

Antioch Financial Statement 1967-68



<i>Notes and accounts receivable</i>	5937
<i>Inventories</i>	1189
<i>Prepaid expenses and other assets</i>	1433
	5899
Special Funds	91976
<i>Cash</i>	
<i>Stocks and commercial notes</i>	204891
<i>Notes and accounts receivable</i>	1647093
<i>Pledges receivable,</i>	997330
<i>Advancement Program</i>	
<i>U.S. Public Health grants receivable</i>	277388
<i>Due from other College funds</i>	283413
<i>Prepaid expenses</i>	486496
	20912
	3867523
Endowment Funds	
<i>Cash</i>	
<i>Stocks, bonds, and commercial notes</i>	49251
<i>Notes, mortgages, and land contract</i>	2740970
<i>Due from other Colleges</i>	2296705

**Financial Statement, Fiscal Year Ending June 30, 1968
Antioch College, Yellow Springs, Ohio, 45387**

The statements in this report are summarized from the books of the College. The detailed accounts and the report of the College's auditors, Lybrand, Ross Brothers and Montgomery, are available at the Bursar's Office of the College in Yellow Springs, Ohio.

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

Our complete auditors' report—43 pages of essential detail—is far too complex to give a general picture of Antioch's financial transactions. Therefore, I usually summarize and interpret it in a report for general distribution. This is the sixteenth such report.

BALANCE SHEET

Pages 12 and 13 of this report show the College's assets and liabilities as of June 30, 1968. They separate the four funds, or accounting categories, of the College, and I discuss each in the paragraphs below.

Although there are very substantial differences between entries for 1967 and 1968, these result largely from movements of cash between receipt, short-term investment, and expenditure. For example, for many Special Fund Projects we characteristically receive funding in advance. We hold these advance payments in the General Fund so that the interest they earn may accrue to the general education program and, to some extent, compensate for indirect costs that we could not otherwise recover from these special projects. The degree to which these funds are intermingled is measured by the inter-fund liabilities, which change during the course of a year. The important fact is that these liabilities are fully offset by cash or short-term investments and are not a deficit.

One of the most interesting items on the balance sheet is the General Fund Surplus, which amounted to \$232,311 as of June 30, 1968. For an enterprise that is expending over \$5.5 million dollars, a reserve margin of this size would be considered excessively small by commercial standards. However, it is characteristic of educational institutions to operate without the reassurance of comfortable surpluses. If we could quantify in dollars the value of our educational output, perhaps we could show a more typical "profit."

GENERAL FUND

The General Fund accounts for the following activities: the undergraduate program, dining halls, dormitories, Antioch Press, and Antioch-Putney

Graduate School. In total these operations cost \$5.7 million. For this volume, the total excess of expense over income (\$4,719) is about as close to break-even as is possible—a deviation having been achieved of less than one tenth of one per cent.

In the undergraduate program, where the budgeting process is most complicated (but best understood), expenses exceeded budget by about 1½ per cent, and receipts exceeded estimates by 2½ per cent. Both of these figures are well within tolerable margins of error.

Dormitories, which are expected to pay for themselves, did not. In looking at the operating figures, we may find it interesting, but not useful, to speculate on what the results would look like if the dormitory plant did not carry a debt-service load of almost \$150,000 annually. It is because of this large fixed charge that we tend to push our occupancy predictions too high. We budget for 95 per cent occupancy, a figure often unattainable with our highly fluid program and unpredictable student residence.

This year the Antioch-Putney Graduate School of Education achieved for the second year its goal of being self-supporting. It has also experienced phenomenal growth, having increased its enrollment from 10 students in 1964 to over a hundred students in the year just past.

SPECIAL FUNDS

Expansion of colleges and universities is usually seen as growth in student enrollment. Antioch has another kind of growth. It is the growth of activities for special purposes, financed from special receipts.

These activities range from book funds as small as \$54 to service contracts as large as \$225,000, and they include research grants, which range from small individual faculty projects to large-scale national studies of campus governance. In total scope, these activities are very much an integral part of Antioch.

The table on the next page shows how much these separate special activities have expanded in recent years.

