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Record No. 7276

In the
Supreme Court of Appeals of Virginia
at Richmond

WASHINGTON COUNTY, VIRGINIA

v.

SULLINS COLLEGE CORPORATION

FROM THE CIRCUIT COURT OF WASHINGTON COUNTY

RULE 5:12—BRIEFS

§5. Number of Copies. Twenty-five copies of each brief shall be filed with the clerk of this Court and three copies shall be mailed or delivered by counsel to each other counsel as defined in Rule 1:13 on or before the day on which the brief is filed.

§6. Size and Type. Briefs shall be nine inches in length and six inches in width, so as to conform in dimensions to the printed record, and shall be printed in type not less in size, as to height and width, than the type in which the record is printed. The record number of the case and the names and addresses of counsel submitting the brief shall be printed on the front cover.

HOWARD G. TURNER, Clerk.

IN THE

Supreme Court of Appeals of Virginia

AT RICHMOND

Record No. 7276

VIRGINIA:

In the Supreme Court of Appeals held at the Supreme Court of Appeals Building in the City of Richmond on Tuesday the 17th day of June, 1969.

WASHINGTON COUNTY, VIRGINIA, Plaintiff in error,

against

SULLINS COLLEGE CORPORATION, Defendant in error.

From the Circuit Court of Washington County
J. Aubrey Matthews, Judge

Upon the petition of Washington County, Virginia, a writ of error is awarded it to a judgment rendered by the Circuit Court of Washington County on the 20th day of February, 1969, in a certain proceeding then therein depending, wherein Sullins College Corporation was plaintiff and the petitioner was defendant; no bond being required.

RECORD

* * * * *

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page 2 }

* * * * *

PETITION

TO: The Honorable Thomas L. Hutton, Judge:

Your Petitioner, Sullins College Corporation, respectfully makes application to the Court for relief as provided by Section 58-1145 of the 1950 Code of Virginia, and in support thereof shows unto the Court the following:

(1) Your Petitioner is a non-stock, non-profit corporation organized and existing under the laws of the Commonwealth of Virginia, having its principal office in the City of Bristol, Virginia. Petitioner owns and is engaged solely in the business of operating Sullins College, an institution of higher learning, not conducted for profit, which is located in the City of Bristol and in Washington County, Virginia. A certified copy of Petitioner's corporate charter is exhibited herewith.

(2) The main physical plant of Sullins College is located within the City of Bristol, Virginia, including dormitories, class rooms and other college facilities, together with the business offices of the College. At the same time, one department of the College long known as "Camp Sequoya"
Vol. 1 is now, and since the year 1923 has been, located
page 3 } and operated in Washington County. From 1923 until 1957 Camp Sequoya was situated upon land owned by your Petitioner located in said county but which adjoined other lands of the College which in turn adjoined the main academic campus of Sullins College within the City of Bristol. In the year 1957, due to the fact that the original camp location had been acquired by public authority for highway construction, Petitioner was compelled to move and re-establish the physical plant of the Camp upon another location in Washington County.

(3) By deed dated April 15, 1953, from J. K. Berry and wife to Sullins College Corporation, which is of record in the Clerk's Office of this Court in Deed Book 266 at page 323, your Petitioner had purchased and received conveyance of

a total of acres of land in Goodson Magisterial District of Washington County located on the waters of South Holston Dam which it used in connection with the educational program of its College until 1957, when it became necessary to re-locate Camp Sequoya. During that four year period no taxes were assessed or levied against said land by Washington County.

In 1957, Petitioner purchased and took conveyance of two adjoining tracts of land which in turn adjoined the tract purchased in 1953, hereinabove referred to, which latter two tracts were conveyed to Sullins College Corporation by two deeds, both dated September 19, 1957, the first being from J. K. Berry and wife to Sullins College Corporation and being of record in Deed Book 308 at page 65, in said Clerk's Office, and the second being from Bradley P. Brown and wife to Sullins College Corporation which is of record in said Clerk's Office in Deed Book 308 at page 68. Said two deeds conveyed a total of ..... acres to your Petitioner and, with the land previously conveyed to it in 1953, comprised one over-all tract of ..... acres, which is the land in controversy in this action. Copies of the hereinabove mentioned three deeds are attached to this petition and prayed to be considered as a part hereof.

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During the Fall and Winter of 1957 and Winter and Spring of 1958, your Petitioner re-built and re-located Camp Sequoya upon said land and completed the same in June of 1958.

(4) Your Petitioner is now *aggreived* by the tax assessment made upon the aforesaid land and improvements thereon by the defendant, Washington County Virginia, in the year 1958. Based upon said 1958 assessment, the County has levied taxes upon said land for 1958 in the sum of $1,218.90, for 1959 in the sum of $1,269.09 and for 1960 in the sum of $1,694.88. Said taxes for the years 1959 and 1960 are unpaid. However, in order to avoid the additional expense and inconvenience to all parties concerned of permitting said land to be sold by the Treasurer of this county, your Petitioner on December 12, 1960, paid the 1958 taxes in the amount of $1,218.90 together with $60.94 penalty, $115.19 interest and $41.86 advertising costs, all of which your Petitioner alleges it is entitled to have refunded to it.

(5) It is here alleged that said assessment and levies are erroneous, illegal and void, and contrary to the provisions of Section 58-12 of the 1950 Code of Virginia and Section 183(d) of the Constitution of Virginia, as amended, which constitute Peti-

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tioner's said land exempt from taxation by Washington County. The applicable provisions of the Code and Constitution read as follows:

CODE OF VIRGINIA

Sec. 58-12. *What property, real and personal exempt from taxation, State and local.* - The following property shall be exempt from taxation, State and local, including inheritance taxes:

(4) Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a State court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by State Health Officials, incorporated colleges or other incorporated institutions of learning, including incorporated alumni associations thereof beneficially owned by or organized and operated exclusively for the benefit of such incorporated institutions of learning, not conducted for profit, together with the endowment funds thereof not invested in real estate. But this provision shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto. It shall not apply to industrial schools which sell their product to other than their own employees or students.

CONSTITUTION OF VIRGINIA

Sec. 183. *Property exempt from taxation.* - Unless otherwise provided in this Constitution, the following property and no other shall be exempt from taxation, State and local, including inheritance taxes:

(d) Property owned by public libraries, incorporated colleges or other incorporated institutions of learning, not conducted for profit, together with the endowment funds thereof not invested in real estate. But this provision shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto. It shall not apply to industrial schools which sell their product to others than their own employees or students.

Vol. 1
page 6 } (6) Your Petitioner would further show unto the Court that the Camp Sequoya land and the im-

provements thereon, which are the subject of the taxation herein complained of, are wholly and solely owned by Sullins College Corporation, an incorporated College and institution of learning, not conducted for profit; that said land and the improvements thereon are used primarily for literary, scientific or educational purposes or purposes incidental thereto, which uses are consistent with in furtherance of, and have direct reference to the *eleemosynary* objects and purposes for which Sullins College Corporation was incorporated and tend immediately and directly to promote those purposes.

WHEREFORE, Petitioner prays that the assessment for taxation made against its said land in 1958 and the taxes levied thereon in 1958, 1959 and 1960, be set aside and declared illegal and void, together with any penalties, interest or other expenses accrued thereon; that Petitoner's said land be declared exempt from taxation under the applicable provisions of the Statutes and Constitution of Virginia; and that such amounts of said taxes previously paid by Petitioner, together with any interest, fees, penalties or costs paid, be ordered refunded in full to Petitioner.

Sullins College Corporation
By Counsel.

Filed December 29, 1960.

C. V. Booth, Clerk.

* * * * *

Vol. 1
page 7 } CERTIFICATE OF INCORPORATION
OF
SULLINS COLLEGE CORPORATION

THIS IS TO CERTIFY THAT WE do hereby associate ourselves to establish a corporation not organized for profit, in which no capital stock is required to be issued, under and by virtue of the provisions of Sections 3872, 3873, and 3874 of Chapter 151 of the Code of Virginia, 1930; and all acts amendatory thereof, for the purpose and under the corporate name hereinafter mentioned; and to that end, we do by this our certificate set forth as follows:

NAME:

(A) The name of the corporation is to be Sullins College Corporation.

PRINCIPAL OFFICE:

(B) The principal office of the corporation in the State of Virginia is to be in the City of Bristol, Virginia.

PURPOSES:

(C) The Purposes for which this corporation is formed, are to purchase Sullins College Incorporated, in Bristol, Virginia, and to establish and therewith maintain a college for girls and young women for their training in all educational lines, and for the granting of such certificates and diplomas as, under the regulations of the corporation, shall be wise and proper, and, generally to do all such things as will promote the cause of the education of women.

NUMBER OF TRUSTEES:

(D) The number of trustees who are to manage the affairs of the corporation shall be not less than three nor more than nine. Such trustees shall constitute the board of trustees for the management of the affairs of the corporation. A majority of the whole number of *trutees* shall constitute a quorum for the transaction of business. Vacancies on the Board of Trustees shall be filled by the remaining or surviving members. Trustees who have been duly elected, and who have assumed the duties of the office, shall continue in office until their successors shall have been elected by the remaining trustees.

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NAMES AND RESIDENCES OF TRUSTEES:

(E) The names, residences and addresses of the trustees who are to manage the affairs of the corporation for the first year, and until their successors have been elected, and who have assumed the duties of the office, and the residences and post office addresses of the president and secretary of the corporation are as follows:

NAME:	OFFICE:	RESIDENCE:
William E. Martin	President	Bristol, Virginia
Amelia B. Martin	Secretary	Bristol, Virginia

TRUSTEES:

William E. Martin, Bristol, Virginia
Amelia B. Martin, Bristol, Virginia
T. W. Preston, Bristol, Virginia
Nelle P. Martin, Bristol, Virginia
C. W. Bondurant, Bristol, Tennessee
R. C. Horner, Bristol, Virginia
Irene J. Martin, Bristol, Virginia
L. R. Driver, Bristol, Tennessee
J. Walter Wright, Bristol, Virginia

DURATION:

(F) The period for the duration of this corporation is unlimited.

REAL ESTATE:

(G) The amount of real estate to which the holdings of the corporation at any time are to be limited, shall be a maximum of One Thousand acres.

