformed Church for the support of students from the Province of Yunnan in Hua Chung University	2,000.00	
From the Woman's Auxiliary of the District of Westchester for scholarships	333.45	
From A.B. Tuttle for scholarships	75.00	
From the Reformed Church for Rehabilitation and Reconstruction Program	5,000.00	
From the Missionary Society of St. Paul's Church Concord, New Hampshire	300.00	
From the Associated Board's Restoration funds for Rehabilitation & Reconstruction program a/c purchases in the U.S.	<u>8,000.00</u>	17,578.45

Miscellaneous

From Dr. Wei: Deposited in Nat. City Bank,
Reserve a/c by mistake: Should have been
deposited in the Founder's Acct. Bank
of Manhattan in connection with Mrs. Lo's
support: To rectify this error, the \$80.00
was left in the Nat. City Bank and applied
as a credit against the \$783.66 owed the
Reserve account by the Founder's account

80.00

Total receipts plus Aug. 1st, 1945 balance..... \$ 68,902.13

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Exhibit B
(continued)

Total receipts brought forward\$ 68,902.13

Disbursements

Payment of draft #52 issued 6/21/41.....\$	4.91	
Check R-39 To Mrs. Lo as per J.L.Coe's letter #29	75.00	
" R-40 To reimburse the National Council for Dr. Wei's travel expense to the U.S....	1,475.67	
" R-41 To Associated Board's a/c Dr. Wei's travel to the U.S.	3.00	
" R-42 To Mrs. Lo as per J.L.Coe's letter #37	120.00	
" R-43 To Miss Bleakley as per J.L.Coe's letter dated 8/24/45	1,374.00	
" R-44 To the Rev. J.H.Andrews as per J.L. Coe letter #16.....	2,735.00	
" R-45 To D.F.Anderson a/c funds deposited with J.L.Coe.....	25.00	
" R-46 To D.F.Anderson a/c funds deposited with J.L.Coe	575.00	
" R-47 Advance to Founder's account for the support of Mrs. J.E.Lo	852.00	
" R-48 To Elsie Sharten, part payment on \$1,107.00 deposited with J.L.Coe as per his letter #16	500.00	
" R-49 To Chao Chi-tsuin as per J.L.Coe's #49	644.00	
" R-50 To Amer. Physical Society as per J.L. Coe's letter #50.....	10.14	<u>8,393.72</u>
Cash balance July 31st, 1946		\$ 60,508.41

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Exhibit C

Huachung University, summary of Income and Expenditure of
Regular Operation for 1945-46.

	Income		For Salary.
	C\$		
Western sources			
American Church Mission	12,486,458.69		2
" " " Miss Johnston	6,000,000.00		
London Missionary Society	600,445.00		2½
Methodist Missionary Society	783,360.00		3
Reformed Church Mission	2,700,000.00		
Yale-in-China	6,000,00.00		
Total from Supporting Missions	<u>28,570,264.00</u>		
Harvard Yenching	6,000,000.00		
Sustaining Fund - from Great Britain	7,887,566.19		
UCR	12,715,465.00		
Total western sources	<u>55,173,294.88</u>		<u>7½</u>
Local sources			
National government	458,000.00		
Rice subsidy	403,248.98		
Government Loans and Sch.	4,102,581.22		
Relief Scholarships	1,553,253.00		
Fees	725,487.00		
Alumni contribution	105,000.00		
Total local sources	<u>7,347,570.20</u>		
GRAND TOTAL INCOME.....		\$ 62,520,865.08	<u>7½</u>
	Expenditure		
Administration	12,481,277.00		2¼
Operation and Maintenance	3,567,685.20		
Physical Education	5,100.00		
Pao family	761,165.00		
Fellowship for Junior members of staff	720,000.00		
School of Arts - personnel	16,374,945.00		3 3/4
books equipment	1,989,686.00		
School of Education - personnel	6,839,440.00		1
books equipment	442,220.51		
School of Science - personnel	10,997,134.00		½
Maintenance & equipment	2,555,988.15		
Scholarships and student aids	<u>5,786,224.22</u>		
GRAND TOTAL EXPENDITURE	<u>62,520,865.08</u>		<u>7½</u>

In this summary, items in the various detailed budgets which were there carried in US\$ currency have here been put into C\$.

(Signed) John L. Coe,
Treasurer

Sept. 9, 1946.

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Exhibit D

Assets of Hua Chung University

As of July 31, 1946

Operating Funds

Cash balance in National City Bank of New York:		
Reserve Account.....	\$42,228.96	
Joint Account.....	<u>3,608.08</u>	
		\$45,837.04
Receivable from Dom.& Foreign Miss.Soc.(a/c Miss Johnston)..		39,000.00
" " " " " " (ACM-Spec.China Fd)..		5,324.93
" " Amer.Church Mission - G.W.Laycock, Treas. . .		1,497.94
" for Dr. Wei's Travel exp. to N.Y.		1,923.56
" for Advance to Dr. John F. Lo		3,863.08
" from Central China College Foundation.....		703.66
Equivalent Hongkong Deposit.....		1,580.00
" Rangoon Deposit.....		<u>9.90</u>
Total Operating Funds		\$99,740.11

Special Funds

Proctor Johnston Building Fund.....	\$101,566.63	
Moving & Rehabilitation Fund:		
Cash balance in Nat.City Bk. (Reserve) 14,500.00		
Receivable from Dom.&For.Miss. Society <u>81,060.91</u>	95,560.91	
Miscellaneous Specials.....		2,100.00
Scholarship Funds:		
Holmes Scholarship Fund.....\$4,800.00		
Yunnan Students Scholarship		
Fund..... 7,294.00		
Dr. Wei's Scholarship Fund <u>978.45</u>	13,072.45	
Dr. Wei's Travel Fund.....	<u>468.81</u>	<u>212,768.80</u>
Total Assets		\$312,508.91

