Annual Report to the Board of Directors of the North-Western Christian University

Ovid Butler
North-Western Christian University

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REPORT.

To the Board of Directors of the North Western Christian University, May session, 1855:

A review of the progress which we have made in the great work of founding a Collegiate Institution for the North West, is peculiarly appropriate at the present time. The term for which we were elected Directors will soon expire, and another election is to be held on the 11th day of July next, and before another meeting of the Board of Directors. It would be well, therefore, to give, not only to the stockholders, but to the new Board of Directors, some information of what we have done in discharge of the duties devolving upon us as Directors.

We have now attained a point in the progress of our labors, from which we can best review the past—make some note of our present position—and look more clearly into the future prospects of our enterprise.

We meet now for the first time in the University building, and are enabled to see in it the result of our past labors. All that we contemplated doing for the present, in reference to the building is accomplished.

The west wing of the intended edifice is completed, except perhaps the exterior stairs in the west front. This wing is so constructed, as to give to it, of itself, the appearance of a finished building. It needs no commendation from me, and I do but give expression to the general sentiment in saying that it is well adapted to the purposes for which it has been erected, and combines in a high degree all the architectural graces, with strength durability, and economy.

While we congratulate ourselves upon this result of our labors, we should acknowledge with gratitude and thanksgiving the blessing of our Heavenly Father, which has hitherto attended our efforts. The work is, however, but begun and to make the institution what we have desired and purposed it to be—a powerful and perpetual advocate of the cause of God and Humanity—those whom Christ Jesus
has made free must be willing to labor in its behalf. Thus laboring we may rely on the continued blessing of the Heavenly Father upon our enterprise.

The Charter of the N. W. Christian University was approved on the 15th day of January, A. D. 1850. The Company could not be organized under its provisions until 750 shares or $75,000 should be subscribed to the satisfaction of the Commissioners named in the Charter. That amount having been subscribed; the company was organized on the 14th day of July, 1852, by the election of the present Directors. Upon the Directors devolved the duty of closing up the subscriptions—collecting, securing, consolidating, and increasing the funds—of procuring a site, and erecting suitable buildings thereon for the Institution. These were the first duties, and the action of the Directors has been mostly limited to their discharge.

A full and accurate statement of the financial affairs and condition of the Company is important at the present time. It would be most gratifying to me to be able to make such statement as full and as accurate as might be desired. This, however, could not be done, without a thorough review and examination of all the books and papers of the company, and it may be the correction of some errors. This would require more time and labor than I can devote to it. Such statement as I can make, may however be regarded as an approximation to what would be the results of such examination, and may be sufficiently accurate for general purposes. In making out the statement I have brought the accounts forward to the 1st day of May, 1855, and not beyond. I have thought it better to adopt the 1st of May as the commencement and close of the fiscal year for the Company. The Board have adopted that day for the annual payment of interest on loans of the endowment fund. By adopting it as the close of the fiscal year, it will give time for the proper preparation of the accounts and reports before the annual meeting of the Board.
The stock closed, either by payments, notes or bonds, amounts in the aggregate to 870 shares or, ........................................ $87,000 00
The stock subscriptions unclosed amount to 319 shares, or ........................................ 31,900 00

Making a total of stock subscriptions of......................................................... $118,900 00
This amount of stock should yield an Endowment fund of ..................................... 79,266 67
A building fund of, ......................................................... 39,633 33

Of the Endowment Fund there has been paid into the Treasury and applied to building purposes, the aggregate sum of ........................................ 5,478 61
Leaving of Endowment Fund outstanding upon notes, bonds and subscriptions, ........................................ 73,788 05

Of the principal of the building fund portion of the stock, there has been paid into the Treasury, ........................................ 15,052 06

There is outstanding of this Fund in notes, as per the Secretary's Report, ........................ 13,376 07
There is also outstanding of this Fund upon unclosed stock subscriptions, as per Secretary's Report, ........................................ 10,355 02

Making a total of Building Fund, of ........................................ 38,783 15

Showing a deficit in this Fund of ........................................ 850 18

The above estimates cover a pretty heavy amount of unavailable stock subscriptions, and it would not be safe to estimate the whole at more than 1000 shares, or ........................................ $100,000 00

Yielding an Endowment Fund of ........................................ 66,666 67
And a Building Fund of ........................................ 33,333 33

This last estimate would show an available Building Fund beyond the amount of former collections as above, of ........................................ $18,281 27

The Receipts at the Treasury, since the organization of the Company, have been as follows:

