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# Closing the College Scenario

# Antioch College Financial Analysis Financial Exigency & Campus Operations Suspension

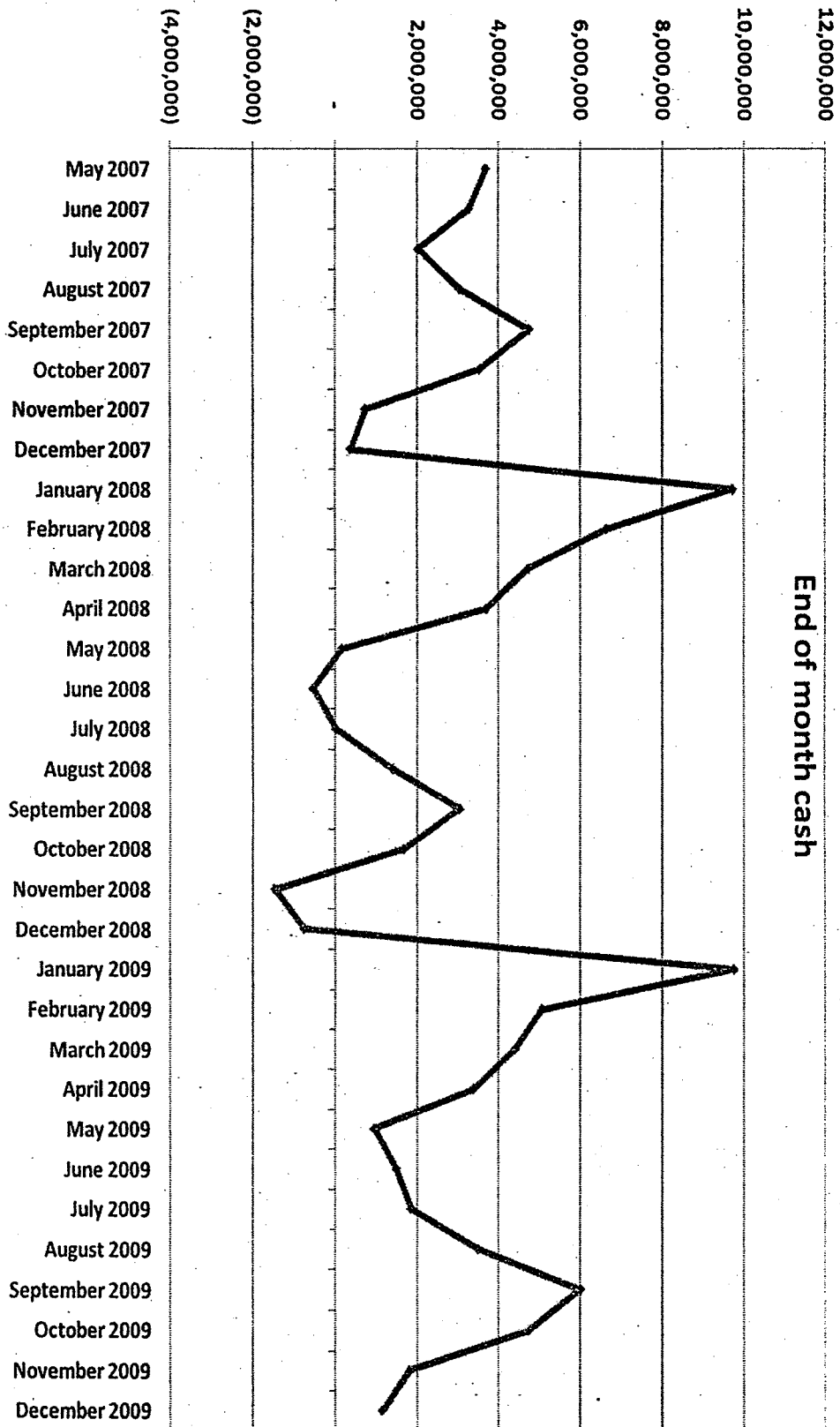
	2006-2007 Year-end Projections	2007-2008 Proposed Budget	2008-2009 Proposed Budget	2009-2010 Proposed Budget	2010-2011 Proposed Budget	2011-2012 Proposed Budget
<b>Revenues</b>						
Tuition & Fees	10,036,453	4,279,174	0			
Less Tuition Discounts	-4,100,000	-1,754,451	0			
Net Tuition and Fees	5,936,453	2,524,713	0			
Solicited Operating Fund Gifts	500,000	200,000	0			
P & L Grant	1,300,000	1,200,000	900,000			
Annual Fund	1,000,000	500,000	250,000	250,000	250,000	250,000
Grants	1,214,785	1,203,137	0			
Endowment Income	254,611	150,000	100,000			
Contracts	3,436	0	0			
Other Income	105,447	47,500	0			
Total E&O Revenue	10,314,732	5,826,350	1,250,000	250,000	250,000	250,000
Auxiliary Enterprises	2,186,779	432,434	0			
Released From Restrictions	1,218,831	1,513,506	0			
Drey Funds Released from Restriction	5,000,000	5,000,000	0			
Subsidy from Campuses	740,000	740,000	740,000	740,000	981,973	1,000,000
<b>Total Revenues</b>	<b>19,440,342</b>	<b>13,511,289</b>	<b>1,990,000</b>	<b>990,000</b>	<b>1,231,973</b>	<b>1,250,000</b>
<b>Operating Expenses</b>						
Salaries & Wages & Benefits	11,366,523	8,589,314	1,383,026	481,703	498,154	511,038
Union Staff Severance Costs		1,337,390				
Training, Travel & Development	747,228	300,000	50,000	20,000	20,000	20,000
Student Aid Services	925,000	1,074,644	0			
Special Events	202,202	50,000	0			
Supplies	768,902	300,000	100,000	50,000	50,000	50,000
Business Operations	2,319,480	1,168,493	150,000	150,000	150,000	150,000
Business Operations (Legal Fees)		200,000	200,000			