GROWTH OF SPECIAL ACTIVITIES

YEAR	NUMBER	EXPENDED (IN THOUSANDS)
1959-60	65	\$578
1960-61	60	532
1961-62	62	566
1962-63	60	505
1963-64	66	646
1964-65	75	853
1965-66	86	1,176
1966-67	120	1,885
1967-68	114	2,591

ENDOWMENT FUND

The Endowment Fund statement this year shows one marked departure from previous statements. We were able to implement a plan, considered for several years, to regard the marketable securities of the Endowment as an investment portfolio. Into this pooled fund we have placed funds "owned" by the General and Special Funds that are long-term by nature, for example, retirement and equipment reserves. By putting such funds into longer-term investments, we hope their principal can be better protected against the erosion of inflation.

The result is to show endowment investments, and endowment liabilities, as having increased by \$457,000. In contrast, the actual net growth of endowment, in terms of new receipts, is again modest—about \$50,000.

As of July 31, 1968, about 62 per cent of the marketable securities Antioch holds were invested in common stocks.

For the first time we have been securing from our investment advisors an index of the performance of the common stocks we hold. For comparison purposes, this index of values is shown against the Dow Jones Industrial Averages in the table on the next page.

INDEX OF COMMON STOCK VALUES

DATE	ANTIOCH	DOW JONES
October 14, 1966	100.0	100.0
April 14, 1967	116.6	111.3
September 29, 1967	122.9	119.9
March 29, 1968	114.2	109.5
July 15, 1968	127.6	120.0

The Endowment Fund investments have been listed at the end of this report.

PLANT FUND

The Plant Fund shows major change, which reflects the construction of McGregor Hall. Another large addition to plant is the replacement of our second over-aged boiler in the college power plant.

STUDENT FINANCIAL AID

Colleges customarily accept a considerable responsibility for helping students to meet their educational costs. The ideal goal of any college would probably be to admit students without regard to their ability to pay. Unfortunately, achievement of that goal is beyond the reach of all but a few richly endowed institutions.

Nevertheless, Antioch has managed to couple its own resources with the increased federal and state programs to provide substantial assistance to a large number of students. This assistance is usually a combination of outright grants with loans. More recently, the federal work-study program has come into increased use. As Antioch's costs rise, the problem of financing its students becomes more difficult. Along with administrators of other private colleges, Antioch is becoming increasingly apprehensive about pricing itself out of the market.

Unfortunately, we know how to determine neither the "pricing-out"

figure nor the "market." The number of completed applications for admission received has grown from 1406 applications in 1964-65 to 1878 in 1968-69, while during the same interval tuition has risen from \$1,500 to \$2,270. However, the need for financial assistance has also grown. It is of utmost significance to our financial stability that we successfully relate three factors: rising costs, the capacity of our clientele to meet these costs, and our financial aid resources. The student financial aid program in the year 1967-68 is summarized in the table below.

STUDENT AID PROGRAM

GRANTS

Unrestricted college funds	\$151,000
Contributed funds to college	112,300
Interracial funds	137,000
Antioch-Putney	68,000
Total awards made by college	\$468,300
Grants made directly by donor to student ..	223,000
Total of all grants	\$691,300

LOANS

College loan funds	\$36,000
NDEA loans	220,000
Loans made directly to students	128,000
Total of all loans	\$384,000
Total of all aid	\$1,075,300

The total number of students receiving one or more kinds of assistance was 679, or 36 per cent of the enrollment.

The total of all assistance is 29 per cent of tuitions and fees collected. This is an important index figure, which provides over a span of time some

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Statement of Operations

indication of the dependence of student-generated income on financial assistance programs for Antioch students.

CONTRIBUTIONS

Like so many other terms in higher education, the word *contribution* is subject to a wide variety of interpretations. It has been our practice to receive as contributed income all income other than student charges, endowment income, rents, royalties, and interest. Thus, an unrestricted gift for general operations and a government allocation for student loans are both accounted for as contributions. Using this convention, consistent with past practice, the contribution total of 1967-68 was \$1,917,726 compared with \$1,503,403 in the year before. Most of this increase was in the Special Fund activities discussed above.

