Antioch College
Financial Statement
1969-70

Antioch College, Yellow Springs, Ohio, 45387

ANTIOCH COLLEGE
Treasurer's Report, 1969-70

TO THE BOARD OF TRUSTEES

Compared to that for many independent colleges, the year that ended June 30, 1970, was financially rather satisfactory for Antioch College. We did have an operating deficit for the year for two reasons: (1) We lost a substantial amount on our dining halls operation. Our cafeteria was the subject of much justifiable criticism by the students who were required to eat there. During the year, we discontinued our contract with Saga Food Service, the firm that had operated our dining halls, and we instituted an optional board plan to replace the compulsory meal ticket program. We have not yet solved the problem of providing food for our students. (2) The national strike after the Cambodia invasion and the Kent State killings in May was expensive for us. Even though the strike was not against Antioch, it cost well over $100,000. Included was a loss of some $60,000 in additional salaries and a reduction in overhead income because we discontinued the Anthropology Research Project; $50,000 was put aside for defense against political repression and academic oppression; and during the few days of the strike, salaries were paid although work was stopped.

Together these two items were thus responsible for over $200,000 of additional expense; since our operating deficit was $55,000, it can be seen that under normal circumstances we would have had an operating surplus. It seems unlikely that the coming year will be any more "normal" than last; nor is there any reason to think that this year will be as satisfactory financially as last year. There are several reasons to be pessimistic: (1) Until we solve the dining halls problem, we will continue to lose money there; (2) the need for student financial aid spirals as college costs grow faster than national income; (3) the New Directions program that the trustees, Administrative Council, and faculty have endorsed is expensive, both for financial aid and for program development; (4) there is a question of how much longer our tuition and fees can continue to increase without our experiencing a decline in applicants. Fortunately, we have a marketable program; applications have increased despite the fact that now our tuition is one of the highest in the country; but there are limits.

On the favorable side, we are less dependent than most colleges on endowment income, so the general market decline has not affected Antioch's operations to any great extent, nor is it likely to in the year ahead. Another source of income is unrestricted gifts and contributions, which we hope to increase because we have a new, aggressive development staff that has plans to build up substantially our non-tuition income.

So far, our comments have referred to our Yellow Springs operations. However, our other campuses are now becoming increasingly important financially, and we must examine the effects of the Washington-Baltimore campus, the Antioch-Putney Graduate School, and the International Program.

The International Program has been in existence long enough and is well enough organized so that it is not presently much of a financial burden, nor is it likely to become one.

Antioch-Putney had operated a balanced budget for the previous three years; but this year, because of an unusually large write-off of student accounts, we suffered a $25,000 loss. Unless we can do a more aggressive job of collecting tuition from graduates, there will be a strain on future budgets of Antioch-Putney.

Antioch's Washington-Baltimore campus has been in operation just over a year. In its first year it operated at a loss of $25,000, but the budget for 1970-71 includes an amount to start repaying that sum. With triple the enrollment of a year ago, there should be no deficit this coming year.

You will note that our balance sheet is presented in a different form this year, with no differentiation of assets by funds. It is hoped that this form will be easier to read. It will enable us to do a better job of managing our cash and other assets. By combining assets, we will be able to invest them more wisely. We would like to have your comments on this method of presentation.

Along with nearly all investors in the securities market, we found 1969-70 a bad year for our Endowment Funds. At the year end, securities originally costing $3,601,000 had a market value of $3,436,000 and had declined $325,000, or 9½% in value over the twelve months. Considering the difference between cost and market value of our securities and including an estimated reduction in market value of $365,000 in the Sunrise Shopping Center mortgage, we suffered a reduction of $867,000 in our total investments. When contributions received and other changes are taken into consideration our total fund balances, at market values, declined $552,000.

My first report must not close without an expression of gratitude for everyone's cooperation. Trustees, students, faculty, and other administrators have been most helpful. Particularly do I want to thank Morton Rauh, who has taught me so much.

