CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Antioch College Corporation

Financial Statements

June 30, 2022 and 2021

with Independent Auditors' Report

TABLE OF CONTENTS

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Antioch College Corporation
Yellow Springs, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Antioch College ("the College", a not-for-profit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Antioch College as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Antioch College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt about the College's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the College will continue as a going concern. As described in Note 1 to the financial statements, the College's significant decreases in net assets, reliance on contributions and borrowings from its endowment fund raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Antioch College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Antioch College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Antioch College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying financial responsibility supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Antioch College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Antioch College's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 31, 2023

		2022	2021
Assets:			
Cash and cash equivalents	$	941,186	2,181,216
Restricted cash		1,500,266	2,224,061
Accounts and grants receivable		68,948	32,216
Contributions receivable, net		6,238,217	11,056,279
Prepaid expenses		140,549	82,859
Investments, at fair value		2,911,522	4,299,856
Investments held in trust, at fair value		149,761	181,839
Note receivable		1,907,336	1,957,336
Beneficial interest in perpetual and remainder trusts		523,154	622,619
Property, plant and equipment, net		29,305,391	30,135,374
Total assets	$	43,686,330	52,773,655
Liabilities:			
Accounts payable and accrued liabilities	$	906,477	570,628
Gift annuity obligations		343,256	370,648
Amounts held on behalf of others in trust		82,886	95,748
Deferred grant revenue		-	335,237
Refundable advance		-	607,846
Long-term debt		1,375,000	1,375,000
Total liabilities		2,707,619	3,355,107
Net assets:			
Without donor restrictions:			
Operating		11,254,788	14,555,846
Board designated - general		928,425	928,425
With donor restrictions		28,795,498	33,934,277
Total net assets		40,978,711	49,418,548
Total liabilities and net assets	$	43,686,330	52,773,655

See accompanying notes to the financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Gifts, pledges and bequests	$ 2,218,684	370,662	2,589,346
Grants	1,033,448	-	1,033,448
Investment return, net	28,266	(188,534)	(160,268)
Tuition and fees, net	1,545,962	-	1,545,962
Other program income	180,050	-	180,050
Other income	135,038	-	135,038
Net assets released from restrictions	5,173,761	(5,173,761)	-
Total operating revenue	10,315,209	(4,991,633)	5,323,576
Operating expenses:			
Instruction	1,758,689	-	1,758,689
Academic support	1,279,633	-	1,279,633
Student services	1,998,848	-	1,998,848
Institutional support	2,718,920	-	2,718,920
Facilities	2,370,807	-	2,370,807
Auxiliary enterprises	307,568	-	307,568
Fundraising activities	727,302	-	727,302
Total operating expenses	11,161,767	-	11,161,767
Nonoperating gains (losses):			
Write-off of uncollectible pledges	(2,454,500)	-	(2,454,500)
Change in value of gift annuity	-	(28,465)	(28,465)
Change in value of remainder and perpetual trusts	-	(118,681)	(118,681)
Total nonoperating gains (losses)	(2,454,500)	(147,146)	(2,601,646)
Change in net assets	(3,301,058)	(5,138,779)	(8,439,837)
Net assets, beginning of year	15,484,271	33,934,277	49,418,548
Net assets, end of year	$ 12,183,213	28,795,498	40,978,711

See accompanying notes to the financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Gifts, pledges and bequests	$ 2,396,614	509,711	2,906,325
Grants	2,855,392	-	2,855,392
Investment return, net	40,300	214,925	255,225
Tuition and fees, net	1,223,583	-	1,223,583
Other program income	28,310	-	28,310
Other income	396,720	-	396,720
Net assets released from restrictions	2,975,334	(2,975,334)	-
Total operating revenue	9,916,253	(2,250,698)	7,665,555
Operating expenses:			
Instruction	1,766,341	-	1,766,341
Academic support	950,091	-	950,091
Student services	2,062,570	-	2,062,570
Institutional support	2,222,539	-	2,222,539
Facilities	2,361,926	-	2,361,926
Auxiliary enterprises	358,888	-	358,888
Fundraising activities	905,086	-	905,086
Total operating expenses	10,627,441	-	10,627,441
Nonoperating gains (losses):			
Property disposal losses	(363,173)	-	(363,173)
Write-off of uncollectible pledges	(141,068)	-	(141,068)
Change in value of gift annuity	-	(31,010)	(31,010)
Change in value of remainder and perpetual trusts	-	103,393	103,393
Total nonoperating gains (losses)	(504,241)	72,383	(431,858)
Change in net assets	(1,215,429)	(2,178,315)	(3,393,744)
Net assets, beginning of year	16,699,700	36,112,592	52,812,292
Net assets, end of year	$ 15,484,271	33,934,277	49,418,548

See accompanying notes to the financial statements.

	Program Services	Management and General	Fundraising	Total
Operating expenses:				
Compensation:				
Salaries and wages	$ 3,365,155	1,454,892	431,940	5,251,987
Benefits	396,627	262,971	39,267	698,865
Payroll taxes	271,230	120,716	34,619	426,565
Total compensation	4,033,012	1,838,579	505,826	6,377,417
Other operating expenses:				
Professional and contract services	656,328	521,544	97,350	1,275,222
Depreciation	724,505	293,481	-	1,017,986
Occupancy	489,442	198,553	720	688,715
Advertising and promotion	210,587	94,984	48,005	353,576
Maintenance and repairs	142,896	57,884	-	200,780
Office and administrative	60,721	23,505	15,722	99,948
Interest expense	34,275	18,527	11,463	64,265
Insurance	221,042	89,539	-	310,581
Conferences and meetings	2,215	4,266	274	6,755
Information technology	215,316	23,135	27,544	265,995
Student services and supplies	246,799	-	-	246,799
Travel	27,031	47,535	4,882	79,448
Bad debt expense	16,922	-	-	16,922
Other	77,983	63,859	15,516	157,358
Total other operating expenses	3,126,062	1,436,812	221,476	4,784,350
Total operating expenses	$ 7,159,074	3,275,391	727,302	11,161,767