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February 14, 1947

Central China College Foundation

Report of Treasurer

The operations of the Office Account of the Foundation for the calendar year 1946 is summarized as follows:-

Foundation Office Account

Bank of the Manhattan Company

Calendar Year 1946

<u>1946</u>		
January 1st.	Balance	\$517.77

Receipts

Board of the Reformed Church	\$ 325.00	
Yale-in-China	325.00	
National Council - Episcopal Board	650.00	
Contribution from Dr. Wei's Travel Fund in the Savings Bank; Requested by Dr. Wei and approved by Board of Trustees	468.00*	
Advance from College funds in the National City Bank	<u>852.00*</u>	<u>2,620.00</u>
		\$ 3,137.77

Disbursements

Associated Boards for expenses	\$ 617.63	
Stenographic Service	241.64	
Cable charges	61.29	
Safe Deposit box rental	7.20	
Printing and office expense	25.34	
Mrs. Ruth Earnshaw Lo	1,350.00	
Assistant Treasurer-Salary	<u>360.00</u>	<u>2,663.10</u>

December 31st. Balance		\$ 474.67
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*These receipts were used for the support of Mrs. Lo.

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Comparative figures for the five previous years appear in the Treasurer's Report of February 15, 1946.

The advances to Mrs. Lo to balance the cost of her living and medical expenses ceased on September 31, 1946 after her husband, Dean Lo, arrived in the United States on his sabbatical leave from the College. Since then she and the two babies have been living with him in an apartment in Lancaster, Pennsylvania, where he is a visiting professor. The trip back to China, which probably will be made in May of this year, may necessitate an additional advance. Dr. Wei has been asked for advice regarding the basis for repayment of these advances but no answer has been received. The total now amounts to \$3863.08 exclusive of donations which have been paid to Mrs. Lo.

Wei Travel Fund

This fund was established by Dr. Wei as a travel fund for the President or Members of the Faculty. The balance as of January 1, 1947 was \$468.81 after contributing \$468.00 to Mrs. Lo as directed by Dr. Wei.

Scholarship Funds

Two Scholarship Funds are being maintained in New York under the control of the Foundation. The principal sums of these funds were as follows:

Holmes Scholarship Fund	\$4,800
Yunnan Students Scholarship Fund	7,294

Full statements of the establishment of these funds are on file in the office of the Associate Secretary of the Foundation.

The principal sums are invested in U.S. Government Bonds, Series "G" which are in a safe deposit box at the Chase Safe Deposit Co. in the name of Central China College Foundation. The accumulated interest is carried in the Reserve Account in the National City Bank. There have been no withdrawals from these funds since they were established.

In addition, there is a Scholarship Fund controlled by Dr. Wei, in which the balance on July 31, 1946 was \$978.00. This fund is carried in the Reserve Account in the National City Bank.

Hua Chung College Bank Accounts

Accounts are carried in banks in Hong Kong and Rangoon. Probably minor accounts are now being carried in Hankow and elsewhere. These are under the direct control of the President and Treasurer of the College.

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Two accounts are carried in the National City Bank in New York. One, known as the Joint Account, is under the joint control of the College and the Foundation. The other, known as the Reserve Account, is under the exclusive control of the Foundation, but it is understood that the money is held for the exclusive use of the College for whom the Foundation is acting as custodian.

The balance in the Joint Account on January 31, 1946 was \$3,603.17 and in the Reserve Account was \$54,794.86.

Financial Operations of the College in China

(Although we now usually refer to our institution as Huachung University, the legal name still is Hua Chung College and in order to be exact the legal name is used herein.)

The regular operating report of Mr. John Coe, Treasurer of the College, for the year ending July 31, 1946 was summarized in the Report of the Treasurer of the Foundation which was submitted to the Trustees on October 31, 1946. The total operating cost, exclusive of travel and rehabilitation expenses, expressed in Chinese currency, was N.C. \$62,520,865.

Information subsequently received, (as summarized in the first group of figures in Exhibit A attached hereto), shows that after these operating expenses had been paid the balance on hand, available for future operations, amounted to U.S. \$99,740. or \$2,117. more than the corresponding balance on hand at the close of the previous year. This illustrates the care of the Officers of the College in keeping the expenses within the income. Since 1941 the total of reserves for operating expenses has increased from U.S. \$51,808 to U.S. \$99,740. This is made up of receivables as well as cash in the banks. As we have no endowment or other cash resources, this surplus is quite necessary.

The College owns certain lands and buildings at Wuchang, but we do not have available the cost of these properties. We understand that eventually the College will own the entire Boone Campus.

Operating Budget for the College Year 1946-47

The many uncertainties now existing have prevented Mr. Coe from preparing a budget for the current college year. He has expressed the hope that the College can pull through if the supporting missions and the Associated Boards provide the amounts established for operations in recent years. This means a total of U.S. \$60,000, of which one-half has been provided by the supporting missions and one-half by the Associated Boards.

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Moving and Rehabilitation

On April 11, 1946 the Treasurer submitted to the Trustees a memorandum relating to the problem of financing the cost of moving the College back to Wuchang and rehabilitating the institution and its personnel on the old campus. The estimated total cost of these operations was U.S. \$275,000. The figures were approved by the Trustees as a tentative budget.

The moving was completed before May 1, 1946 and a large part of the rehabilitation has been accomplished. It was found imperative that a new semi-permanent building be built to provide for music rooms and additional dormitory facilities. The estimated cost of the building is N.C. \$50,000,000 or U.S. \$15,000 at the average exchange current during construction. Otherwise the College will be housed for the present in the old buildings. It is problematical where some of the faculty members and their families will be housed.

In Exhibit B the tentative budget is repeated and comparative figures given for the present estimates.

As noted in Exhibit B, the present disturbed condition in Chinese exchange may modify the requirements of this program when expressed in U.S. Currency.