CAPITAL STOCK:

(H) There shall be no capital stock issued by this corporation. This corporation is not organized, nor shall it be conducted, for pecuniary profit or as a private enterprise.

Given under our hands this 27th day of September, 1935.

S/ W. E. Martin
S/Amelia B. Martin
S/Nelle P. Martin
S/Irene J. Martin
S/T. W. Preston

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* * * * *

ANSWER

TO: The Honorable Thomas L. Hutton, Judge:

Comes now Washington County, Virginia, by Counsel, and for answer to petition filed herein by Sullins College Corporation respectfully represents unto the Court the following:

1. The defendant neither admits nor denies the allegations contained in Paragraph 1 of said petition.
2. The defendant admits the allegations contained in Paragraph 2 of said petition.
3. The defendant admits the allegations contained in Paragraph 3 of said petition.
4. Defendant admits that Washington County, Virginia has levied taxes upon certain land owned by petitioner in Washington County, Virginia, for the years 1958, 1959, and 1960, and that said taxes for the year 1958 have been paid and taxes for the years 1959 and 1960 are unpaid. The defendant denies that petitioner is aggrieved by said tax levies and denies that petitioner is entitled to refund of taxes paid by petitioner for the year 1958.
5. Defendant denies that said assessment and levies are erroneous, illegal, and void, and contrary to law.
6. Defendant denies that subject lands and improvements thereon are not conducted for profit; defendant further denies that said land and improvements thereon are used primarily for literary, scientific, or educational purposes or purposes incidental thereto.

WHEREFORE, defendant prays that the petition be dismissed at the cost of petitioner and that judgment be entered against petitioner for the 1959 taxes in the amount of $1,269.00 and the 1960 taxes in the amount of $1,694.88 plus interest and penalties.

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Washington County Virginia
By Counsel

E. Summers Sheffey
Attorney for Washington County

* * * * *

Filed Feb. 23, 1961.
Lucille Van Deventer, Deputy Clerk.

Circuit Court Washington County, Va.

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INTERROGATORIES

Pursuant to Rule 4:8, Rules of Supreme Court of Appeals of Virginia, defendant propounds the following Interrogatories to Petitioner, to be responded to within fourteen (14) days from the date of service hereof, to wit:

1. State the total acreage of Camp Sequoya.
2. State the total number of structures and buildings at Camp Sequoya, with the approximate size, description and value of each.
3. State the number of camp sessions per year and the date each session commences; state the number of campers attending each session for preceding ten years.
4. State the number of counselors and their instruction specialty, if any, for each of the preceding ten years. State their salaries.
5. State the number of administrative personnel for each of the past ten years and their salaries.
6. State the number of classrooms, if any, located on the premises and the building or buildings wherein the classrooms are located. State whether any of the buildings are designed for year round use; which ones, if any, are equipped with central heating system.
7. State whether or not any academic credit is given to campers at Camp Sequoya.

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8. State whether or not academic subjects are taught at the camp, and if so, the subject taught, the number of times taught per week, and whether or not attendance is compulsory.
9. State the number of certified teachers employed by Camp Sequoya for each of the preceding ten years; state what subjects or curriculum they taught, if any.
10. State the number of caretakers employed at the camp.

Are they furnished living accomodations? If so, describe the *accomodations* and the location thereof.

11. Are living *accomodations* provided for family members of any instructors, counselors, administrators, etc. If so, state the name of the person so receiving these services, and describe the *accomodations,* for the preceding three years.

12. State the number of swimming pools and the dimensions of each.

13. State the number of tennis courts and their surfaces; are said courts used primarily by the campers or by Sullins College students.

14. State the number of ponies and/or horses used by the camp for each of the preceding ten years.

15. State the gross income of Camp Sequoya for each year commencing with the camp year 1958.

16. State the net income of Camp Sequoya for each year commencing with the camp year 1958.

17. Produce and file the general ledger maintained for each year commencing with the camp year 1958; produce and file the financial reports prepared for the same period.

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18. Does the camp file a Federal or State income tax return? If so, produce and file copies of such returns for each year commencing with the camp year 1958.

19. State the number and type of water craft maintained by the camp. By whom are they owned?

20. State whether or not an aerial photograph has been taken of the camp within the past ten years. If so, produce and file a copy, or the original.

21. State the fees charged for attending the camp for each session commencing with the camp year 1958.

22. State whether or not camp brochures, pamphlets, and the like, are circulated, publicizing the camp. If so, produce copies of same.

23. State the names and addresses of the current officers and directors of Sullins College Corporation; state which of said officers and directors are paid a salary and the amount for work at the camp.

Washington County, Virginia
By Counsel

* * * * *

Filed September 20, 1968 Circuit Court Washington County, Va.

Lucille Van Deventer, Deputy Clerk.

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MOTION

Now comes the petitioner, Sullins College Corporation, and moves the Court for permission to amend its petition heretofore filed by substituting the following quoted paragraph (4) and the following quoted Prayer:

"(4) Your Petitioner is now aggrieved by the tax assessment made upon the aforesaid land and improvements thereon by the defendant, Washington County, Virginia, in the year 1958. Based upon said 1958 assessment, the County has levied taxes upon said land for 1958 in the sum of $1,218.90, for 1959 in the sum of $1,269.09, for 1960 in the sum of $1,694.88, for 1961 in the sum of $1,694.88, for 1962 in the sum of $1,694.88, for 1963 in the sum of $1,643.52, for 1964 in the sum of $1,643.52, for 1965 in the sum of $1,780.48, for 1966 in the sum of $1,523.68, for 1967 in the sum of $1,643.52 and for 1968 in the sum of $2,049.52. Said taxes for the years 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968 are unpaid. However, your Petitioner on December 12, 1960, paid the 1958 taxes in the amount of $1,218.90 together with $60.94 penalty, $115.19 interest and $41.86 advertising costs, all of which your Petitioner alleges it is entitled to have refunded to it."

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"PRAYER

WHEREFORE, Petitioner prays that the assessment for taxation made against its said land in 1958 and the taxes levied thereon in 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968, be set aside and declared illegal and void, together with any penalties, interest or other expenses accrued thereon; that Petitioner's said land be declared exempt from taxation under the applicable provisions of the Statutes and Constitution of Virginia; and that such amounts of said taxes previously paid by Petitioner, together

with any interest, fees, penalties or costs paid, be ordered refunded in full to Petitioner."

Sullins College Corporation
By Counsel

* * * * *

Filed September 24, 1968 Circuit Court Washington County, Va.

Shirley Rhymer, Deputy Clerk.

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* * * * *

REPLY TO MOTION

Washington County, Virginia, by counsel, respectfully requests the court to deny the Motion filed September 24, 1968 on behalf of Sullins College Corporation to amend its petition filed December 29, 1960 to include a prayer for relief from taxes assessed for the years 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968, by reason of the following:

(1) The original and amended petitions were filed pursuant to Section 58-1145 of the Virginia Code of 1950, as amended, and said section provides that petition for exoneration for an erroneous assessment on real estate filed pursuant thereto, unless otherwise specifically provided by law, may be filed "within two years from the thirty-first day of December in the year in which any such assessment is made".

(2) Washington County denies that petitioner is entitled to relief from the payment of taxes for any of the years claimed in the petition and amended petition, but in any event, the amended petition for relief from taxes assessed for the years 1961, 1962, 1963, 1964 and 1965 was not filed within the time prescribed by law and no relief can be granted from taxes assessed for said years.

Washington County, Virginia
By Counsel

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* * * * *

Filed 10-7-68 Circuit Court Washington County, Va.

J. W. Hutton, Deputy Clerk.

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* * * * *

ANSWERS TO INTERROGATORIES

Comes now the petitioner herein, Sullins College Corporation, and submits answers to the interrogatories heretofore filed by the defendant, as follows:

1. The acreage above 1747 elevation, on which buildings can be located, is 9½ acres. The acreage above elevation 1732 on which certain limited structures can be placed which will not be damaged by being submerged and will not float, (such as concrete swimming pool and picnic tables, riding ring) is 25 acres.

2. The structures and buildings situated upon the property of Camp Sequoya are listed and described in detail in Appendix I attached hereto. In addition to the structures therein shown, there are *miscellaneious* small items such as wooden docks, equipment sheds, food storage cabin, rifle range shed and backstop, and riding ring fencing.

3. There are two five-week sessions in the summer program, the first session opening around June 12 and the second session around July 19. (In earlier years the length of such session varied, as indicated.) The number of campers attending each session for the past ten years was as follows:

	1st Session	2nd Session
1968	252	253
1967	251	250
1966	249	249
1965	250	249
1964	250	251
1963	249	248
1962	227	246

	1st Session	2nd Session
1961	210 (4 weeks)	240 (6 weeks)
1960	188 (4 weeks)	231 (6 weeks)
1959	169 (4 weeks)	120 (6 weeks)

4 & 5. We do not have any *abitrary* line between "administrators" and "faculty", or "administrators" and "counselors" either in the College session program or the summer program.

The employees working on the summer program, their general capacities and instructional "specialty" if any, their terms of employment, and their salaries, are shown below for each of the past ten years: (See Appendix III attached hereto.)

6. The entire camp plant is a classroom. Instructional programs are carried on in all buildings and all outside areas. (Certain areas have been particularly identified with specific programs, for example in the summer program art classes have been held in the art studio in the gym-auditorium building and in the central lodge and in the outside, swimming classes and classes in life saving are held primarily in the swimming pool and adjacent areas, classes in music and in literature have been previously held in the Library, in the Lodge, and outside, instruction in health and citizenship in the Lodge, dining hall, infirmary and health center, in the residence cabins, etc., and in the College session the Lodge, dining halls, Library, gym-auditorium for such programs as faculty and student orientation tests, physical education, and recreational programs, etc., but the philosophy of the instructional program is obviously not limited to the concept of a "classroom" as a room with teacher's desk and student chairs designated as "the place" for learning a specific subject.)

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All buildings are designed for year-round use except in extremely cold months. The central lodge (2.a), infirmary unit (2.d) and library (2.b) may be used in very cold weather.

The central lodge and the infirmary unit are equipped with electric heating units, the Dining Hall and Library unit has central fireplaces.

