Antioch College Corporation

Consolidated Financial Statements

June 30, 2010

with Independent Auditors' Report

Clark Schaefer Hackett

Strength in Numbers

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Antioch College Corporation
Yellow Springs, Ohio

We have audited the accompanying consolidated statement of financial position of the Antioch College Corporation including wholly owned subsidiaries The Continuation Fund and The Faculty Fund as of June 30, 2010 and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Antioch College Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Antioch College Corporation and related subsidiaries as of June 30, 2010, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Clark, Schaefer Hackett Co.

Springfield, Ohio
December 17, 2010

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		2010
Assets:		
Cash and cash equivalents	$	1,746,054
Restricted cash		690,501
Pledges receivable, net		3,876,013
Prepaid expenses and other assets		145,137
Investments, at fair value		24,766,836
Investments held in trust, at fair value		582,559
Beneficial interest in perpetual and remainder trusts		457,631
Loan costs, net		148,901
Property, plant and equipment, net		7,101,151
Total assets	$	39,514,783
Liabilities:		
Accounts payable and accrued liabilities		160,242
Gift annuity obligations		875,928
Amounts held on behalf of others in trust		468,161
Loan costs payable		148,901
Long-term notes payable		6,200,000
Total liabilities		7,853,232
Net assets:		
Unrestricted net assets		6,452,374
Temporarily restricted net assets		5,721,563
Permanently restricted net assets		19,487,614
Total net assets		31,661,551
Total liabilities and net assets	$	39,514,783

See accompanying notes to consolidated financial statements.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenue:				
Gifts, pledges and bequests	$ 10,154,261	-	-	10,154,261
Contribution from College Revival Fund	949,852	-	-	949,852
Grants	53,628	-	-	53,628
Interest and dividend income	-	191,256	-	191,256
Net realized gain on investments	-	754,797	-	754,797
Net unrealized gain on investments	-	598,872	-	598,872
Program income	381,995	-	-	381,995
Other income	207,601	-	-	207,601
Total operating revenue	11,747,337	1,544,925	-	13,292,262
Operating expenses:				
Academic and curriculum	301,837	-	-	301,837
Institutional support	909,990	-	-	909,990
Operation and maintenance of plant	2,133,725	-	-	2,133,725
Fundraising activities	1,605,503	-	-	1,605,503
Interest expense	165,338	-	-	165,338
Uncollectible pledges expense	103,992	-	-	103,992
Depreciation	85,899	-	-	85,899
Amortization	38,199	-	-	38,199
Total operating expense	5,344,483	-	-	5,344,483
Nonoperating income (expense)				
Contribution of assets at acquisition	49,520	4,212,528	19,501,508	23,763,556
Change in value of gift annuity	-	(39,663)	-	(39,663)
Change in value of remainder and perpetual trusts	-	3,773	(13,894)	(10,121)
Total nonoperating income	49,520	4,176,638	19,487,614	23,713,772
Change in net assets	6,452,374	5,721,563	19,487,614	31,661,551
Net assets, beginning of year	-	-	-	-
Net assets, end of year	$ 6,452,374	5,721,563	19,487,614	31,661,551

See accompanying notes to consolidated financial statements.

Antioch College Corporation
Consolidated Statements of Cash Flows
For the Year Ended June 30, 2010

		2010
Cash flows from operating activities:		
Change in net assets	$	31,661,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		85,899
Amortization		38,199
Provision for uncollectible pledges		103,992
Discount for future pledges		148,257
Net realized gain on investments		(754,797)
Net unrealized gain on investments		(598,872)
Change in beneficial interest in perpetual and remainder trusts		13,894
Contribution of investments and beneficial interests in trusts		(24,886,638)
(Increase) decrease in operating assets:		
Pledges receivable		(4,128,262)
Prepaid expenses and other assets		(145,137)
Beneficial interest in perpetual and remainder trusts		13,894
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses		160,242
Gift annuity obligation		875,928
Accounts held on behalf of others in trust		468,161
Net cash provided by operating activities		3,056,311
Cash flows from investing activities:		
Purchase of investments		(24,169,350)
Proceeds from sale of investments		24,575,573
Purchase of property, plant and equipment		(7,187,780)
Net cash used in investing activities		(6,781,557)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt		6,200,000
Repayment on loan costs		(38,199)
Net cash provided by financing activities		6,161,801
Net increase in cash and cash equivalents		2,436,555
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, end of year	$	2,436,555
Reconciliation of ending cash to the statement of financial position:		
Cash and cash equivalents	$	1,746,054
Restricted cash		690,501
	$	2,436,555
Interest paid	$	165,338

See accompanying notes to consolidated financial statements.