	Program Services	Management and General	Fundraising	Total
Operating expenses:				
Compensation:				
Salaries and wages	$ 3,110,495	1,364,714	519,145	4,994,354
Benefits	402,311	267,640	53,197	723,148
Payroll taxes	250,556	104,013	40,713	395,282
Total compensation	3,763,362	1,736,367	613,055	6,112,784
Other operating expenses:				
Professional and contract services	697,378	187,248	156,409	1,041,035
Depreciation	761,264	302,034	-	1,063,298
Occupancy	483,749	192,206	690	676,645
Advertising and promotion	30,360	15,335	49,474	95,169
Maintenance and repairs	132,166	52,438	-	184,604
Office and administrative	145,479	102,475	39,748	287,702
Interest expense	108,504	43,049	-	151,553
Insurance	201,796	80,064	-	281,860
Conferences and meetings	32,838	21,527	3,005	57,370
Information technology	56,252	117,257	34,637	208,146
Student services and supplies	141,071	-	-	141,071
Travel	595	2,992	-	3,587
Bad debt expense	59,260	-	-	59,260
Other	29,259	226,030	8,068	263,357
Total other operating expenses	2,879,971	1,342,655	292,031	4,514,657
Total operating expenses	$ 6,643,333	3,079,022	905,086	10,627,441

Antioch College Corporation
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

		2022	2021
Cash flows from operating activities:			
Change in net assets	$	(8,439,837)	(3,393,744)
Adjustments to reconcile change in net assets to net cash from operating activities:			
Depreciation		1,017,986	1,063,298
Property disposal losses		-	363,173
Bad debt expense and write-off of uncollectible pledges		2,471,422	194,139
Change in discount for future pledges		1,024,373	379,156
Net realized gain on investments		(7,066)	(16,069)
Net unrealized loss (gain) on investments		231,797	(176,982)
Change in beneficial interest in perpetual and remainder trusts		118,681	(103,393)
Change in value of gift annuity		28,465	31,010
Contributions restricted for endowment and facilities		(55,000)	(31,950)
Effects of change in operating assets and liabilities:			
Accounts and grants receivable		(36,732)	534,233
Contributions receivable		1,322,267	1,977,050
Prepaid expenses		(57,690)	(39,660)
Accounts payable and accrued liabilities		335,849	(130,924)
Deferred grant revenue and refundable advance		(943,083)	113,464
Accounts held on behalf of others in trust		(12,862)	-
Net cash from operating activities		(3,001,430)	762,801
Cash flows from investing activities:			
Purchase of investments		(29,172)	-
Proceeds from sale of investments		1,224,853	6,142,532
Proceeds from sale of property plant and equipment		-	235,638
Proceeds from repayment of note receivable		50,000	542,664
Purchase of property, plant and equipment		(188,003)	-
Net cash from investing activities		1,057,678	6,920,834
Cash flows from financing activities:			
Payments on note payable		-	(6,200,000)
Contributions restricted for endowment and facilities		55,000	31,950
Payments on gift annuity and trust obligations		(75,073)	(30,335)
Net cash from financing activities		(20,073)	(6,198,385)
Net change in cash, cash equivalents and restricted cash		(1,963,825)	1,485,250
Cash, cash equivalents and restricted cash, beginning of year		4,405,277	2,920,027
Cash, cash equivalents and restricted cash, end of year	$	2,441,452	4,405,277
Reconciliation of ending cash to the statement of financial position:			
Cash and cash equivalents	$	941,186	2,181,216
Restricted cash		1,500,266	2,224,061
	$	2,441,452	4,405,277
Supplemental disclosures of cash flow information:			
Interest paid	$	68,724	103,663
Sold property held for sale in exchange for note receivable	$	-	2,500,000

See accompanying notes to the financial statements.

1. ORGANIZATION:

Antioch College Corporation ("the College"), originally founded in 1854 in Yellow Springs, Ohio, was formerly a wholly-owned subsidiary of Antioch University ("the University") which ceased Antioch College operations in 2008 due to financial reasons. An organization of former alumni and other interested parties subsequently purchased Antioch College and related assets and obligations from the University on September 4, 2009. Included with the purchase were an endowment and other investments, obligations under various split interest agreements, campus buildings and land, and various other assets and obligations. The College, which provides a rigorous liberal arts education, awards the Bachelor of Arts and Bachelor of Science degrees.

The College relies on significant contributions to pay operating expenses. This reliance along with the significant endowment loans described in Note 4, unfunded gift annuity obligations described in Note 7, callable bonds described in Note 10, and continuing significant decreases in net assets, create uncertainty about the College's ability to continue as a going concern. The ability of the College to continue as a going concern is dependent upon successfully achieving the strategic plan implementation results described below for obtaining financial stability. These financial statements do not include any adjustments that might be necessary if the College is unable to continue as a going concern. The College has developed a strategic plan of financial sustainability through the following key components:

- Increasing and diversifying student-derived revenue;
- Increase unearned revenue through effective outreach to the alumni and community, including obtaining new donors, and increasing planned giving;
- Increase cash flow by divestiture of non-strategic assets;
- Increasing cash flow through alternative means;
- Reduce expenses to the extent possible while still fulfilling the College's mission;
- Offering new more affordable, and highly entrepreneurial approach to funding operations by integrating and leveraging around the College's Areas of Practice: Environmental sustainability; Deliberative democracy, diversity and social justice; Creativity and story; Wellbeing; and Work, world and resilient community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The financial statements of the College have been prepared on the accrual basis of accounting. Resources are reported for accounting purposes, in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the College. Net assets without donor restrictions have been designated for specific purposes by the Board of Trustees (Note 14). In addition, assets may otherwise be limited by contractual agreements with outside parties.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations which may be temporary or perpetual in nature. Donor restrictions that are temporary in nature may be met either by actions of the College and/or by the passage of time. Donor restrictions that are perpetual in nature, are required to be maintained in perpetuity by the College. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets for specific or general purposes.