The difference between \$1.9 million reported here and the figure of \$233,631 (see "Statement of Operations"), which is the totally unrestricted portion of contributed receipts, is a good measure of one of the most severe financial problems in higher education: the tendency of educational support to go to special projects rather than to the ongoing undergraduate program.

A further interesting fact is that 55 per cent of contributed income stems from the federal government.

MORTON A. RAUH, *Vice-President*
Yellow Springs, Ohio
October 4, 1968

	1967-68	1966-67
GENERAL EDUCATION BUDGET		
INCOME: Student tuition and fees	\$3,272,490	\$2,908,833
Endowment	252,848	269,091
Contributions	233,631	200,002
Royalties	71,047	70,795
Administrative overhead receipts	179,170	113,464
Rental and miscellaneous	96,774	88,954
Total income	\$4,105,960	\$3,651,139
EXPENSES: General administration	\$246,218	\$224,388
Student services and financial aid	472,799	402,748
Public services and information	232,783	209,841
General institutional	810,411	740,376
Maintenance, plant operation	356,022	333,249
Library	218,768	200,613
Teaching departments	1,136,545	1,106,296
Other educational	571,261	492,030
Total expenses	\$4,044,807	\$3,709,541
EXCESS OF INCOME (EXPENSES)	\$61,153	(\$58,402)
DINING HALL AND ANTIOCH INN		
INCOME: Total sales	\$693,260	\$719,987
EXPENSES: Salaries and wages	\$310,649	\$313,211
Food	266,502	280,478
All other	122,720	123,285
Total expenses	\$699,871	\$716,974
EXCESS OF INCOME (EXPENSES)	(\$6,611)	\$3,013
DORMITORIES		
INCOME: Room rents	\$405,849	\$382,952
EXPENSES: Operating	\$288,313	\$261,486
Debt service	143,757	139,953
Total expenses	\$432,070	\$401,439
EXCESS OF INCOME (EXPENSES)	(\$26,221)	(\$18,487)
ANTIOCH PRESS		
INCOME	\$118,714	\$157,204
EXPENSES	\$151,754	\$166,224
EXCESS OF (EXPENSES) OVER INCOME	(\$33,040)	(\$9,020)
ANTIOCH-PUTNEY GRADUATE SCHOOL		
INCOME	\$417,622	\$175,068
EXPENSES	\$408,333	\$162,230
Reserve	9,289	12,838
Total expenses	\$417,622	\$175,068
TOTAL: EXCESS OF INCOME (EXPENSES) ...	(\$4,719)	(\$82,896)

Comparative Balance Sheet

Assets

	JUNE 30, 1968	JUNE 30, 1967
GENERAL FUND		
Cash	\$164,516	\$134,253
Commercial notes	883,568	593,766
Notes and accounts receivable	171,765	118,423
Inventories	14,043	14,331
Due from other funds	1,165
Prepaid expenses and other assets	4,432	58,992
Total general fund	\$1,239,489	\$919,765
SPECIAL FUNDS		
Cash	\$128,658	\$204,891
Stocks and commercial notes	916,008	1,647,093
Investment in endowment fund securities	457,000
Notes and accounts receivable	1,067,395	997,330
Pledges receivable, Advancement Program	204,238	277,388
U.S. Public Health grants receivable	234,175	283,413
Due from other College funds	763,172	436,496
Prepaid expenses	36,479	20,912
Total special funds	\$3,807,125	\$3,867,523
ENDOWMENT FUNDS		
Cash	\$168,400	\$49,251
Stocks, bonds, and commercial notes	3,254,156	2,740,970
Notes, mortgages, land contract receivable	2,229,468	2,296,705
Due from other College funds	4,809	17,309
Real estate	65,822	79,290
Investment in College plant	517,868	550,503
Total endowment funds	\$6,240,523	\$5,734,028
PLANT FUND		
Cash	\$12,235	\$87,313
Commercial notes	148,483	750,825
Sinking fund	164,199	149,123
Dormitories	27,908	20,948
Notes and accounts receivable	58,925	59,668
Investment in plant	9,149,454	8,224,131
Total plant fund	\$9,561,204	\$9,292,008
TOTAL ASSETS	\$20,848,341	\$19,813,324