Total Cash Assets of Hua Chung College

At the closing of the school year, on July 31, 1946, the Operating Funds and Special Funds of the College, were as summarized in Exhibit A, attached hereto, and the totals are as follows:

Operating Funds	U.S. \$ 99,740.11
Special Funds	<u>212,768.80</u>
Total	\$ 312,508.91

Respectfully submitted,

Oliver S. Lyford
Treasurer

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Exhibit B

Moving and Rehabilitation

Estimated Expenditures

Item	<u>Budget</u>	<u>Estimated Cost Spent and to be Spent</u>
1 Moving from Hsichow	U.S. \$50,000	U.S. \$30,000
2 Repairs to Buildings	40,000	40,000
3 College Furnishings	40,000	40,000
4 Replacement of Books	60,000	60,000
5 Laboratory Equipment	40,000	50,000
6 Re-equipment of Families	<u>45,000</u>	<u>20,000</u>
	\$275,000	\$240,000
New, semi-permanent Building		15,000
		<u>\$255,000</u>

Estimated Receipts

	<u>Budget</u>	<u>Received before December 1, 1946</u>
<u>Sustaining Missions</u>		
Episcopal Sources	U.S. \$110,000	U.S. \$106,800
Evang. & Reform Sources	5,000	5,000
British Sources	<u>5,000</u>	<u>-</u>
Total from Sustaining Missions	\$120,000	\$111,800
Harvard Yenching	10,000	10,000
Associated Boards)	100,000	56,500
United China Relief)		
Chinese Government (Equivalent)	<u>45,000</u>	<u>30,000</u>
	<u>\$275,000</u>	<u>\$208,300</u>

The present upset in exchange will modify the unexpended balances in these costs as expressed in U.S. currency, but of course does not affect the amounts already disbursed.

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HUACHUNG UNIVERSITY

(Central China College)

WUCHANG, CHINA

CO-OPERATING BOARDS

DOMESTIC AND FOREIGN MISSIONARY
SOCIETY OF THE EPISCOPAL CHURCH
BOARD OF FOREIGN MISSIONS OF THE
REFORMED CHURCH
ENGLISH METHODIST MISSIONARY
SOCIETY
LONDON MISSIONARY SOCIETY
YALE-IN-CHINA ASSOCIATION, INC.

OFFICERS OF BOARD OF TRUSTEES

ARTHUR M. SHERMAN, *President*
802 Broadway, New York 3, N. Y.
WILLIAM C. DEVANE, *Vice-President*
Yale University, New Haven, Conn.
JOHN WILSON WOOD, *Secretary*
402 West 20th St., New York 11, N. Y.
OLIVER S. LYFORD, *Treasurer*
54 Dana Place, Englewood, N. J.
J. EARL FOWLER, *Acting Associate Secretary*
281 Fourth Ave., New York 10, N. Y.

May 13, 1947

Mr. C. A. Evans, *Associated Treasurer*
Associated Boards for Christian Colleges in China
150 Fifth Avenue
New York 11, N.Y.

Dear Mr. Evans:

Central China College Foundation was organized under the laws of the State of New York to own and control any assets which might be contributed for the benefit of Huachung College. However, no such funds have been received by it therefore the assets which it owns consist of a small operating account for the New York office.

A statement of this operating account as of April 28, 1947 is given in Exhibit A attached hereto. On April 28th the contributions from the supporting missions for operating expenses for the college year 1946-47 had not been received and the payment of the Huachung quota to the Associated Boards had not been paid.

Central China College Foundation also has acted as agent for Huachung College in receiving funds donated to the college by various persons and transferring these funds to the college on demands of the latter.

The Domestic and Foreign Missionary Society of the Protestant Episcopal Church has also received funds donated to the college and has transferred these funds to the college on demands of the latter.

The Board of Trustees (Founders) of Huachung College has kept watch on the expenditures of the college but the funds have not passed through its hands. Budgets and expenditures for capital assets have been carried on by the college as approved by the trustees. The funds of the college held in New York, or are due in New York, from various sources are summarized in Exhibit B attached hereto. The items are numbered for convenient reference. This statement does not include funds held by the college in China nor the land and the few small buildings which are owned by the college.

Most of the property used by the college is the property of the former Boone University at Wuchang. It is occupied under a sort of lease. The college has added thereto certain lands and a few small buildings using therefore funds which were paid direct to the college. The records of these disbursements are kept in the college. We do not have copies of their records in New York.

Yours very truly,

Oliver S. Lyford
Oliver S. Lyford,
Treasurer

OSL:r

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[2]

EXHIBIT "A"

Central China College Foundation

April 28, 1947

Cash balance in the Bank of Manhattan \$ 315.45

Receivable:

Domestic & Foreign Miss'y Soc.	650.00*	
Yale-In-China	325.00	
Board of the Reformed Church	<u>325.00</u>	<u>1,300.00</u>
		1,615.45

Accounts payable:

Due Hua Chung College		<u>703.66</u>
		\$ 911.79

*Paid to the Foundation May 7, 1947

Note:

There is a sum due the Associated Boards for their Hua Chung's quota for operating expenses. There are also a few small items payable in May.