Expenses are generally reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations, that simultaneously increase one class of net assets and decrease another, are reported as net assets released from restrictions.

Contributions and investment return with donor-imposed restrictions are reported as net assets with donor restrictions and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction unless such donor-imposed restrictions are met within the period the contribution is made. In these cases, contributions are reported as net assets without donor restrictions. Contributions restricted for the endowment are classified as net assets with donor restrictions and retained as such in perpetuity in accordance with donor stipulations.

Cash and Cash Equivalents
Cash and cash equivalents include cash deposits with original maturities of three months or less. Cash and cash equivalents that comprise part of the investment balances for the endowment, third party trusts, gift annuities, and other restricted investments are not classified as cash or cash equivalents. Certain cash balances are classified as restricted and listed as a separate line item in the statements of financial position.

Grants Receivable and Deferred Grants Revenue
Grants receivable are reported at amounts billed or billable to grantors based upon amounts awarded and expended under these awards prior to the end of the year.
Deferred grants revenue represents amounts advanced under certain grant awards whereby the related expenditures have not yet been incurred as of the end of the year. No allowance for uncollectible grants receivable has been recognized because management believes all amounts due are collectible.

Contributions Receivable
The College reports unconditional promises to give as contributions receivable and revenue when the promise is made by individuals and entities. Contributions receivable are unsecured and are reported net of an allowance for uncollectible pledges and a discount for the time value of money for long-term pledges. Contributions received are considered available for unrestricted use unless specifically restricted by the donor. The College's discount rate of 3.01% and 0.87% at June 30, 2022 and 2021, respectively, is the risk free rate of return.

Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statements of financial position with gains and losses included in the statements of activities. Dividend and interest income are accrued as earned. Realized gains and losses are determined on the average cost method and are reflected in revenue.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost at the date of acquisition or, if acquired by gift, at fair value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, ranging from 3 to 39 years. The cost and related accumulated depreciation of sales and disposals are removed from the accounts, and any gain or loss is reflected in the current year's operations. Expenditures which substantially increase useful lives are capitalized, while maintenance and repairs are expensed as incurred.

Long-lived Assets
The College reviews its long-lived assets for impairment in conjunction with its current operating plans and operating trends for possible impairment of those assets, and further conducts reviews for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In the event impairment exists, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset. No impairment was recognized for the years ended June 30, 2022 or 2021.

Tuition and Fees
The College derives its revenues primarily from the sale of educational services to its students. Revenues are recognized as these services are provided to its students, in an amount that reflects the consideration the College expects to be entitled to in exchange for those products and services. The College does not have any significant financing components as payment is generally received prior to the beginning of the academic semester or within one year.

Revenue from performance obligations satisfied over time consists of the educational services and certain fees charged to students for providing access to College resources (tuition and fees). For these performance obligations, control transfers to the student over the academic semester/period. Revenue is recognized throughout the semester as time passes and services are provided to students. Tuition and fees revenue is net of $3,623,099 and $3,286,421 of tuition discounts, for the years ended June 30, 2022 and 2021, respectively.

Contributions and grants
Contributions and grants, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when the cash or promise to give is received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions In-Kind
Donated buildings, equipment, services and other donated goods are recorded at their estimated fair value as of the date of the donation. Certain volunteer services provided throughout the year were not recognized as contributions because the recognition criteria were not met. The College reports gifts of land, buildings, and equipment as increases in net assets without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as increases in net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the College reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. There were no noncash donations for the years ended June 30, 2022 and 2021.

Income Taxes

The College is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the College's tax-exempt purpose is subject to taxation as unrelated business income. The College's information returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the financial statements as the College has determined it does not have significant unrelated business taxable income.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to programming or supporting functions of the College. Expenses are directly applied when applicable and are allocated to program or support services using reasonable allocation bases. Such allocations are determined by management on an equitable basis. Payroll, taxes and benefits are allocated based upon time and effort. Utilities, maintenance and repairs and depreciation are allocated based upon square footage.

Reclassifications

Certain amounts reported in 2021 have been reclassified to conform to 2022 financial statement presentation. Total change in net assets for 2021 did not change as a result of these reclassifications.

Subsequent Events

The College evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through March 31, 2023, the date which the financial statements were available to be issued.

3. CONTRIBUTIONS RECEIVABLE:

The College has recognized certain pledges as unconditional promises to give and are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Unconditional promises to give are expected to be realized in the following periods as of June 30, 2022:

In one year or less	$	1,317,601
Between one and five years		1,245,763
More than five years		5,609,323
Less: Allowance for uncollectible pledges		311,000
Discount for future pledges		1,623,470
Net pledges receivable	$	6,238,217

4. INVESTMENTS:
The fair value of investments as of June 30, 2022 and 2021 were as follows:

		2022	2021
Money market funds	$	925,853	2,086,610
Mutual fund fixed income		1,217,548	1,368,790
Mutual fund equities		768,121	844,456
	$	2,911,522	4,299,856

The vast majority of the College's investments at June 30, 2022, approximately 88% (86% at June 30, 2021), are held for the purpose of the endowment.