Albert Berney

Yellow Springs, Ohio, October 1970

Treasurer's Report

COMPARATIVE BALANCE SHEET

Assets	1969	1970
Cash and commercial notes, at cost (approximates market)	$ 1,698,018	1,442,767
Cash and United States Government securities held in sinking funds, at cost (market value of $192,854 and $196,987 in 1969 and 1970) (Note 3)	211,216	224,985
Receivables from students, employees, and others:		
Accounts	231,833	312,114
Notes	1,083,273	1,443,140
Less allowance for doubtful accounts	(15,000)	(30,000)
National Science Foundation grants (contra)	125,553	305,920
Prepaid expenses and sundry assets	53,849	95,088
Investments:		
Marketable securities, at cost or appraised value for gifts (market value of $3,813,485 and $3,502,961 in 1969 and 1970)	3,445,689	3,627,500
Notes, mortgages, and land contract receivable, at cost (Note 1)	2,177,666	1,956,834
Income-producing real estate, at cost less allowance for depreciation of $83,154 and $84,935 in 1969 and 1970 (Note 2)	63,276	61,495
College plant, at cost or appraised value less allowance for depreciation of $1,061,587 and $1,132,000 in 1969 and 1970 (Note 2)	9,390,928	9,504,227
	$18,466,301	18,944,070

Liabilities and Fund Balances	1969	1970
Accounts payable and accrued liabilities	$ 375,681	275,782
Student fees and other advance collections	137,489	252,730
Bonds, mortgages, and notes payable	1,403,000	1,369,000
Deferred National Science Foundation grant (contra)	125,553	305,920
Fund balances:		
General	203,774	149,012
Restricted general	1,710,363	1,613,689
Loan	1,016,196	1,253,831
Endowment	5,720,010	5,639,659
Annuity and life income	19,552	19,714
Plant	7,754,683	8,064,733
	$18,466,301	18,944,070

Notes

1. The investments of the endowment funds include a land contract in the amount of $1,865,191 receivable from Sunrise Shopping Center, Inc. In the opinion of management, the market value of this land contract is $1,500,000. The collateral for this obligation is land and buildings having a cost of $5,729,959. The land contract is subordinated to other mortgages on the property aggregating $2,979,822 at June 30, 1970. Financial statements (unaudited) of Sunrise Shopping Center, Inc. as of June 30, 1970, show that total assets of $6,284,410 exceed total liabilities by $824,206.

2. The College considers as additions to plant assets only those items which constitute major additions. Replacements of equipment and furnishings are charged to expense as incurred, and retirements of original equipment and furnishings capitalized are not removed from the accounts. A summary of the cost of plant assets at June 30, 1970, is as follows:

Land	$ 478,024
Buildings	9,188,985
Equipment	747,954
Construction in progress	221,264
	$10,636,227

In accordance with generally accepted accounting principles for educational institutions, the College does not provide for depreciation on educational plant. The allowance for depreciation for certain income-producing properties has been increased and funded by $70,418 and $70,225 of general fund payments on debt service principal in 1970 and 1969.

3. Bonds, notes, and mortgages payable of the plant fund consist of the following:

Description	Bonds Mature Serially in Increasing Annual Installments as Indicated	Principal Balances
3-1/8%, dormitory first mortgage bonds of 1953	$10,000 due September 1, 1970, to $17,000 due September 1, 1990, with a final installment of $12,000 due September 1, 1991	$ 283,000
2-3/4%, dormitory first mortgage bonds of 1957	$8,000 due August 1, 1970 to $17,000 due August 1, 1997	331,000
3-1/8%, student apartment bonds of 1960	$3,000 due April 1, 1971, to $6,000 due April 1, 1999	125,000
3-5/8%, dormitory first mortgage bonds of 1963	$10,000 due July 1, 1970, to $30,000 due July 1, 2003	535,000
8% construction note payable to bank	Due on demand	95,000
		$1,369,000

Under the terms of each bond indenture, the College is required to make annual deposits into bond and interest sinking fund accounts maintained by a bank designated as trustee. Minimum required deposits to each account are governed by the terms of the related bond indentures. Deposits aggregating approximately $82,000 will be required for the fiscal year ending June 30, 1971. Amounts on deposit with the trustee at June 30, 1970, were as follows:

	Bond and Interest Sinking Funds	Maintenance and Equipment Reserve Funds	Total
Dormitory Fund of 1953	$ 68,533		68,533
Dormitory Fund of 1957	44,678	35,731	80,409
Student Apartment Fund of 1960	16,849	7,386	24,235
Dormitory Fund of 1963*	51,808		51,808
	$ 181,868	43,117	224,985

*This indenture also requires a Maintenance and Replacement Fund to be established when the sinking fund balance accumulates to a specified amount.

The College's dormitory and student apartment buildings with an aggregate cost at June 30, 1970, of approximately $1,659,500 are pledged as collateral for the bonds. The mortgage bonds are further collateralized by net revenues from operations of the dormitories and student apartments.

