

Financial Statement

1971-72

Antioch College

Yellow Springs, Ohio

November 1, 1972

The Board of Trustees

Treasurer's Report, 1971-72

The year ending June 30, 1972, was a dismal year financially for private colleges throughout the country. Antioch was no exception. There were losses in Yellow Springs, in the Washington-Baltimore campus, and in the Graduate School of Education.

Yellow Springs met its budgeted income, but overexpenditures amounted to \$100,000. In addition, there were losses of \$26,000 in the dormitory operation and \$152,000 in the dining halls.

The Graduate School of Education had a loss of \$27,000 because we failed to collect tuition fees completely.

Washington-Baltimore lost \$489,000. We were unable to meet our budgeted enrollment figures, we did not collect fees sufficiently, and we did not cut expenses when the number of students declined.

For three years in a row we have had serious losses in Yellow Springs dining halls and in our Washington-Baltimore general operation. These have accumulated to a total of \$375,000 in the Yellow Springs dining halls and \$700,000 in Washington-Baltimore.

We have tried various plans for eliminating the dining halls loss. None has worked. We may find that with the varied tastes of our student body, the high costs of labor and food, and the shrinking clientele of students and outside guests, we will have to curtail sharply or eliminate our dining halls. The Yellow Springs administration is working hard trying to solve this problem.

We have made drastic changes in the Washington-Baltimore operation. We transferred the Dean and placed the unit under a trusteeship of network officers. Vice President Keeton is the on-site representative, and he has revised the budget for 1972-73 to reflect the actual number of students enrolled (360). New fiscal controls have been installed and stringent new procedures instituted for making sure students pay past and present bills. A team of experts from the network has spent a month getting the accounts in order.

Investments have increased in value during the year by \$590,437. Through the transfer of \$621,000 of gains from other funds to the general fund, the net operating loss of the total College was reduced to \$3,000. There was a previous general fund deficit of \$216,000, so that at the end of the year the general fund deficit amounted to \$219,000. The budget for 1972-73 includes \$200,000 to reduce that deficit; so it is hoped that the deficit will be virtually eliminated during the current year.

During the year there have been a number of changes in our physical plant. We completed the Visual Arts building in Yellow Springs that we badly needed for so many years. We sold our buildings in Putney, Vermont, and purchased property 40 miles away in Harrisville, New Hampshire, where we have much more adequate facilities. In Philadelphia we bought an old supermarket building that is being converted for use by the Graduate School center there. We bought the Lutheran Center in Washington for the School of Law. In addition, we have leased several new spaces for expanding programs.

We have plans for new student housing in Yellow Springs designed by our environmental architect, Jerome Sirlin. It will include 24 units, each

with four single bedrooms, living room, kitchen, and bath, and should be completed by June 1973. A federal interest subsidy loan will provide the funds for this building. We have needs but no funds for renovating unsafe South Hall in Yellow Springs. Charles Moore, former Dean of the Yale School of Architecture, has an exciting design for the use of this building, and we hope to secure a grant so we can start to remodel it.

Chief network officers have moved from the Main Building to one across town in Yellow Springs so that the staff of the Dean of the College in Yellow Springs could use the suite formerly occupied by the President.

In conclusion, we see two major financial problems facing Antioch in the current year: (1) we must reverse the seven year trend of spending more than we receive in the general fund; we currently are revising budgets so that we may accomplish this goal. (2) We must find new sources of funds for working capital to replace our recent losses and to finance our growing institution. For this we look to the Trustees for help.

Respectfully submitted,


Albert Berney

Antioch College

BALANCE SHEET

June 30, 1972

	<u>6/30/72</u>	<u>6/30/71</u>
<u>Assets</u>		
Cash	\$ 159,544	\$ 588,392
Sinking Fund Cash & Securities	257,755	249,773
Accounts Receivable (less allowance for bad debts)	925,567	748,492
Notes Receivable	2,489,039	1,829,813
Prepaid Expenses	85,933	89,447
Investments at Market	6,716,650	6,268,181
College Plant	<u>12,172,864</u>	<u>10,848,307</u>
T o t a l A s s e t s	\$22,807,352	\$20,622,405
 <u>Liabilities and Fund Balances</u>		
Accounts Payable	\$ 931,204	\$ 180,217
Student Fees Collected in Advance	338,173	283,184
Bonds, Notes, Mortgage Payables	<u>2,003,000</u>	<u>1,244,000</u>
Total Liabilities	\$ 3,272,377	\$ 1,707,401
 <u>Fund Balances</u>		
General (Deficit)	\$(219,933)	\$(216,646)
Restricted General	1,573,125	1,952,935
Loan	1,915,783	1,554,240
Endowment	6,341,649	6,156,645
Annuity and Life Income	179,796	91,223
Plant	<u>9,744,555</u>	<u>9,376,607</u>
Total Fund Balance	\$19,534,975	\$18,915,004
T o t a l L i a b i l i t i e s a n d F u n d B a l a n c e s	\$22,807,352	\$20,622,405

Notes: 1. For the first time, this is a consolidated statement including the Washington-Baltimore campus and the Graduate School of Education. Figures for 1971 were adjusted to make both years comparable.

