









## What of the Future?

During the decade of the 1960's the University of Notre Dame received approximately \$100 million in cash and commitments from alumni, parents, friends, corporations and foundations, part of which is payable over the next several years. The success of three consecutive, nationwide development programs in a decade is almost without precedent in the annals of collegiate fund raising. The fact that Notre Dame experienced its greatest period of growth in the 1960's is all the more remarkable when one considers several factors which, particularly in more recent years, have militated against increasing support for higher education. Whatever hesitancy these influences may have generated among donors was, by and large, overcome by the traditional loyalty and generosity of Notre Dame people everywhere and their continuing faith and confidence in the University.

What has been the climate in which Notre Dame has made such great strides as one of America's leading, independent universities? As Father Hesburgh has observed, at a time when more is expected of colleges and universities than ever before, their stock in many respects has never been lower. Many Americans have recoiled as dissent radiated from Berkeley to almost every campus in the land, and Notre Dame, to be sure, has not been immune to student protest. The University recognizes the legitimacy, sometimes the necessity of protest, but it is clear to all here, perhaps more so than on most campuses, that disruption of University operations or infringement on the rights of others is not in keeping with the character of Notre Dame. On the positive side, protest at Notre Dame has not only been peaceful but also has developed a spiritual dimension. At the time of the Cambodian incursion, Notre Dame students turned to the power of prayer rather than the futility of violence.

If the nation's colleges and universities have been adversely affected by student unrest and public reaction to it, equally pervasive has been the generally negative influence of the nation's economy. Rampant inflation, a declining stock market and rising unemployment do not create a

favorable climate for philanthropy. Since most major gifts to colleges and universities are in the form of securities, what happens on Wall Street has a profound effect not only on the amount of a substantial gift but also on its timing. Inflation, generally speaking, makes individuals and organizations more cautious about their charitable commitments. And, of course, an alumnus or friend in danger of being phased out of his job isn't about to make a major gift. The state of the nation's economy, then, has hardly been conducive to successful fund raising. Nevertheless, I am pleased to report that the level of support of Notre Dame remains high and our attrition rate on commitments is minimal.

Perhaps the matter that most often caused donors to hesitate in 1969 was federal tax reform legislation. As chairman of the Committee on Taxation and Philanthropy of the American College Public Relations Association, I followed the proceedings in the Congress and its hearing rooms very closely. The legislation as finally passed and signed by President Nixon thankfully did not include several provisions which unquestionably would have adversely affected support of all colleges and universities. Nevertheless, the new law does remove some philanthropic incentives, including the unlimited charitable deduction and many of the advantages of the "bargain sale." In my opinion, however, tax reform in this area was long overdue, and the new law, in the long run, will not seriously impair the support of the country's institutions of higher learning.

While government funds do not figure in Notre Dame's development programs as such, they do constitute a considerable source of University support, notably in the area of research. Accompanying the factors I have already cited has been a reduction in federal government support of higher education. Here at Notre Dame the level of government support is down approximately 9 per cent with the result that last year research contracts and other sponsored government programs totaled \$918,078 less than the year before.

Finally, another factor influencing the support of Notre Dame and other Catholic colleges and universities is

the accelerated pace of change in the Church. It is not surprising that, as the nation's leading Catholic university, Notre Dame should be a pioneer in implementing the theology and decrees of the Second Vatican Council. Notre Dame, for example, has been officially designated by the National Conference of Catholic Bishops as an experimental center for liturgy. When an individual or an institution is on the cutting edge of change, introducing new ideas, whether they be in liturgy or residence hall life, there is a risk that those wedded to the old ways will become disaffected. Change there has been and will be, but not in the fundamental religious values which have animated Notre Dame for 128 years. The Catholic character of the University is its most precious asset.

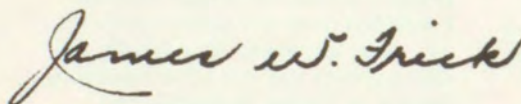
What of the future? While I would not underestimate the impact of the matters I have discussed, I am convinced that they are transient phenomena. The future of Notre Dame is bright for several reasons. I wouldn't trade our student body for any other anywhere. Our faculty is distinguished and our administration, headed by Father Hesburgh and strengthened by new officials of great achievement and even greater promise, has a capacity for dynamic leadership. One major reason for optimism stems from the knowledge that the vast majority of the University's alumni and parents and friends, as well as hundreds of corporations and foundations, are committed to the idea that Notre Dame is destined to become one of the great institutions of higher learning in the world.

The price of such distinction, however, is high, and its achievement is directly related to the volume and level of financial support which Notre Dame receives in the years to come. Upon that support will depend whether facilities are erected, whether educational programs and research are inaugurated, whether professorships and scholarships are created—all for the advancement of the University. Long before the SUMMA's \$52 million goal was in sight as it is now, we pledged that Notre Dame would not have another capital campaign for at least a decade. That promise will be kept. There will be no campaign with all the apparatus that



necessarily attends a major fund raising effort.

And yet Notre Dame, if it is to grow and develop, will need continuing support from all its constituencies. Philanthropy is no longer confined to the elite—more than 26,000 individuals and organizations have made SUMMA gifts and commitments. An even broader base of donors must be created in the future. The University has approved programs and projects above and beyond those covered in SUMMA. These additional programs will cost millions of dollars, but implementation depends entirely on the funds to underwrite them. Through the substantial benefactions of individuals and the participation of thousands in the Annual Fund, I am convinced that these objectives will be realized. The University pledges that every effort will be made to deserve the support it receives so that those who give of their substance will be pleased and proud of what it has wrought. We can promise no less.



James W. Frick  
Vice President  
Public Relations and Development

## Statistical Highlights of 1970

Student Enrollment	1970	1969
Undergrad	6,407	6,194
Grad	1,325	1,381
Law	424	349
Total	8,156	7,924

### Degrees Awarded

June:		
Undergrad	1,342	1,443
Law	79	79
Master's	187	184
Ph.D.	97	74
M.B.A.	40	42
August:		
Undergrad	44	34
Grad	414	399
Total	2,203	2,255

Total Budget	\$48,040,000	\$45,755,200
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Total Number Faculty	774	765
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### Research and Sponsored Programs

Research	\$ 5,390,098	\$ 6,404,931
Facilities and Equipment	1,339,141	872,091
Educational Programs	1,540,985	1,530,153
Service Programs	104,540	485,667
Total	\$ 8,374,764	\$ 9,292,842

Financial Aid	\$5 million	\$4.5 million
	(54% student body)	(53% student body)