Received per John O'Kane, in two per cent payments on stock subscriptions, which were not entered on Register of Receipts, ........................................ $430 53
Received of Jno. O'Kane, on account of Donations not Registered, ........................................ 365 00
Received of Ovid Butler in Land. in payment for stock—payment not Registered, ........................................ 3,000 00
Received by James Sulgrove, Treasurer, paym'ts registered, $3,739 50 less O'Kane Receipts, $584 66 ........................................ 3,155 14
Received by James M. Mathes Treasurer, paym'ts registered, $951 33 less O'Kane Receipts, $16, ........................................ 935 33
Received by J. T. Cox, Treasurer paym'ts registered to 28th November, 1853, ........................................ 1,191 21
Received by J. T. Cox, Treasurer paym'ts, registered to 20th May, 1854, ........................................ 5,841 84
Received by J. T. Cox, Treasurer, paym'ts, registered to 28th November, 1854, ........................................ 3,818 34
Received by Ovid Butler, Treasurer, paym'ts registered to 1st May, 1855, ........................................ 3,776 39

Total of Receipts, ........................................ $22,513 78
The above Receipts are on account of different Funds, as follows:

On account of principal of Building Fund portion of stock, 15,052 06
On account of interest on Building Fund portion of stock, 111 12
On account of Donations, 740 56

Total of Building Fund, $15,903 74
On account of Endowment Fund, 5,478 61
On account of Endowment Interest Fund, 1,131 43

Total of Receipts as above, $22,513 78

The disbursements, since the organization of the Company, have been as follows:

In allowance to O'Kane, without warrant, for services as Agent, 795 53
In allowance to Ovid Butler, in stock, for lands—the University grounds, 3,000 00
In redemption of warrants by James Sulgrove, Treasurer, $2,214, less warrants on acct. of O'Kane receipts, $279.66, 1,934 34
In redemption of warrants, by J. M. Mathes, Treasurer, 508 40
In redemption of warrants, by J. T. Cox, Treasurer, 1,447 23
In redemption of warrants by Ovid Butler, Treasurer, 441 72
Paid under several special orders of the Board, to the President for building purposes, 13,998 82

Total of Disbursements, $22,126 04

Leaving in the Treasury, 387 74

Of this balance there is in the hands of John T. Cox, late Treasurer, the sum of $237 74, according to the Treasurer's report; and the remainder, $100, is also in his hands, and is the result of an error in his computation of the amount of his deposits in his Report of May 1854.

The above presents as fully as I am now able to do, the present condition of the Funds of the Company, and although the entire accuracy of the figures may not be relied on, yet they are believed to be sufficiently accurate for present purposes.

It must, however, be recollected that a considerable portion of the stock subscriptions were made upon conditions for time for payment, and that probably not more than two-thirds of the outstanding amounts are now due. The payment of the balance is deferred to different periods within the next three or four years. The same observation applies as well to the payment of both Building Fund and Endowment Interest Fund.
It is also to be noticed and regretted, that a too considerable portion of the stock reported, and in the above statement estimated as closed, has not been closed according to the Charter and By-Laws, in this, that no security has been given for the Endowment Fund portion of such stock. On such stock, and upon all stock on which the third is not paid, no certificate can be issued, and although included in the above estimates they can only be regarded as stock in anticipation of the payments and security required by the Charter and By-Laws:

The above estimates do not include what has been loaned to, or advanced for the Company for building purposes; as these amounts were not received at the Treasury, but placed in my hands as Building Agent and Superintendent, together with the amounts paid me for such purposes out of the Treasury, as above named.

I file herewith a statement of my account as Building Agent and Superintendent, by which it appears that:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>There has been expended and paid to contractors and others for building purposes</td>
<td>23,495 72</td>
</tr>
</tbody>
</table>

I have received for such purpose:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the Treasury, including first order in favor of Tinsley, of $100</td>
<td>14,098 82</td>
</tr>
<tr>
<td>Of B. F. Reeve, on sale of $500, in warrants, 4½ per cent discount</td>
<td>477 50</td>
</tr>
<tr>
<td>Of loan of $3000 from Sinking Fund, less 1 year's interest, at 7 per cent. in advance</td>
<td>2,790 00</td>
</tr>
<tr>
<td>I have advanced</td>
<td>6,129 40</td>
</tr>
</tbody>
</table>

There is still due to contractors and others, for work and materials upon the building, some 3,500, for the most of which the contractors are very pressing, and I doubt not they are much in need of the money.