Plant Maintenance	1,466,642	1,440,291	250,000	200,000	200,000	200,000
Interest Expense	132,043	87,398	90,000			
Coop Host community Operations		-27,800				
Operating reductions - Steve's Plan		-303,215				
Resale Costs	285,921	150,000	0			
Miscellaneous	240,944	200,000	150,000	168,297	163,846	138,962
Overhead (IT & Shared Services)		664,791	0			
General Operating Expenses	18,434,785	15,231,308	2,373,026	1,070,000	1,070,000	1,070,000
Other (Inter-campus Agrees & Univ Conf)	-183,900	-186,900	0			
Depreciation (4)	1,585,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000
<b>Total Operating Expenses</b>	<b>19,836,988</b>	<b>13,522,406</b>	<b>2,963,026</b>	<b>2,650,000</b>	<b>2,650,000</b>	<b>2,650,000</b>
<b>Excess Revenue over Expenses</b>	<b>-396,646</b>	<b>-1,011,117</b>	<b>-1,663,026</b>	<b>-2,260,000</b>	<b>-1,418,027</b>	<b>-1,400,000</b>
<b>Annual Budget Conversion to Cash Basis</b>						
Capital Expenditures	-750,000	-200,000	-150,000	-150,000	-150,000	-150,000
Principal Payments	-34,788	-27,830	-30,000	-30,000	-30,000	-30,000
Add Back Depreciation	1,585,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000
<b>Total Cash Items</b>	<b>800,214</b>	<b>1,252,170</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>
<b>Net Cash Basis Budget</b>	<b>404,871</b>	<b>-1,759,947</b>	<b>-563,026</b>	<b>-260,000</b>	<b>-18,027</b>	<b>0</b>
<b>Potential Cash to Cover Operating Deficits</b>						
Unrealized Gains from Unrestricted Endowment		1,758,947	563,026	260,000	18,027	
University Contingency Funds						
<b>Adjusted Deficit</b>	<b>404,871</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Fall Term Enrollment Estimate(excluding AEA)</b>	<b>320</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Assumptions:**