WINTER, 1971

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Joseph Sterling, Chicago

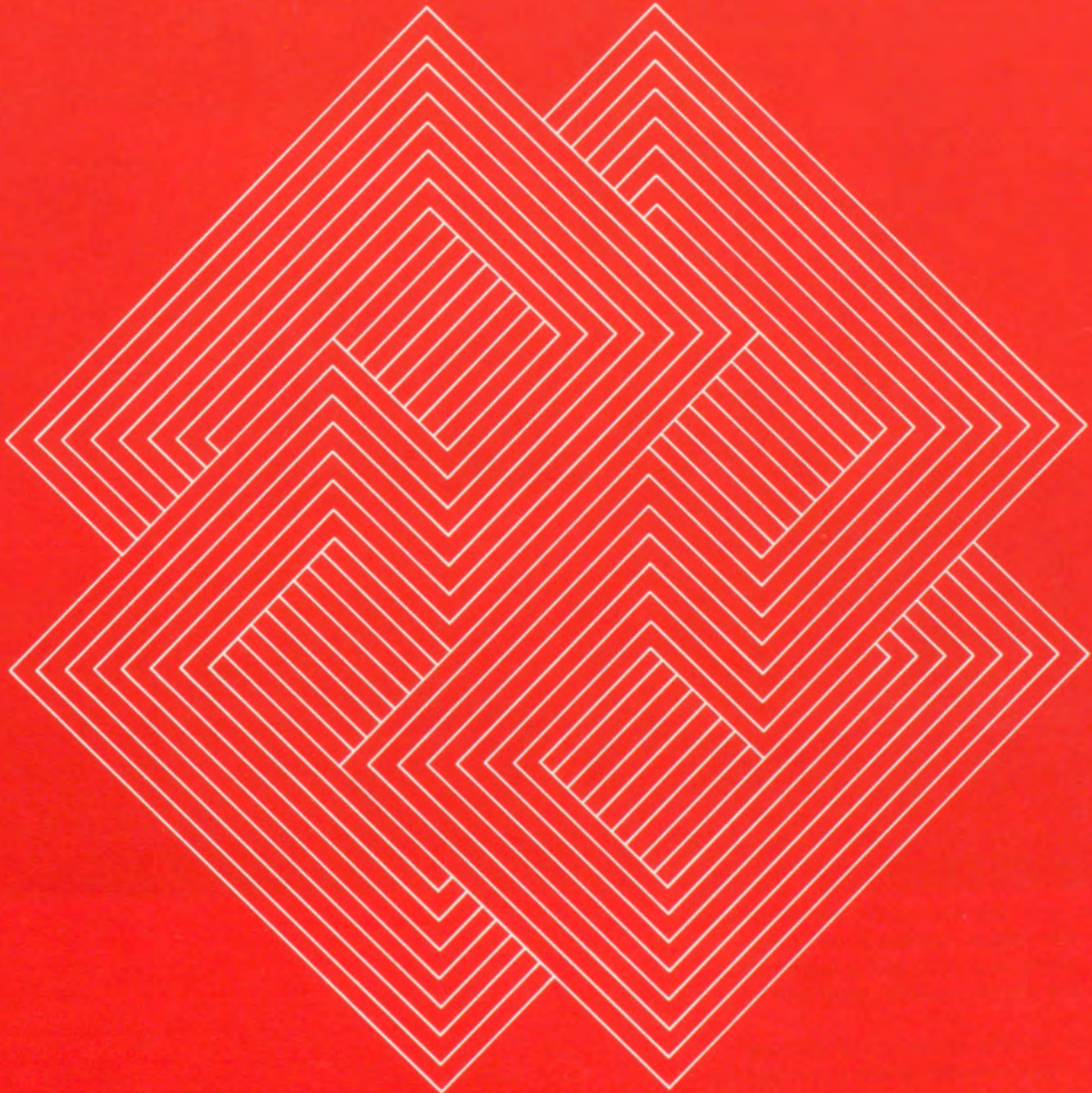
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# The Campus Scene: A Fight for Survival





4 In the 25 years that I have been associated with the university I can think of no period more difficult than the present. Never before has the university taken on more tasks, and been asked to undertake many more, while the sources of support, both public and private, both moral and financial, seem to be drying up.

In the 314 years from the founding of Harvard until 1950, universities grew in the United States to a total capacity of 3 million students in higher education. From 1950 to 1970, that number and capacity more than doubled to over 7 million students. Maybe our traditional ways of governance have not kept pace with our enlarged size and the new mentalities of both faculty and students. Maybe both we in the universities and the world beyond really expected too much of our university operation. We live in a university world of idea and imagination. But these alone will not insure peace, social justice, an end to racism and poverty.

Maybe our problems relate more deeply than we suspect to the parlous state of the world around us—to its basic malaise, to its anomie, to its frustration and rootlessness. I suspect that we, in the Western world and even beyond its boundaries, are passing through a historical watershed which we little understand and which may be ultimately of more importance than the Renaissance, the Reformation, or the Industrial Revolution.

I doubt that anyone would be able to label our age, although it might be called the age of frustrated expectations, the age of protest against almost everything, the age of unlimited possibilities and disappointing results. It is an age that can put men on the moon yet create an impossible traffic tangle in every metropolitan center. It is an age of unbelievable wealth and widespread poverty. It is an age of sensitivity to human dignity and human progress in which there is relatively little of either, despite the available resources. It is finally an age where the hopes, the expectations, and the promises of humanity have been more rhetorical than real. Because the university lives largely by rhetoric, although not by rhetoric alone, it has come to be blamed for much of the frustration. In a very real sense, the university has been oversold as the key to all human progress. There is a wide gulf between the blueprint and the reality—the word and the deed.

All of the world's anxieties are focused strongly in the university, where there exists a tense combination of young, searching minds invited daily to view all problems and every variety of response to them; a faculty that is problem-oriented and given to play to the

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It's a common theme in the industry to say that the construction industry is the backbone of the economy, and that's why it's so important to have a strong and healthy construction sector.

The construction industry is a vital part of the economy, and it's one that's often overlooked. It's the industry that builds the infrastructure that we all rely on, from roads and bridges to schools and hospitals. It's the industry that creates jobs and supports a wide range of other industries.

It's a industry that's often overlooked, but it's one that's essential to our society.





Maybe the university  
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generation gap by  
common moral concern  
on the part of young  
and old, faculty  
and students.

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generosity and idealism of youth, and an administration that is only able to survive by responding positively and emphatically to the aspirations and hopes of the two other groups, however impossible they are of immediate accomplishment.

Into this explosive mix comes a strong cry for "law and order" from the so-called silent majority who are not anxious to face new approaches to human equality or social justice if these threaten their hard-earned gains. When the university responds negatively to this kind of demand for law and order, which it rightly construes as "status quo," then we have a super-explosive situation. The university is judged to be subversive, is certainly not understood and loses more and more the public and private support that is needed to sustain it.

It is simply a historical fact that any group, and particularly a university community, does not understand not being understood. What is more serious, young people in the university do not realize how much the university depends upon the support of the larger surrounding society. Even less do they understand that when their frustrations about the problems of the larger community lead them to act in anger and, at times, with violence, there is only one normal response, from that larger community, namely, counter-violence and repressive action.

One might speculate what would happen if those American universities which suffer constant disruption were suddenly closed down for a year or two. It might be healthy and it might be disastrous, but it could happen and it may. It would have been incomprehensible to mention such a possibility, even speculatively, a decade ago. But it does demonstrate the present state of affairs that it is being mentioned today.

Some have described the present situation as the politicization of the university. It certainly is true that some faculties have taken rather unanimous positions on the Vietnam War that would have been unthinkable a few years ago. University presidents have also spoken out to an extent that has brought them condemnation from the highest levels of government and from a broad spectrum of alumni and benefactors. Students who were termed apathetic a few years ago are now deeply involved in political lobbying, electioneering for favored candidates, and protesting the actions of other political figures with whom they disagree.

There is some merit in all of this, but some thoughtful university observers call it the end of that objective, other worldly, balanced and impassionate activity that has long characterized the university. Some even see the end of academic freedom and a call for repressive action.

Almost every state legislature has considered



8 some punitive legislation against faculty and students—about half of which has been enacted into law. Trustees and governors have practically forced the resignation of a number of presidents, for instance in Texas, Oklahoma, and California. Feeling is running high against many highly visible universities, and the witch hunters are out and at work. Both federal and state programs of support for higher education have been reduced or tied to impossible conditions. Many private universities find themselves hard put to hold fast to the support they now have, much less to augment it. Disaffection with universities, their faculties and their students is simply a growing fact of life that will probably get worse.