From the above estimate, it will be perceived that the whole cost of the building, including all incidentals and contingencies is something less than $27,000, a result at which we may well congratulate ourselves, unless, indeed, it shall appear that the contractors are not sufficiently rewarded for what they have done upon the building.—We have, however, good reason to believe that if promptly paid the balances due them, they receive a fair compensation for their labor and material. We have in this illustrated the Economy and facility with which strength, permanence and beauty may be combined in the construction of a building.
Our building is simply what it seems to be, and truthfully presents to the beholder, the appearance of what it is, in all the materials composing it. The exterior of its walls of brick and stone is left uncovered and unpainted, and upon all its exterior and interior wood-work, varnish has been substituted for paint. There have been no appliances to give to the materials of this building an appearance of aught that they are not, or to disguise their true character, but by a happy and skillful combination of a few varieties of the most common materials, the structure has an imposing appearance, and produces a most pleasing effect. Thus is illustrated the beauty of Truth in its proper and harmonious combinations and arrangements.

Such is the building which we have erected as the seat—the home of an institution of learning of the highest class, for the thorough education of youth in all the branches of a liberal and professional education—for the preparation of teachers of the Common Schools of the country—for the inculcation of Christian Faith and Christian morality in the study of which the Bible shall be the sole Text-Book, and for the promotion of the Arts and Sciences.

The building which we have erected constitutes, not the Institution which we have contemplated, but simply and only a Home for such an institution. And while we congratulate ourselves upon the apparent fitness and appropriateness of that home, we must look to the future, with hope it may be, but also with some mingling of anxiety for the further and higher development of our designs. Our next step is to fill this home with proper inmates—in other words to establish the contemplated institution, for the accommodation of which we have been making preparations. This step is transcendently more important than any we have yet taken, and peculiarly requires from the Directors—not only the exercise of their best judgements, but the aid of that wisdom which is from above.

For the accomplishing of this step, funds are necessary, and it becomes us to enquire whether, with our present and prospective means, we may now venture to fix the time for the opening of the Institution.
We have already stated the available prospective amount of the Building Fund to be, say ........................................ $18,281 27
The unredeemed and outstanding warrants of the Company may be estimated at ........................................... $4,012 33
From this, however, may be deduced the amount of a warrant given for land, and made payable in stock, included in the foregoing estimates as paid, ........................................... 1,000 00

Leaving of outstanding warrants redeemable out of the Building Fund, ........................................... 3,012 33
There is due on the Sinking Fund loan, exclusive of interest, 3,000 00
There is due to contractors and others for work and materials on the building, say, ........................................... 3,500 00
There is due Endowment Fund, ........................................... 5,478 61
There is due to Endowment Interest Fund, for moneys rec'd, 1,131 43
Also interest, (say for one year,) on amount of Endowment Fund appropriated on building, ........................................... 328 72
There is due to Ovid Butler for money advanced, ........................................... 6,129 40

Total of indebtedness, ........................................... $22,580 49

The whole of this indebtedness of $22,580 49 is payable out of the Building Fund, and exceeds the estimated amount of this Fund some $4,299 22. Nor is this deficiency all that it will be necessary to make provision for. Time will be necessary to make what is due the Building Fund available, and the largest portion of the debts of the Company, require speedy payment, and should not be deferred. The payment of the amount due the Endowment Fund may be deferred upon the annual payment of interest to the Endowment Interest Fund. The payment, too, of the Sinking Fund Loan will not be required for something more than four years, if the annual interest is regularly paid in advance each year. No consideration should induce the delay of payment, of the balances due the contractors.

In the above estimate of the indebtedness of the Company, there is not included the amounts due the Agents, Officers and Directors of the Company, and others whose accounts have not been liquidated, and for which no allowances have been made or warrants drawn. These items will amount to a considerable sum.

Before opening the Institution further expense will be necessary. The building is unfurnished—the grounds uninclosed. To furnish the building properly—to clear out and dress up the grove of forest trees—and to enclose the University Grounds, are required for the proper accomodation of the Institution. It is difficult to make an es-
timate of the amount of funds which will be required for that purpose.

I have thus presented as briefly and clearly as practicable a statement of the indebtedness of the Company, from which the Board will perceive the responsibilities of those who have the management of its affairs, and the necessities for greater efforts, and it may be, closer economy in its future operations.

For whatever purpose an investment may be made, the prudent man desires to know that his investment has not been wasted—but that it retains its value, in whatever shape it may assume. The stockholders in this Company, as they have a tangible and abiding interest in it, and in its funds and property, will feel the more solicitous to know how the pecuniary value of their investment has been affected by the action of their agents; I therefore present below a statement showing the present cash value of the stock. In making this statement, I estimate the stock at 1000 shares, but whether more or less, it will not materially affect the value of each share. The failure of any portion of it would tend to increase rather than diminish the value of each remaining share, as such failure would result not only in the forfeiture of the stock, but of all payments made upon it.