1. Board declares financial exigency exists at the College at the June BOT meeting.
2. Board declares that campus will close at the end of the 2007-2008 fiscal year.
3. Second year students bypass co-op and take classes on campus.

# Antioch University

## Cash Flow Projections (Closure)



**Antioch University  
Projected Cash Flow  
Closure  
May 07 forward**

5/31/2007

	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	March 2008	April 2008
<b>Total Revenues</b>	2,070,313	6,330,020	5,228,682	5,996,265	8,924,676	4,251,645	2,694,193	4,550,208	16,176,413	2,816,646	4,224,505	4,253,117
<b>Total Operating Expenses</b>	5,575,323	6,686,969	6,136,435	5,516,132	6,543,813	6,278,618	6,152,578	5,722,410	6,397,919	5,501,769	5,930,147	5,846,644
<b>Excess Revenue over Expenses</b>	(3,505,010)	(356,949)	(909,752)	480,132	2,380,863	(2,026,974)	(3,458,385)	(1,172,202)	9,778,494	(2,685,124)	(1,705,642)	(1,593,527)
<b>Other Cash Expenditures</b>												
Capital Expenditures	(75,000)	(50,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
Principal Payments	(11,607)	(11,607)	(11,607)	(11,607)	(11,607)	(11,607)	(171,607)	(11,607)	(256,607)	(231,607)	(11,607)	(11,607)
Restricted Money to be spent	(800,000)		(180,000)	(500,000)	(500,000)							
Drey Cash	1,250,000			1,250,000		1,000,000	1,000,000	1,000,000				750,000
<b>Total Other Cash</b>	563,393	(61,607)	(346,607)	563,393	(686,607)	813,393	653,393	813,393	(431,607)	(406,607)	(186,607)	563,393
<b>NET CHANGE IN CASH</b>	(2,941,617)	(418,556)	(1,266,359)	1,043,525	1,694,256	(1,213,581)	(2,804,992)	(358,809)	9,346,887	(3,091,731)	(1,892,249)	(1,030,134)
<b>Beginning of month cash</b>	6,628,000	3,686,383	3,267,827	2,011,468	3,054,993	4,749,249	3,535,668	730,676	371,867	9,718,753	6,627,023	4,734,774
<b>End of month cash</b>	3,686,383	3,267,827	2,011,468	3,054,993	4,749,249	3,535,668	730,676	371,867	9,718,753	6,627,023	4,734,774	3,704,639
<b>Line of credit</b>												
<b>Merrill Lynch</b>												
<b>Debt funded end of month cash</b>	3,686,383	3,267,827	2,011,468	3,054,993	4,749,249	3,535,668	730,676	371,867	9,718,753	6,627,023	4,734,774	3,704,639

**Assumptions:**

1. Schedule based on FY 2008 proposed budgets for all campuses except the College, for which we used the operations suspended scenario.
2. Tuition, Fees, Auxillary increased 5% in July 2008
3. Grant income is 100% offset by expenses. If it is less in FY08, expenses will decline by an equal amount. In other words, grant income/expenses have no effect on the bottom line.
4. Salaries are increased 3% in July 2008
5. Benefits are increased .5% in July 2008 to cover increase in retirement contribution. All other increases already in effect as of January 2007
6. Capital Freeze expected to remain through June (amounts included in May-June to cover projects already started and emergencies)
7. Restricted money to be spent represents large amounts of unfunded restricted money we know will need to be paid out. (Guskin Scholarship; Glen sewer project; McGregor building pledges)
8. Drey cash represents the draws on the \$10,000,000 released endowment.
9. Beginning of Month cash for May 2007 is the actual cash we had on May 1, 2007.

**Antioch University  
Projected Cash Flow  
Closure  
May 07 forward**

	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009
<b>Total Revenues</b>	2,245,293	6,355,829	5,429,067	6,035,480	7,881,916	4,033,659	2,302,886	4,059,293	15,482,349	2,483,212	4,384,965
<b>Total Operating Expenses</b>	5,603,498	6,866,970	5,239,856	4,460,785	5,509,019	5,238,521	5,109,960	4,671,188	5,360,208	4,446,135	4,883,080
<b>Excess Revenue over Expenses</b>	(3,358,205)	(511,341)	189,412	1,574,694	2,372,897	(1,204,861)	(2,807,074)	(611,895)	10,122,141	(1,982,923)	(488,116)
<b>Other Cash Expenditures</b>											
Capital Expenditures	(175,000)	(175,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)
Principal Payments	(11,607)	(11,607)	(11,607)	(11,607)	(11,607)		(165,000)		(250,000)	(220,000)	
Restricted Money to be spent											
Dray Cash											
<b>Total Other Cash</b>	(186,607)	(186,607)	(182,607)	(182,607)	(182,607)	(171,000)	(336,000)	(171,000)	(421,000)	(391,000)	(171,000)
<b>NET CHANGE IN CASH</b>	(3,544,812)	(697,948)	6,805	1,392,087	2,190,290	(1,375,861)	(3,143,074)	(782,895)	9,701,141	(2,373,923)	(669,116)
<b>Beginning of month cash</b>	3,704,639	159,827	11,879	18,684	860,771	3,051,061	1,675,200	32,126	49,230	7,450,372	5,076,449
<b>End of month cash</b>	159,827	(538,121)	18,684	1,410,771	3,051,061	1,675,200	(1,467,874)	(750,770)	9,750,372	5,076,449	4,407,333
<b>Line of credit</b>		550,000		(550,000)			1,500,000	500,000	(2,000,000)		
<b>Merrill Lynch</b>								300,000	(300,000)		
<b>Debt funded end of month cash</b>	159,827	11,879	18,684	860,771	3,051,061	1,675,200	32,126	49,230	7,450,372	5,076,449	4,407,333

