

Financial Statement

FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Antioch College

YELLOW SPRINGS, OHIO, 45387



THESE STATEMENTS ARE SUMMARIZED FROM THE BOOKS OF THE COLLEGE. THE DETAILED ACCOUNTS AS WELL AS THE REPORT OF THE COLLEGE'S AUDITORS, LYBRAND, ROSS BROS. & MONTGOMERY, ARE AVAILABLE AT THE BURSAR'S OFFICE OF THE COLLEGE IN YELLOW SPRINGS.

To the President, Board of Trustees, and Administrative Council:

I am pleased to transmit Antioch College's summarized financial report.

This abbreviated report is taken from the "Report on Examination of Financial Statements" for the academic and fiscal year that ended June 30, 1966, as prepared by Lybrand, Ross Bros. & Montgomery.

Although called a "financial report," it has always been my purpose in preparing this narrative account to relate the figures to the programs which underly them. It is the complexity of these programs that differentiates the financial statement of a college from an industrial enterprise of comparable size.

Balance Sheet

Although individual lines in the statement of assets and liabilities show changes when compared to the prior year, there have not been significant changes in the college's overall financial position.

Special Funds

Special Funds, with the exception of student loan funds and reserves, are essentially "in-and-out" accounts. Money is received for special purpose and is expended for that use. All money received may not be expended in the year received, and hence special fund "balances" appear.

The following tabulation indicates the nature, number, and expenditure activity in these accounts.

Kind	Number	Expenditures
Reserves	23	100,856
Fels Research	40	978,359
Book Funds	10	17,204
Student Financial Aid	28	155,471
Research	47	646,680
Miscellaneous	33	366,356

In order to relate the expenditures in the student aid funds to later discussion on this topic, it is necessary to point out that loans are not considered to be expenditures; such transactions are regarded as replacement of cash by receivables.

Endowment Fund

The balance sheet carries marketable securities

at \$2,520,629, their book value. The market value as of June 30 was \$3,012,587. These funds as of this date were divided approximately 47% bonds, 53% stocks, using market values. The return was 4.5% on book value and 3.8% on market.

The remainder of the Endowment assets are divided between receivables (by far the largest being Sunrise Center), investment in real estate (almost entirely in faculty housing), and investment in college plant.

The receivables decreased by over \$100,000 reflecting an accelerated payment of principal by Sunrise Center in return for the college's agreement to their refinancing plans. Real estate and investment in plant continue to reduce as principal is repaid each year.

The Endowment increased only nominally—approximately \$50,000.

Plant Fund

The year was marked by an unusual phenomena—there were no major construction projects undertaken. However, this is not to say that plant improvement is at an end, for substantial headway was made in planning a new academic building to be known as McGregor Hall. This building will house the departments of psychology, sociology, anthropology, political science, and testing. In addition it will contain a number of classrooms designed to serve a variety of teaching techniques. It will also provide, for the first time, laboratory facilities for psychology.

In my last report I recounted the College's residential development known as Birch Subdivision II. The second phase of the subdivision has now been completed, and 19 more lots have been offered for sale. Only a few of these remain unsold. The demand for these larger (½ acre) more expensive lots is much keener than for the smaller lots, which are available in other Yellow Springs developments.

It is interesting to note that although the book value of the plant is approximately \$9 million, the insurable value is now stated at over \$10 million and that value, of course, does not include the land.

Given our resident student population of about

800, this figure suggests that over \$12,000 in capital investment is required for each student.

Statement of Operations

The statement of operations refers only to what we call the "General Fund" in our accounts and includes the specific activities referred to. The largest, of course, is the general undergraduate education program. For the first time in five years both the education program and the total fund show a deficit, although measured against the total of the combined operations, which amounts to over \$4.5 million, the deficit is only 1%.

The principal reasons for the loss were: lower contributions, reduced overhead on government contracts resulting from procedural changes, losses in the Antioch Press operation.

The technique of keeping expenditures within an accurately determined budget is well-mastered. Deviation of expenditures from budget have averaged less than 1% over a 10-year period. The problem of balanced operation lies in the pressure to meet expanding needs, and this pressure is usually in the direction of understating expenses and overstating income. The problem is not one of control, but of forming a realistic budget.