The great majority of the best university presidents that I have known, respected and worked with over the past years are simply resigning to escape what has become an impossible task: to keep peace inside and outside the university. Trustees cry "law and order," and students condemn this concept as another form of "status quo" in a very imperfect world. Alumni generally think the whole enterprise is coming apart at the seams, while faculty call for even greater changes than those now taking place. Benefactors lose confidence in the whole unruly endeavor when they are attacked by students or faculty because they are accused of giving to the university money gained through what is proclaimed to be an unholy military-industrial alliance. Parents expect a control over their children which they themselves have never been able to maintain, while the students in turn want absolute freedom and certainly no one acting in the place of their parents, however ineffective these may have been. At this point, the president, who is believed to be in charge, although his authority has been monumentally reduced, begins to see that he simply cannot succeed unless the academic community is a real community—something becoming ever more rare in university circles.

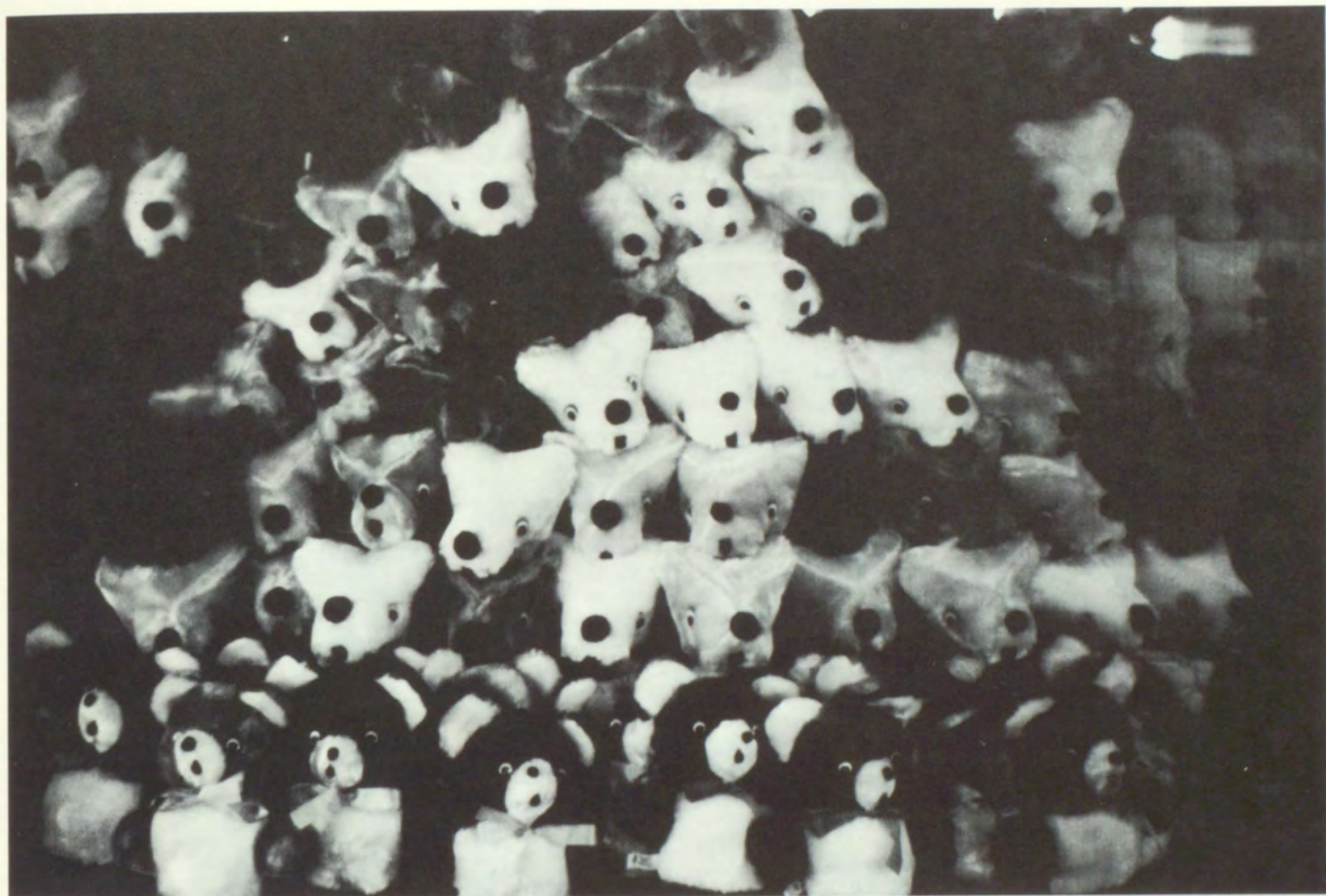
So far, I have been mainly engaged in an analysis of the present situation facing universities everywhere in a changing world. The view, as I have thus far presented it, is admittedly pessimistic. As a committed optimist, I believe that at this time I should attempt to find a few positive aspects of the total picture.

To begin with, student and faculty unrest in our day—a worldwide phenomenon—is in large measure a manifestation of their moral concern for the priorities or the values of present-day society. One would find it difficult to fault them for those things they oppose: war, violence, racism, poverty, pollution, human degradation on a large scale.

It has been a quality and an inclination of most young people, since the time that Aristotle

Life, problems, and solutions somehow seem simpler to the young who are yet unscarred by the acid of life's cruel experience.











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11  
accused them of being too vehement about everything, to see the world in absolute terms of good and evil, to be inspired by great idealism, generosity and enthusiasm, and often to give their all, to man the barricades for causes of justice and equality. Life, problems, and solutions somehow seem simpler to the young who are yet unscarred by the acid of life's cruel experience. This is not all bad. Maybe the weary and cynical world today, more than ever before, needs this kind of youthful conscience to find its way out of the lassitude and ambiguity that attend so much of modern human life. Maybe the university is the only place on earth where we can bridge the generation gap by common moral concern on the part of young and old, faculty and students. Granting that students often are naive in their concern for instant solutions to very complicated problems, granting their addition to absolute black and white judgments in matters that often are very gray, granting their lack of sense of history, their rupture with tradition, and their inability to appreciate experience and competence, they still are concerned and are unafflicted by the anomie that is the cancer of so many of their elders.

Perhaps this calls for a greater dedication to teaching on our part, for great teaching can manifest competence without preaching it, transmit a sense of history without seeming to be antiquarian, show how much patience is to be valued just by being patient with students. Good teaching, nay, great teaching, may yet be the salvation of the university and of society in our day. It has been rather obvious that our professors have in large measure sought distinction through research rather than great teaching, through adherence to their discipline far beyond loyalty to their particular institution. The theory was that research would enrich teaching, but for all too many professors, it has largely replaced teaching. This has not gone unnoticed by the students who flock to the chosen few who still profess and teach.

I do not believe that the university has by any means come to the end of its road, but I am willing to concede that it faces a fork in the road and must make some real decisions as to where it is going. Generally speaking, I would conclude that the university can and must remain politically neutral as *an institution*, although its faculty, students, and administrators as individual citizens, are free to take their own political stance, indeed must do so when faced with national and international crises with deep moral undertones. It is difficult for a president to speak out as an individual, but he must always try to make this clear to the public. I am personally against faculties taking political stances as a particular university body academic, unless



- 12 the matter is of supreme moral, national or international importance. Avoiding politicization in highly emotional and deeply polarized times is not going to be easy. The threatening loss of academic freedom or academic objectivity is reason enough to keep trying in every way one can.

