Kentucky University,
Treasurer's Office, June 12, 1877.

To the Curators of Kentucky University:

In accordance with that provision of the Charter of Ky. University which requires the Treasurer to "render a true account current of the State of his office to the Board of Curators at its annual meeting", I beg leave to submit the following report.

I. Endowment Fund.

The amount collected of this fund, as reported June 1, 1876, was $215,412 10. This has been augmented by amount collected by the General Agent, $416.85, plus interest while in his hands, $31.15; total $448; and it has been diminished by amount refunded to Mercer County $99.87; leaving the amount of this fund, June 1, 1877, $215,760 23.

The uncollected portion of the Endowment fund, as reported by the General Agent, June 1, 1874, was $38257 08. As the business of collecting this has not been placed in my hands, I can make no report of the same.

II. Investments.

The amount invested in Stocks and bonds in the hands of the Executive Committee, June 1, 1876, was $157,486 66. Early in May 1877, the Lexington & Frankfort R. R. bonds ($25000 00) were paid by the receiver of the Louisville, Cincinnati, & Lexington R. Road, leaving the amount invested $132,486 66. The mode of investment is as follows:

Northern Bank of Kentucky,	16 Shares,	cost	$ 1600 00
Farmers Bank of Kentucky,	50 "	"	5000 00
Commercial Bank of Kentucky,	400 "	"	41574 00
Bank of Kentucky,	110 "	"	10826 00
Danville and Frankfort Turnpike,	30 "	"	1500 00
Danville and Nicholasville Turnpike,	8 "	"	800 00
Louisville, Cincinnati, and Lexington R. Road,	54 bonds	"	46686 66
Kentucky Central R. Road,	8 "	"	8000 00
Lexington City Bonds,	16½ "	"	16500 00
Total			$ 132486 66

The dividends on the Stock of the Northern Bank of Kentucky have been during the last fiscal year 9%; of the Farmers Bank 6%; Bank of Kentucky 10%; The Lexington City Bonds pay 8% annually; the Kentucky Central R Road 7%; the Danville and Frankfort Turnpike paid 3%; the Danville and Nicholasville nothing.

The Commercial Bank of Kentucky has paid no dividend since July 1873. Its stock, the worth 70 cents to the dollar, has since greatly declined. ~~Its present value I am unable to state. I would earnestly~~ Its directors proposed reducing its Capital to one-fourth of its present amount, thus getting down the four hundred shares of the University to ~~call the attention of the trustees to the condition of this portion of the invested fund~~ one hundred. ~~At the Executive Com~~ By instructions of the Executive Committee I have ~~accepted~~ acceded to this proposal.

The Louisville, Cincinnati, and Lexington R. Road bonds, usually denominated Short Line Bonds, are seven per cents, and are secured, principal and interest, by the first mortgage of $3,000,000 on the property of the road. Till recently none of their past due coupons have been paid, but about a month since the first set, namely those bearing date Jany 1 1874, were paid with accrued interest. The amount of past due coupons of bonds held by the University, including those paid to the Professors on their salaries, will, by July 1, 1877, be $13230. These coupons have appreciated very much in value during the past year. A Sale of the road with all its franchises is set for Oct. 1. 1877.

III. Real Estate and Building Fund.

The indebtedness of this fund to the Endowment fund, as reported June 1. 1876, was $23,557 08. This has been augmented by transfers from the General Expense Account to the extent of $5868 53, making the present balance to the debit of this fund $29,425 61.

The amount of uncollected subscriptions to this fund, as reported ~~June 1. 1876, was $25,461 64~~ by the General Agent June 1. 1874, was $23,557 08. The amount since reported to me as collected by him to Oct. 15, 1875, is $3950 89. As the ~~management~~ collection of these ~~fund~~ subscriptions is not in my hands, I am unable to report what amount has been received since the date last mentioned.

IV. Apparatus Fund.

The balance to the credit of this fund, June 1. 1876, was $2,838 98. This has since been diminished to the extent of $600 by transfer from General Expense Account, leaving the present balance $2238 98.