Student Financial Aid

This topic must, I think, become more generally a fixture in the financial reporting of colleges.

Antioch has long relied upon student-originated funds to finance both its educational program and the feeding and housing of the students. As more of its dormitory capacity becomes dependent upon borrowed capital, even the physical plant construction becomes a charge upon the students. Although few colleges would derive as large a percentage of their operating revenues from students as does Antioch, almost all colleges are in the position of seeing this percentage increase.

This trend towards assessing the higher costs upon the student is accompanied by increasing demands upon the college to find ways of assisting students to meet these costs.

There is certainly a relation between the capacity of a college to select its students and its ability to cope with the students' financial limitations. Precisely what this relationship is can be only partially understood at this time. In any event, increased sophistication in financial aid record-keeping is imperative.

To that end the college accepted a grant from

the College Scholarship Service (a division of the College Entrance Examination Board) to undertake a project to standardize financial aid records. This study is almost complete, and, using the methods and terms which it recommends, we can indicate with precision the amount and nature of financial aid which our students received in the academic year 1965/66. The following figures are selected from the data assembled:

Total of Grants	\$307,108
Number of Students Receiving Grants	481
Total of Loans	\$217,573
Number of Students Receiving Loans	365
Total of Grants and Loans	\$524,681
Total Number of Students Aided	580
% of Student Body Receiving Aid	32%

The study also undertook to determine the sources of money from which this assistance derived.

Unrestricted College Funds	\$ 93,313
Restricted Funds from Outside Donors	239,028
Student-Originated Grants and Loans	192,340
Total	\$524,681

Contributions

While 1964/65 marked the final push towards the Ford Foundation match, the 1965/66 year might be called one of breath-catching. And, as might be expected, gifts declined from the prior year. Total contributions were about \$1.5 million. Of this sum \$182,000 was for unrestricted current operations.

The purposes and sources of the gifts are summarized as follows:

Purpose	
Current Expenditures (Including Special Funds)	\$ 612,360
Expendable Capital	881,258
Endowment	53,435
	<hr/>
	\$1,547,053

Source	
Alumni	\$ 94,122
Other Individuals	134,136
Foundations	918,012
Corporations	129,437
Government	230,090
All Other	41,256
	<hr/>
	\$1,547,053

MORTON A. RAUH
Vice-President

YELLOW SPRINGS, OHIO
October 11, 1966

Comparative

<i>Assets</i>	June 30, 1966	June 30, 1965
GENERAL FUND		
Cash	\$ 119,556	\$ 95,965
Commercial notes	587,364	1,033,041
Notes and accounts receivable	92,711	77,106
Inventories	37,306	40,450
Prepaid expenses and other assets	23,059	9,161
	<u>\$ 859,996</u>	<u>\$ 1,255,723</u>
 SPECIAL FUNDS		
Cash	\$ 361,618	\$ 350,159
Stocks and commercial notes	1,649,875	1,221,966
Notes and accounts receivable	659,990	386,624
Pledges receivable, Advancement Program	519,100	648,000
U.S. Public Health grants receivable	265,103	305,947
Due from other College funds	174,849	589,472
	<u>\$ 3,630,535</u>	<u>\$ 3,502,168</u>
 ENDOWMENT FUNDS		
Cash	\$ 19,286	\$ 92,586
Stocks, bonds, and commercial notes	2,520,629	2,210,207
Notes, mortgages, and land contract receivable	2,229,879	2,365,505
Accounts and deposits receivable		500
Due from other College funds	32,412	49,234
Real estate	81,836	84,381
Investments in College plant	581,832	611,905
	<u>\$ 5,465,874</u>	<u>\$ 5,414,318</u>
 PLANT FUND		
Cash	\$ 13,274	\$ 59,168
Cash and securities in bond sinking funds	136,697	121,920
Due from other college funds	20,000	40,299
Cash and securities in dormitory maintenance and equipment reserve fund	14,113	7,500
Notes receivable	636,966	249,451
Prepaid interest		3,881
Investment in plant	8,267,186	7,965,003
	<u>\$ 9,088,236</u>	<u>\$ 8,447,222</u>
 TOTAL ASSETS	 <u>\$19,044,641</u>	 <u>\$18,619,431</u>