The service relationship of the university to the communities that surround it, local, state, national and international, is something that needs great clarification for the survival of the university. In some cases, the university has become too much of a service station expected to solve problems by its actual operation rather than seek solutions theoretically and pilot-test them in a more microcosmic fashion. The university cannot become the Red Cross, immediately attending to all manner of social emergencies. It is not an overseas development corporation or a foreign or domestic Peace Corps. It may well have strong intellectual and educational ties to these and other service organizations, but it should never confuse its university identity or task with theirs.

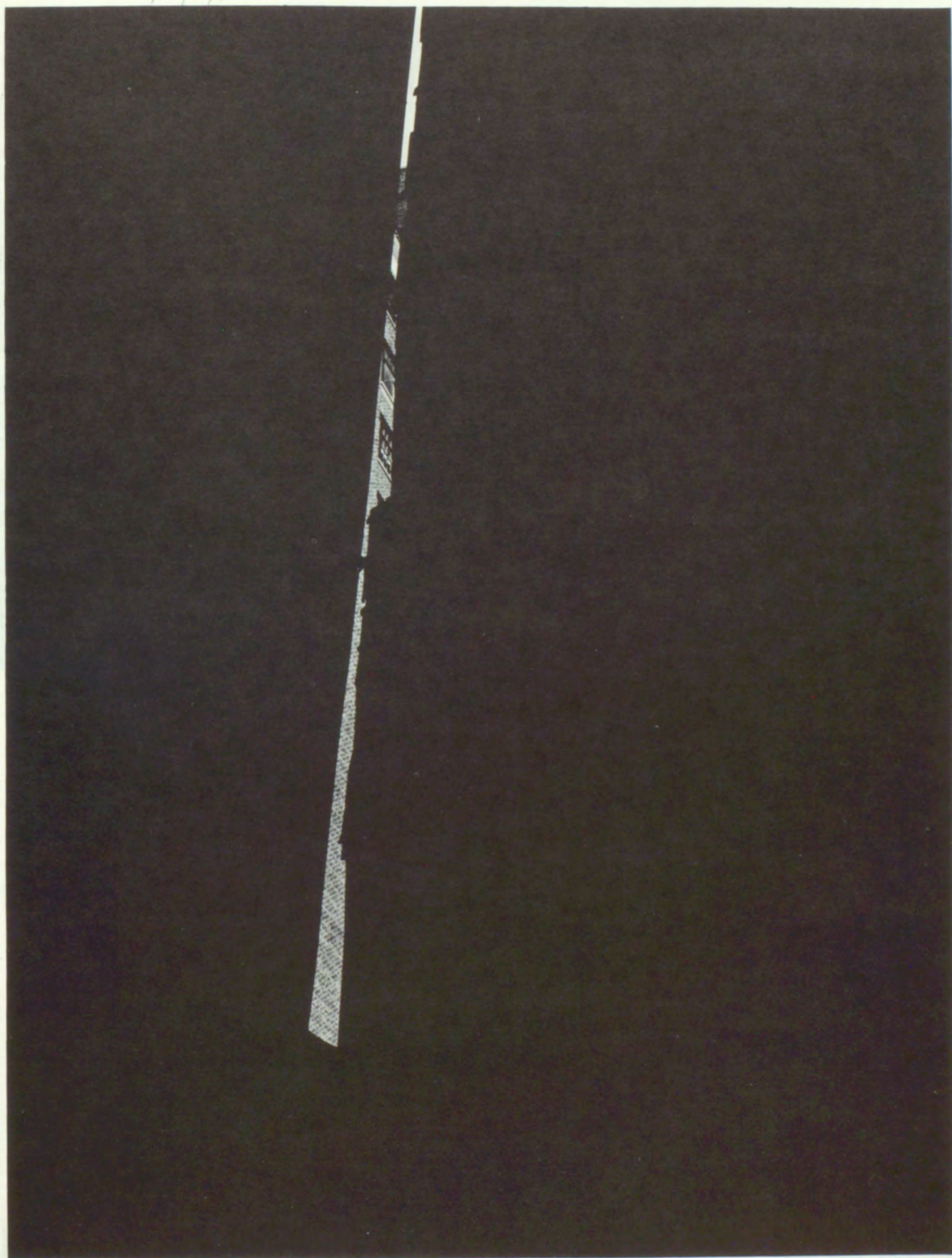
Universities should be ready to experiment with new forms of governance, but I see no great value, in fact great loss, in confusing the specific tasks of trustees, faculty, administrators or students. Maybe we should proclaim more often that the prime function of the faculty is to teach, that of the students to learn and that of the administration to make the conditions for teaching and learning more fruitful. Trustees can be enormously effective to the whole operation if they appoint and protect good officers of the university, help keep the institution financially viable, and support against any power, inside or outside the institution, the integrity of the whole operation and its best priorities as they emerge from the total community. Every community needs, especially in troubled times, some final authority, some strong protector. Trustees have fulfilled this role for the better universities that have emerged in America.

How does all of this affect Notre Dame in the sixties, by retrospect, and in the seventies, by way of prophecy? My general analysis, as given above, is generally true of Notre Dame, as well as the generality of universities throughout the world, with a few very important exceptions.

Our Notre Dame faculty has ever been dedicated to teaching. We do not have a graduate and an undergraduate faculty, but *one* faculty open to all students. Our administration has in general, I believe, been more open and more accessible to students, more sensitive to their legitimate concerns than most administrations. We have often made the necessary changes with greater grace and more alacrity than most other administrations. Our students have been special,

It is an age of sensitivity to human dignity and human progress in which there is relatively little of either, despite the available resources.











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too, in many ways. While they have shared the concern of students everywhere, they have in large measure been professedly non-violent, generally rational and civil, and more sensitive to spiritual and moral issues than even they would like to admit. I must confess to being very proud of them and confident in their better instincts. At the high point of student unrest and concern last May, it could be said that the faculty, students, and administration were never closer together. They became more a community than ever before.

Our pioneer trustees were also more sophisticated than most trustees. They never lost their cool or their control, even under pressure. When most trustees were either over-reacting or in full flight, ours actually seemed to be enjoying the new challenge, rising to the occasion with magnificent aplomb.

In May, during the most difficult week of the academic year of 1970, our Alumni Senate, the presidents of about a hundred alumni clubs throughout the country, were on campus and living with the students in the residence halls. At the end of that week, they emerged with a unanimous vote of confidence in the faculty, students, and administration. Maybe only Notre Dame could have come through a similar trial so well, even while surrounded by student deaths at Kent State and Jackson State, burnings, chaos, and violence all around us.

I take no credit for this, but I do pay tribute to our faculty, students, trustees, alumni, and my fellow administrators that it did turn out so well.

What of the future? Who can tell? On the basis of what I have said thus far, I have confidence, even though no one can foretell the trials and tribulations ahead for universities in general and Notre Dame in particular.

Somehow I believe that we will survive the crisis and lead the way to a new day. This will require renewed dedication and generosity from all who believe in and are a living part of Notre Dame. We must somehow read more clearly the signs of the times and respond to them with hope and courage and confidence.

The seventies will require of Notre Dame, above all else, a clear definition of priorities. We have grown through the fifties and sixties to our optimum size, in my judgement. Now we must determine what we can do best, even superbly, within our resources and within our best traditions. This pattern or vision should encompass the best of our past, the realities of our present, and our best hopes for the future, as the most promising Catholic university in all the world. This is the task now facing us, the task to which we commit our own best efforts and, hopefully, yours, too.