V. Prize Fund. (2)

This fund, composed, Jany 1. 1871, of Coupons given by E. D. Sayre, F. K. Hunt, and Jas. C. Stone, to the nominal value of $3000, has remained in the hands of the General Agent. I am, therefore, unable to report the number of Coupons sold, or the amount received for them.

(Insert here Coupon Account below)

VII. Farm Account.

The expenditure for student labor, farm hands, and other farm expenses from June 1. 1876 to June 1. 1877 was (2845.03 + Insurance 75.00 + Int. 22.09) $ 2942 12

Salaries of superintendents same dates		373 00
Total expenses		$ 3315 12
Receipts from garden, farm produce, rent of land &c.	$ 1158 30	
" " Sale at Ashland January last	(1493 67)	2651 97
Excess of expenditure over receipts		$ 663 15

VIII Agricultural and Mechanical College Account.

Receipts from Treasurer State of Kentucky		$ 9900 00
" for fees of Students		1665 00
" " rent of houses to Professors		450 00
Total receipts		12015 00
Expenses. Salaries of Professors	$ 7700 00	
Salary of Treasurer (in part)	200 00	
Interest on Bills Payable	688 71	
Incidentals	849 11	9437 82
Excess of receipts over expenses		$ 2577 18
Deduct the deficit on farm		663 15
Net excess of receipts for College and Farm		$ 1914 03
Amount of debits to Agric. & Mech. College transferred from Genl Expense Account		4484 34
Excess of debits		$ 2570 31

VI. Coupon Account.

The amount of Coupons issued to June 1. 1877 is	$
" " " redeemed to same date is	
Leaving amount unredeemed, June 1. 1877	$

~~VIII~~ IX. General Expense Account.

Receipts.	Fees College of Arts	$1325.00	
	" Bible College	755.00	
	" Commercial do.	29.00	2109.00
	Dividend Bank of Ky	1100.00	
	" Northern Bk. Ky.	144.00	
	" Farmers Bk. Ky.	300.00	
	" Danville & Frankfort Turnpike	45.00	
	Interest Lex. City Bonds	1320.00	2909.00
	" Nok R.E.&B. Fund	3553.56	
	" " A.&M. College	630.26	
	" " Mech. Dept.	70.00	
	" Lex. & Frank. R.R. bonds	258.33	
	" L. C. & L. do. do.	2272.35	10784.50
	Rent Blythe house		300.00
	Total receipts		$16,102 50
Expenses.	Salaries College of Arts	$4750.00	
	" Bible College	3500.00	8250.00
	" Treasurer (in part)		300.00
	Interest on Bills Payable		3332.18
	Incidentals		1856.25
			13,738 43
	Excess of receipts over expenses		$2,364 07
Credits.	By transfer from A.&M. College a/c	$4484.34	
	" " " R.E.&B. Fund "	5868.53	
	" " " Mech. Dept. "	1902.83	
	" " " Apparatus Fund.	600.00	
	" " " C.D. Luxton's a/c	30.00	12885.70
	Excess of credits during fiscal year		$15,249.77

Excess of receipts over expenses (A.&M. C. and farm), as above,		$1914 03
do do do (Genl Expense)	do	2364 07
Total excess of receipts for all the Colleges & the farm		$4279 10

It will be observed that no income from $8000 of bonds Kentucky Central

R. Road is entered in the receipts above. These bonds are hypothecated for a debt of $6709.03 due D. A. Sayre & Co., and the coupons are collected by them and applied as payments of interest on the debt due them.

