

C O P Y

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December 10, 1936

Chancellor E. H. Lindley
University of Kansas
Lawrence, Kansas

Dear Chancellor Lindley:

Before going into our Athletic Board meeting Monday evening, may I present some possible solutions. I am giving you statements and facts which I believe have materially affected our financial standing the last few years.

Sheet #1 of the enclosures gives our estimated income from football, as compared with the actual income. You will notice this is nearly \$20,000.00 below the amount budgeted. Our budget figures would enable us to operate to June 1 on a gross income of \$69,800.00, with an additional \$5,000.00 to September 1. With \$20,000.00 less than this, it appears that we will have to make some sort of an arrangement for approximately \$25,000.00 to carry on to September 1, our fiscal year closing June 1.

I have divided my solutions under five headings and submit them for your consideration as follows:

1. To borrow the necessary amount from banks. This, however, is perhaps a questionable solution. We have had to borrow money every year for the past five years, with one exception, to enable us to carry on until football receipts came in. It was my opinion that as soon as things turned for the better, our gate receipts would increase to such an extent that we would be able to accumulate a little surplus. This would enable us to carry on through bad seasons without having to borrow money. We have been very fortunate in the past in being able to get what money we needed without any difficulty. However, due to our poor showing the past season and with the outlook none too bright for next season, I am not so sure that bankers will be willing to loan us money.

2. To sell outright the tract of land known as the "Cowans" tract just south of the University, is another solution. This tract of ten and one-half acres of land was purchased by the University of Kansas Physical Education Corporation in May, 1924 for \$12,000.00. It is, at the present time, used as an intramural field, and was purchased by the department to avoid encroachment by others upon land adjoining University grounds. Since this was purchased, we have been paying 5½ per cent interest on our outstanding bonds and receiving no income whatever from this land.