7. and 8. While the instructional programs in the summer sessions are not provided on an academic credit basis, the term "academic" is not one that is subject to precise definition or use. The application and interpretation of the term "academic" in modern educational circles would include the entire teaching program at Camp Sequoya.

All phases of the instructional program are taught every weekday. As compared with the philosophy of some summer programs of "permissive selection", the objective is that all the campers should have complete well-rounded programs, so each camper is required to participate in all phases unless specific reason indicates omission of one or another.

Typical weekly schedules for groups arranged by ascending age, eight years through seventeen years, are attached hereto as Appendix II.

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9. Neither the *instructiors* in the College session, nor those in the summer program, are required to be "certified" by any agency, and therefore almost all are not. A few have happened to be, because of previous or concurrent employment, but since this is irrelevant in our programs no record of this is maintained.

10. D. Y. Caywood is employed as caretaker of the South Holston plant and grounds on a year-round basis and works in both the College session and summer programs. He is provided a home for his family near the entrance to grounds, as described in Appendix I (k). He is assisted by Clarence Brown and Leo Thomas, also year-round employees, who have their own homes elsewhere. Roy Worley takes care of the stables and horses during the summer program, and has a room there; he works in a similar capacity at the main College campus during the College session.

11. Mrs. R. A. Bailey, director of the summer program, is provided a small house located on the camp grounds, with one bedroom, bath, and living room, see Appendix I (j). The accommodations have been the same for the past three years.

12. There is one swimming pool, as described in Appendix I (m).

13. There are five tennis courts, as described in Appendix I (n). They are hard surface, used both in the summer and the College session programs.

14. Approximately 18-21 horses are used in the summer program each year. We do not keep a record of minor variations, but it is always in this range, and with few exceptions these are all College horses used in the College session program.

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15., 16. & 17. The independent audit reports of the College, prepared by Dent K. Burk Associates, for the fiscal years May 31, 1959 through May 31, 1968 are attached. The direct income and expense accounts for the summer camp department are shown in

Schedule B4 of these reports. The general ledger records for the past ten years are too bulky to be reproduced or transported without great expense and inconvenience, but may be examined in the safe deposit vault of the College to the extent needed.

18. No Federal or State income tax return has been filed by the College for the summer camp program or any other department of the College.

19. The College owns the following water craft which are used both in the summer program and the College session:

(a) 1 Lightning-class sailboat
(b) 1 Starcraft Sailboat
(c) 13 canoes
(d) 8 Sailfish sailboats
(e) 3 Noriscraft, 40 hp, outboards
(f) 2 wooden outboards, one with 18 hp, one with 5 hp
(g) 2 small platform barges, one with 20 hp, one with 18 hp

20. An aerial photograph of the camp is attached.

21. Camp fees per 5-week session unless otherwise indicated for the ten years 1958 - 1968 are as follows:

1968	$445
1967	425
1966	425
1965	400
1964	400
1963	375
1962	375
1961	250 (4 weeks) $390 (6 weeks)
1960	250 (4 weeks) $390 (6 weeks)
1959	250 (4 weeks) $390 (6 weeks)
1958	Unavailable but comparable to 1959

22. Copies of the current College catalog and summer camp catalog are attached.

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page 31 } Officers of the College are:

William T. Martin, President
Robert R. Knox, Treasurer & Business Manager
Ben F. Wheless, Dean of Faculty
Raymond A. Bailey, Director of Development

Margaret Johnson, Dean of Women
William A. Knipe, Director of Admissions
Mrs. R. A. Bailey, Director of Camp Sequoya (Summer Program)
Charles McNeer, Director of Guidance

The yearly salaries of William T. Martin, Robert R. Knox, Raymond A. Bailey and Mrs. R. A. Bailey, embrace substantial duties on the summer program. Such salaries are shown below; they are not allocated as between work on the summer program and other programs of the College.

The other officials, and many faculty members, have duties which include programs at the camp during the college session. No allocations of salaries are made.

Current yearly salaries of the above listed officials are:

William T. Martin	$20,769	
Robert R. Knox	14,604	
Ben F. Wheless	12,600	(10½ months)
Raymond A. Bailey	10,500	
Margaret Johnson	9,500	(9½ months)
Mrs. R. A. Bailey	9,600	
Charles McNeer	9,750	(9½ months)
William A. Knipe	10,000	

Sullins College Corporation

By William T. Martin
President

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* * * * *

Filed December 24, 1968 Circuit Court Washington County, Va.

C. W. Smith, Clerk.

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APPENDIX I—STRUCTURES AND BUILDINGS, Camp Sequoya

Unit	Type Construction	Approximate Dimensions	Approximate Cost
		(all are 1 story)	
a. Lodge Center	Frame Stone chimney	56 X 40 original 12 X 24 addition—offices 12 X 24 addition—store	$42,000
b. Dining-Recreation-Library	Frame Brick chimney	Dining Rm & Kitchen 100 X 54 Library 24 X 21	49,000
c. Gym-Auditorium Art Studio, etc.	Brick & Frame	62 X 136	58,000
d. Infirmary & Health Unit	Frame	28 X 18	7,600
e. Arts and Crafts	Frame	29 X 21	2,900
f. Stables & Stableman's Room	Frame	38 X 90 18 X 24	21,000
g. Service Building	Frame	60 X 26	8,500
h. Utilities (Sewerage & Equipment	Frame	25 X 35	44,000
i. Counselor Staff Unit	Frame	18 X 64	13,000
j. Director's Cabin	Frame Brick chimney	44 X 18	12,500
k. Caretaker's House	Frame	64 X 27	17,600
l. 15 Cabins for campers & their counselors, each	Frame	Approx. 30 X 23 ea.	96,000
m. Swimming Pool	Concrete & tile	50 X 150	69,200
n. Tennis Courts (5)	Asphalt	218 X 106 (Blacktop area)	7,100

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* * * * *

PETITION

Your petitioner, Sullins College Corporation, respectfully makes application to the Court for relief as provided by Section 58-1145 of the 1950 Code of Virginia, and in support thereof shows unto the Court the following:

1. Your petitioner is a non-stock, non-profit corporation organized and existing under the laws of the Commonwealth of Virginia, having its principal office in the City of Bristol, Virginia. Petitioner owns and is engaged solely in the business of operating Sullins College, an institution of higher learning, not conducted for profit, which is located in the City of Bristol and in Washington County, Virginia. A certified copy of petitioner's corporate charter is exhibited herewith.

2. The main physical plant of Sullins College is located within the City of Bristol, Virginia, including dormitories, classrooms and other college facilities, together with the business offices of the College. At the same time, one department of the College long known as "Camp Sequoya" is now, and since the year 1923 has been, located and operated in Washington County. From 1923 until 1957 Camp Sequoya was situated upon land owned by your petitioner located in said county which adjoined other lands of the College which in turn adjoined the main academic campus of Sullins College within the City of Bristol. In the year 1957, due to the fact that the original camp location had been acquired by public authority for highway construction, petitioner was compelled to move and re-establish the physical plant of the Camp upon another location in Washington County.

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3. By deed dated April 15, 1953, from J. K. Berry and wife to Sullins College Corporation, which is of record in the Clerk's Office of this Court in Deed Book 266, at page 323, your petitioner purchased and received conveyance of a certain tract of land in what was then Goodson Magisterial District of Washington County located on the waters of South Holston Dam which it used in connection with the educational program of its College until 1957, when it became necessary to re-locate Camp Sequoya. During that four-year period no taxes were assessed or levied against said land by Washington County.

In 1957, petitioner purchased and took conveyance of two additional adjoining tracts of land which in turn adjoined the tract purchased in 1953, hereinabove referred to, which latter two tracts were conveyed to Sullins College Corporation by two deeds, both dated September 19, 1957, the first being from J. K. Berry and wife to Sullins College Corporation and being of record in Deed Book 308, at page 65, in said Clerk's Office, and the second being from Bradley P. Brown and wife to Sullins College Corporation which is of record in said Clerk's Office in Deed Book 308, at page 68. Copies of the hereinabove mentioned three deeds are attached to this petition and prayed to be considered as a part hereof.

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During the fall and winter of 1957 and winter and spring of 1958, your petitioner re-built and re-located Camp Sequoya upon said land and completed the same in June of 1958.

4. Your petitioner is now *aggreived* by taxes assessed and levied upon its aforesaid land (consisting of all three tracts) and the improvements thereon by the defendant, Washington County, Virginia, for the year 1966 in the amount of $1,523.68, for 1967 in the amount of $1,643.52, and for 1968 in the amount of $2,049.52, it being here alleged that the same were and are erroneous, illegal and void, and contrary to the provisions of Section 58-12 of the 1950 Code of Virginia, as amended, which constitute petitioner's said land exempt from such taxation. The applicable provisions of said Code and Constitution are set forth as follows:

CODE OF VIRGINIA

Sec. 58-12. *What property, real and personal exempt from taxation, State and local.* - The following property shall be exempt from taxation, State and local, including inheritance taxes:

(4) Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a State court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by State health officials, incorporated colleges or other incorporated institutions of learning, including incorporated alumni associations thereof beneficially owned by or organized and operated exclusively for the benefit of such incorporated institutions of learning, not conducted for profit, together with the endow-

ment funds thereof not invested in real estate, and including property of any incorporated charitable foundation not conducted for profit, together with the endowment funds thereof not invested in real estate, the income from which is used or donated exclusively for use in Virginia for literary, scientific or educational purposes. For this latter purpose income used for literary, scientific or educational purposes or donated for such use in Virginia will be assumed to include the income from such property to the extent thereof. (But this provision shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto.) It shall not apply to industrial schools which sell their product to other than their own employees or students.

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CONSTITUTION OF VIRGINIA

Sec. 183. *Property exempt from taxation.* - Unless otherwise provided in this Constitution, the following property and no other shall be exempt from taxation, State and local, including inheritance taxes:

(d) Property owned by public libraries, incorporated colleges or other incorporated institutions of learning, not conducted for profit, together with the endowment funds thereof not invested in real estate. But this provision shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto. It shall not apply to industrial schools which sell their product to others than their own employees or students.