Endowment Funds
The College's endowment includes donor-restricted funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
The Board of Trustees of the College has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the College classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions.

In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the fund, (2) the purposes of the College and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the College, and (7) the investment policies of the College. The changes in endowment net assets for the years ended June 30, 2022 and 2021 were as follows:

June 30, 2022		Without Donor Restrictions	With Temporary Donor Restrictions	With Perpetual Donor Restrictions	Total
Endowment net assets, July 1, 2021	$	-	312,845	19,718,473	20,031,318
Contributions		-	-	4,500	4,500
Investment income:					
Investment income, less fees		-	683,977	-	683,977
Net depreciation		-	(185,934)	-	(185,934)
Appropriation of assets for expenditure		-	-	-	-
Endowment net assets, June 30, 2022	$	-	810,888	19,722,973	20,533,861

June 30, 2021		Without Donor Restrictions	With Temporary Donor Restrictions	With Perpetual Donor Restrictions	Total
Endowment net assets, July 1, 2020	$	-	744,138	19,712,273	20,456,411
Contributions		-	-	6,200	6,200
Investment income:					
Investment income, less fees		-	566,725	-	566,650
Net appreciation		-	176,982	-	176,982
Appropriation of assets for expenditure		-	(1,175,000)	-	(1,175,000)
Endowment net assets, June 30, 2021	$	-	312,845	19,718,473	20,031,318

Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to accumulate a pool of assets sufficient to build capital for future use while providing a predictable level of funding to meet current needs.

Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in manner that is intended to produce results with a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation within both equity and fixed income securities, so as to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class or investment category.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The College has a policy of appropriating for distribution each year 4% of the value of the endowment investments. In establishing this policy, the College considered the long-term expected return on its endowment, including endowment loans.

Endowment Loans

The College has borrowed from its endowment funds for campus renovations and to cover certain operating expenses of the College prior to and immediately following its accreditation and approval to participate in federal student financial aid programs. As such, the fair value of assets associated with the donor-restricted endowment funds has fallen below the level that the donor or UPMIFA requires the College to retain as a fund of perpetual duration. According to UPMIFA, a responsible organization may nevertheless spend below the original gift amount as long as the spending is prudent and is in fulfillment of the mission of the organization.

Such deficiencies are as follows at June 30, 2022 and 2021:

		2022	2021
Fair value of endowment assets	$	2,374,689	3,680,032
Endowment funds gifts and undistributed income		20,533,861	20,031,318
Endowment funds in excess of endowment assets	$	(18,159,172)	(16,351,286)

The Board of Trustees regularly evaluates repayment of borrowings to the endowment and places limits on amounts that may be borrowed. The College has borrowed funds from its endowment in the amount of $17,204,789 and $16,038,441 as of June 30, 2022 and 2021, respectively. Related accrued interest (4%) on these loans was $954,383 and $312,845 as of June 30, 2022 and 2021, respectively. Management believes that the borrowings from the endowment do not violate the intentions of the original donors and were done so consistent with the provisions of UPMIFA.

5. NOTES RECEIVABLE:

Agreement Regarding Transfer of Glen Helen Nature Preserve (the Glen)
The $2,500,000 note receivable from Glen Helen Association is secured by a mortgage on the Glen. The note receivable balance is $1,907,336 and $1,957,336, as of June 30, 2022 and 2021, respectively. Beginning September 4, 2021, the note is payable in annual installments of $50,000 through September 4, 2030. The remaining balance is due and payable on September 4, 2031.

In connection with this note and the related *Agreement Regarding Transfer of Glen Helen Nature Preserve*, the College is to maintain the Birch Endowment, the income of which is to support the Glen. Each year beginning on September 4, 2021, in lieu of distribution of endowment income to the Glen, such income is to be kept by the College and is considered interest on the note. After the note is paid in full, the College will make annual distributions of income from the Birch Endowment to Glen Helen Association.

Agreement Regarding Transfer and Assignment of WYSO
The College acquired the assets of WYSO-FM radio station on July 3, 2013, which operated as a program of the College until the management and operations were transferred to a new not-for-profit organization, Miami Valley Public Media, Inc. (MVPM), on April 1, 2019 in accordance with an executed *Agreement Regarding Transfer and Assignment of WYSO*. In July 2019 the Federal Communications Commission (FCC) approved the assignment of the broadcast license from the College to MVPM and this license and broadcasting equipment were contributed to MVPM on August 30, 2019. The agreement terms stated that MVPM shall cause the College to receive $3,500,000 as part of this transaction for the independence of WYSO 91.3 FM public radio station. These funds were raised by the joint efforts of the College’s advancement department and WYSO staff prior to transition and funds are being deposited by donors in the *Campaign for WYSO’s Future* fund at the Dayton Foundation. Contributions receivable of $0 and $241,442 related to this transaction are included in net contributions receivable (see Note 3) as of June 30, 2022 and 2021, respectively. The contributions receivable were collateralized by a promissory note from MVPM bearing interest at 2.5% due in April 2022.

6. CHARITABLE REMAINDER TRUSTS:

The College serves as trustee for various charitable remainder trusts. The College is obligated to make periodic payments, generally quarterly, to the respective trust annuitants.

The College records the trust investments as net assets with donor restrictions and reclassifies them according to the trust's directive at the termination of the trust. Currently, the College is paying approximately $11,000 annually to the respective trust annuitants.