One is often reminded of Charles Dickens'



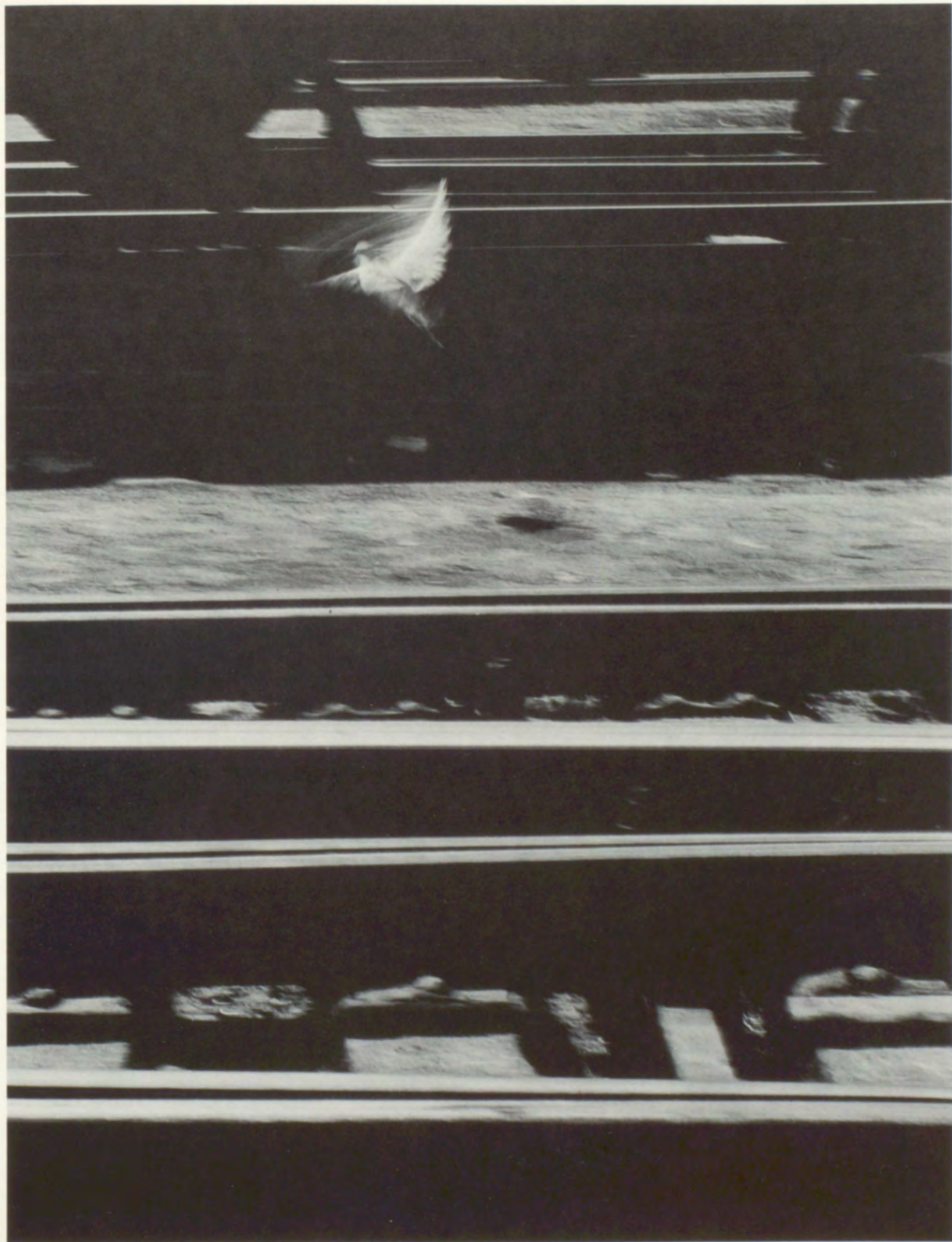
16 opening statement in *The Tale of Two Cities*: "It was the worst of times; it was the best of times." I think this can well be said of the worldwide state of the university and of Notre Dame especially in the rapidly changing world of our day. We can survive the worst if we achieve the better or, let us pray, the best.

*Theodore M. Hesburgh, C.S.C.*

Theodore M. Hesburgh, C.S.C.  
President, University of Notre Dame  
December, 1970

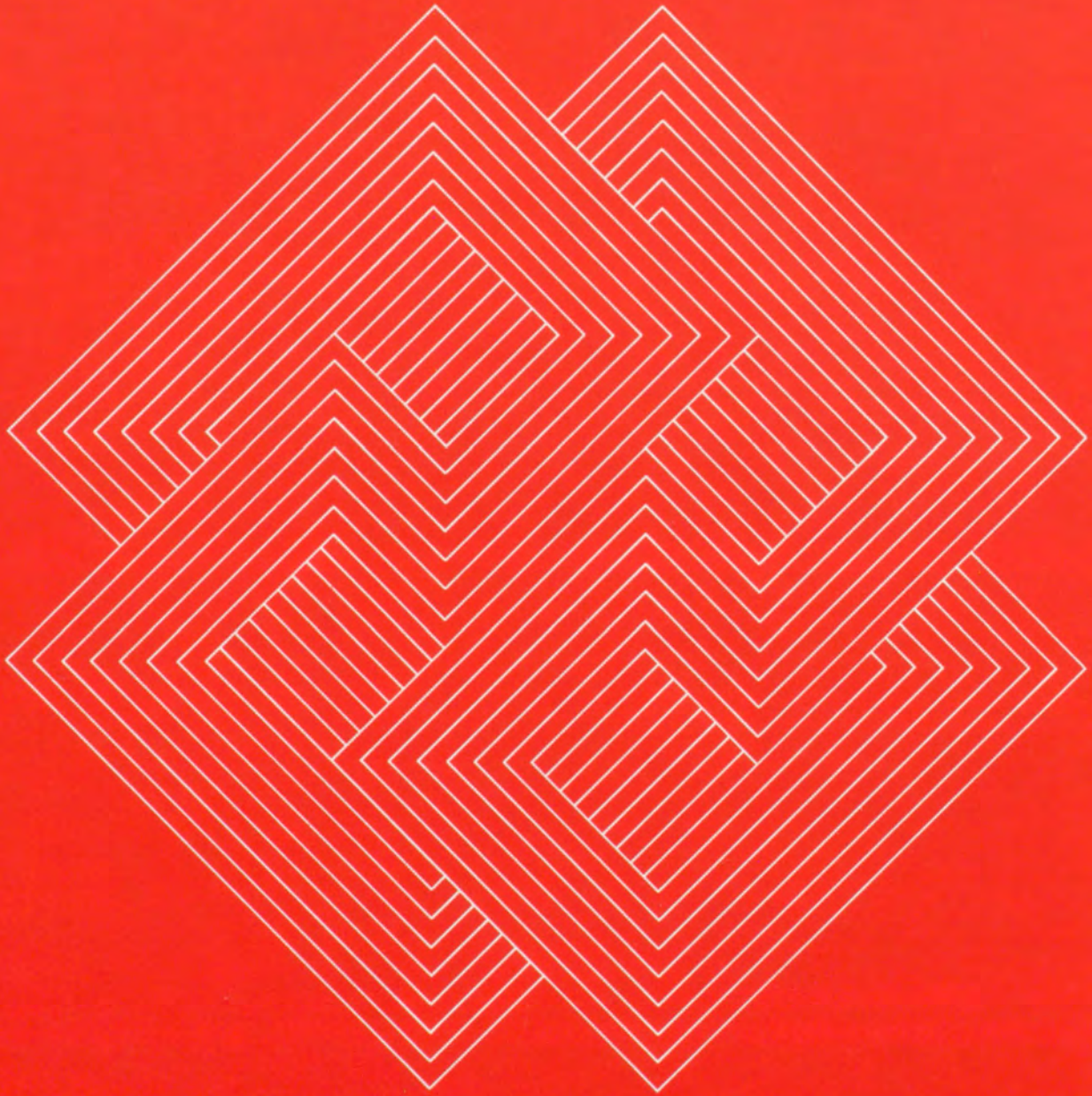
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# Financial Statements





The Financial Statement of the University of Notre Dame is presented on the following pages. The certification of these statements by public accountants Ernst & Ernst appears on page 30.