May 13, 1947

John Greiner
 John Greiner,
 Assistant Treasurer

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Exhibit B

Assets of Hua Chung College

As of April 28, 1947

Operating Funds

	Cash balance in the National City Bank of N.Y.		
1	Reserve account	\$ 37,022.76	
2	Joint account	<u>3,408.08</u>	
			40,430.84
3	Receivable from Dom. & For. Missionary Soc. (Johnston)		44,000.00
4	" " " " " " (ACM-SCF)		5,324.93
5	" " Dr. John F. Le		3,863.08
6	" " Central China College Foundation		<u>703.66</u>
	Total operating funds	\$ 94,322.51	

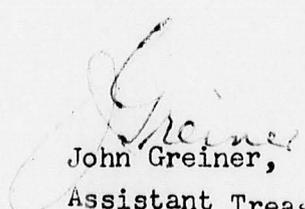
Special Funds

7	Proctor Johnston Building Fund	\$ 107,287.68	
	Rehabilitation Fund:		
8	Cash in National City Bank (Reserve)	11,762.51	
9	Receivable from Dom. & For. Missy. Society	33,174.45	
10	Miscellaneous Specials	2,100.00	
	Scholarship Funds:		
11	Holmes Scholarship Fund \$ 5,100.00		
12	Yunan Students Scholarship Fd. 7,564.00		
13	Dr. Wei's Scholarship Fd. <u>2,253.34</u>	14,917.34	
14	Dr. Wei's Special Travel Fund	<u>468.81</u>	169,710.79
	Total Assets		<u>\$ 264,033.30</u>

Location of Funds

- Items 3, 4, 7 and 9 are held by the Domestic and Foreign Missionary Society of the Protestant Episcopal Church.
- Items 1, 2, 8 and 10 are on deposit in the National City Bank.
- Items 1 and 8 are controlled exclusively by the Foundation.
- Item 2 is controlled jointly by the Foundation and the College.
- Items 11, 12, 13 partly are invested in U.S. Bonds and partly are held in the Reserve Account in the National City Bank.
- Item 14 is deposited in the Bank for Savings.
- Item 5 is a balance of funds advanced to Prof. John Lo and is to be paid off by him from time to time.
- Item 6 is a balance due the College by Foundation as shown on Exhibit "A".

May 13, 1947


John Greiner,
Assistant Treasurer

0508

October 24, 1947

HUACHUNG UNIVERSITY COMMITTEE

REPORT OF TREASURER

FOR THE YEAR ENDING JULY 31, 1947

The report of the Treasurer in China for the year ending July 31, 1947 has not been received because Mr. Paul Ward, Acting Treasurer in Wuchang, has been overcrowded with financial affairs and many other details of his office. However, Mr. Ward did submit a budget for the University year beginning August 1, 1948 and Mr. Coe, with this and the help of other data which he brought with him from China, has estimated that the total cost of operations in 1946-47 was equivalent to about U.S. \$60,000 which is about U.S. \$5,000 in excess of the income received for operations during that year. This excess had to be covered by withdrawals from the operating reserves of the University.

A report of actual receipts and disbursements will be submitted at the next meeting of the Huachung Committee.

BUDGET FOR 1947-48

The budget submitted by Mr. Ward, and concurred in by Mr. Coe, for the year beginning August 1, 1947 is as stated below. The figures are in U.S. dollars. They do not include any payments to western personnel, but the numbers of western persons on the faculty and staff are shown in the last two columns of the table.

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	<u>INCOME</u>		
	US\$	Foreign Sal.	Volunteer
Western Sources:			
American Church Mission	12,000.	8	1 3/4
" " " Miss Johnston	5,000.		
Evangelical and Reformed Church	6,600.	1	1/2
London Mission	1,000.	2	1
Methodist Mission	1,400.	3	1 1/4
Yale-in-China		1	
Evangelical United Brethren	<u>1,000.</u>		
Total co-operating units.	27,000.	<u>15 plus</u>	<u>5 1/2</u>
Harvard-Yenching Institute	5,000.		
Special gifts for scholarships	900.		
To be found United Board	<u>11,400.</u>		
Total western sources	44,300.		
Local Sources.			
Government and local gifts (U.S.equivalent)	400.		
Registration fees	500.		
Tuition and fees	<u>10,000.</u>		
Total local sources	10,900.		
Grand total income	<u>55,200.</u>	<u>15 plus</u>	<u>5 1/2</u>

	<u>EXPENDITURE</u>	(U.S.equivalent)
Administration	2,715.	
" personnel	4,755.	2 1/4
Operation and Maintenance	7,905.	
Operation and Maintenance personnel	3,950.	1 1/2
School of Arts - personnel	15,065.	9 3/4
School of Arts - Books and equipment	1,235.	
School of Science - Personnel	10,750.	2
School of Science - maint. and equipment	2,965.	
School of Education - personnel	3,690.	5
School of Education - books and equipment	<u>2,170.</u>	
	55,200.	<u>20 1/2</u>

In the item of Operation and Maintenance are included student services, library, physical education, scholarships, repairs, heating, lighting, etc.

In the above budget the total for salary item is US\$38,210.
non-salary items 16,990.

On the income side the foreign workers are divided into two classes, the first being the regular appointees and the second being volunteers (mostly wives of the faculty members).

The total of this budget for 1947-48 is substantially the same as in the budget for 1946-47 and therefore is about U.S. \$5,000 below the estimated operating cost for that year. Mr. Ward hopes, and Mr. Coe concurs in the hope, that the benefit resulting from the release of control of foreign exchange by the Chinese Government will benefit Huachung sufficiently so that the operating cost can be kept within the figures indicated. In considering this budget, however, it must be remembered that this provides for the faculty and staff a purchasing power which is only a small fraction of what was provided with a budget equivalent to U.S. \$40,000. in 1935-36, a pre-war year.

ASSETS OF HUACHUNG UNIVERSITY

As of September 30, 1947

Operating Funds
(See Note A)

1	Cash balance in the National City Bank of N.Y.		
	Reserve Account.....	\$22,672.68	
2	Joint Account.....	<u>3,408.08</u>	
			\$ 26,080.76
3	Receivable from Harvard-Yenching (See Note B).....		5,000.00
4	" " Dom.&For.Missionary Society (Miss Johnston)		44,000.00
5	" " Dr. John F. Lo		3,863.08 (See
			Note C)
6	" " Central China College Foundation (Founders)		703.66 (See
			Note C)
			<u> </u>
	Total operating Funds.....	\$ 79,647.50	(See Note A)

Special Funds

10	Proctor Johnston Building Fund.....	\$107,287.68	
11	Rehabilitation Fund:		
	Cash in National City Bank.....	\$11,808.18	
	Receivable from Dom.&For.Miss.Soc. <u>18,598.41</u>		30,406.59
12	Miscellaneous Specials.....		2,125.00
13	Scholarship Funds:		
	Homes Scholarship Fund.....	\$ 5,160.00	
	Yunan Student's Scholarship Fund..	7,654.00	
	Dr. Wei's Scholarship Fund.....	<u>2,253.34</u>	14,067.34
14	Dr. Wei's special Travel fund.....		<u>468.81</u>
			<u>155,355.42</u> (See Note D)
	TOTAL ASSETS		<u>\$235,002.92</u> D)

Note A - The figures for operating funds are subject to deductions for commitments made in China and not reported on September 30.