X. Cash Account.

Debits. Amount on hand June 1. 1876			$ 53.19
Interest rec'd on bonds State of Kentucky,		$ 9900.00	
" " " City of Lexington,		1320.00	
Dividends " " Stock Bank of Kentucky		1100.00	
" " " " Northern Bk. of Ky.		144.00	
" " " " Farmers Bk. of Ky.		300.00	
" " " " Danville & Frankfort Turnpike		45.00	12809.00
Fees, " in A. & M. College		1415.00	
" " " College of Arts		1265.00	
" " " Bible College		725.00	
" " " Commercial College		29.00	3434.00
Rent of grass land to Simmons		172.00	
Sales from garden, farm, &c		338.15	
Auction Sale at Ashland in January		1493.67	2003.82
From D. A. Sayre & Co. in part of collection from Louisville, Cinc. & Lex. R. Road			22630.33
Borrowed from Banks ($256.52 + $591.46)			847.98
Total			$ 41478.32
Credits. Amt. pd Professors		$ 11940.00	
" " Superintendants of farm		188.70	
" " Treasurer		375.00	
" " expenses on the farm		2489.26	
" " Bills Payable		4105.87	
" " Interest on same		1284.45	
" refunded Mercer County		99.87	
" pd. Incidentals		2677.05	
Endowment money loaned on call		10000.00	
Total			33160.20
Leaving cash on hand, June 1. 1877,			$ 8618.12

Of this amt. the sum of $8372 is endowment money leaving a balance of $246.12 available for current expenses.

XI

Liabilities of Kentucky University.

		Notes.	Account	Total
	$ $ $ $			
Henry H. White	(1500+1000+1000+1250)	4750 00	600 00	5350 00
J. H. Neville	(1000+1350+1300+875+675)	5200 00	900 00	6100 00
R. Milligan	(750+850)	1600 00	125 00	1725 00
A. R. Milligan	(1500+775+875+675)	3825 00	450 00	4275 00
R. Peter	(972.25+875+355+250)	2452 25	750 00	3202 25
H. W. Everett	(400+250)	650 00		650 00
J. G. White	(300+150+150)	600 00	750 00	1350 00
H. P. Perrin	(789.14+700+2361.91)	3856 05		3856 05
J. Shackleford		200 00	675 00	875 00
R. Graham	(1125+875)	2000 00	1200 00	3200 00
J. W. McGarvey	(875+675)	1550 00	900 00	2450 00
J. D. Pickett	(327.94+560.15+328.35)	1216 44	890 00	2106 44
D. A. Sayre & Co.		6709 03		6709 03
Northern Bank		1009 89		1009 89
Fayette Nat. Bk.	(600+1028.33)	1628 33		1628 33
Lex. City Nat. Bk.		271 63		271 63
Barnes & Wood		309 89		309 89
M. G. Thompson		517 03		517 03
W. C. P. Breckinridge		780 00		780 00
F. K. Hunt		250 00		250 00
D. S. Goodloe			250 00	250 00
J. K. Patterson			850 00	850 00
F. M. Bebeti			350 00	350 00
Thos. Egan			33 00	33 00
A. R. Crandall			250 00	250 00
		39375 54	8973 00	48348 54

Total indebtedness as above		48348 54
Less Cash on hand (other than Endowment money)	246 12	
" Amt due University from J. B. Bowman	290 10	
" " " " " J. A. Deane	119 91	
" " " " " E. D. Luxton	300 00	686 13
Leaves net indebtedness		47662 41
Net indebtedness June 1, 1876		51870 64
Decrease during fiscal year (apart from accrued unpaid interest)		$4208 23

The net indebtedness by Notes and Accounts as above is	$47,662.41
The estimated interest on Bills Payable to June 1, 1877 is	3,275.00
Making a total of	50,937.41
To which must be added the floating debt — say	1000.00
	51,937.41
From which deduct income to be received by July 1, 1877	6374.00
Leaving a balance of	$45,563.41

This sum is subject to another deduction of the cash value of 378 coupons Short line bonds which will have matured by July 1, 1877. The face value of these is $13230, and the accrued interest $1190, a total of $14420, which deducted from $45563.41 above, leaves $31143.41, the net indebtedness after exhausting the available resources. A similar calculation in my last report gave $34475.64, showing an improvement during the fiscal year of $3332.23.