Estimating the number of shares at one thousand, the whole stock at par would amount to $100,000 00.

The funds and property of the Company, estimated at their Cash value, are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Fund in the hands of the Company, or outstanding upon Bonds, notes or subscriptions</td>
<td>$66,666 67</td>
</tr>
<tr>
<td>Balance Building Fund, outstanding upon notes and subscriptions</td>
<td>18,281 27</td>
</tr>
<tr>
<td>University Grounds, 25 acres, estimated at $500 per acre</td>
<td>12,500 00</td>
</tr>
<tr>
<td>University building, estimated at</td>
<td>30,000 00</td>
</tr>
<tr>
<td>Total</td>
<td>$127,474 94</td>
</tr>
</tbody>
</table>

From this deduct the indebtedness of the Company as above stated, 22,580 41

Also for supposed further indebtedness for which no warrants have been drawn, 2,000 00

Showing value of Funds and property, $102,867 53

This estimate shows that the stock is nearly three per cent. above par in pecuniary value.
Upon opening the institution an annual expense of not less than $5000. 00 will be required to sustain it. This is to be met by the interest upon the Endowment Fund, which in this report I have called Endowment Interest Fund:

Upon that Fund it will be perceived by reference to the foregoing statements there has been received, $1,131 43

There is due to the Company from that Fund for interest on amount of Endowment Fund appropriated for building purposes, say 328 72

There was also due and still unpaid to that Fund, as interest on Bonds, as per Secretary's Report:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the 1st of May, 1854</td>
<td>$1,019 62</td>
</tr>
<tr>
<td>On the 1st of May, 1855</td>
<td>$2,370 57</td>
</tr>
</tbody>
</table>

Total available Endowment Interest Fund, 4,850 34

After the close of the present year the annual payments upon this Fund will be increased, but I am not able to say definitely what they will amount to in each year, as the time for the payments of interest upon a portion of the amounts loaned to Stockholders has been deferred in closing up the stock according to conditions made in the subscriptions.

To sustain the Institution nothing can reasonably be expected from tuition fees. These will all be absorbed in the payment of interest upon the stock. That interest will begin to run against the company upon the opening of the Institution, and cannot afterwards be suspended upon any contingency whatever. The annual interest due the stockholders payable in tuition, estimating the stock at 1000 shares will amount to $6,000. It is important to the institution that there should be no great accumulation of this interest, and such provisions should be made as would be calculated to absorb it, in the tuition fees.

I have thus presented a view of the present financial condition of the company, and it remains for the Board, not only to devise ways and means for meeting the liabilities of the Company, but also to determine what action, if any, is now proper and expedient in reference to opening the Institution.

The opening of the Institution is an event most desirable, and desired by no one more ardently than by me. And yet it is extremely questionable whether it would be either proper or safe to venture upon this step till something is done to relieve the Company from embarrassment and to enable it to sustain the Institution. Cannot some
thing be done and done speedily. Where is the public spirit of the citizen, or the liberality of the Christian, if this beautiful edifice, devoted to God and Humanity, to Science and Christianity, is to remain untenant ed, for the want of that material aid, which, without much of self sacrifice they can abundantly supply.

The Preparatory School was re-opened in the University Building on the 9th of April last, under the charge of Professor A. R. Benton. It is progressing finely, and the prospect is that it will be well sustained. The design is to continue it until the opening of the Institution. We may well congratulate ourselves in having secured for this school the services of a man so deservedly popular, and so well qualified as is Mr. Benton.

The Committee on the Preparatory Department will probably report more definitely on this subject.

All of which is respectfully submitted.

OVID BUTLER, President.

MAY 29th, 1855. Board Directors, N. W. C. University.

BOARD OF DIRECTORS, N. W. CHRISTIAN UNIVERSITY.

MAY SESSION, A. D., 1855.

On motion of Jeremiah Smith the following Preamble and Resolutions were adopted:

WHEREAS, It is important that the stock of this University be increased, that its indebtedness may be liquidated, and the college proper opened at the earliest day practicable.

WHEREAS, The failure of crops and depression of times make it almost wholly impossible to enlist persons in the enterprise who have not yet taken stock; therefore

Resolved, That all our present stockholders be, and they are hereby earnestly requested to increase their stock by taking as much more additional stock as they are able, payable as early as practicable.

Resolved, That this be printed with the report of the President.

I certify that the foregoing is a true copy of the Preamble and Resolutions adopted by the Board of Directors at the May session, A. D. 1855.

OVID BUTLER, Jr., Secretary.

JUNE 4, 1855. North Western Christian University.