5. Your petitioner would further show unto the Court that said Camp Sequoya land and the improvements thereon, which are the subject of the taxation herein complained of, are wholly and solely owned by Sullins College Corporation, an incorporated College and institution of learning, not conducted for profit; that said land and the improvements thereon are used primarily for literary, scientific or educational purposes or purposes incidental thereto, which uses are consistent with, in furtherance of, and have direct reference to the *eleemosynary* objects and purposes for which Sullins College Corporation was incorporated and tend immediately and directly to promote those purposes.

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WHEREFORE, petitioner prays that the assessments and levies of taxes made by the defendant upon

petitioner's land in 1966, 1967 and 1968, as hereinabove set forth, be set aside and declared illegal and void, together with any penalties, interest or other expenses accrued thereon; that petitioner's said land be declared exempt from taxation under the applicable provisions of the Statutes and Constitution of Virginia; and that petitioner be granted general relief from the premises.

Sullins College Corporation
by Counsel

* * * * *

Filed in the Clerk's Office the 30th day of December, 1968.
Shirley Rhymer, D. C.

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ARTICLES OF AMENDMENT
Of The Articles of Incorporation
Of
SULLINS COLLEGE CORPORATION

1. On March 1, 1963, the Board of Trustees of the Corporation, by a majority vote of the trustees in office, adopted the following amendment of its articles of incorporation: The article headed "Number of Trustees" contained in the present Certificate of Incorporation is hereby amended so as to read as follows:

"(D) The Corporation shall have no members. It shall be managed by a board of trustees. The numbers of trustees shall be twenty (20) and a change in this number shall be made only by amendment of the articles of incorporation. Vacancies on the board of trustees shall be filled by the remaining trustees. The trustees shall be divided into two classes, Class 1 and Class II. Class I shall consist of twelve (12) trustees of whom the board of trustees shall, initially, elect four (4) for terms of one year each, four (4) for terms of two years each, and four (4) for terms of three years each. Upon expiration of the *intitial* terms. Each trustee of Class I shall be thereafter elected by the board of trustees for a term of four years. At least five (5) of the Class I trustees shall be alumnae of Sullins College, one (1) shall be a member

of the faculty of Sullins College nominated by the faculty, and at least nine (9) shall reside within a radius of fifty miles from the campus of Sullins College. Class II shall consist of eight (8) trustees, of whom the board of trustees shall, initially, elect four (4) for terms of one year each and four (4) for terms of two years each. Upon expiration of the initial terms, each trustee of Class II shall by the board of trustees for a term of two years. All trustees of Class II shall be elected by the board of trustees on nomination of the chapters of the Alumnae Association of Sullins College in the areas of Atlanta, Georgia; Birmingham, Alabama; Charlotte, North Carolina; Charleston, West Virginia; Chicago, Illinois; Dallas, Texas; Houston, Texas, Memphis. Tennessee; Miami, Florida; Nashville, Tennessee; Norfolk, Virginia; Orlanda, Florida, Palm-Beaches, Florida; San Antonio, Texas; Tampa, *Flaorida;* and Washington, D. C.; and upon expiration of the initial terms, all nominations and elections of the Class II trustees shall be made so that each of the above named alumnae chapters will be represented on the board of trustees every other two years."

2. There are no members of the corporation.

Executed in the name of the corporation by the President and its Secretary who declare under the penalties of perjury that the facts stated therein are true.

NOTE: Charter not recopied as it appears as an exhibit to petition filed on December 29, 1960.

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* * * * *

ANSWER

Washington County, Virginia, for Answer to the Petition filed herein, says:

(1) It is advised that Petitioner operates a junior college in the City of Bristol, Virginia and according to its catalog, it accepts female students for a two-year Liberal Arts College Program at the college level, who have taken the "Scholastic Aptitude Test of the College Entrance Examination Board". All students admitted must be a graduate of an accredited high school, with not less than sixteen units.

It is advised that the Corporate Charter is in the form exhibited with the Petition filed herein, but it is not advised as to whether Petitioner is in fact not conducted for profit and calls for proof thereof.

2. It admits the physical plant of Sullins College and its business office is located in the City of Bristol, Virginia, and that Sullins College Corporation owns certain property known as Camp Sequoya, located in Washington County, Virginia, described in the Petition, however it denies the Camp Sequoya property is exempt from taxation by Washington County, Virginia. It alleges that the primary use of the Camp Sequoya property is for the operation of a girls' summer camp for profit.

Vol. 2 page 23 } 3. It denies the allegations of paragraph 3, except that it admits that Sullins College Corporation purchased certain property in Washington County, Virginia from J. K. Berry and from Bradley P. Brown, which said property is used in the operation of Camp Sequoya and which has been assessed for taxation by Washington County, Virginia.

4. It denies that Petitioner is exempt from the payment of taxes levied by Washington County, Virginia, and denies that said levies are erroneous, illegal, void and contrary to law.

5. It denies the allegations of paragraph 5 insofar as said allegations assert a claim for relief from said taxes assessed by Washington County.

6. It denies all other allegations of the Petition, not herein specifically admitted, explained or denied.

Petitioner prays the Petition be denied, that Judgment be entered against Petitioner for such taxes as are properly assessable by Washington County, Virginia against said property for the years 1966, 1967 and 1968, and further prays that in the event the evidence adduced at the hearing on this Petition reveals the taxes assessed for said years are based on an assessment of the value of the said Camp Sequoya property, which is less than the proper amount, that the Court shall order the assessment increased to what in its opinion is the fair market value of the property involved and shall order that the Petitioner pay the proper taxes for the years 1966, 1967 and 1968, as provided in Section 58-1148 of the 1950 Code of Virginia.

Washington County, Virginia
By Counsel

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* * * * *

Filed January 23, 1969.

Circuit Court Washington County, Va.

Shirley Rhymer, Deputy Clerk.

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* * * * *

ORDER

It appearing that there are two separate actions now pending in this court under the above style, by agreement of counsel it is hereby ordered that the same be, and they hereby are, consolidated for trial on January 28, 1969.

* * * * *

ENTER: This 23rd day of January, 1969.

J. Aubrey Matthews, Judge.

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* * * * *

AMENDED AND
SUPPLEMENTAL ANSWER

(1) On December 29, 1960, Sullins College Corporation filed a Petition herein, seeking relief for taxes assessed by Washington County, Virginia, on property described as Camp Sequoya property for the years 1959 and 1960, and seeking refund of taxes in the amount of $1,218.90, together with $60.94 penalty, interest of $115.19 and $41.86, advertising costs, paid in connection with taxes assessed for the year 1958.

(2) Washington County, Virginia filed an Answer therein, denying Petitioner was entitled to the relief prayed for.

(3) Said Petition has remained on the docket since the day it was filed, without a hearing thereon, and is now set for a hearing on January 28, 1969.

Washington County prays that in the event the evidence adduced at the hearing on the Petition reveals the taxes assessed for said years are based on an assessment of the value of said Camp Sequoya property, which is less than the proper amount, that the Court shall order the assessment increased to what in its opinion is the fair market value of the property involved and shall order that Petitioner pay proper taxes for the years 1958, 1959 and 1960, as provided in Section 58-1148 of the 1950 Code of Virginia.

Washington County, Virginia
By Counsel

* * * * *

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* * * * *

Filed January 23, 1969.

Shirley Rhymer, Deputy Clerk.

Circuit Court Washington County, Va.

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* * * * *

AMENDED AND SUPPLEMENTAL ANSWER

(1) On September 24, 1968, Petitioned filed herein a Motion for Permission to Amend its Petition filed December 29, 1960, to include a prayer for relief from taxes assessed against its property in Washington County, Virginia, briefly described as the Camp Sequoya property, to include relief from taxes assessed for the years 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968.

(2) Washington County, Virginia filed a pleading on October 7, 1968, requesting the Court deny the Motion to Amend filed by Petitioner on September 24, 1968, in which it denied Petitioner was entitled to relief from the payment of taxes for any of the years claimed in the Petition and Amended Petition and further asserted the Amended Petition for relief from taxes assessed for the years 1961, 1962, 1963, 1964 and 1965 was not filed within the time prescribed by law and no relief could be granted for the taxes for said years.

(3) Washington County relies on the pleading to deny the Motion to Amend insofar as the years 1961-1965, inclusive, are concerned, because said Motion was not filed and Petition for relief from said taxes was not filed within the two-year period prescribed by law, however if the Court be of the opinion that it is proper to consider the Petition for relief from taxes assessed for the years 1961-1968, inclusive, Washington County denies Petitioner is entitled to relief from the payment of taxes for any of the years claimed in the Petition and the Amended Petition, but if the Court be of the opinion that it is proper to consider whether relief for taxes assessed for the years 1961-1968, inclusive, be granted, Washington County denies that Petitioner is entitled to the relief prayed for and requests the Court to deny said Petition and further prays that in the event evidence adduced at the hearing on the Amended Petition reveals the taxes assessed for said years are based on an assessment of the value of the said Camp Sequoya property, which is less than the proper amount, that the Court shall order the assessment increased to what in its opinion is the fair market value of the property involved and shall order that the Petitioner pay the proper taxes for the years 1961, 1962, 1963, 1964 and 1964, 1965, 1966, 1967, and 1968 as provided in Section 58-1148 of the 1950 Code of Virginia.

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Washington County, Virginia
By Counsel

* * * * *

Filed January 23, 1969.

Shirley Rhymer, Deputy Clerk.

Circuit Court Washington County, Va.

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* * * * *

ORDER (J.A.M.) Feb. 20, 1969

These causes, having been heretofore docketed and consolidated for hearing, came on this day to be heard upon the applications of the petitioner, Sullins College Corporation, the answers of the respondent, Washington County, Virginia, including its amended and supplemental answer to petitioner's initial application for relief; upon interrogatories and answers thereto, heretofore filed; upon the motion of petitioner filed on September 24, 1968, and the objection thereto filed on October 7, 1968, by respondent; upon evidence heard *ore tenus* by the Court on January 28 and 29, 1969, including the sworn testimony of the Commissioner of the Revenue of Washington County, Virginia, who was examined as a witness touching the applications, and was argued by counsel, the Attorney for the Commonwealth having appeared and defended said applications.