**Antioch University  
Projected Cash Flow  
Closure  
May 07 forward**

	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
<b>Total Revenues</b>	3,947,871	2,290,081	6,548,951	5,667,777	6,323,866	8,249,657	4,202,691	2,392,402	4,228,325
<b>Total Operating Expenses</b>	4,797,907	4,549,898	5,838,840	5,144,299	4,498,937	5,568,135	5,292,227	5,161,095	4,713,548
<b>Excess Revenue over Expenses</b>	(850,236)	(2,259,818)	710,312	523,477	1,824,930	2,681,522	(1,089,536)	(2,768,693)	(485,223)
<b>Other Cash Expenditures</b>									
Capital Expenditures	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)
Principal Payments Restricted Money to be spent Drey Cash	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)
<b>Total Other Cash</b>	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)	(171,000)
<b>NET CHANGE IN CASH</b>	(1,021,236)	(2,430,818)	539,312	352,477	1,653,930	2,510,522	(1,260,536)	(2,939,693)	(656,223)
<b>Beginning of month cash</b>	4,407,333	3,388,098	955,280	1,494,592	1,847,069	3,500,999	6,011,521	4,750,985	1,811,292
<b>End of month cash</b>	3,388,098	955,280	1,494,592	1,847,069	3,500,999	6,011,521	4,750,985	1,811,292	1,155,069
<b>Line of credit Merrill Lynch Debt funded end of month cash</b>	3,386,098	955,280	1,494,592	1,847,069	3,500,999	6,011,521	4,750,985	1,811,292	1,155,069



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# **Suspend and Re-open the College Scenario**