Note B - There is some uncertainty about this Item 3 because of a misunderstanding by Harvard-Yenching. Besides this item, Harvard-Yenching has voted \$2,000 additional for expenses before January 1, 1948.

Note C - Items 5 and 6 will be slow to pay.

Note D - In addition there is the sum of U.S. \$200,000 which has been appropriated by the National Council of the Episcopal Church for new buildings but this is being held by the National Council under certain reservations.

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Operating Reserves

The reserves in operating funds, which increased nearly every year during the war, have now begun to shrink. The total of reserves has changed during the last year as follows:

August 1, 1946	U.S.\$83,001.93
February 4, 1947	U.S.\$77,957.60
August 1, 1947	U.S.\$63,967.40 (subject to correction)

In the estimate for August 1, 1947 it is assumed that the cost of small faculty houses amounting to U.S.\$15,000 has been paid in China as authorized by the Huachung Committee (acting as Huachung Directors). This amount, therefore, has been deducted from the New York balance.

Need for New Buildings

Dr. Wei in his letter of October 9, 1947 reported as follows:

"All the new students are sleeping in 'double deckers' and double deckers have been installed in the new Yen Hostel in order to accommodate more women students. It is not unreasonable for college students in China to be in crowded hostels two years after the war, but certainly it is not conducive to good college education. A certain measure of comfort is necessary to good thinking. I am not thinking of the luxurious conditions of students' hostels in England, but we should not have eight to ten students sleeping in a room intended for only two."

Dr. Wei further speaks of need for more housing for the faculty with at least four and possibly six new houses being needed. He now would recommend the erection of permanent houses. He speaks of a total building fund of U.S. \$300,000 being available, and he suggests the appropriation of \$100,000 of this fund for the above purposes. The funds he speaks of have certain restrictions which may prevent their use for the present.

There will not be time to consider this major matter at the meeting today. Furthermore the general policy of the United Board as well as the wishes of the donors of these funds will have to be obtained.

Oliver S. Lyford,
Treasurer.

February 5, 1948

CENTRAL CHINA COLLEGE FOUNDATION

Report of Treasurer

Following the usual procedure, the Treasurer's Report for the annual meeting of the Trustees is limited to the operations of the New York Office for the previous calendar year. The accounts of the College, being for the College Year ending July 31 are reported each year at the October meeting of the Trustees.

Foundation Office Account

Bank of the Manhattan Company

Calendar Year 1947

1947

January 1st, Balance

\$ 474.67

Receipts

Board of the Reformed Church	325.00	
Yale-In-China	325.00	
National Council*Episcopal Bd.	650.00	
Miscellaneous	2.10*	<u>1,302.10</u>
		1,776.77

Disbursements

Associated Boards for exp.	766.41	
Stenographic services	80.14	
Cable charges	22.89	
Safe Deposit box rental	7.20	
Office expense	13.46	
Assistant Treasurer's salary	<u>360.00</u>	<u>1,250.10</u>

December 31st Balance\$ 526.67

*Check issued to Christian Medical Council dated
March 23rd 1944 was cancelled.

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Reserves in the College Accounts

The reserves on hand in the College Accounts at the close of each College year have continued to increase except for the past year ending July 31, 1947 as shown below:

July 31, 1947	U.S. \$ 101,558
1946	111,776
1945	97,623
1944	91,618
1943	74,475
1942	57,401
1941	51,868

These increases have occurred in funds contributed from various sources for specific purposes. There are no other reserves.

The sources of these grants are listed in a report of the Treasurer, dated January 30, 1946 and entitled "Hua Chung College, Return of the College to Wuchang Campus."

Oliver S. Lyford
Treasurer

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May 3, 1948

Huachung University Committee

Report of Treasurer of the Committee

This is a special report relating to matters which will be up for discussion at the special meeting of the Committee on May 5th.

We have not had complete reports from the University for two years. We hope for such reports from Mr. John Coe as soon as he can prepare them.

Budget

This is for the year ending July 31, 1948. It does not include salaries or allowances to western personnel.

We have received a budget for the University Year 1947-48 and a number of statements indicating that, in spite of the mounting costs of living and the increased rates of exchange, the operating costs are being kept within the budget. This budget which was placed before the Huachung University on October 24, 1947 amounted to a total of U.S. \$55,200 and contemplated receipts as follows:

	<u>Income</u>	US\$
Western Sources:		
American Church Mission		12,000.
American Church Mission Miss Johnston		5,000.
Evangelical and Reformed Church		6,600.
London Mission		1,000.
Methodist Mission		1,400.
Yale-in-China		
		In 1946-47 Yale-in China contributed \$5,000 for the budget. For the year 1947-48 Yale-in-China is making no budget payments but is contributing the salary, travel and allowances of Dr. & Mrs. R.B.Fulton, also \$1,000 toward a Fellowship, and the cost of repairs to the Yale-in-China houses on the campus, - a total of about \$8,900.
Evangelical United Brethren		<u>1,000.</u>
Total co-operating units		27,000.
Harvard-Yenching Institute		5,000.
Special gifts for scholarships		900.
<u>To be found United Board</u>		<u>11,400.</u>
Total western sources		44,300.
Local Sources:		
Government and local gifts (U.S. equivalent)		400.
Registration fees		500.
Tuition and fees		10,000.
Total local sources		<u>10,900.</u>
Grand total income		<u>55,200.</u>

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We have not been advised as to the amounts which have been received on each of the above items, but obviously, if the budget has not been exceeded, at least three quarters of the total should have been received.