And the Court being of the opinion that petitioner's motion to amend its initial application so as to include the years 1961 through 1968, inclusive, is not well taken and ought to be denied, it is so ordered; to which action by the Court petitioner, by counsel, duly excepted;

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In consideration of all of which, the Court finds as a fact and hereby certifies that the land of petitioner, (consisting of three adjoining tracts of land which are described in said applications and the copies of deeds exhibited therewith, and introduced into evidence), is property which is owned by Sullins College Corporation, an incorporated college which is not conducted for profit; and the Court further finds as a fact and certifies that since 1958 said property has been primarily used for educational purpose or purposes incidental thereto; and that the use of said land by petitioner has direct reference to the purposes for which said institution was created, and tends immediately and directly to promote these purposes, and that any revenue derived therefrom is incidental to such use of said land by petitioner.

It is accordingly ADJUDGED, ORDERED and DECREED that said property is exempt from taxation, State and local, including inheritance taxes, for the years 1958,

1959, 1960, 1966, 1967 and 1968; that petitioner is hereby wholly exonerated from the payment of any such taxes assessed against said property for the years 1958, 1959, 1960, 1966, 1967 and 1968; that the Treasurer of Washington County, Virginia, shall refund to petitioner the sum of $1,-436.89, being the amount erroneously paid by petitioner to said Treasurer under protest for the taxes assessed against said property for the year 1958, including penalty, interest and costs.

It is further ADJUDGED, ORDERED and DECREED that petitioner pay the taxes assessed against said property for the years 1961, 1962, 1963, 1964 and 1965 together with penalties, interest and costs, to which action by the Court petitioner, by counsel, excepts.

Vol. 2 page 32 } To the action of the Court in exonerating petitioner, Sullins College Corporation, from the payment of said taxes for the years 1958, 1959, 1960, 1966, 1967 and 1968, and in ordering a refund of taxes paid for 1958, Washington County, Virginia, by counsel excepted; and counsel for Petitioner and for said County having indicated their respective intentions to apply to the Supreme Court of Appeals for a Writ of Error and an appeal herein, it is further ORDERED that execution of this decree be suspended for a period of ninety days from the date hereof and thereafter until such petition or petitions for appeal, if filed, are acted upon by the Supreme Court of Appeals, provided said petitioner, Sullins College, shall, within sixty days from the date hereof, file with the Clerk of this Court a suspending bond in the amount of $300.00 with surety approved by the Court, conditioned according to law, no such bond being required of said County in accordance with Section 8-477 of the 1950 Code of Virginia, as amended.

* * * * *

ENTER: This 18th day of February, 1969.

J. Aubrey Matthews, Judge

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* * * * *

NOTICE OF APPEAL AND ASSIGNMENTS OF ERROR

* * * * *

Notice is hereby given that Washington County, Virginia appeals from a final judgment rendered by this Court on February 18, 1969, and announces its intention of applying for a Writ of Error to the Supreme Court of Appeals of Virginia.

ASSIGNMENTS OF ERROR

The trial court erred in holding:

(1) That the land of Petitioner, Sullins College Corporation, (consisting of three adjacent tracts of land in Madison Magisterial District of Washington County, Virginia, which are described in the application and copies of deeds exhibited therewith and introduced in evidence) is property which is owned by Sullins College Corporation, an incorporated College which is not conducted for profit,

(2) That since 1958, said property has been primarily used for educational purpose or purposes incidental thereto,

(3) That the use of the land by Sullins College Corporation has direct reference to the purpose for which said institution was created, and tends immediately and directly to promote these purposes, and that any revenue derived therefrom is incidental to such use of said land by Sullins College Corporation,

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(4) That said land is exempt from taxation, State and Local, including Inheritance taxes for the years 1958, 1959, 1960, 1966, 1967 and 1968; and that Sullins College Corporation should be and is exonerated from the payment of any such taxes, including taxes assessed by Washington County, Virginia, assessed against said property for the years 1958, 1959, 1960, 1966, 1967 and 1968,

(5) That the Treasurer of Washington County shall refund to Sullins College Corporation the sum of $1,436.89, being the amount paid by said College to the Treasurer of Washing-

ton County under protest for the year 1958, including penalty, interest and cost.

Washington County, Virginia

* * * * *

Filed April 9, 1969.

C. W. Smith, Clerk.

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ASSIGNMENTS OF CROSS-ERROR

Now comes Sullins College Corporation and assigns the following cross-error:

I.

The Court erred in denying the petitioner's motion to amend its initial application so as to include the years 1961 through 1965, inclusive.

II.

The Court erred in ordering that the petitioner pay the taxes *assesed* against the property in controversy for the years 1961, 1962, 1963, 1964 and 1965 together penali*ties,* interest and cost.

III.

The Court erred in failing to exonerate the petitioner from the payment of taxation, state and local, including inheritance taxes, for the years 1961, 1962, 1963, 1964 and 1965.

Sullins College Corporation
By Counsel

* * * * *

Filed Apr. 23, 1969.

Herbert G. Mock, Clerk.

Circuit Court Washington County, Va.

* * * * *

APPEARANCES:

George M. Warren, Jr., Esq., Bristol, Virginia, and

G.R.C. Stuart, Esq., Abingdon, Virginia, Counsel for Plaintiff.

Bradley Roberts, Esq., Bristol, Virginia, and

David Brown, Esq., Abingdon, Virginia, Counsel for Defendant.

* * * * *

page 3 } The following cause came on to be heard on the 28th and 29th days of January, 1969, before the Honorable J. Aubrey Matthews, Judge of the Circuit Court of Washington County, Virginia, without the intervention of a jury.

* * * * *

The Court: All right, gentlemen. The court is going to make a statement for the record. If the court is in error, gentlemen of counsel may state their corrections to what the court has to say.

Let the record show that this petition was filed on December the 29th, 1960. The record will also show that page 4 } from that time until October, 1964, the only orders entered in the matter were orders of continuance, that no costs were paid when the petition was filed; consequently, the matter was not placed on the docket of this court; that when the present Judge took his office in February of 1965, the matter was not on the docket of the court and the present Judge was not aware that such a petition was

filed until approximately one year ago when he ran into it by accident in going over some of the records of the court.

As a result, this matter has not been heard and has been scheduled for hearing today.

A subsequent petition has also been filed covering additional years. By agreement of counsel all matters will be heard together.

Let the record further show that the county has filed certain motions which are in the proceeding. Those motions the court is not ruling on at this time but will take under advisement and rule on those at the conclusion of the evidence as presented.

Now, gentlemen, if the court has not stated the matter accurately and fairly to all parties, I'll hear you on that.

Mr. Warren: May I make this statement into the record, if Your Honor, please? So far as the costs are
page 5 } concerned, of course, costs were tendered in the sense that everybody was ready to pay costs but nobody knew what costs to pay, and then the Clerk did not advise counsel. That's the only reason no costs were paid.

Number two, I take it that in this proceeding, interrogatories which were filed in the case of one pending petition and the answers thereto will be considered in connection with both petitions inasmuch as they cover all the periods of time involved.

Mr. Roberts: That's certainly agreeable.

The Court: That's the position the court will take.

Mr. Roberts: Yes, sir, Your Honor. May I say that I was not aware of the fact that no costs had been paid when the petition was filed. If that be a requisite to having the case on the docket and will go to the statute of limitations, why the county does not waive the nonpayment of the costs as a prerequisite to us being here today.

Now, the original petition, Your Honor, requesting relief for the years—

The Court: '58, '59, '60.

Mr. Roberts: Yes, sir. And then by a motion filed herein on, I believe, October the 24th, filed September the 24th, an amendment—

page 6 } The Court: What year now? We are dealing with such a long period of time.

Mr. Roberts: All right, I say of September 24th, '68—

The Court: '68.

Mr. Roberts: An amendment was sought. Petitioner filed a motion requesting to amend its petition to include a prayer

for relief from taxes assessed for '61, '62, '63, '64, '65, '66, '67, '68, to which the county filed a responsive pleading or a motion to deny relief for the years '61, '62, '63, '64, and '65 as not being filed within the time prescribed by law.

The Court: That's the motion the court's taking under advisement, Mr. Roberts.

Mr. Roberts: Yes, sir, all right, sir. Subsequently, of course, an additional petition was filed covering the years '68, '67, and '66.

The Court: Yes, sir, in December of 1968.

Mr. Roberts: Yes, sir.

The Court: And an order has gone down, I believe I signed an order that both petitions would be heard together.

Mr. Roberts: Yes, sir.

The Court: All right. Gentlemen, you may pro-
page 7 } ceed as you are advised.

* * * * *

page 8 } WILLIAM T. MARTIN having been duly sworn, was examined and testified *and* follows:

DIRECT EXAMINATION

By Mr. Stuart:

Q. Your name is Dr. William T. Martin?

A. Yes.

Q. What is your age?

A. Fifty-eight.

Q. And where do you live?

A. 816 Glenway Avenue, Bristol, Virginia.

Q. Is that in the city of Bristol?

A. Yes.

Q. How long have you lived in Bristol, Dr. Martin? Are you a native of that section?

A. Well, they don't claim me as a native, but I lived there from the time I was four to finishing college and then I have lived there again since 1945, so it's home.

* * * * *

William T. Martin

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* * * * *

Q. And your father was president of Sullins then until when?

A. 1949.

Q. And who became president in 1949?

A. I did.

Q. And have you continued to hold that position since that time?

A. Yes.

* * * * *

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* * * * *

Q. I take it from what you said that you have been very closely associated with, with Sullins College ever since you can first remember.

A. Yes, my father served as president and my mother as dean of women, so I have been very much a part of it.

page 11 } Q. All right, sir. Now, it's alleged in the petitions which have been filed that Sullins College Corporation, as I believe it's now named, is a charitable non-profit corporation. Is that true or not?

A. Yes. I could mention at least five evidences of that briefly. The present college corporation, the title is Sullins College Corporation, was chartered in 1935 under Chapter 151 of the Virginia Code of 1930, the provisions there being for the incorporation of non-profit educational institutions.

Paragraph C of the charter, you will note, states the purposes of the corporation.

Paragraph D provides that the corporation shall have no members, no stock, and that the governing body shall be a board of trustees.

At the present time the charter provides for a board of twenty-five members. It's a self-perpetuating board but there are a number of limitations and requirements in the charter as to who these members must be, perhaps the most unique being that a majority of the members of our board of trustees must be alumnae of the college.