Balance Sheet

Liabilities

June 30, 1966 June 30, 1965

GENERAL FUND

Student deposits	\$ 127,461	\$ 131,913
Accounts payable and accrued liabilities	217,758	171,466
Due other College funds	194,851	589,472
Fund	319,926	362,872
	<u>\$,859,996</u>	<u>\$ 1,255,723</u>

SPECIAL FUNDS

Accounts payable	\$ 63,564	\$ 29,573
Due other College funds	2,600	47,224
Notes payable, Endowment loan	29,810	42,309
Land Contract Payable	12,000	16,000
Reserves for equipment, improvements, etc.	468,538	447,422
Unappropriated gifts to Advancement Program	1,007,707	820,370
Other Special Funds	2,046,316	2,099,270
	<u>\$ 3,630,535</u>	<u>\$ 3,502,168</u>

ENDOWMENT AND ANNUITY FUNDS

General Endowment	\$ 3,781,869	\$ 3,732,338
Glen Helen	500,000	500,000
Special purposes	1,174,521	1,172,391
Annuity funds	9,484	9,589
	<u>\$ 5,465,874</u>	<u>\$ 5,414,318</u>

PLANT FUND

Accounts payable and accrued interest	\$ 31,048	\$ 68,838
Notes and mortgage payable	155,500	106,500
Bonds payable	1,384,000	1,406,000
Endowment funds invested	581,832	611,905
Deposits in Birch Lots	4,900	8,900
Plant Fund	6,930,956	6,245,079
	<u>\$ 9,088,236</u>	<u>\$ 8,447,222</u>

TOTAL LIABILITIES AND FUNDS

\$19,044,641 \$18,619,431

GENERAL FUND BALANCE

Balance July 1, 1965	\$ 362,872
Excess of income over expenses and appropriations for the year ended June 30, 1966	(42,946)
	<u>\$ 319,926</u>

Statement of Operations

	1965-66	1964-65
GENERAL EDUCATION BUDGET		
INCOME		
Student tuition and fees	\$2,704,472	\$2,619,557
Endowment	265,491	253,136
Contributions	182,360	244,408
Royalties	69,211	59,517
Administrative overhead receipts	24,569	67,405
Rental and miscellaneous	63,108	54,374
	\$3,309,211	\$3,298,397
EXPENSES		
General administration	\$ 163,980	\$ 168,166
Student services and financial aid	360,786	347,726
Public services and information	148,368	149,836
General institutional	657,857	614,677
Maintenance and operation of plant	318,303	310,824
Library	174,809	154,452
Teaching departments	989,127	967,784
Other educational	504,272	484,019
	\$3,317,502	\$3,197,484
	(\$ 8,291)	\$100,913
 DINING HALL AND ANTIOCH INN		
INCOME		
Total sales	\$ 720,976	\$ 707,672
EXPENSES		
Salaries and wages	\$ 285,652	\$ 302,972
Food	303,203	277,032
All other	129,470	119,498
	\$ 718,325	\$ 699,502
	\$ 2,651	\$ 8,170
 DORMITORIES		
INCOME		
Room rents	\$ 399,875	\$ 344,488
EXPENSES		
Operating	\$ 250,733	\$ 241,198
Debt service	144,654	96,336
	\$ 395,387	\$ 337,534
	\$ 4,488	\$ 6,954
 ANTIOCH PRESS		
INCOME		
College work	\$ 67,880	\$ 75,989
Outside work	106,844	111,124
	\$ 174,724	\$ 187,113
EXPENSES		
	\$ 201,817	\$ 204,729
	(\$27,093)	(\$17,616)
 ANTIOCH-PUTNEY GRADUATE SCHOOL		
INCOME		
.....	\$ 51,838	\$ 23,813
EXPENSES		
.....	\$ 66,539	\$ 51,888
	(\$14,701)	(\$28,075)
Excess of income over expenses	(\$42,946)	\$ 70,346