Local sources in China apparently are contributing considerably more than the equivalent of the budget total of U.S. \$10,900, for operating purposes shown in the above figures.

It must be realized that a considerable proportion of this remarkable record has involved extreme hardships of faculty, staff and students during these recent months.

Funds Available in America

For All Purposes on April 28, 1948

The funds available for various purposes in New York are as shown in Exhibit A attached hereto. These funds are all in control of the Central China College Foundation and presumably, with adjustments to the date of closer, will be turned over to the United Board for Christian Colleges in China, as provided for in the agreements executed by all the parties some time ago.

It will be noted that the figures do not include the amount of U.S.\$200,000 which has been voted by the National Council for building purposes, and of which \$100,000 has been released for use when conditions in China shall be suitable for building operations at Wuchang. Neither do these figures include the British gift of £ 45,000 to be applied on the cost of the new library building.

The funds amounting to \$82,378.42 in the Surplus Account in Exhibit A are understood to be all available for operating emergencies. These may be compared with reserves at previous periods as follows:

July 31, 1945	U.S. \$96,387.33
July 31, 1946	99,740.11
Sept. 30, 1947	79,647.58

These figures, applying to different dates in the university year are not directly comparable, but they show the extreme care which the University officials have observed in protecting its people against extreme and unexpected emergencies.

Funds for Land and Buildings

It will be seen from the figures referred to above that the funds available for building operations or which will be available are as follows:

Proctor Johnston Building Fund	U.S.\$113,814.11
National Council (\$100,000 immediate, balance later)	200,000.00
British Gift for Library Building £ 45,000, say	<u>180,000.00</u>
	U.S.\$493,814.18

This looks like a lot of money, but we have to remember that the Hua Chung College in prewar days had less than 300 students and the new university is expected to have eventually 800 students with increased teaching and administrative staff, all of whom must have far better living conditions than now exist.

Respectfully submitted,

Oliver S. Lyford,
Treasurer.

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Exhibit A

Central China College Foundation

Balance Sheet

As of April 28, 1948

Assets

In the control of Central China College Foundation

Cash Balances -			
National City Bank (Reserve) (See Schedule #1)		\$ 44,740.68	
National City Bank (Joint)		3,408.08	
Bank of Savings		<u>468.81</u>	
Receivables -			
Central China College Foundation	703.66		
Advance to Dr. John Lo	3,863.08		
Dom.&For. Missy.Society (See Schedule #2)	<u>171,190.70</u>	175,757.44	
Government Bonds		<u>12,000.00</u>	\$236,375.01

Held for the Following Purposes

Accounts Payable - To D. & F. M. Society			550.00	
Specials (See Schedule #3)			2,618.81	
<u>Scholarships:</u>	<u>Bonds</u>	<u>Cash</u>		
Yunan Students	\$7,200	\$ 544	7,744.00	
Holmes Fund	4,800	420	5,220.00	
Dr. Wei's Scholarships		2428.34	2,428.34	
Rehabilitation Fund (See Schedule #4)			21,621.33	
Proctor-Johnston Building Fund			113,814.11	
Surplus Account			<u>82,378.42</u>	\$236,375.01

The above figures do not include the contribution of \$200,000 which has been voted by the National Council for building purposes and of which \$100,000 has been released for use when the conditions in China should become suitable for building operations at Wuchang and plans have been approved. Neither do these figures include the British gift of £45,000 to be applied on the cost of a new library.

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Schedule #1

Specials	\$ 2,150.00
Dr. Wei's Scholarship Fund	2,428.34
Yunan Scholarship Fund	544.00
Holmes Scholarship Fund	420.00
Rehabilitation Fund	13,244.74
Operating Funds	<u>25,953.60</u>

Cash in National City Bank (Reserve) \$ 44,740.68

Schedule #2

Proctor-Johnston Building Fund	113,814.11
Miss Johnston Operating Account	49,000.00
Rehabilitation Fund	<u>8,376.59</u>

Funds held by Dom. & For. Missy. Soc. \$171,190.70

Schedule #3

For Miss Yung	100.00
For support of students	2,000.00
For Bao	25.00
For Dr. Bien	25.00
	<u>2,150.00</u>
For Dr. Wei's Travel expense	<u>468.81</u>

Total Specials \$ 2,618.81

Schedule #4

On deposit with Dom. & For. Missy. Society	8,376.59
Cash Balance - National City National Bank	<u>13,244.74</u>

Total Balance of Rehabilitation Fund \$ 21,621.33

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November 10, 1948

*Copy for
Mr. Sherman*

*Only other copies
are those held by
Bremer, Parker and
Lyford*

Memorandum

Regarding the Transfer of Control of Funds
from the

Central China College Foundation

to the

United Board for Christian Colleges in China

At a meeting of the Huachung Committee of the United Board, held on May 5, 1948, the following action was taken:

"VOTED"
452

"That the Treasurer of Central College Foundation be authorized to transfer all funds of Huachung University in the possession of the Foundation (with the exception of personal funds belonging to members of the faculty) to the United Board for Christian Colleges in China, on or before June 30, 1948, with a detailed explanation of the responsibilities for the use of the funds."

Owing to unforeseen circumstances, this action of the Treasurer was delayed and is now being carried out as of November 1, 1948. At present the Foundation is not holding any personal funds such as mentioned in the above vote.