William T. Martin

Paragraph H of the charter provides that the college is a non-stock and non-profit corporation.

These provisions are carried out further in the bylaws of the college.

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* * * * *

Q. (By Mr. Stuart) Now, what was it you were saying about the bylaws, Dr. Martin?

A. I was calling attention to Paragraph 1 of page 14 } Section 1 of the bylaws which has relation to the purposes of the college and also particularly section 4 which spells out the non-profit operation of the college.

Another evidence I should mention is that the college has qualified through the years fully as a non-profit educational institution for grants and loans from both the federal and state governments and has actually received all such grants and loans that we could get our hands on, which have been substantial.

A final factor is that the Southern Association of Colleges and Schools, which is the official educational accrediting body for the entire South, has a policy under which it will not admit to membership and accredit any college unless it is a strictly non-profit college.

Sullins has been a member of the association and fully accredited by the association since 1927, which was the year following the first establishment by the Southern Association of its accreditation system for junior colleges.

Through all those years we have filed annual reports with the Southern Association, including the independent audit of all our finances and accounts.

Some of the matters most particularly involved here have been considered by the accrediting committee of the association.

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* * * * *

Q. (By Mr. Stuart) Dr. Martin, I believe that Sullins also has a tax exempt certificate so that if somebody gives money

to the college they can deduct that as a charity gift on their income tax return.

A. Yes.

* * * * *

The Witness: Yes, we do.

* * * * *

Q. (By Mr. Stuart) You testified that you were qualified for grants and loans from the federal and state governments. I take it that's for purposes of the college?

A. Yes.

Q. Do you presently have any projects under
page 16 } way involving any such grants or loan?

A. Yes, we are constructing a million dollar humanities center for which we were rewarded a three hundred thousand dollar grant under the higher educational facilities program.

Mr. Roberts: Excuse me, Your Honor. I don't believe that's material to the issue here. I think it's the use of this particular piece of property.

The Court: I was going to say, gentlemen, I thought you had agreed upon the fact that Sullins College was an eleemosynary institution.

Mr. Roberts: Sullins College itself is an eleemosynary institution.

* * * * *

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Q. All right, sir. How long, Dr. Martin, has Sullins been a non-stock, non-profit institution?

A. Since 1926 or 7, one of those years.

Q. Thank you, sir. Now, as you know, Dr. Mar-
page 18 } tin, we are considering here the period of time 1958 to 1968. I'd like for you to give the court a brief description of the, of the college operation, that is, the

type of offering that it gives the girls, and if there has been any change in that from 1958 to the present, describe that too. In other words, what kind of a school do you operate?

A. Sullins—should I go back briefly to the old Sullins to trace it?

Q. All right, sir, if that will be helpful.

A. This won't take but a couple of minutes. But I believe it will put it in perspective.

The Court: Gentlemen, I take it that this catalog for the year 1968-69 pretty well describes the type of school they operate and whatnot at this stage, does it not? It's filed if you want to make it an exhibit.

Mr. Stuart: Yes, sir.

The Court: We'll make it Number 3.

Mr. Warren: It does, Your Honor.

Mr. Stuart: Well, all right, sir. That's sufficient, that is sufficient for our purposes. Can we make that Exhibit 3?

The Court: Yes, sir.

* * * * *

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Q. (By Mr. Stuart) Dr. Martin, I believe that the college offering during the college session is a two-year program for first and second year college students in the way of a liberal arts program, is it not?

A. Yes, we are primarily a liberal arts college for students who are well qualified and plan to go on to university after finishing with us. About ninety percent of our graduates do go on to university each year.

Q. All right, sir. And in addition to the college program, has Sullins at any time in the past offered instruction in any lower grades than the college level?

A. Yes, Sullins from 1870 to 1950 purported to be a four year college, and at most of the time in that long period they offered instruction from grades one through sixteen. When, when the college was re-established in 1917, it was reorganized as a junior college, offering the four years of high school and two college. Actually, in the early years they also

page 20 } conducted a grammar school, but that was dropped in the early 1920's. When I returned to the college after 1945, we made a comprehensive self study and we decided that we should in the main session concentrate on the first two years of college. So over the next ten years we successively dropped the first, second, third, and then fourth years of the high school department.

The Court: I take it then that, if I understand you correctly, since 1958 you have been strictly a junior college?

The Witness: The last year of high school was discontinued in—I have that information somewhere, the exact year. It seems to me it was around 1960, perhaps, but I can get that year for you. It was thereabouts.

Q. (By Mr. Stuart) Dr. Martin, would you give the court a description of the beginning and development of Camp Sequoya?

A. Yes, the first building of the present college was constructed in 1916 on the present campus, and the college opened in 1917. In 1920 the college constructed an artificial lake on some land which they regarded as about a thirty-five-acre site north of the campus in Washington County. It was called Lake Sycamore.

Q. About how far was that from the main college buildings?

A. Oh, I'd say three-quarters of a mile, roughly.

page 21 } Q. All right, sir.

A. They built a lodge there for the use of the college students so that they could spend the night there on weekends and enjoy swimming and boating. That use went on until 1925, and at that time the college decided to begin a summer program for younger girls, and some cabins, gymnasium, dining hall, tennis court, riding ring, and an athletic field, infirmary, were built, and the first summer program began in 1925 or 6. Our records don't indicate the exact date.

Q. Was that about the same time that the grammar school offering that the college had up until then was abandoned?

A. Well, shortly afterward, yes.

Q. All right, sir. Go ahead.

A. Mrs. Maude Boggess, who had been a residence counselor at the college, was director of the summer program, and she worked at the college in the winter. She continued as

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director of, for a great many years, this integral use of the Sequoya plant and facility by the college girls in the session and by the younger girls in the summer program, continued for thirty-three years there, that is, up until 1957.

Q. Well, what happened in 1957?

A. For a couple of years prior to 1957, we had been aware that the State Highway Department was consid-
page 22 } ering two or three alternative sites for location of a spur highway from super highway 81 into the city of Bristol. We had expressed ourselves informally very strongly that one of those routes which was located almost entirely over property of the college, including the Sequoya site, would be of great detriment to the college program, and we frankly thought that that would not eventuate. In February, 1957, the city attorney of the city of Bristol, Virginia, Mr. Bill Woodward, advised me that he understood that the state had finally decided to construct this non-access spur highway over the college property route. The college officials, trustees, all of them felt that this would be of the most serious damage to the college and its overall program. They asked me to express formally our strenuous objections to the State Highway Department, which I did to General Anderson and also to try to enlist the aid of the city of Bristol, Virginia, against the location of the highway over this route. I did both but to no avail.

We realized that the location of this non-access highway very heavily traveled would destroy completely the value of the Camp Sequoya site for all purposes for which it was used and that it would be necessary for us to secure a different location for this year round use.

Back in 1953—

page 23 } Q. Let me interrupt you there. Why couldn't you go ahead using the Camp Sequoya site that you had?

A. Well—

Q. After the highway construction?

A. Well, Mr. Stuart, the location of the camp was not the best anyway as it used to be because the city was beginning to grow around it, but one fortunate thing about it was that the other college farmland property surrounded it and you couldn't see out very well. The highway is located right across the end of the lake with a huge unsightly cut there.

And hemmed in in this manner, it simply had no more attractiveness or utility as a rural setting.

Q. All right, sir.

The Court: Made a pretty good sale though, didn't you, Dr. Martin?

The Witness: Pardon?

The Court: You made a pretty good sale though, didn't you, to the highway?

The Witness: No, very bad.

The Court: Very bad?

The Witness: Yes, uh huh. It was most unfortunate.

Q. (By Mr. Stuart) Prior to 1958 had the camp facilities that you have described been used by the college-age girls as well as for the younger girls?

page 24 } A. Yes.

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Q. (By Mr. Stuart) And prior to 1958 what was the, I believe you said that the Camp Sequoya location was in Washington County?

A. Yes.

Q. And had any real estate taxes ever been assessed or attempted to be assessed against it prior to 1958?

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The Witness: To my knowledge no such assessment was ever made.

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Mr. Warren: Well, I understand that counsel is unwilling to stipulate that they were not assessed prior to 1958. Don't you know that to be a fact?

Mr. Roberts: Counsel says he doesn't know. If the gentleman will avow that that's correct, why I take it the court—

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Mr. Warren: We'll so avow.
The Court: All right.

Q. (By Mr. Stuart) Now, Dr. Martin, you mentioned some land that the college had acquired in 1953 at South Holston Lake. Describe that for the court, why that was acquired and what it was used for after a tax was issued.
A. Back in 1953 the college had acquired a small tract of land on South Holston Lake. This is estimated to
page 26 } be about ten acres, but only 2.57 acres, that is, only about two and a half acres of that was above the 1747 level below which buildings cannot be located under the lake regulations.
Q. You mean the T.V.A. regulations?
A. Yes. And we built a lodge there for the physical education and recreational use of the college students primarily so they could go out to the lake, spend the weekend, boat.

The Court: You are referring to the land acquired by deed from J. K. Berry on the 15th day of April, 1953, I take it.
The Witness: Yes.
Mr. Warren: That's correct.
Mr. Stuart: Yes, we'll ask that all three of the deeds that are filed with the petition be the next exhibits of the college.

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The Court: Deed of 15 April, '53, Exhibit Number 4; 19 September, from J. K. Berry, 19th day September, Exhibit Number 5; 19th day of September, 1957, from Brown, Exhibit Number 6.

(Petitioner's Exhibits Number 4, 5, and 6 were marked for identification and filed.)

Q. (By Mr. Stuart) From 1953 until 1957, Dr. Martin, had you finished your description of the use of the ten-acre property?

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A. No, I was going to say that in considering a location for the camp, the administration and the board were impressed by the fact that the college students in the four years had shown themselves much more interested in using the facilities at South Holston Lake than at Lake Sycamore, and we felt that in establishing the, the plant which we had to do, that would be a good site for it. So when it was certain in 1957 that the state was going to locate the highway there, in fact under statutes they have the right to move in immediately and make a deposit in court, which they did, so they asked me to—

Q. Who asked you?

A. The board of trustees asked me to proceed
page 29 } with getting architects and construction men—
we did it on force account rather than contract, and we built cabins, a gym, a dining hall, a little infirmary, and the summer session, the first one, was held there in 1958. And it was used by the college girls in the session 1958-59.