The College has valued the future liability for annuity contract payments by calculating the present value of the expected payments based upon the anticipated remaining length of the trust, with a rate of 3.25% at June 30, 2022 and 2021, respectively, to calculate the present value of the future liability. At June 30, 2022 and 2021, the estimated liability was $82,886 and $95,748, respectively. The investments backing the trusts are managed by Morgan Stanley Smith Barney, and totaled $149,761 and $181,839 at June 30, 2022 and 2021, respectively. The College has no responsibility to continue making trust payments once the assets of the respective trust assets have expired.

7. GIFT ANNUITIES:

As part of the acquisition of Antioch College the College inherited 34 gift annuity contracts for which the College is obligated to make a periodic payment, generally quarterly, to the respective annuitant. The College records the gift annuities investments as net assets with donor restrictions and reclassifies them according to the donor's wishes at the termination of the annuity contract. Currently, the College is paying approximately $55,000 annually to the respective annuitants.

The College has valued the future liability for annuity contract payments by calculating the present value of the expected payments based upon the anticipated remaining length of the annuity contract, with a rate of 3.25% at June 30, 2022 and 2021, respectively, to calculate the present value of the future liability. At June 30, 2022 and 2021, the estimated liability was $343,256 and $370,648, respectively.
The investments backing the gift annuities are managed by Fifth Third Institutional Services, and totaled $3,810 and $40,938 at June 30, 2022 and 2021, respectively. The College is responsible for continuing to pay the annuitants under the contract even if there are no remaining investment assets.

8. BENEFICIAL INTEREST IN PERPETUAL AND REMAINDER TRUSTS:

As part of the acquisition of Antioch College, the College also inherited a beneficial interest in three charitable remainder trusts which are administered by outside parties. Two of the trusts are perpetual trusts which provide the College with the irrevocable right to income, approximately $12,000 annually, in perpetuity from the trusts. The College is the beneficiary (remainder designee) of the final trust in which it is to receive a 15% interest in the remainder upon termination of the trust. The beneficial interests are valued at the fair value of the underlying investments of each trust multiplied by the College's ownership or remainder percentage. At year end June 30, 2022 and 2021, the College's beneficial interest in these trusts was $523,154 and $622,619, respectively.

9. PROPERTY, PLANT AND EQUIPMENT:

The components of the College's property, plant and equipment consisted of the following at June 30, 2022 and 2021:

		2022	2021
Land	$	777,966	777,966
Building and improvements		36,278,367	36,119,146
Furniture and equipment		914,262	885,480
Construction in process		497,563	497,563
		38,468,158	38,280,155
Less accumulated depreciation		9,162,767	8,144,781
Net property, plant and equipment	$	29,305,391	30,135,374

10. LONG-TERM DEBT:

At June 30, 2022 and 2021, the College had additional debt of $1,375,000 in the form of bonds payable at an interest rate of 5% with maturity and collateral described below. In July 2016, the College established a program under which it may, from time to time, borrow up to $20 million in principal amount at any one time outstanding by issuing "Invest in Antioch's Future Bonds" to persons lending funds to Antioch under the program.

The bonds carry interest at an annual rate determined by the Board of Trustees and fixed at the time the bond is issued. Interest on each bond is payable annually on the anniversary date of the date of issuance of that bond. Once a bond has been outstanding for at least three years, if the holder wishes to redeem the bond, the principal amount of that bond, plus accrued interest, will be payable at the request of the holder at any time upon at least 90 days prior notice to the College. The College has the right to redeem any bond at any time by giving notice to the holder. The term of each bond is ten years, if not earlier redeemed by the holder or the College. Bond maturities range from 2027 to 2029. The bonds are secured by a mortgage on real property and by a security interest in the tangible personal property of the College. In conjunction with this program, the College has entered into a Trust Indenture with The Huntington National Bank, which provides for the issuance of the bonds and the execution of a mortgage and security agreement providing security for the bonds. The Huntington National Bank will have the right to foreclose on the collateral in the event of any default.

11. CONDITIONAL GRANTS:

In April 2020, the College was allotted funds from the U.S. Department of Education under the Higher Education Emergency Relief Fund (HEERF) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The allocation was divided between a student aid portion and an institutional portion. The student aid portion of the grant requires the College to provide student aid based on certain student eligibility conditions. The institutional portion of the grant reimburses the College for qualifying expenses as a result of the pandemic. During 2021, the College received and disbursed the conditional grant for the student portion of $226,330. During 2021, The College received the conditional grant for the institutional portion of $402,947. The College incurred qualifying expenses and lost revenue for the institutional portion of $320,320 and $164,681 and for the years ended June 30, 2022 and 2021, respectively, therefore the balances of $0 and $320,320, has been recorded as deferred revenue on the statements of financial position as of June 30, 2022 and 2021, respectively. During 2021, the College received and incurred qualifying expense under the HEERF Fund for the Improvement of Postsecondary Education in the amount of $335,891.

12. PAYCHECK PROTECTION PROGRAM:

As part of the College's response to the Coronavirus Disease (COVID-19) pandemic, it received a loan through the Small Business Administration's (SBA) Paycheck Protection Program (PPP) of $1,583,923 on May 4, 2020 with a maturity date of May 4, 2022. The SBA may forgive all or part of the loan if the College satisfies and complies with the terms and conditions for loan forgiveness under the Coronavirus Aide, Relief, and Economic Security Act and the rules of the PPP. During 2021, the College incurred eligible expenses to qualify for full forgiveness and attained formal forgiveness of the loan from the SBA on July 1, 2021. For the year ended June 30, 2021, the College recognized revenue on the statements of activities of $729,477, related to the forgiveness.