1. REPORTING ENTITY:

The financial statements include the accounts of the Antioch College Corporation (the Organization), the Continuation Fund, and the Faculty Fund. The financial statements of the Continuation Fund and Faculty Fund have been consolidated since they are 100% wholly owned subsidiaries of the Organization, which can exert operational control over both entities. In addition, the financial resources of both the Continuation Fund and the Faculty Fund are dedicated to the operation of Antioch College. All balances and transactions between the Organization and the Continuation Fund and Faculty Fund have been eliminated.

2. ORGANIZATION:

The Organization, a nonprofit organization, is an organization of former alumni and other interested parties, whose mission is to reestablish Antioch College as a private co-educational liberal arts institution of higher education. Antioch College, originally founded in 1854 in Yellow Springs, Ohio, was formerly a wholly owned subsidiary of Antioch University (the University) which shut down Antioch College operations in 2008 due to financial reasons. The Organization subsequently purchased Antioch College and related assets and obligations from the University on September 4, 2009 for $6,200,000 in cash. Included with the purchase were an endowment and other investments, obligations under various split interest agreements, the Glen Helen Nature Preserve, campus buildings and land, and various other assets and obligations.

The Continuation Fund was founded for the purpose of holding the legacy endowment investments received from the University as part of the acquisition. The Faculty Fund, also a part of the acquisition, is restricted solely for the purposes of Antioch College faculty. As long as the Organization continues to operate Antioch College as an institution of higher education these will remain wholly owned subsidiaries of the Organization. The Organization also has a formal relationship with the College Revival Fund, Inc., which prior to and after the purchase of Antioch College, provided operational and financial support for the Organization. For the purposes of this report, the College Revival Fund, Inc. is not included in the consolidated financial statements because it does not meet the requirements for consolidation.

Within the purchase agreement with the University is a reversion clause under which, if the Organization is not successful in reestablishing Antioch College as an accredited institution of higher learning within a seven year period from the date of the asset purchase agreement, then the vast majority of remaining assets and obligations purchased under the agreement will then revert back to the University, subject to a lien held on certain real assets by the Morgan Family Foundation as part of the loan guaranty (Note 7).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The financial statements of the Organization 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:

Permanently restricted

Permanently restricted net assets are subject to donor-imposed stipulations that the assets be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the investment return on these assets. Such assets primarily include the Organization’s permanent endowment funds.

Temporarily restricted
Temporarily restricted net assets are those assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Unrestricted
Unrestricted net assets are assets that are not subject to donor-imposed stipulations. Unrestricted net assets have been designated for specific purposes by the Board of Trustees (Note 13). In addition, assets may otherwise be limited by contractual agreements with outside parties.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations, that simultaneously increase one class of net assets and decrease another, are reported as reclassifications between the applicable classes of net assets.

Contributions and investment return with donor-imposed restrictions are reported as temporarily restricted revenues and are reclassified to unrestricted net assets 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 unrestricted revenues. Contributions restricted for the endowment are classified as permanently restricted 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 included in this balance. Certain cash balances, primarily for the Glen Helen Nature Preserve, are classified as restricted and listed as a separate line item in the financial statements. Cash and cash equivalents are primarily deposited in one banking institution.

Other Assets
The Organization has two certificates of deposit which are recorded at cost and pledged as security deposits.

Pledges Receivable
The Organization reports unconditional promises to give as pledges receivable and revenue when the promise is made. Pledges receivable for contributions 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.

Pledges receivable greater than one year, less an allowance for uncollectible pledges, are discounted to reflect the time value of money. The Organization assumed a five year risk free rate of 1.79% to calculate the present value of those pledges receivable greater than one year.

Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the consolidated statement of financial position with gains and losses included in the consolidated statement of activities and changes in net assets. Dividend and interest income are accrued as earned. Realized gains and losses are determined on the specific identification 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 a 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.

Contributions In-Kind
Donated buildings, equipment, and other donated goods are recorded at their estimated fair value as of the date of the donation. No amounts have been reflected in the financial statements for donated services. Volunteers provided services throughout the year that were not recognized as contributions because the recognition criteria were not met.

Income Tax Status
The Organization, Continuation Fund, and Faculty Fund are recognized as organizations exempt from federal income tax under Internal Revenue Code Section 501(c)(3). Income from certain activities not directly related to the Organization’s tax-exempt purpose may be subject to taxation as unrelated business income.

Accounting for Uncertainty for Income Taxes
The Organization has adopted the provisions of accounting for uncertainty in income taxes. Those provisions clarify the accounting and recognition for income tax positions taken or expected to be taken in Organization’s annual reporting returns. The Organization’s reporting returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the financial statements as the Organization has determined it does not have unrelated business income subject to taxation or any uncertain tax positions.

Credit Risk
Financial instruments which potentially subject the Organization to a concentration of credit risk consist principally of cash and cash equivalents, certificates of deposit, and investments. The Organization has significant amounts of cash and cash equivalents that are not federally insured, however, the Organization places cash and cash equivalents with high credit quality financial institutions. The Organization’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. The Organization has not experienced any losses on such accounts.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. INVESTMENTS:
The cost and fair value of investments as of June 30, 2010 were as follows:

		2010	
		Fair Value	Cost
Cash	$	309,643	309,643
Mutual fund fixed income		6,212,046	6,073,124
Mutual fund equities		8,960,342	9,535,142
Fixed income securities		177,430	174,344
Equity securities		320,328	314,272
Private equity securities		8,787,047	7,759,608
	$	24,766,836	24,166,133

The vast majority of the Organization's investments at June 30, 2010, 96%, is held for the purpose of the endowment and can only be spent in accordance with donor-imposed restrictions. A significant portion of the endowment investments, representing 37% of the total endowment, is currently invested in a single privately held company, YSI Incorporated, located in Yellow Springs, Ohio. The ownership interest in YSI Incorporated is a long standing investment in the endowment and was acquired as part of the acquisition of Antioch College. The Organization monitors the status of this investment so as to manage the investment risk of the privately held securities on the overall endowment investments.

Endowment Funds
The Organization'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 Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization 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 Organization 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 Organization, and (7) the investment policies of the Organization.

The changes in endowment net assets for the year ended June 30, 2010 was as follows:

		Unrestricted	Temporarily Restricted	Permanentl y Restricted	Total
Endowment net assets, June 30, 2009	$	-	-	-	-
Investment income:					
Investment income, less fees		-	154,797	-	154,797
Net appreciation		-	1,356,544	-	1,356,544
Contribution of assets through purchase of College		-	3,214,015	19,028,457	22,242,472
Appropriation of assets for expenditure		-	-	-	-
Endowment net assets, June 30, 2010	$	-	4,725,356	19,028,457	23,753,813

Return Objectives and Risk Parameters

The Organization 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 Organization 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 Organization 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 Organization 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 Organization has a policy of appropriating for distribution each year no more than 5% of the value of the endowment investments. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at a rate that exceeds annual distributions. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

5. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS:

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 Organization 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.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

		Fair Value Measures at June 30, 2010 Using:			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservabl e Inputs (Level 3)	Total
Investments:					
Equity mutual funds	$	6,677,709	-	-	6,677,709
Fixed income mutual funds		8,494,679	-	-	8,494,679
Private equity securities		-	-	8,787,047	8,787,047
Fixed income securities		-	177,430	-	177,430
Equity securities		320,328	-	-	320,328
Other		49,602	-	260,041	309,643
Total Investments	$	15,542,318	177,430	9,047,088	24,766,836
Investments held in trust	$	582,559	-	-	582,559
Beneficial interest in trusts	$	-	-	457,631	457,631

The following is a reconciliation of activity for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2010:

		Fair Value Measurements Using Significant Unobservable Inputs at June 30, 2010:		
		Private Equity	Trusts	Other
Beginning balance	$	-	-	-
Contributions		7,759,608	471,525	260,041
Realized and unrealized gains (losses)		1,027,439	(13,894)	-
Dividends and income		-	-	-
Ending balance	$	8,787,047	457,631	260,041

6. LOAN COSTS PAYABLE

The Organization has agreed to reimburse the Morgan Family Foundation for certain costs related to the origination and guaranty of the $6,200,000 note payable to Wells Fargo. At June 30, 2010 the Organization owed the Morgan Family Foundation $148,901 which is to be repaid in quarterly installments of $15,122 with the final payment due in September 2012.

The related expense is being amortized over the life of the loan. For the year ended June 30, 2010 amortization expense was $38,199.

7. LONG-TERM DEBT:

Long-term debt at June 30, 2010 consisted solely of a $6,200,000 note payable to Wells Fargo at an interest rate of LIBOR plus 2.05% (currently 2.4%). Interest only payments are due monthly in the amount of approximately $12,400 with the principal and any accrued interest due in full on September 4, 2012. The Morgan Family Foundation serves as guarantor on the note for which it charges the Organization 50 basis points per annum for the term of the guarantee. In addition the Morgan Family Foundation holds a lien on certain real assets associated with Antioch College as part of the loan guaranty.

8. PLEDGES RECEIVABLE:

The Organization has recognized certain pledges to the Organization's restricted and unrestricted donor funds. Unconditional promises to give are included in the consolidated financial statements as pledges 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, 2010:

In one year or less	$	1,637,266
Between one and five years		2,455,996
More than five years		35,000
Less:		
Allowance for uncollectible pledges		103,992
Allowance for discount for future pledges		148,257
Net pledges receivable	$	3,876,013

During 2010 the Organization recorded $3,434,479 in gross pledges that were originally solicited by the College Revival Fund, Inc., a related organization, for the benefit of Antioch College. These pledges were recorded on the financial statements of the Organization as of June 30, 2010 at the specific request of the original donors who desired to give directly to the Organization instead of the College Revival Fund, Inc.

9. PROPERTY, PLANT AND EQUIPMENT:
The components of the Organization's property, plant and equipment consisted of the following at June 30, 2010:

Land	$	3,591,303
Building and improvements		3,538,258
Furniture and equipment		57,489
		7,187,050
Less accumulated depreciation		85,899
Net property and equipment	$	7,101,151

Depreciation expense was $85,899 for the year ended June 30, 2010.

10. CHARITABLE REMAINDER TRUSTS:
As part of the acquisition of Antioch College, the Organization also inherited ten charitable remainder trusts for which the Organization serves as trustee. The Organization is obligated to make periodic payments, generally quarterly, to the respective trust annuitant. The organization records the trust investments as temporarily restricted net assets and reclassifies them according to the trust's directive at the termination of the trust. Currently the Organization is paying approximately $65,000 annually to the respective trust annuitants.

The Organization 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 3.6% to calculate the present value of the future liability. At June 30, 2010 the estimated liability was $468,161. The investments backing the trusts are managed by Morgan Stanley Smith Barney, and totaled $582,559. The Organization has no responsibility to continue making trust payments once the assets of the respective trust assets have expired.

11. GIFT ANNUITIES:
As part of the acquisition of Antioch College the Organization inherited 34 gift annuity contracts for which the Organization is obligated to make a periodic payment, generally quarterly, to the respective annuitant. The Organization records the gift annuities investments as temporarily restricted net assets and reclassifies them according to the donor's wishes at the termination of the annuity contract. Currently the Organization is paying approximately $85,000 annually to the respective annuitants.

The Organization 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 3.6% to calculate the present value of the future liability. At June 30, 2010 the estimated liability was $875,928. The investments backing the gift annuities are managed by Fifth Third Institutional Services, and totaled $525,823. The Organization is responsible for continuing to pay the annuitants under the contract even if there are no remaining investment assets.