There is a small fund for the operation of the New York Office of the Foundation. This is provided annually by the three American sustaining missions and in past years usually has covered the expenses of the New York Office, including its proportion of the office expense of the Associated Boards for Christian Colleges in China. This fund is carried in the Bank of the Manhattan Company. The balance in this account on November 1, 1948 was \$ 413.90 . This amount is being transferred to the United Board today.

All other funds controlled by the Foundation are held for the benefit of Huachung University. These constitute only about ten per cent of the total funds now held in New York for the University. The total funds are as follows:

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Funds held in New York City for the benefit
of
Huachung University
As of November 1, 1948

Funds held by Central China College Foundation-(See Note A)

Cash Balances at National City Bank

Operating Funds

Reserve Account.....	\$5,087.70	
Joint Account	<u>3,408.08</u>	\$ 8,495.78

Rehabilitation Fund.....	13,244.74	
Yunnan Scholarship Fund.....	634.00	
Holmes Scholarship Fund.....	<u>480.00</u>	
		\$22,854.52

Cash Balance at Bank for Savings

Dr. Wei Travel Fund	468.81	
Receivable from Dr. John Lo	3,863.08	
<u>Bonds - U.S. Government</u>	<u>12,000.00</u>	
		\$39,186.41

Funds held by Dom. & Foreign Miss. Society (See Note B)

Johnston Operating Account	\$49,000.00	
Rehabilitation Account	3,609.77	
Proctor Johnston Building Fund.....	114,628.18	
Episcopal Board Building Fund	<u>180,000.00</u>	<u>347,237.95</u>

Total	\$386,424.36	
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These funds, combined according to purpose, are as follows:

<u>Operating Funds (See Note C)</u>		
In Reserve Account (Note D).....	\$5,087.70	
In Joint Account (Note E).....	3,408.08	
In Johnston Account (Note F).....	49,000.00	
Receivable from Dr. John Lo (Note G)	<u>3,863.08</u>	61,358.86
 <u>Rehabilitation Funds (Note H)</u>		
In Reserve Account of the Foundation ...	\$13,244.74	
In Dom. & Foreign Mission Account	<u>3,609.77</u>	16,854.51
 <u>Building Funds (Note I)</u>		
Proctor-Johnson Fund.....	114,628.18	
Episcopal Board Fund.....	<u>180,000.00</u>	294,628.18
 <u>Dr. Wei Travel Fund (Note J).....</u>		
		468.81
 <u>Yunnan Scholarship Fund (Appendix K)</u>		
Cash.....	634.00	
U.S. Bonds.....	<u>7,200.00</u>	7,834.00
 <u>Holmes Scholarship Fund (Appendix L)</u>		
Cash.....	480.00	
U.S. Bonds.....	<u>4,800.00</u>	<u>5,280.00</u>
		<u>\$386,424.36</u>

Notes and Appendices

- Note A - These items constitute all the active funds held by Central China College Foundation as of November 1, 1948.
- Note B - These are the balances reported to Central China College Foundation. Amounts therefrom will be paid to Huachung University on the request of the President or Treasurer of the University, after approval of the Huachung Committee of the United Board (which Committee formerly was the Board of Founders of Hua Chung College)
- Note C - Operating Funds
During and since the Japanese War, the cost of operating Hua Chung College was covered by new money secured each year from the Supporting Missions, the Associated Boards, the Chinese Government, local friends and student fees. The wise and cautious management by the President, Treasurer and other administrators in China resulted in almost every year in a surplus of income over expenses. The figures under this heading represent the total surplus accumulated during this period.

Note D - Reserve Account

This is an account of the Foundation in the National City Bank of New York. It is subject to check signed by any two of the following: President, Arthur M. Sherman, Treasurer, Oliver S. Lyford, Assistant Treasurer, John Greiner.

Note E - Joint Account

This is an account in the National City Bank controlled jointly by the University and by the Foundation. In usual procedure checks will have to be signed jointly by the President and the Treasurer of the College. To provide against extreme emergencies it has been so arranged that on request from the President or Treasurer of the University, Mr. Lyford, as Treasurer of the Foundation, may sign checks alone. This account has been inactive most of the time since it was started.

Note F - Johnston Account

Originally Miss Johnston contributed \$5,000 each year for activities in the School of Art of Hua Chung College, which were to be additional to those financed by the Dom. & Foreign Mission Society. When the activities of the College were restricted by the Japanese invasion, she continued to make the same annual contribution and agreed that the money might be used for operating purposes other than the School of Arts. However, such use has been limited as much as possible and the fund has accumulated.

Note G - Account Receivable from Dr. John Lo

This account is the balance of costs paid by the Foundation at the request of President Wei because of the illness of Mrs. Lo and their two children. Dr. Lo has agreed to pay this off as and when he shall have the funds available.

Note H - Rehabilitation Funds

These are the balances on November 1, in appropriations made by the Foundation and the Episcopal Board, respectively.

Note I - Building Funds

These amounts have been appropriated for future developments in land and buildings which are not designed or approved except a few faculty residences and two student hostels.

Note J - Dr. Wei Travel Fund

This is an account consisting of deposits made from time to time by Dr. Wei, to assist faculty members of Huachung such as he shall designate.

Appendix K - Yunnan Scholarship Fund

This is explained in detail in the Appendix K attached hereto.

Appendix L - Holmes Scholarship Fund

This is an endowment fund. Its history and purpose is explained in the Appendix L attached hereto.

Respectfully submitted,

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Appendix K
Yunnan Students Fund

EXTRACT

from the minutes of the meeting of the Board of Directors
of Central China College Foundation
held at Calvary House, New York
November 2, 1945

The Treasurer called attention to a minute and vote of the Executive Committee Pro tem at its meeting held in Hsichow on April 16, 1945, as follows:

"A report was received from the Yunnan Students' Clubs on the results of the endowment campaign of last summer. Mr. Coe was instructed to go over the accounts with the assistance of Mr. Shih Sheng-Ho. The Treasurer reported that the amount received had been exchanged and produced U.S. \$7,294.