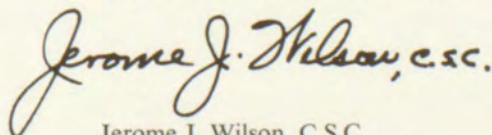
In last year's report, *Burn, Bursar, Burn*, we reported an anticipated operating cash deficit for 1969-70 of \$1,000,000. We wanted to be on the safe side since two factors at the time of writing—non-returning, preregistered upperclassmen and empty beds in the residence halls—seemed to be adding about \$400,000 to our 1969-70 printed budget loss of \$513,000. I am most happy to report the University came close to meeting the printed budget forecasted loss because of additional revenue received and some savings in expenditures. The actual cash operating loss for 1969-70 was \$596,000.

Last year, too, I reported the installation of a new budgetary system which to date has proven more effective in controlling expenditures. For the present year, 1970-71, we are anticipating an operating cash deficit of only \$70,000. This means that our budget instead of showing ever-increasing losses, as is the case at many universities, has taken a more favorable turn as the following figures indicate:

1968-69 —	Operating Cash Deficit—\$937,000
1969-70 —	Operating Cash Deficit— 596,000
1970-71 —	Anticipated Cash Deficit— 70,000

For the first time the budget for the Academic Year 1971-72 will show planning figures for the four following years. Of course, the first year will be the actual budget for 1971-72. The succeeding four years will be a plan of operation. Each year the five-year forecast will be revised in light of the latest developments and thinking at the University and events in the nation. It is our hope that the five-year forecast will bring about more effective planning in all areas of the University.

We are grateful, indeed, for the continued generous support of our trustees, alumni, faculty, employees, foundations, corporations, government agencies, and friends of Notre Dame.



Jerome J. Wilson, C.S.C.  
Vice President, Business Affairs



Statement of Financial Condition  
June 30, 1970**Current Fund — Unrestricted****Assets**

Cash and temporary investments (including \$180,444 held by trustee)	\$ 887,125
Marketable securities—at cost (approximate market \$1,041,000)—Note C	1,344,242
Accounts receivable, less allowances of \$111,000	598,928
Amount receivable from Life Income Agreements Fund	26,521
Inventories—at cost	1,721,404
Investments in and advances to Michiana Tele- casting Corporation (wholly-owned)—at cost	582,447
Other assets	812,262
<b>Total Assets</b>	<b>\$5,972,929</b>

**Liabilities**

Accounts payable	\$1,664,880
Unearned student fees	1,036,377
Unearned income—athletic tickets	1,221,099
Other liabilities	654,841

<b>Total Liabilities</b>	<b>\$4,577,197</b>
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<b>Fund Balance</b>	<b>\$1,395,732</b>
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## Fund balance represents:

Unexpended balance available for current operations	\$1,215,288
Reserve for future debt service required under housing bonds indenture—Note A	180,444

<b>Total</b>	<b>\$1,395,732</b>
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**Current Fund — Restricted****Assets**

Cash and temporary investments	\$4,759,663
Marketable securities—at cost (approximate market \$1,827,000)—Note C	2,011,900
Real estate	27,250
Accounts receivable, less allowance of \$15,000 (due principally from agencies of the United States Government)	1,783,362

<b>Total Assets</b>	<b>\$8,582,175</b>
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**Liabilities**

<b>Fund Balance</b>	<b>\$8,582,175</b>
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## Fund balance represents:

Unexpended balances for scholarships, prizes, fellowships, research and other special purposes	\$8,540,675
Reserve for future repairs and equipment replacements required under housing bonds indenture—Note A	41,500

<b>Total</b>	<b>\$8,582,175</b>
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See notes to financial statements.



**Current Fund — Unrestricted**

Fund balance at beginning of year	\$1,798,900
Increase (reduction) for the year:	
Expenses in excess of revenues from operations	(3,100,812)
Depreciation charged to operations (\$2,749,867)—less amount funded (\$244,853)	2,505,014
Transfer at beginning of year of reserve for future debt service on refunded bonds from Current Fund—Restricted	192,630

**Statement of Changes in Fund Balance  
Year Ended June 30, 1970**

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<b>Fund Balance at Year End</b>	<b>\$1,395,732</b>
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**Current Fund — Restricted**

Fund balance at beginning of year	\$ 7,937,064
Additions (reductions) for the year:	
Gifts, grants, contracts, and other receipts	11,127,887
Investment income	886,037
Transfers from other funds, including \$41,500 for future repairs and equipment replacements required under housing bonds indenture—net	251,924
Expenses	(11,428,107)
Transfer at beginning of year of reserve for future debt service on refunded bonds to Current Fund—Unrestricted	(192,630)

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<b>Fund Balance at Year End</b>	<b>\$ 8,582,175</b>
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Statement of Financial Condition  
June 30, 1970

### Student Loan Fund

<b>Assets</b>	
Cash and temporary investments	\$ 494,762
Marketable securities—at cost (approximate market \$321,000)—Note C	345,920
Notes receivable, less allowance of \$65,000	2,847,540
Other assets	31,049
<b>Total Assets</b>	<b>\$3,719,271</b>
<b>Liabilities</b>	
	—
<b>Fund Balance</b>	<b>\$3,719,271</b>
Fund balance represents:	
National Defense Education advances:	
From Government	\$2,684,272
From University	336,753
Other loan funds	698,246
<b>Total</b>	<b>\$3,719,271</b>

### Endowment Fund

<b>Assets</b>	
Cash and temporary investments	\$ 1,812,370
Marketable securities—at cost (approximate market \$53,090,000)—Note C	57,734,989
Notes receivable from Plant Fund	1,000,000
Other assets	2,611
<b>Total Assets</b>	<b>\$60,549,970</b>
<b>Liabilities</b>	
	—
<b>Fund Balance</b>	<b>\$60,549,970</b>
Fund balance, including funds as to which principal in the aggregate amount of \$21,445,320 is unexpendable, represents:	
Amounts designated for specified purposes	\$45,882,581
Amounts not designated as to purpose	3,700,023
Accumulated net gains on sales of securities—Note C	9,952,091
Undistributed investment income	1,015,275
<b>Total</b>	<b>\$60,549,970</b>

See notes to financial statements.