Q. All right, sir. Now, of course, it was necessary before you did that to acquire the additional land that's described in these deeds which have been exhibited.

A. Yes.

Q. Now let's see, I think that shows about fifty-two acres. How much of that was above this 1747 foot level that you spoke of?

A. Well, actually, a great deal of the fifty-two acres is under the water all the time of that additional tract of land.

The Court: Two tracts.

The Witness: Two tracts. The one from Mr. Brown is very small. It was just a little tract between the main one and the road that we had to get, but of the two tracts twenty acres of that is above the 1732 level. Only 4.98 acres is above the 1747 building level.

Q. And was, what is the situation as to the use of the land between the 1732 and the 1747 foot level?

A. In that area you cannot locate any buildings,
page 30 } but they'll let you locate some structures like the
swimming pool out there is in that area, barbecue stands, athletic field, that is, structures that could not be damaged much by being flooded and couldn't damage other people.

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The Court: I didn't get that last figure. Did I understand eight acres above 1747?

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The Court: I got the twenty. So as I understand it, you just have five acres on this land that you can put permanent structures on of a wooden nature and such as cabins?

The Witness: On these two tracts we are speaking of and on the original tract it's 2.37 acres.

The Court: 2.37?

The Witness: Yes.

The Court: So that you have got about 7.3 then?

The Witness: Yes, sir.

The Court: All right.

Q. (By Mr. Stuart) Why, Dr. Martin, after the highway construction forced the abandonment of the Lake Sycamore location of Camp Sequoya, did the administration
page 31 } and the board of trustees decide to rebuild the camp at the present location?

A. Mr. Stuart, on the basis of our, what? 33 years experience with this integrated, year-round operation. We felt that both the session's and the summer's features of it were of great educational value and that the continuation of this year-round operation was very essential to the financial integrity and educational quality of the college.

Q. Is the camp plant important to the educational program of the college?

A. Yes, we consider it quite important.

Q. So—

A. Now, you are speaking of, not the summer program so much as the other aspects of it?

Q. Yes, sir, let's divide them a little bit. Take the, take the camp plant first, refer to its value. You said it is important. Tell the court why it is important from the standpoint of running the college.

A. Well, let me, let me begin at the beginning of a college session, for example. We, like most other colleges and universities, have orientation meetings at the beginning of the session both the faculty meetings, where we do a great deal of our planning for the year, and also meetings of faculty and the new student officers for the year.

page 32 } Q. Let me interrupt you there. Is this a copy of the orientation schedule of the kind that you are referring to?

A. Yes.

Mr. Stuart: I'd like to offer that in evidence, Your Honor.

Mr. Roberts: Let's see—no objection to it, is there? That's Number what?

The Clerk: Seven, Petitioner's Exhibit Number 7.

(Petitioner's Exhibit Number 7 was marked for identification and filed.)

Q. (By Mr. Stuart) All right, sir, go ahead.

A. Then following those meetings of the faculty and the student officers, we have a four-day orientation for new students coming in, as most colleges do now. A good many of the colleges and universities, in order to obtain a more or less rural site where the students and faculty can be together for these meetings and have some recreational opportunities in the process actually rent camp sites to hold these. I believe Emory University has one. Washington and Lee, I believe, does. University of North Carolina has come to my attention. So that this affords us a quite ideal site for these orientation meetings.

page 33 } Q. And do you have the student orientation meetings at the camp plant?

A. We have all the faculty and student officer meetings there. We begin the new student meetings there. We have the testing program which is, is rather onerous to the students, but it is a necessary part, and we let them take those there, and when they are not being tested, they can swim and boat and so on.

Q. Does that involve written testing?

A. Yes, all sorts of aptitude testing for English, foreign language, mathematics, and that type of thing. We move into the college Tuesday because there we begin our counseling sessions, actually planning their programs and registering, but during these days a good many of these students don't have anything to do and they tend to get homesick, so we make it possible for them to go in groups out to the lake again in those days and have some fun. The end of the week, the first week when the upper-classmen have come in too, we have

what we call a "Lake Day" out to the lake. Now this used to be just for the students themselves, but in these times the girls want boys so in recent years we have invited the freshmen from the colleges around here, East Tennessee State and Emory and Henry and Milligan and all out there and it is an attraction to them to get to swim and water-ski and they have a good bit of fun and then that night page 34 } they have a dance in the gymnasium.

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Q. Does the college make use of the camp as far as alumnae activities are concerned?

A. Yes, the, well, I was just going to complete what I said about the first of school if you don't mind.

Q. Oh, excuse me. Please do.

A. And then I'll go into any field that you want.

One of our greatest handicaps, I realize this may sound frivolous, but one of our greatest obstacles of Sullins College is the fact that we are not in proximity to the colleges and universities in which our students are most interested. We have some very fine small colleges around Bristol, but these institutions that are located in the vicinity of page 36 } Washington and Lee, University of Virginia, V.M.I., or University of Richmond or down in North Carolina around Duke, North Carolina, Davidson, North Carolina State have a great advantage over us to the point where our main appeal has to be on a strong academic program. Our board of trustees and our board of visitors several years ago got after me on this and they said, "William, your students think they like your academic program and your faculty, but they just did not like the absence of boys in this location, and they are unhappy about it." So we have had to undertake a more aggressive program for trying to help these girls meet boys, which we have been working on.

Q. What part does the camp plant play in that?

A. It helps us a good deal in this respect. The second weekend last year Mrs. Bill King, one of our students' activity directors, got Dean Mangus at V.P.I. to bring three hundred

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V.P.I. boys down and for the week-end, and they stayed at camp, and lots of the girls got to know them and get invited up there, you see.

Q. Did you charge them anything?

A. No, no, we don't charge them at all. It's not a money making proposition. It's very ineffective. I might say, Mr. Stuart, too in this connection that we make the camp available for week-end groups without any charge
page 37 } whatsoever throughout the session.

Q. What do you mean by week-end groups?

A. Leave after classes Saturday, spend the night out there and come back Sunday night.

Q. You mean girls at your college?

A. Yes.

Q. Now?

A. Uh huh. Now a third fact—

Q. Excuse me. Are they chaperoned?

A. Well, we are not quite as strict on that as we used to be. We used to require that these groups be chaperoned by a faculty member or a physical education teacher, and we like that to be so. But where one of those isn't available, if they have a sophomore officer and qualified life guards, we do let them do that, and Mr. Cawood, who is supervisor of the plant there, the buildings and grounds all year long, keeps an eye on them.

Q. When the summer program is not going on, that is say from sometime in September until sometime in May, is the camp plant locked up? Or is it available for use by college students and faculty?

A. Well, this involves another thing that's a problem for us. As we all know in this session, we have had some difficulties and other colleges and parents have with a
page 38 } tendency for the young people to go out to the lake and have unchaperoned parties at which a good deal of drinking goes on, and there have been some very serious accidents involved. We absolutely prohibit our students from attending unchaperoned parties on the lake, but at the same time we try to make the Sequoya facilities available to them for that purpose so that we not only permit, we encourage them to take their dates out to the, out to the camp. They have to show their I. D. cards to Mr. Cawood when they go, so we can be sure that other than our college students don't use it. But if they do that, then they realize that he is

a pretty good chaperone and we feel safe about him, about them.

Q. But if the girls want to go out there either by themselves or if they want to take dates out there, the dates are available at all reasonable hours. Is that correct?

A. Yes, I don't know at night, Dean Johnson is right, our dean of women—

The Court: Mr. Stuart, the court doesn't know what you understand what this reasonable hour is. You are not in this category yet. Now when you say reasonable hour, what do you mean, sir?

Mr. Stuart: All right, sir. I'll let the witness say. Maybe I don't know, Your Honor.

page 39 } The Witness: Well, Dean Johnson, our dean of women, is rather, still, oh, some of us think, certainly the young people think maternalistic, but we feel, feel in a small college of our type that we have to take more of an interest in their doings and their welfare than the large institutions these days choose to do. If they were going out at night, I think she would talk with them and be fairly certain, but, oh, in the afternoons and Sunday afternoon and that sort of thing, why they would—

Q. (By Mr. Stuart) And can you tell us, Dr. Martin, whether in fact girls do make use of the camp plant in the way that you have been talking about?

A. Yes, we don't try to, to keep any rigid schedule or records of this because, actually, if you do too much of that, the students don't want to do it. But we do know that they do and enjoy it and it's of considerable value too.

Q. All right, sir. If you have finished on that point then, go to the question that I asked you a little earlier about whether the camp plant has any value to the college from an alumnae standpoint.

A. Yes, I think it does. Some years ago, oh, perhaps, time goes so fast, but in the early stages of developing our alumnae program we were very anxious to get a strong alumnae association in the Tri-Cities area and we had a picnic for all the

page 40 } alumnae out there, let them bring their families. We had over two hundred people there to enjoy swimming and boating and dinner there and it helped us in getting that established. We are trying to have

more and more alumnae class reunions. This is somewhat more difficult for us than some schools because it's a little harder for girls to get away than men, and our students and alumnae are distributed all around the country. You see, we have of our 375 college students, they represent over thirty states each year, and that's a little more difficult than colleges where the alumni are concentrated in a smaller area, but we do use the facilities very much as an attraction for alumnae to come and bring their husbands and have picnics and have a good time out at the lake.

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page 41 } Q. (By Mr. Stuart) Now, Dr. Martin, you have described generally the activities of the alumnae at the camp plant. Have you, or has the college ever conducted an alumnae counselors' program?

A. Yes, one of the big problems of a small college of our type is to try to acquaint people over so broad an area with the college. We used to keep about six traveling representatives on the road for this purpose, but we found we couldn't afford them anymore.

Q. You are beginning to speak a little low.

A. Oh. And so now one thing we are trying to do is to develop our alumnae as representatives of the college on a non-paying basis. For that purpose we have about twenty outstanding alumnae from all sections of the country come to the college each summer and spend two or three days going over every phase of the college organization with me and Dean Wheless and other members of the staff. And then we keep them apprised of all developments at the college so that they can counsel with high school students who might be interested in our type of college.