Ex. 298:

Voted that Mr. Lyford be asked to invest this in the U.S.A."

Dr. Wei in a letter dated October 3, 1944 stated that this money was being raised for "the Endowment Fund which is to be earmarked for scholarship for Yunnan students to come to Huachung after our moving back to Wuchang. The amount represents a great deal of effort on the part of the Yunnan students which indicates their devotion to the College and the good will of the Yunnan people who have been giving this fund."

Acting under the above vote, Mr. Coe has notified us that the amount received from the Yunnan Students' Club as of April 16, 1945 has been made available in his U.S. accounts in Hsichow, and he has requested that we invest from the Reserve Account the amount of \$7,294 in the U.S.A. Accordingly, we have purchased for this account \$7,200 U.S. Savings Bonds Series G and we are holding the balance of \$94 in the Reserve Account in the National City Bank to be added to any subsequent payments for the same purpose. The Bonds are deposited in the safe deposit box of the Foundation in the Chase Safe Deposit Company at Fourth Avenue and 23rd Street.

On motion it was

VOTED that the Foundation accepts this trust to be administered as an endowment earmarked for scholarships for Yunnan students to come to Huachung after the institution shall have moved back to Wuchang. Principal and interest shall be disbursed as instructed by the President of the College.

Appendix K

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Appendix L

October 5, 1944

The Holmes Scholarship Fund

in

Hua Chung College

The complete record of the founding of the Holmes Scholarship Fund is as follows:

According to letters from Dr. Wei and Mr. Coe. Hua Chung College received in China in May 1943 notice of a gift of N.C. \$127,000 from Mr. Nathaniel Holmes III. This came through the good offices of Rev. B. B. Chapman in Australia, with whom there had been correspondence for about two years.

At a meeting of the Executive Committee Pro-tem held on June 8, 1943, at Hsichow, this gift was received for the Directors and it was:

"Ex.-233 - VOIED that the gift of N.C. \$127,000 from Mr. Holmes be received and the money turned into U.S. currency for investment by the Board of Founders in the U.S.A. as an endowment fund to establish the Holmes Scholarship Fund in Hua Chung College."

On June 25 the money had been collected and placed at the credit of the College in the bank in China. At the exchange rate then current (slightly less than 30 to 1) this amounted to U.S. \$4,340. Mr. Coe reported thereon as follows:

"I am therefore making the transfer on my books (that the College received N.C. \$127,000 for U.S. \$4,340. Will you please charge this to the Joint or Reserve Account and handle the investment of it in accordance with the action of the Executive Committee Pro-tem, if it meets with the approval of the Board of Founders."

In a letter from Mr. Coe written on November 17, 1943, he reported that an additional amount of N.C. \$12,147.34 had been received from Mr. Holmes for the same purpose. This sum converted into U.S. currency at the current official rate was equivalent to U.S. \$415. This is being treated by Mr. Coe the same as the first amount. Therefore the total sum in this Holmes Scholarship Fund is now U.S. \$4,755.

Mr. Holes was found by Mr. Lyford to be a resident of the United States, with an office at 49 Oliver Building, Pittsburg, Pa. and a residence at 235 Bellefontaine Street, Pasadena 2, California. We have a letter from him reading

as follows:

"Dear Mr. Lyford:

Your letter of February first has just been forwarded to me from my office in Pittsburgh.

Just prior to the outbreak of the war with Japan, I made a contribution to help a school that Rev. B. Burgoyne Chapman and his wife - (both close friends of mine) were very much interested in and at which they expected to continue their work after 20 years or more spent in education in China.

After the start of the war, they found that it was not feasible to carry out the work that they had contemplated.

As the money had already been transferred to the bank in Kuming he decided that the best thing to do was to further the work already established by one of the colleges. So that the fund was turned over to Hua Chung College.

Recently I had a very nice letter from President Wei thanking me for the gift and saying that the Executive Committee had recommended that the fund in my name be established and the income therefrom be used for scholarships. If this seems to be a feasible and practical manner in which to utilize this money, I will be glad to have helped out to this extent.

The appendage 3rd to my name was an error.

Hoping this will give you the information desired,

Sincerely yours,
/signed/ Nathaniel Holmes II"

Mr. Lyford's reply to this letter was as follows:

"My dear Sir:

I was greatly pleased to receive your letter of February 8th and to be correctly informed about the generous gift to Hua Chung College. The proceeds of your gift have been transferred to New York and the Board of Trustees of Hua Chung College had a meeting last week at which time the money was received and the gift accepted with full appreciation of what it will mean to those who may profit by the scholarships resulting therefrom. The money will be invested in this country in accordance with instructions from the Finance Committee of "Central China College Foundation" which has the authority to

receive and manage such funds.

Please accept our hearty thanks supplementing those which you have received from President Wei."

Formal Steps Taken

The formal vote of the Executive Committee Pro-tem is quoted above.

At the meeting of the Trustees of Hua Chung in New York on February 11, 1944 the notice of this gift was received with great appreciation and after discussion it was

VOTED
325 that the action of the Executive Committee Pro-tem as above reported, is hereby approved and this amount of \$4,755 shall be transferred to the Central China College Foundation with authority to the Finance Committee of the Foundation to establish the regulations under which the money shall be invested.

At a special meeting of the Executive Committee of Central China College Foundation, acting as the Finance Committee under the Constitution of the Foundation, on April 4th, 1944 the question of investing the Holmes gift was discussed and the conclusion reached that, for the present at least, it was best to put this money into Government Bonds, and on motion it was:

VOTED that the Holmes Scholarship Fund be invested in United States Government Bonds, Series G.

Subsequently a donation of \$45. was made to the Fund making an even \$4,800 which was withdrawn from the Reserve Account in the National City Bank and invested as directed in the last resolution above quoted.

Oliver S. Lyford,
Treasurer.

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