Fund balance at beginning of year	\$3,378,987
Additions (reductions) for the year:	
Gifts and grants	332,190
Advance from Current Fund—Unrestricted	36,636
Loss from operations	(28,542)

Statement of Changes in Fund Balance  
Year Ended June 30, 1970

<b>Fund Balance at Year End</b>	<b>\$3,719,271</b>
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Endowment Fund

Fund balance at beginning of year	\$56,435,237
Additions (reductions) for the year:	
Gifts	1,882,091
Investment income (\$2,759,006) and gains from sales of securities	4,240,155
Transfers from other funds	240,608
Transfer of fund, previously undesignated as to purpose, to the Plant Fund, including unrealized gain of \$60,873 transferred from accumulated net gains on sales of securities	(750,000)
Transfers of investment income to other funds to be applied to specified purposes:	
Current—Unrestricted	(612,084)
Current—Restricted	(886,037)

<b>Fund Balance at Year End</b>	<b>\$60,549,970</b>
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Statement of Financial Condition  
June 30, 1970

## Plant Fund

### Assets

Cash and temporary investments (earmarked for current building program)	\$ 5,575,924
Marketable securities—at cost (approximate market \$3,259,000) representing funded reserves—Note C	3,525,929
	<hr/> \$9,101,853 <hr/>

Properties, principally on the basis of cost (insured replacement value \$153,000,000)—  
Note A:

Land, land improvement and buildings, less depreciation of \$16,710,962	59,731,329
Equipment, less depreciation of \$11,063,389	13,906,848

<b>Total Properties</b>	<hr/> \$73,638,177 <hr/>
<b>Total Assets</b>	<hr/> \$82,740,030 <hr/>

### Liabilities

Accounts payable on construction in progress	246,835
Note payable to Endowment Fund	1,000,000
Housing bonds—3% and 3½%, maturing annually in amounts ranging from \$45,000 to \$120,000 to April 1, 2018—Note A	3,895,000
Amounts payable on purchases of property	337,500

<b>Total Liabilities</b>	<hr/> \$ 5,479,335 <hr/>
<b>Fund Balance</b>	<hr/> \$77,260,695 <hr/>

Fund balance represents:

Unexpended gifts, grants, and other amounts available for construction	\$ 5,328,344
Amounts provided for future rehabilitation of properties	3,525,929
Investment in properties	68,406,422

<b>Total</b>	<hr/> \$77,260,695 <hr/>
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See notes to financial statements.



Fund balance at beginning of year	\$74,235,312
Additions (reductions) for the year:	
Gifts and grants	3,107,361
Net transfers from other funds:	
Current Fund—Unrestricted—representing amounts provided for rehabilitation of properties (\$465,000), funding of depreciation (\$244,853), and interest (\$30,000) on note payable to Endowment Fund	739,853
Current Fund—Restricted	62,500
Endowment Fund	750,000
Transfer to Endowment Fund—payment of interest on note payable	(30,000)
Additions to properties made directly from Current Fund:	
Unrestricted	389,537
Restricted	596,941
Investment income	212,860
Expenditures of plant funds—not capitalized	(53,802)
Increase in accumulated depreciation	(2,749,867)

Statement of Changes in Fund Balance  
Year Ended June 30, 1970

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<b>Fund Balance at Year End</b>	<b>\$77,260,695</b>
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Statement of Financial Condition  
June 30, 1970

### Life Income Agreements Fund

<b>Assets</b>	
Cash and temporary investments	\$ 25,572
Marketable securities—at cost (approximate market \$2,079,000)—Note C	2,838,389
<b>Total Assets</b>	<b>\$2,863,961</b>
<b>Liabilities</b>	
Amount payable to Current Fund—Unrestricted	26,521
<b>Fund Balance</b>	<b>\$2,837,440</b>

Fund balance represents:

Amounts given to University under agreements whereby income is payable to donors or their designees, with principal eventually available for general University purposes	\$2,837,440
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### Employees' Retirement Fund

<b>Assets</b>	
Cash and temporary investments	\$ 40,349
Marketable securities—at cost (approximate market \$1,751,000)—Note C	1,969,435
<b>Total Assets</b>	<b>\$2,009,784</b>
<b>Liabilities</b>	
	—
<b>Fund Balance</b>	<b>\$2,009,784</b>

Fund balance represents:

Amounts provided for retirement income for nonacademic employees and employees of Michiana Telecasting Corporation as follows:	
Present value (as of June 30, 1970) of vested benefits for active, retired, and terminated employees	\$1,423,509
Additional amounts	586,275

<b>Total</b>	<b>\$2,009,784</b>
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See notes to financial statements.



## Life Income Agreements Fund

The University of Notre Dame du Lac

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Fund balance at beginning of year	\$2,884,904
Additions (reductions) for the year:	
Gifts	13,748
Income in excess of amounts paid donors or their designees	26,024
Transfer of principal to Endowment Fund upon death of donors	(87,236)
<b>Fund Balance at Year End</b>	<b>\$2,837,440</b>

Statement of Changes in Fund Balance  
Year Ended June 30, 1970

## Employees' Retirement Fund

Fund balance at beginning of year	\$1,806,011
Additions (reductions) for the year:	
Investment income and gains from sale of securities	84,972
University (\$165,000) and employee contributions	186,539
Payments to retired employees	(67,738)

<b>Fund Balance at Year End</b>	<b>\$2,009,784</b>
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## Revenues

		Unrestricted		Restricted	Combined
		Educational	Auxiliary Enterprises		
Statement of Current Funds Operations Year Ended June 30, 1970	Educational and general:				
	Student tuition and fees	\$14,784,885			\$14,784,885
	Endowment income	653,147			653,147
	Cash gift—Religious of Holy Cross	1,100,036			1,100,036
	Grants in relief of University expense	269,150			269,150
	Sponsored research and other sponsored programs:				
	Government			\$ 7,797,092	7,797,092
	Non-government			1,465,450	1,465,450
	Recovery of indirect costs— sponsored programs	1,283,438			1,283,438
	Other sources:				
	University Press	273,325			273,325
	Computing Center	62,583			62,583
	Public service	514,170			514,170
	Investment income	663,308			663,308
	All other	456,514			456,514
	<b>Total Educational and General</b>	<b>\$20,060,556</b>		<b>\$ 9,262,542</b>	<b>\$29,323,098</b>
	Student aid—grants and endowment income			2,165,565	2,165,565
	Intercollegiate athletics		\$ 2,024,561		2,024,561
	Dining and residence halls and laundry		5,882,262		5,882,262
	Other enterprises (Athletic and Convocation Center, Morris Inn, bookstore, etc. )		4,917,077		4,917,077
	<b>Total Revenues</b>	<b>\$20,060,556</b>	<b>\$12,823,900</b>	<b>\$11,428,107</b>	<b>\$44,312,563</b>
	<b>Total Expenses</b>	<b>23,100,256</b>	<b>12,885,012</b>	<b>11,428,107</b>	<b>47,413,375</b>
	<b>Expenses in Excess of Revenues</b>	<b>\$ (3,039,700)</b>	<b>\$ (61,112)</b>	<b>\$ —</b>	<b>\$ (3,100,812)</b>

See notes to financial statements.



	Unrestricted		Restricted	Combined
	Educational	Auxiliary Enterprises		
Educational and general:				
Instruction and research:				
Schools and colleges	\$11,155,057			\$11,155,057
Institutes and other programs	1,294,572			1,294,572
Organized activities relating to educational departments:				
University and student publications	129,348			129,348
University Press	450,255			450,255
Computing Center	618,744			618,744
Sponsored research and other sponsored programs:				
Government			\$ 7,797,092	7,797,092
Non-government			1,465,450	1,465,450
Public service	551,969			551,969
Libraries	1,395,828			1,395,828
Student activities and services	1,297,807			1,297,807
Operation and maintenance—physical plant	2,609,170			2,609,170
Plant rehabilitation and extension	100,000	\$ 140,000		240,000
General administration	1,913,825			1,913,825
Nonacademic employees' retirement fund	165,000			165,000
General institutional expenses	898,835			898,835
<b>Total Educational and General</b>	<b>\$22,580,410</b>	<b>\$ 140,000</b>	<b>\$ 9,262,542</b>	<b>\$31,982,952</b>
Student aid—scholarships, fellowships, grants-in-aid, prizes	519,846	562,816	2,165,565	3,248,227
Intercollegiate athletics		1,392,362		1,392,362
Dining and residence halls and laundry		5,801,612		5,801,612
Other enterprises (Athletic and Convocation Center, Morris Inn, bookstore, etc.)		4,988,222		4,988,222
<b>Total Expenses</b>	<b>\$23,100,256</b>	<b>\$12,885,012</b>	<b>\$11,428,107</b>	<b>\$47,413,375</b>

Statement of Current Funds Operations  
Year Ended June 30, 1970

See notes to financial statements.