Liabilities

	JUNE 30, 1968	JUNE 30, 1967
GENERAL FUND		
Student deposits	\$48,043	\$59,239
Accounts payable and accrued liabilities	220,407	214,673
Due other College funds	738,728	408,823
Fund	232,311	237,030
Total general fund	\$1,239,489	\$919,765
SPECIAL FUNDS		
Accounts payable	\$85,685	\$180,518
Notes payable, endowment loan	4,809	17,309
Land contract payable	4,000	8,000
Deferred income, Great Lakes Colleges Assn. ...	15,337	14,589
Reserves for equipment, improvements, etc.	430,141	414,402
Unappropriated gifts to Advancement Program ..	348,754	804,962
Other special funds	2,918,399	2,427,743
Total special funds	\$3,807,125	\$3,867,523
ENDOWMENT AND ANNUITY FUNDS		
General endowment	\$3,922,347	\$3,881,475
Special funds invested in endowment fund securities	457,000
Glen Helen	500,000	500,000
Special purposes	1,322,493	1,324,952
Due other College funds	19,109	13,252
Annuity and life income funds	19,574	14,349
Total endowment and annuity funds	\$6,240,523	\$5,734,028
PLANT FUND		
Accounts payable and accrued interest	\$101,088	\$73,043
Notes and mortgage payable	99,000	99,000
Bonds payable	1,334,000	1,362,000
Due other College funds	6,500	15,585
Endowment funds invested	517,868	550,503
Deposits in Birch lots	4,400
Plant fund	7,502,748	7,187,477
Total plant fund	\$9,561,204	\$9,292,008
TOTAL LIABILITIES AND FUNDS	\$20,848,341	\$19,813,324
GENERAL FUND BALANCE		
Balance July 1, 1967	\$237,030
Excess of income over expenses and appropriations, 1967-68	(4,719)
Total general fund balance	\$232,311

Endowment Fund Investments

COMMON STOCKS

AMP, Inc.
American Electric Power Co.
American Home Products Corp.
American Telephone & Telegraph Co.
Burlington Industries
Caterpillar Tractor Co.
Central and South West Corp.
Chemical Bank New York Trust Co.
Corning Glass Works
Dayton Power & Light Co.
Diamond International Corp.
Eastman Kodak Co.
Federated Department Stores, Inc.
First National Bank in Dallas, Texas
First Troy National Bank & Trust Co.
Florida Power & Light Co.
Ford Motor Co.
General Mills, Inc.
General Motors Corp.
General Public Utilities Corp.
Gillette Co.
Heublein, Inc.
Houston Lighting & Power
International Business Machines
Corp.
Kennecott Copper Corp.
M.C.A., Inc.
Miami Deposit Bank
Morris Bean & Co.
New Carlisle National Bank
J. C. Penney Co.
Polaroid Corp.
Scott Paper Co.
Southern California Edison Co.
Standard Oil Co. of New Jersey
Sundstrand Corp.
Texaco, Inc.

Texas Gulf Sulfur Co.
Texas Utilities Co.
Trane Co.
T.R.W., Inc.
Union Oil Co.
Westinghouse Electric Co.
Winters National Bank & Trust Co.
Xerox Corp.

COMMERCIAL BONDS

American Telephone & Telegraph Co.
Anheuser-Busch, Inc.
Baxter Laboratories, Inc.
Caterpillar Tractor Co.
Chase Manhattan Notes
Collins Radio Co.
Colorado Interstate Gas Co.
Consolidated Edison Co.
Consumers Power Co.
Detroit Edison
Federal Land Bank Consolidated
Federal National Mortgage
Association
Florida Power & Light Co.
General Motors Acceptance Corp.
Michigan Bell Telephone
Northern States Power
Pittsburgh, Cincinnati, Chicago &
St. Louis R.R.
Public Service Electric & Gas Co.
Sears, Roebuck & Co.
Southern California Edison Co.
Southern New England Telephone
Co.
Standard Oil Co. (Indiana)
Tennessee Gas Transmission Co.
Texas Electric Service Co.
Walt Disney Productions