12. BENEFICIAL INTEREST IN PERPETUAL AND REMAINDER TRUSTS:
As part of the acquisition of Antioch College, the Organization also inherited a beneficial interest in three trusts charitable remainder trusts which are administered by outside parties. Two of the trusts are perpetual trusts which provide the Organization with the irrevocable right to income, approximately $12,000 annually, in perpetuity from the trusts. The Organization 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. At

year end June 30, 2010 the Organization's beneficial interest in these trusts was $457,631 and the loss for the year was $13,894.

13. BOARD DESIGNATED FUNDS:

As part of the asset purchase agreement with the University, the Organization also agreed to designate future unrestricted funds of the Organization to honor the donor stipulations for $2,772,450 in temporarily restricted funds 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 Organization has designated that future unrestricted funds, when available, will be spent as necessary to honor the original donor's stipulations. During the year ended June 30, 2010 there were no expenditures allocated against these board designated funds.

14. ACQUISITION OF ANTIOCH COLLEGE:

The Organization entered into an asset purchase agreement with the University on September 4, 2009 for certain related assets and obligations of Antioch College for $6,200,000 in cash. Included with the purchase were an endowment and other investments, obligations under various split interest agreements, the Glen Helen Nature Preserve, campus buildings and land, and various other assets and obligations.

The organization used the proceeds from the long-term debt (Note 7) for the related assets and obligations of Antioch College at September 4, 2009 as follows:

Campus buildings and improvements	$	2,939,969
Land, Glen Helen		2,939,969
Land, campus		651,316
Investments, gift annuities		585,285
Obligations, gift annuities		(916,539)
	$	6,200,000

The related endowment investments and other assets contributed by the University as part of the acquisition consisted of the following at September 4, 2009:

Investments, endowment	$	22,242,472
Investments, Glen Helen		463,209
Investments, Faculty Fund		496,313
Beneficial interest in perpetual and remainder trusts		471,525
Investments, held in trust		627,834
Obligations, on behalf of others in trust		(537,797)
	$	23,763,556

Within the asset purchase agreement with the University is a reversion clause under which, if the Organization is not successful in reestablishing Antioch College as an accredited institution of higher learning within a seven year period from the date of the asset purchase agreement, then the vast majority of remaining assets and obligations purchased under the agreement will then revert back to the University, subject to a lien held on certain real assets by the Morgan Family Foundation as part of the loan guaranty (Note 7).

15. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes at June 30, 2010:

Endowment:		
Scholarships	$	2,607,041
General purpose		415,008
Library		88,450
Faculty		982,990
Antioch Review		119,644
Glen Helen		435,995
Other		76,228
		4,725,356
Faculty Fund		487,200
Glen Helen		463,209
Other		45,798
Total temporarily restricted net assets	$	5,721,563

Permanently restricted net assets consisted of the following at June 30, 2010:

Endowment:		
Scholarships	$	9,862,935
General purpose		5,152,185
Library		219,732
Faculty		2,454,637
Antioch Review		231,778
Glen Helen		942,129
Other		165,061
		19,028,457
Beneficial interest in perpetual trusts		418,641
Other		40,516
Total permanently restricted net assets	$	19,487,614

16. RELATED PARTIES:

The Organization had the following related party transactions during the year ended June 30, 2010:

- The Organization currently provides, at no charge, administrative support in managing the donor activity for the College Revival Fund, Inc. During the past year the College Revival Fund, Inc., which raises money for the benefit of Antioch College, directly contributed $949,852 to the Organization as well as supporting the Organization in the acquisition of Antioch College. Additionally, a member of the Organization’s Board of Trustees also serves as president of the Board of Trustees of the College Revival Fund, Inc.

- The chairman of the Board of Trustees of the Organization has guaranteed, through a private foundation, The Morgan Family Foundation, the Organization’s $6,200,000 note payable to Wells Fargo.

17. FUNCTIONAL ALLOCATION OF EXPENSES:
The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

18. SUBSEQUENT EVENTS:
The Organization 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 December 17, 2010, the date on which the financial statements were available to be issued.

Notable events occurring after June 30, 2010 until December 17, 2010 include:

On October 17, 2010 the Organization hired Mr. Mark Roosevelt as the new president of Antioch College, effective January 1, 2011. Mr. Roosevelt will officially replace the current interim president Mr. Matthew Derr on that date.

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At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success