2. Investments are valued at market instead of cost as was done in the past. Again, 1971 figures were adjusted.

3. In accordance with normal accounting procedures, depreciation in physical plant has been eliminated from figures for both years.

GENERAL FUND RESULTS
Year Ended June 30, 1972

	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>	<u>Unfavorable</u>
INCOME				
Student--Y.S.	\$4,616,625	\$4,613,358		\$ 3,267
Investment	413,000	427,779	\$ 14,779	
Overhead	189,275	168,143		21,132
Contributions	477,889	499,960	22,071	
International Educ.	429,925	459,260	29,335	
San Francisco Center	234,000	284,868	50,868	
Phila. Urban Center	113,500	102,269		11,231
Total Y.S. & Network	\$6,474,214	\$6,555,637	\$ 81,423	
Grad.School of Educ.	1,267,490	1,200,316		\$ 67,174
Wash.-Balt. Campus	1,261,203	803,346		457,857
Dormitories	557,893	515,044		42,849
Dining Halls	701,452	647,444		54,008
Transfer from Other Funds	0	621,230	621,230	\$
TOTAL INCOME	\$10,262,252	\$10,343,017	\$ 80,765	
EXPENSES				
Y.S. Campus	\$ 4,410,735	\$ 4,527,992		\$ 117,257
Network Offices	1,054,434	1,053,600	\$ 834	
Interntl. Educ.	461,545	506,158		44,613
S.F. Center	234,000	272,456		38,456
Phila. Urban Center	113,500	124,943		11,443
Planned Surplus	200,000	0	200,000	
Total Y.S. & Network	\$ 6,474,214	\$ 6,485,149		\$ 10,935
Grad.School of Educ.	1,267,490	1,227,424	\$ 40,066	
Wash.-Balt. Campus	1,261,203	1,292,608		31,405
Dormitories	557,893	541,703	16,190	
Dining Halls	701,452	799,420		97,968
TOTAL EXPENSES	\$10,262,252	\$10,346,304		\$ 84,052
Net Reductions	0	\$ 3,287		\$ 3,287

RECAP OF BUDGET DIFFERENCES
 Year Ended June 30, 1972

	<u>Favorable</u>	<u>Unfavorable</u>
Yellow Springs Campus		\$ 104,806 ⁽¹⁾
Dormitories		26,659
Dining Halls		<u>151,976</u>
Yellow Springs Total		\$ 283,441
Graduate School of Education		
Harrisville		32,897
Washington		46,599
Philadelphia	\$ 48,932	
Yellow Springs		17,286
Administration & Misc.	20,742	
Washington-Baltimore Campus		489,262 ⁽²⁾
International Education		15,278
San Francisco Center	12,412	
Philadelphia Urban Center		22,674
Network Offices	834	
General Fund Reserve	200,000	(3)
Transfer from Other Funds	<u>621,230</u>	<u>(4)</u>
		<u>\$ 3,287</u>

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- (1) The areas with largest overexpenditures included Student Services Committee \$39,000, Telephone \$37,000, Increase in Fringe Benefits \$27,000.
 - (2) The reduction in income was based primarily on inability to recruit enough students. In addition, those who came needed more financial aid than was anticipated, so the income per student was lower than budgeted. Other reasons for the deficit were excessive bad debts; increased office space causing higher rent and utility charges; and overspending on postage, telephone, and printing.
 - (3) This was a budgeted increase in General Fund Reserve which disappeared because of the deficit.
 - (4) Gains in unrestricted invested funds were transferred to reduce the deficit.

FIVE YEAR STATISTICS

	<u>1971-72</u>	<u>1970-71</u>	<u>1969-70</u>	<u>1968-69</u>	<u>1967-68</u>
Tuition-- Yellow Springs	\$ 2,925	\$ 2,700	\$ 2,500	\$ 2,200	\$ 1,800
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Number Under- graduate Students	2,747	2,571	2,282	1,926	1,915
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Financial Aid					
--Federal	\$1,112,025	\$ 748,755	\$ 612,955	\$ 322,265	\$ 262,490
--Institu- tional	<u>1,553,950</u>	<u>1,058,728</u>	<u>905,655</u>	<u>330,230</u>	<u>169,990</u>
Total	\$2,665,975	\$1,807,483	\$1,518,610	\$ 652,495	\$ 432,480
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Contributions & Gifts					
--Government.	\$2,566,354	\$1,100,921	\$1,271,735	\$ 405,645	\$1,062,573
--Private	<u>1,050,550</u>	<u>1,044,171</u>	<u>974,656</u>	<u>1,141,093</u>	<u>855,153</u>
Total	\$3,616,904	\$2,145,092	\$2,246,391	\$1,546,738	\$1,917,726
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Endowment Funds (at market)					
Contribut.	\$ 25,685	\$ 14,426	\$ 26,725	\$ 10,755	\$ 25,228
Transfer out	431,118				
Increase, Mar- ket Value	590,437	611,410			
Decrease, Mar- ket Value			<u>476,820</u>	<u>158,030</u>	<u>62,600</u>
Value, End of Year	\$6,341,649	\$6,156,645	\$5,530,809	\$5,980,904	\$6,128,179
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