Additionally, in April 2021, the College received a $1,487,805 second draw PPP loan. The loan bears interest at 1% and is due in 24 months after the date of the note. Similar to the first draw PPP loan received in 2020, the PPP program allows for a portion of the second draw PPP loan (up to the full amount) to be forgiven based on qualifying expenses. As of June 30, 2021, the College spent $879,959 of the funding and had met the conditions of the funding and therefore recognized it as revenue in the statement of activities. The remaining funding of $607,846 that might be earned or paid back, but had not met the conditions of the PPP and SBA is recorded as a refundable advance on the statement of financial position at June 30, 2021. On August 26, 2022, the College was granted forgiveness of $1,487,805 and recognized the remainder of $607,846 in grant revenue for the year ended June 30, 2022.

13. FAIR VALUE MEASUREMENTS:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the College has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Investments in mutual funds and money market funds are based on the level 1 approach. Beneficial interests in trusts are valued based upon the College's proportional share of the underlying assets and is valued on a recurring basis. However, because there is not currently an active market to observe quoted prices for beneficial interest in trusts, the assets are considered to be valued using unobservable inputs and are therefore considered to be level 3 assets. Due to the volume of donor pledges, contributions receivable are reported using the fair value option whereby all pledges are discounted using the end of period discount rate rather than the discount rate at the date of each pledge. There were no changes to valuation techniques during 2022 and 2021. Assets and liabilities measured at fair value on a recurring basis are summarized below:

		Fair Value Measurements at June 30, 2022 Using:			
		Level 1	Level 2	Level 3	Total
Investments:					
Money market funds	$	925,853	-	-	925,853
Equity mutual funds		768,121	-	-	768,121
Fixed income mutual funds		1,217,548	-	-	1,217,548
Total Investments	$	2,911,522	-	-	2,911,522
Investments held in trust	$	149,761	-	-	149,761
Beneficial interest in trusts	$	-	-	523,154	523,154
Contributions receivable	$	-	-	6,238,217	6,238,217

		Fair Value Measurements at June 30, 2021 Using:			
		Level 1	Level 2	Level 3	Total
Investments:					
Money market funds	$	2,086,610	-	-	2,086,610
Equity mutual funds		844,456	-	-	844,456
Fixed income mutual funds		1,368,790	-	-	1,368,790
Total Investments	$	4,299,856	-	-	4,299,856
Investments held in trust	$	181,839	-	-	181,839
Beneficial interest in trusts	$	-	-	622,619	622,619
Contributions receivable	$	-	-	11,056,279	11,056,279

14. BOARD DESIGNATED FUNDS - GENERAL:

As part of the asset purchase agreement with the University, the College also agreed to designate future unrestricted funds of the College to honor the donor stipulations for $928,425 at June 30, 2022 and 2021 for which the principal had been previously spent by the University, but not necessarily in conjunction with the original donor stipulations. The Board of Trustees of the College has designated that future unrestricted funds, when available, will be spent as necessary to honor the original donor’s stipulations.

15. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes at June 30:

		2022	2021
Subject to expenditure for a specific purpose:			
Academic and student programs	$	427,696	411,481
Scholarships		824,551	902,619
Other programs		248,019	909,961
Subject to the passage of time:			
Contributions receivable, net		6,238,217	11,056,279
Remainder trusts		48,925	60,383
Subject to spending policy and appropriation:			
Perpetual trusts		474,229	562,236
Endowment gifts - unexpended income		809,188	312,845
Endowment gifts held in perpetuity		19,724,673	19,718,473
	$	28,795,498	33,934,277

16. RETIREMENT PLAN:

The College maintains a 401(k) defined contribution retirement plan (the Plan) for its eligible employees who are 21, have completed one year of service and elect to participate. The College may contribute a discretionary matching contribution and a discretionary profit-sharing contribution, as defined by the Plan. There were no discretionary matching or discretionary profit sharing contributions for the years ended June 30, 2022 and 2021.

17. RELATED PARTY TRANSACTIONS:

The College did not have any monetary transactions with related parties for the years ended June 30, 2022 and 2021, other than receipt of contributions from various board members.

18. TUITION AND FEES, NET:

The following is included in tuition and fees, net as of June 30:

		2022			
		Tuition	Room and Board	Other Fees	Total
Gross revenue	$	4,330,522	1,110,157	161,900	5,602,579
Scholarships and fellowships		(3,623,099)	(433,518)	-	(4,056,617)
Net revenue	$	707,423	676,639	161,900	1,545,962

		2021			
		Tuition	Room and Board	Other Fees	Total
Gross revenue	$	3,903,601	789,946	149,432	4,842,979
Scholarships and fellowships		(3,286,421)	(332,975)	-	(3,619,396)
Net revenue	$	617,180	456,971	149,432	1,223,583

19. FEDERAL DIRECT LENDING PROGRAM:

The College distributed $503,053 and $440,261 for student loans through the U.S. Department of Education federal direct lending program for the years ended June 30, 2022 and 2021, respectively. These distributions and related funding source are not included as expenses or revenue in the accompanying financial statements.

20. FINANCIAL RESPONSIBILITIES STANDARDS:

In order to participate in the Title IV Student Financial Assistance programs, an institution must meet specific standards of financial responsibility as defined in the Code of Federal Regulations (CFR) Part 668. One of the standards is to maintain a composite score of at least 1.5 out of a possible 3.0 for the combination of Equity, Primary Reserve, and Net Income ratios, as defined in the CFR. If an institution does not maintain a composite score of at least 1.5, the Department of Education (DOE) will require an institution to participate in additional monitoring activities. An institution that fails the financial responsibility standards (less than 1.0) may continue to participate in the Title IV programs under provisional certification for three years with additional monitoring and reporting requirements. To continue to participate in Title IV programs under provisional certification, an institution will be required to provide surety to DOE of 10% or more of its previous year’s Title IV funding, as determined by DOE, or 50% and not be subject to the additional monitoring and reporting requirements. The College’s composite score for 2022 and 2021 were 0.6 and 1.1, respectively.