4. Certain 1969 figures have been restated for comparative purposes.

STATEMENT OF CHANGES IN GENERAL FUND

for the years ended June 30, 1970 and 1969

	Income and Expenses	Interfund Transfers	1970 Total	1969 Total
Educational and general:				
Increases:				
Tuition and other student fees	$5,008,780		$5,008,780	$3,985,259
Income from endowment funds	250,614	$ (1,781)	248,833	252,698
Contributions	187,371		187,371	253,789
Royalties	57,649		57,649	56,367
Charges for administration	188,807		188,807	143,386
Rentals and miscellaneous income	161,460	17,051	178,511	110,548
	5,854,681	15,270	5,869,951	4,802,047
Decreases:				
General administration	328,681	(5,100)	323,581	314,227
Student services and financial aid	842,435	75,652	918,087	625,229
Public service and information	272,276	5,153	277,429	269,791
General institutional	915,812	174,939	1,090,751	896,094
Maintenance and operation of plant	444,111	21,500	465,611	411,309
Library	314,487	(8,051)	306,436	247,634
Teaching departments	1,364,048	52,633	1,416,681	1,300,224
General educational	808,706	(2,015)	806,691	528,851
Program development	89,949	13,056	103,005	107,123
Interdisciplinary programs	87,299		87,299	
	5,467,804	327,767	5,795,571	4,700,482
	386,877	(312,497)	74,380	101,565
Auxiliary enterprises:				
Increases:				
Residence hall rentals	437,354		437,354	386,651
Dining hall and Antioch Inn revenues	524,735		524,735	167,261
Columbia Center	248,830		248,830	
Antioch Press revenues				71,915
Putney Graduate School	608,776		608,776	563,412
	1,819,695		1,819,695	1,189,239
Decreases:				
Residence halls	400,775	94,315	495,090	450,618
Dining hall and Antioch Inn	596,141		596,141	181,449
Antioch Press				123,862
Columbia Center	273,507	(24,677)	248,830	
Putney Graduate School	634,161	(25,385)	608,776	563,412
	1,904,584	44,253	1,948,837	1,319,341
	(84,889)	44,253	(129,142)	(130,102)
Excess of income over expenses	$ 301,988			
Net transfers to other funds		$356,750		
Net decrease in general fund			$ 54,762	$ 28,537

Treasurer's Report

DETAILS OF ENDOWMENT FUNDS, June 30, 1970

	Market Value	
Funds for General Educational Purposes		
General	$ 302,608	
E.M. and S.M. Birch	2,788,906	
Jan de Kadt Memorial	39,932	
Joy	27,245	
Rockford	4,230	
W.W. and C.G. Kincaid	53,969	
Bancroft	109,633	
Glen Helen	489,000	
Futures	293	
Total for general educational purposes		$ 3,815,816
Funds for Special Purposes		
Student Aid Funds:		
John M. Prather	22,643	
Readers' Digest Foundation	24,450	
Coblentz	4,846	
Arakelyan	9,780	
Forbush-McGary	2,445	
Carolyn Geyer	3,522	
H.A. and M.R. Keith	4,890	
George Kelsey	29,340	
Mother and Daughter	20,923	
Nash	5,330	
G. E. Owen	3,032	
Orton-Caldwell	23,472	
Alice Bingle	978	
Charles E. Bruce	92,053	
Patterson	10,337	
James L. Stone	9,989	
Sullivan	2,930	
Wilcox Memorial	2,590	
Charles Hodges Memorial	6,554	
J. W. Wills	3,912	
Prudence Ann Windsor	10,113	
E. M. Hammond	7,824	
Mumford	17,415	
Muller	7,215	
Mayer	5,647	
General Unrestricted	2,188	
Etta Walcott	123,492	
Newcomb Mott	7,009	
P. T. Brewer	2,930	
Walter Bell	14,670	
Total Student Aid Funds		$ 482,519

Funds for Special Purposes, continued

Book Funds:		
Alumni	7,928	
Noel Morris	11,736	
Inman-Nosker	2,930	
Pope	4,890	
Ellen Alexander	2,078	
Parent	24	
Total Book Funds		$ 29,586
Faculty Salaries:		
Estate of Hugh Taylor Birch	391,200	
Ford Foundation	355,014	
Total Faculty Salaries		746,214
Alumni:		
Yntema	66,749	
Other	4,392	
Total Alumni		71,141
Other:		
Hine	2,930	
Henderson	1,966	
Dewey	220	
Total Other		5,116
Total for Special Purposes		$ 1,334,576