**Notes to Financial Statements**  
**University of Notre Dame du Lac**  
**June 30, 1970**

**Note A—Housing Bonds:**

During the year ended June 30, 1970, the University of Notre Dame du Lac Dormitory Refunding and Construction Bonds of 1968 were sold to the United States Government under the Housing and Urban Development Program. Proceeds from the sale of these bonds were used to refund the University of Notre Dame du Lac Dormitory Bonds (\$925,000) and to finance construction of two eleven-story residence halls. Married students' apartments and the two eleven-story residence halls, carried in the Plant Fund at \$7,857,916, together with land on which they are located, are mortgaged under the bond indenture. The University has agreed to provide for the payment of interest and principal on such bonds from operating revenues of the apartments and the two residence halls by depositing in a trustee bank account semiannual deposits of \$105,000 (or less if balance of the account exceeds specified requirements) to be used for such purpose. The University also has agreed to provide reserves for repairs and equipment replacements by annual deposits of \$24,000 and \$17,500, respectively.

**Note B—Retirement Program:**

Retirement benefits are provided for the academic staff through Teachers Insurance and Annuity Association (TIAA), a national organization used to fund pension benefits for educational institutions. Under this arrangement, the University and plan participants make annual contributions to TIAA to purchase individual annuities equivalent to retirement benefits earned. The University's share of the cost of these benefits during 1970 was \$556,492.

Retirement benefits also are provided for the nonacademic staff under a trustee retirement plan administered by the University. Contributions are made annually by the University and plan participants to the Employees' Retirement Fund. The University's contribution amounted to \$165,000 for 1970. On June 30, 1970, the assets of the Employees' Retirement Fund exceeded the actuarially computed present value of vested benefits for all employees covered under the trustee retirement plan.

**Note C—Marketable Securities:**

As of June 30, 1970, the carrying amount of marketable securities in the Endowment Fund exceeded the market value of such securities by approximately \$4,645,000. It is the University's policy to accumulate realized gains and losses on security transactions in a security fluctuation reserve in the Endowment Fund. Any losses which may be realized on the above mentioned securities will be charged against the accumulated net gains on sales of securities, which total \$9,952,091 at June 30, 1970. Marketable securities in other funds are represented principally by bonds maturing in relatively short periods, and the University intends to hold such bonds until maturity so that losses, if any, resulting from sales prior to maturity would not be significant.

Ernst & Ernst  
 150 South Wacker Drive  
 Chicago, Illinois 60606

Officers of Administration  
 University of Notre Dame du Lac  
 Notre Dame, Indiana

We have examined the financial statements of the several funds of the University of Notre Dame du Lac for the year ended June 30, 1970. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Certain University investments included in the statements of financial condition, aggregating approximately \$61,487,352 at cost and \$56,288,000 at market at June 30, 1970, were examined by other independent accountants whose report thereon has been furnished to us.

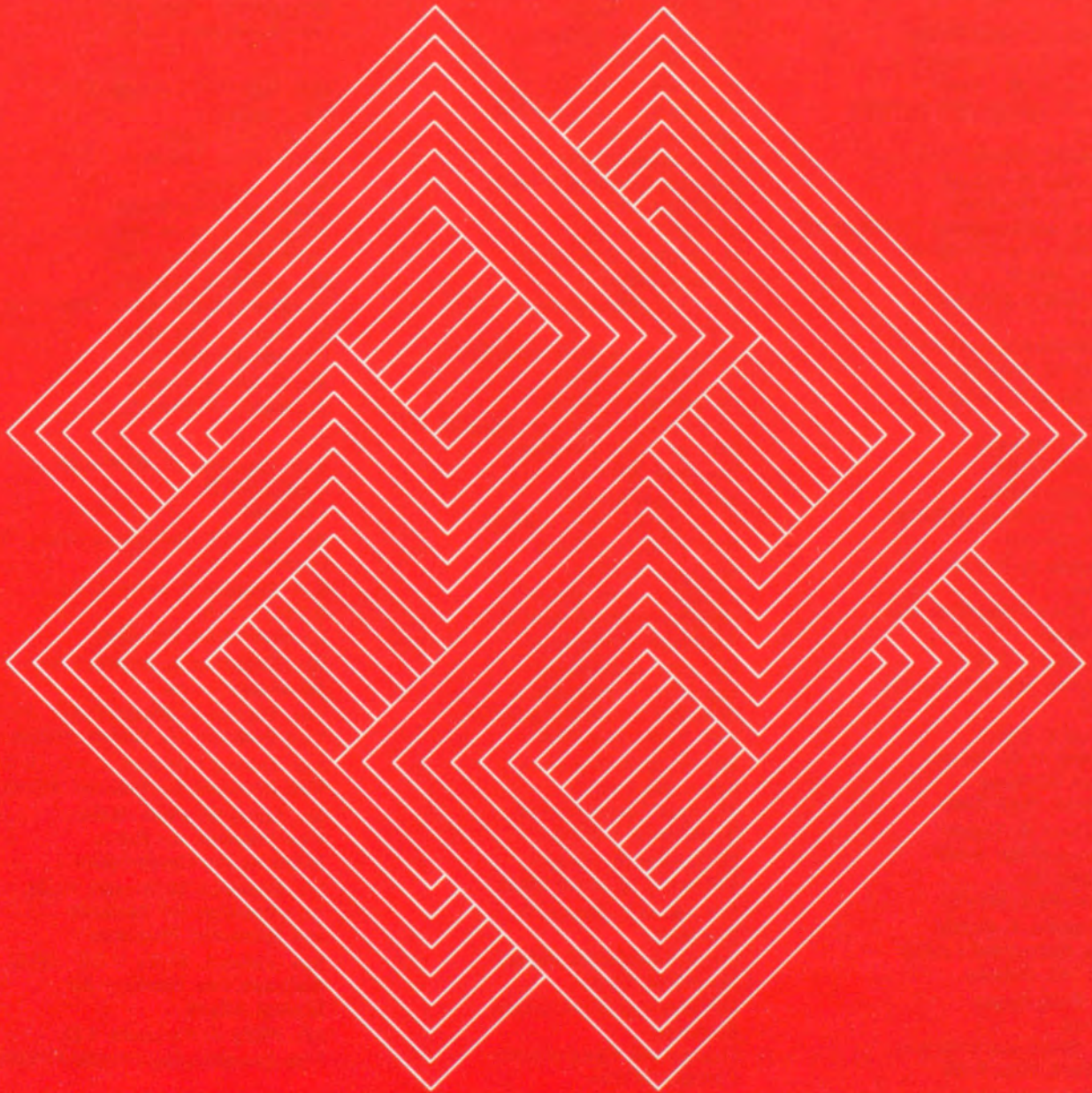
Based upon our examination and the aforementioned report of other independent accountants, it is our opinion that the accompanying statements of financial condition, statements of changes in fund balance, and statement of current funds operations present fairly the financial positions of the several funds of the University of Notre Dame du Lac at June 30, 1970, and the results of their operations and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Ernst & Ernst*

Chicago, Illinois  
 September 2, 1970



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