21. RISKS AND CONTINGENCIES:

Credit Risk
Financial instruments which potentially subject the College to a concentration of credit risk consist principally of cash and cash equivalents, contributions receivable, and investments. The College places cash and cash equivalents with high credit quality financial institutions. The College has not experienced any losses on such accounts. The College's investments are managed by independent asset management firms whose performance is reviewed by the Finance Committee of the Board of Trustees on a periodic basis.

Contingencies
State and federally funded financial aid programs are subject to special audits. Such audits could result in claims against the resources of the College. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

The College is involved in legal matters arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the College's future financial position or results from operations.

22. LIQUIDITY:
The College is substantially supported by tuition and fees, contributions and grants. As part of the College's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following table presents the financial assets available to meet cash needs for general expenditures within one year as of June 30:

		2022	2021
Cash and cash equivalents	$	941,186	2,181,216
Accounts and grants receivable		68,948	32,216
Contributions receivable due within one year		1,317,601	3,250,705
	$	2,327,735	5,464,137

The College recognizes the deficiencies in assets available to meet restrictions imposed by donors, primarily resulting from loan draws on the endowment fund. However, the Board has the authority to approve further appropriations as necessary to provide liquidity.

23. ACCREDITATION:
In June 2016, the Higher Learning Commission (HLC) granted initial accreditation to Antioch College. An institution in its first cycle of accreditation undergoes a comprehensive evaluation and is considered for reaffirmation of accreditation in year four of the initial ten-year cycle. The College hosted another review for reaffirmation of accreditation in 2020 and the outcome was continuing accreditation with the next reaffirmation of accreditation in 2025 or 2026.

SUPPLEMENTARY INFORMATION

Financial Statement Description	Description		
Primary Reserve Ratio:			
Expendable Net Assets:			
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		$ 12,183,213
Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		28,795,498
Notes to the Financial Statements - Related party receivable and note disclosure	No related party receivable		-
Statement of Financial Position - Property, Plant and Equipment, net	Land, buildings and equipment, net	$ 29,305,391	
Notes to the Financial Statements - Property, plant and equipment, net - pre-implementation	Land, buildings and equipment, net - pre- implementation		28,807,828
Notes to the Financial Statements - Construction in process	Land, buildings and equipment, net		497,563
Statement of Financial Position - Note Payable for long term purposes	Note payable	1,375,000	
Statement of Financial Position - Note Payable for long term purposes pre-implementation	Note payable - pre-implementation described in Note 10		1,375,000
Notes to the Financial Statements - Perpetual funds	Net assets with donor restrictions: restricted in perpetuity - Note 15		20,198,902
Notes to the Financial Statements - Term endowments	Net assets with donor restrictions: restricted in perpetuity - Note 15		858,113
	Expendable Net Assets		**$ (8,008,695)**
Total Expenses:			
Statement of Activities and Changes in Net Assets - Total operating expenses	Total expenses without donor restrictions		$ 11,161,767
Statement of Activities and Changes in Net Assets - Non-operating and Net Investment (loss)	Losses on impairment of property, annuities, and perpetual trusts		(2,454,500)
	Total Expenses without Donor Restrictions		**$ 13,616,267**

Financial Statement Description	Description		
Equity Ratio			
Modified Net Assets			
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	$	12,183,213
Statement of Financial Position - Total net assets with donor restriction	Net assets with donor restrictions		28,795,498
Statement of Financial Position - Goodwill	Not applicable		-
Statement of Financial Position - Related party receivables	Not applicable		-
	Total Modified Net Assets	$	**40,978,711**
Modified Assets			
Statement of Financial Position - Total Assets	Total Assets	$	43,686,330
Statement of Financial Position - Goodwill	Not applicable		-
Statement of Financial Position - Related party receivables	Not applicable		-
	Modified Assets	$	**43,686,330**
Net Income Ratio			
Statement of Activities and Changes in Net Assets - Change in net assets without donor restrictions	**Change in net assets without donor restrictions**	$	**(3,301,058)**
Statement of Activities and Changes in Net Assets - (Net Assets released from restriction), total operating revenue and other additions	**Operating revenue without donor restrictions**	$	**10,315,209**

COMPOSITE SCORE CALCULATION

				Strength Factor	Limited Strength Factor	Weight	Score
Primary Reserve Ratio							
Expendable Net Assets	$	(8,008,695)					
Total Expenses without Donor Restrictions	$	13,616,267	-0.5882	-5.8817	-1.0000	0.4	-0.4000
Equity Ratio							
Modified Net Assets	$	40,978,711					
Modified Assets	$	43,686,330	0.9380	5.6281	3.0000	0.4	1.2000
Net Income Ratio							
Change in Net Assets without Donor Restrictions	$	(3,301,058)					
Total Revenues & Gains Without Donor Restrictions	$	10,315,209	-0.3200	-15.0009	-1.0000	0.2	-0.2000
TOTAL COMPOSITE SCORE							**0.6**

Federal Grantor/Program Title	Assistance Listing Number	Pass-through Identifying Number		Expenditures
U.S. Department of Education:				
Student Financial Aid - cluster:				
Federal Pell Grant	84.063		$	488,001
Direct Loan Program	84.268			503,053
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007			32,711
Federal Work-Study Program	84.033			24,065
Total Student Financial Aid - Cluster				1,047,830
COVID-19 - Higher Education Emergency Relief Fund (HEERF):				
Fund for the Improvement of Postsecondary Education (FIPSE) Formula Grant	84.425N			320,320
Total HEERF				320,320
Total expenditures of federal awards			$	1,368,150

See independent auditors' report and accompanying notes to the schedule of expenditures of federal awards.