# Antioch College

## Financial Analysis

### Financial Exigency & Campus Operations Suspension – Reopen 2011-2012

	2006-2007 Year-end Projections	2007-2008 Proposed Budget	2008-2009 Proposed Budget	2009-2010 Proposed Budget	2010-2011 Proposed Budget	2011-2012 Proposed Budget
<b>Revenues</b>						
Tuition & Fees	10,036,483	4,279,174	0	0	0	8,384,000
Less Tuition Discounts	-4,100,000	-1,784,481	0	0	0	-3,585,920
Net Tuition and Fees	5,936,483	2,494,693	0	0	0	4,798,080
Solicited Operating Fund Gifts	500,000	200,000	200,000	200,000	200,000	400,000
P & L Grant	1,300,000	1,200,000	900,000	800,000	250,000	600,000
Annual Fund	1,000,000	800,000	250,000	250,000	250,000	600,000
Grants	1,214,785	1,203,137	0	0	0	0
Endowment Income	284,611	150,000	100,000	100,000	100,000	100,000
Contracts	3,438	0	0	0	0	0
Other Income	105,447	47,500	0	0	0	0
<b>Total S&amp;G Revenue</b>	<b>10,314,732</b>	<b>8,828,380</b>	<b>1,450,000</b>	<b>1,350,000</b>	<b>550,000</b>	<b>8,816,080</b>
Auxiliary Enterprises	2,166,779	432,434	0	0	0	1,821,600
Released From Restrictions	1,218,631	1,513,506	0	0	0	0
Dry Funds Released from Restriction	5,000,000	5,000,000	0	0	0	0
Subsidy from Campus Overhead	740,000	740,000	740,000	740,000	740,000	740,000
<b>Total Revenues</b>	<b>9,240,942</b>	<b>13,814,280</b>	<b>2,190,000</b>	<b>2,090,000</b>	<b>1,290,000</b>	<b>8,379,680</b>
<b>Operating Expenses</b>						
Salaries & Wages & Benefits	11,366,523	8,589,314	1,942,500	2,366,000	3,015,000	7,999,000
Union Staff Severance Costs		1,337,380				
Training & Development	747,228	300,000	50,000	50,000	50,000	50,000
Student Aid Services	925,000	1,074,844	0	0	0	1,000,000
Special Events	202,202	50,000	0	0	25,000	100,000
Supplies	756,802	300,000	100,000	100,000	100,000	500,000
Business Operations	2,319,480	1,168,483	150,000	250,000	600,000	618,000
Business Operations (Legal Fees)		200,000				
Executive Assistant Operational			50,000	50,000	60,000	0
Development Operational			100,000	100,000	100,000	200,000
PR Operational			100,000	100,000	100,000	100,000
Admission Operational				300,000	400,000	400,000
Financial Aid Operational					30,000	30,000
Presidents Operational						70,000
Plant Maintenance	1,456,642	1,440,291				
Interest Expense	132,043	87,398				
Coop Host Community Operations		-27,800				
Operating reductions - Steve's Plan		-303,218				
Resale Costs	285,921	150,000	0	0	0	300,000
Miscellaneous	240,944	200,000	0	0	0	0
Overhead (IT & Shared Services)		884,781	0	0	0	0
Other (Inter-campus Agree & Univ Conf)	-183,900	-188,900	0	0	0	0
Depreciation (4)	1,585,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000
<b>Total Operating Expenses</b>	<b>9,856,555</b>	<b>16,822,406</b>	<b>4,482,500</b>	<b>4,306,000</b>	<b>5,980,000</b>	<b>12,347,000</b>
<b>Excess Revenue over Expenses</b>	<b>-356,143</b>	<b>-3,011,126</b>	<b>-1,992,500</b>	<b>-2,216,000</b>	<b>-4,690,000</b>	<b>-3,467,320</b>
<b>Annual Budget Conversion to Cash Basis</b>						
Capital Expenditures	-750,000	-200,000	50,000	0	0	1,000,000
Principal Payments	-34,786	-27,830	-30,000	-30,000	-30,000	-30,000
Add Back Depreciation	1,685,000	1,480,000	1,480,000	1,480,000	1,480,000	1,480,000
<b>Total Cash Items</b>	<b>800,214</b>	<b>1,252,170</b>	<b>1,500,000</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>2,450,000</b>
<b>Net Cash Basis Budget</b>	<b>404,671</b>	<b>-1,758,946</b>	<b>-492,500</b>	<b>-1,266,000</b>	<b>-3,220,000</b>	<b>-1,017,320</b>
<b>Potential Cash to Cover Operating Deficits</b>						
Unrealized Gains from Unrestricted Endowment		1,758,946	492,500	348,554		
University Contingency Funds						
<b>Adjusted Deficit:</b>	<b>404,671</b>	<b>0</b>	<b>0</b>	<b>-918,446</b>	<b>-3,220,000</b>	<b>-1,017,320</b>
<b>Total Fall Term Enrollment Estimate(excluding ABA):</b>	<b>320</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>

#### Assumptions:

1. Board declares financial exigency exists at the College at the June BOT meeting
2. Board declares that campus will close at the end of the 2007-2008 fiscal year
3. Second year students bypass co-op and take classes on campus
4. College reopens in the Fall of 2012 with 300 first year students.



# Antioch University

## January - August, 2007 Cash Flow Analysis

### Expenditures

Average Monthly Payroll	3,470,162	
# of months through August	8	
Total estimated payroll Jan - Aug		27,761,296
Estimated cash expenses		27,000,000
<b>Total estimated cash outflow</b>		<b>54,761,296</b>

Based on Campus cash flow submission and prior year experience

### Revenue

Jan - June Tuition cash	35,285,638	
July Tuition cash	4,372,000	
August Tuition cash	2,642,000	
Total Tuition cash		42,299,638
Other cash income		8,480,251
P&L gift		1,300,000
Endowment		400,000
Additional Drey draw		2,000,000
<b>Total cash inflow</b>		<b>54,479,889</b>

Based on Campus cash flow submission

\*Based on prior year collections

\*Based on prior year collections

Based on Campus cash flow submission

**Cash deficit at the end of August** (281,407)