XII. Entire Indebtedness.

The collected Endowment Fund is		$215760.23
" " Apparatus Fund is		2238.98
Making Joint fund		$217999.21
Deduct, Investments in Stocks & Bonds	$132486.66	
Endowment money (uninvested)	25000.00	
Bills receivable ($3271.19 + 448.00)	3719.19	
Total		161205.85
Deficit in Endowment & Apparatus funds		$56793.36
Net Liabilities as given above	$47662.41	
Debit balance of Gen'l Expense a/c	3792.63	
Excess of Liabilities over balance Gen. Ex. A/c		9736.04
Making a total to be accounted for of		$66529.40

This may be done by the following items:

Due from R.C. & B. Fund	(See trial balance)	29425.61
" " A.&M. College	" " "	17936.25
" " Mech. Dept.	" " "	14163.50
" " do. do. (G. W. Yost's note)		5000.00
" " W.H. Marquam (amt. overpaid him)		4.04
Total		$66529.40

It will thus be seen that the Endowment and Apparatus funds have been used for the benefit of the R. E. & B. Fund, the A. & M. College, and the Mechanical Department, to the extent of $56793.36, and that the General Income of the University has been used for the benefit of the same to the extent of $9732.

To make good the Endowment and Apparatus Funds will require ~~$56792.36~~ the sum of $56,793.36

And to meet the Bills Payable, accrued interest thereon, and sums due on account, after deducting the income to be received by July 1, 1877, will require 45563.41

Making a total of $102356.77

A similar calculation in my last report gave $107158.87

The available resources to reduce this sum are the Short Line Coupons ($13230) previously mentioned, with their accrued interest, the amount that may be collected of the R. E. and B. Fund, and the sum that may be received from the sales of wagons, reapers, &c, in the Mechanical Department.

Annexed will be found the Trial Balance of the books of the Treasurer, presenting the state of each account June 1, 1877.

Respectfully submitted,

D. S. Gardner Treas

Trial Balance, Kentucky University, June 1, 1877.

Balances.	Ledger Footings	Titles.	Ledger Footings	Balances.
	9987	Endowment Fund	215860 10	215760 23
132486 66	154486 66	Investment	25000 00	
8618 12	41838 32	Cash	33220 20	
29425 61	29425 61	R. E. & B. Fund		
8719 19	8719 19	Bills Receivable		
17936 25	33531 27	A. & M. College	15595 02	
37926 37	65723 62	General Expense	27797 25	
14163 50	14163 50	Mechanical Department		
	600 00	Apparatus Fund	2838 98	2238 98
	26411 28	Bills Payable	65786 82	39375 54
290 10	4476 82	J. B. Bowman	4186 72	
	1150 00	J. K. Patterson	2000 00	850 00
	375 00	D. S. Goodloe	625 00	250 00
		R. Milligan	125 00	125 00
	400 00	H. H. Whitt	1000 00	600 00
	750 00	R. Peter	1500 00	750 00
	600 00	J. H. Neville	1500 00	900 00
	1350 00	J. D. Pickett	2240 00	890 00
	300 00	A. R. Milligan	750 00	450 00
	825 00	J. Shackleford	1500 00	675 00
	750 00	J. G. Whitt	1500 00	750 00
	350 00	F. M. Helveti	700 00	350 00
30 00	30 00	E. D. Luxton		
119 91	826 85	J. A. Deane	706 94	
	800 00	R. Graham	2000 00	1200 00
	600 00	J. W. McGarvey	1500 00	900 00
	900	Thos. Egan	123 00	33 00
10000 00	10000 00	Farmers & Traders Bk		
404	404	W. H. Marquam		
	2500 00	A. R. Crandall	5000 00	2500 00
6628 00	6628 00	D. A. Sayre & Co.		
266347 75	408555 03		408555 03	266347 75

Copy Treasurer's report
June 12. 1877.

D. J. Goodloe Treasurer