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Antioch College Corporation ("the College") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College did not pass-through any federal awards to subrecipients during the year ended June 30, 2022.

Expenditures for Federal student financial aid programs are recognized as incurred and include Pell program grants to students and administrative cost allowances, where applicable.

3. INDIRECT COST RATE:

The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. FEDERAL STUDENT LOAN PROGRAMS:

The College also makes loans to certain eligible students under Federal student loan programs directly through the U.S. Department of Education; however, only the current loan disbursements under the Direct Loan Program are included in the Schedule of Expenditures of Federal Awards, as the related outstanding loan balances are not included as current federal expenditures, as set forth by the Uniform Guidance.

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Trustees
Antioch College Corporation
Yellow Springs, Ohio

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Antioch College Corporation ("the College"), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2023.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.* However, we noted an other matter that is required to be reported under *Government Auditing Standards* and which is described in the schedule of findings and questioned costs as matter 2022-002.

Antioch College Corporation's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on Antioch College Corporation's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 31, 2023

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Trustees
Antioch College Corporation
Yellow Springs, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Antioch College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of 2022 Audit's major federal programs for the year ended June 30, 2022. Antioch College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Antioch College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Antioch College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Antioch College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Antioch College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Antioch College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Antioch College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Antioch College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Antioch College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Antioch College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 31, 2023

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted
Other matter material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None noted

Identification of major programs:

Student Financial Aid Cluster:
ALN# 84.063 – Federal Pell Grant
ALN# 84.268 – Direct Loan Program
ALN# 84.007 – Federal Supplemental Educational Opportunity Grants
ALN# 84.033 – Federal Work-Study Program

Dollar threshold to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings and Other Matters

Finding 2022-001 – Material Weakness in Internal Control over Financial Reporting

Criteria: Financial statements maintained in accordance with Accounting Principles Generally Accepted in the United States of America should result in amounts reported that are fairly stated in all material respects before an independent auditor commences the financial statement audit.

Condition: As a result of audit procedures, the audit firm proposed multiple material adjusting journal entries required to be able to provide

	an unmodified opinion on the financial statements. The largest audit adjustment was to write-off uncollectible pledges.
Cause/Effect:	During and subsequent to the fiscal year ended June 30, 2022, the finance department of the College suffered from turnover and proper oversight and review of financial statements was not able to be performed prior to commencement of the audit.
Repeat Finding:	Yes
Recommendations:	Regarding the largest audit adjustment, we recommend that there be better communication between the Finance and Advancement departments.
Views of Responsible Officials and Planned Action:	Please see accompanying corrective action plan.

Matter 2022-002 – Borrowings from Endowment Fund

Criteria:	Ohio Revised Code 1715.53, (Ohio UPMIFA) *Appropriations from net appreciation* states that "an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which an endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances."
Condition:	The College has borrowed from its endowment funds for campus renovations and to cover certain operating expenses of the College prior to and immediately following its accreditation and approval to participate in federal student financial aid programs. As such, the fair value of assets associated with the donor-restricted endowment funds has fallen below the level that the donor or UPMIFA requires the College to retain as a fund of perpetual duration.
Cause/Effect:	The judgment of the Board of Trustees is that the endowment exists for the sole purpose of benefitting the College and that the continuing operation of the College could not be assured without borrowing of funds from the endowment.
Repeat Finding:	Yes
Views of Responsible Officials and Planned Action:	Please see accompanying corrective action plan.

Section III – Federal Awards Findings and Questioned Costs

None noted.

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; **Explain**:
2021-001	The College had a material weakness in internal control over financial reporting resulting from material audit adjustments.	No	Not corrected; Repeated as Finding 2022-001
GAGAS Matter 2021-002	The College has borrowed from its endowment funds and the fair value of assets associated with the donor-restricted endowment funds has fallen below the level that the donor or UPMIFA requires the College to retain as a fund of perpetual duration.	No	Not corrected; Repeated as Matter 2022-002

Antioch College Corporation
Name of audit firm: Clark, Schaefer, Hackett & Co.
Period covered by the audit: Year ended June 30, 2022
Corrective Action Plan prepared by: Jane Fernandes, President
Email: jfernandes@antiochcollege.edu

1. Current Findings on the Schedule of Findings and Questioned Costs

a. Finding 2022-001

(1) Contact Person(s) Responsible for Corrective Action: Jane Fernandes, President

(2) Corrective Action Taken:

The College hired a new Accountant in February 2023 and continues to restructure accounting and financial reporting to help ensure more reliable internal financial reporting.

(3) Anticipated Completion Date:

Before the commencement of the audit of the June 30, 2023 financial statements.

b. Matter 2022-002

(1) Contact Person(s) Responsible for Corrective Action: Jane Fernandes, President

(2) Corrective Action Planned:

The College obtained guidance from legal counsel regarding the appropriateness of borrowing from the endowment fund under Ohio UPMIFA. The College has developed long-term plans for maintaining and sustaining its financial stability and endowment, including full restoration of the endowment, through the following strategies:

- Increasing and diversifying student-derived revenue;
- Increase unearned revenue through effective outreach to the alumni and community, including obtaining new donors, and increasing planned giving;
- Increase cash flow by divestiture of non-strategic assets;
- Increasing cash flow through alternative means;
- Reduce expenses to the extent possible while still fulfilling the College's mission;
- Offering new more affordable, and highly entrepreneurial approach to funding operations by integrating and leveraging around the College's Areas of Practice: Environmental sustainability; Deliberative democracy, diversity and social justice; Creativity and story; Wellbeing; and Work, world and resilient community.

(3) Anticipated Completion Date: This is a long-term endeavor and strategies planned are being implemented.