Q. This counseling then is directly related to student recruitment?

A. Yes.

Q. Well, what part, if any, does the Camp Sequoya plant play in this alumnae counseling program?

page 42 } A. Well, we try to take them out there and have a picnic at the camp and talk with them about the camp program so that they can be representatives of that department as well as the other departments of the college.

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Q. The Alumnae Bulletin which has been introduced as Exhibit 8, does that, does that have an article about the alumnae counseling activity at Camp Sequoya in it?

A. Yes, that was the nature of that article.

Q. That's the December, 1967 Bulletin. Is it of value in the student recruitment? Is it of any value in your student recruitment program that you are able to offer these alumnae recruiters this pleasure at the lake, so to speak, and also look at it to see what the camp plant looks like?

Mr. Roberts: I'd say that would be a matter of opinion, Your Honor, irrelevant and immaterial.

The Court: I'll let him answer, gentlemen.

The Witness: Yes, we regard it as of very considerable value.

Q. (By Mr. Stuart) Now, Dr. Martin, does the camp plant have any value to the college in any other ways as far as student recruitment is concerned, that is, getting college students for the college? And let me ask you prefatory to that, is student recruitment a problem for the college, that is, college students?

page 43 } A. Unfortunately, just now it is beginning to be. This is a fluctuating thing. We have very hard times and then we have some good times. The past six or eight years have been rather a seller's market so far as independent colleges and universities have gone, and most of us have gotten rather highly selective and aristocratic. About two years ago that began to change and we all recognize that we are entering a period now which is going to be more of a buyer's market.

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Q. (By Mr. Stuart) Well, let me ask you this, do you have any figures for '67 or '68 or '67 to '68?

A. No, no, we wouldn't. In the last three years our number of applications has been falling and our number

page 45 } of withdrawals has been rising, so that session

before last we opened college about, oh, I'd say twenty students short, and last year about thirty-five students short. This is a very critical thing for us in a college our size. We cannot, we cannot survive this, so we have expended our—

The Court: That's not due to recruitment though or applications, is it, Doctor? That's one of the hazards of girls' schools, isn't it? After one year a lot of them get married or for many reasons don't return, and you don't know at the time to take in additional freshmen. Isn't that a fair statement?

The Witness: Yes, but it's due to recruitment too, Your Honor. We are all having to be much more aggressive in our recruitment programs and we expended ourselves last year, and this September we opened full. But it ties in directly with recruitment.

Q. (By Mr. Stuart) All right, sir. Well, what part, if any, does the Camp Sequoya plant or program, summer program play in recruiting college students for Sullins?

A. This plays a very vital part in our college recruitment program. As all the colleges know, a small college simply has to have some means of acquainting people with the college and its programs. Mens' colleges, of course, often spend a lot of money on football teams which they can

page 46 ⊢ justify only, in my opinion, on that basis. Of course, we have none, and dependent as we have historically been on getting our students from such a broad area, this is very vital to our college. The, the camp program with its approximately five hundred campers enrolled each summer from over thirty states, like our students come from, serves the very vital purpose with us in acquainting people around the country with the college, so that we have felt, the board has felt through the years that we would be in very bad shape if we didn't have this means of college-student recruitment.

Q. Are the girls who come to Camp Sequoya in the summer given the opportunity to see the college itself?

A. Yes, this is one reason we, we feel it is very important to have a, Sullins college people in the summer programs, so they can talk Sullins to them and interest these, the younger girls in the college. And once each camp session we bring

the campers in to the college and have a picnic on the lawn there, talk to them about Sullins, and take them on a tour of the college.

Q. All right. You mentioned the importance there of having Sullins people at the camp. What importance to Sullins is the Camp Sequoya summer program or in the regular session also with respect to the maintenance of faculty relationships?

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The Witness: Well, educationally, we regard this as one of the most vital things to the integrity of a college, this matter of giving faculty and staff members opportunity for year-round employment. Almost all the women's colleges, particularly the junior colleges that are located as we are, feel that it is not feasible for us to offer a summer session at the college. The girls just don't want to come to that kind of a summer session.

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page 48 } Q. You are meaning a summer school?

A. Yes.

Q. At the college?

A. Yes.

Q. For college students?

A. Right. At the same time, as we get more and more men on our faculty who are married and have families, we have to realize that it is an important factor to them if they get in a predicament to have some means of support in the summer time. You might say they can pick up and move their families down to the University of North Carolina and teach, but that's a rather expensive and difficult thing. So this matter of giving our faculty and staff members the opportunity when they need it to work in the summer program, it's very significant to us. Now in this connection, if I can refer to this lengthy schedule that we filed in response to the interrogatory questions 4 and 5, I think I might point out just two or three things significant on that. We were asked—

Q. Excuse me just a minute, sir. Are you referring to several sheets of paper which are headed "Appendix III, Staff

& Teaching Personnel Engaged in College Session Program & Summer Camp Program with Salary"?

A. Yes.

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page 51 } Q. (By Mr. Stuart) All right, go ahead, Dr. Martin, with reference to Appendix III.

A. I just wanted in explanation of this to make two or three points. We were asked to prepare schedules showing everyone who worked on the summer program for the past ten years, and, of course, we had to get out a great many old records to do that. The first six pages of this schedule lists people who we think of as Sullins College people who worked on the summer program for the years indicated.

Q. Can we just take the year 1968 as an example so we don't have to run through all ten years? If you don't mind, sir, just take that summer. That is your first column, and just describe to the court the activities of the employees listed there and what they do for the college and what they do for the camp, the summer program at the camp.

A. Yes, the first one, of course, is myself. I work the year round for the college and my duties cover all departments of the college. And so I am working on the summer program in the winter time as well as the summer time, as I am on all other departments.

Mrs. R. A. Bailey is director of the summer program. At the present time most of her work the year round is devoted to the summer program. At the same time she serves as much, or has served through the years on college com-
page 52 } mittees and advises with me frequently and with others on various facets of the college session program.

Mr. Knox is treasurer and business manager of the college and he works the year round on the sessions and summer programs as the need may be.

Mrs. Mabel Philippi is the college accountant. She is a year-round employer-employee, and she works on both.

Mrs. Freda McDonough is the assistant accountant in the business office. All the business matters of camp are handled in the business office of the college by these individuals. All the record keeping of the applications, the billing, the payments, and the accounting for the summer program is con-

ducted by the business office along with that of all the other departments of the college.

Mrs. Bert Valiant is the director of food service for the college on a year round basis. She is dietitian and director of the food service department at the college during the session and at the camp during the summer program.

Mrs. Thelma Johnson is assistant director of that food service program and she works on both.

Raymond A. Bailey is director of public relations. Well, we call it director of development for the college, on a year round basis. He works on all college session mat-
page 53 } ters and all summer program matters.

From that standpoint, I haven't listed Mrs., his assistant, Mrs. Andy Snodgrass, who is alumnae secretary, but she also, as you will see from the Alumnae Bulletins and from her alumnae activities, does with him work on the promotional and the publicity for both.

Mrs. Ruth Hutton has been an assistant in the alumnae program of the college and also secretary for the summer camp program.

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The Witness: Mr. Cawood is a year round employee of the college, building and ground supervisor of the Sequoya plant both for the college session and the summer program.

Mr. Brown and Mr. Thomas assist in that capacity on a year round basis.

Roy Worley is supervisor of the stables in the riding department at the college during the college session
page 54 } program and then when summer comes we move about eighteen or twenty of the houses—horses, our horses out to the camp and they are used in the summer program. Mr. Worley functions in the same capacity there.

In this particular year Miss Marilyn Christopher—

Q. (By Mr. Stuart) Now, before you get to her, did all the people that you have mentioned so far, are they paid any amount separately for their work in the camp summer program or is it all on a year round basis?

A. All on a year round basis.

Q. And they are all people employed by the college?

A. Yes.

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Q. All right, sir. Now, go to the next one.

A. Miss Marilyn Christopher is chairman of the physical education department at the college during the nine-months' session and for this summer she was a head counselor in the summer program.

The Court: None of those people that you have named there that Mr. Stuart asked you about were employed the year round by the college, I don't see any of them that you would list as instructors or professors or teachers. Is that correct?

The Witness: Well, Your Honor, in our organization in a small college we make very little distinction be-
page 55 } tween administration and faculty.

The Court: Well, the court is asking you the question, are any of these instructors, do they teach a class?

The Witness: Mr. Knox teaches accounting in the college.

The Court: Mr. Knox teaches, but is he the treasurer?

The Witness: Yes. I teach also.

The Court: This next lady that you came to is an instructor in the college and you pay her separate for this program?

The Witness: Yes.

Miss Barbara Hatcher is head of the Sullins equitation department, riding department in the college session. She is also head of that program in the summer camp program. She actually has been staying for only one term in the summer but supervising the work during the other term.

For many years, you will note Mr. Dewey Scarboro, who is instructor, one of our senior faculty members of the college, has occupied a very important place, one of the key places in the summer program. He is also advisor to the campus religious organization at the college and works very much with that program in the summer. He also teaches the courses in music and in literature in the summer program.
page 56 } Last year he was taking his sabbatical leave for study in England and Miss Betsy Gilliam, who is a member of the English department during the college session, filled in for him as instructor in literature and music appreciation in the summer program. You will note that for most of those years for art, and here I am not speaking of simply the arts and crafts work which is offered by the usual summer camp, we began many years ago offering real fine arts instruction to all the students in the summer program.

For years this was given by the chairman of the art department, then by Miss Deanna Nichols, who is one of the faculty members in that department. Last year in their plans they weren't available, so Mrs. Joe Hicks, who is a Sullins alumna graduate in art filled in for that term.

Now, now, you will notice through the years, and I won't go through it, that many of our key faculty members have taught in the summer program and in the phases of it which we think are of particular educational value. You will note that Mrs. Evelyn Vance of our music department has taught in the summer program—music, choir, and the course in personal development for many years. Mrs. Vance is taking further graduate work now at the Eastman School of Music so that she has not been there for the past three years. We are hoping that she'll be back in the program soon.

page 57 } Other members of the faculty, you can go through and identify them, Orban Peters, instructor in chemistry at the college, was an instructor at the camp last year. This year he had other commitments and was not there, but by going through that, I think we have identified a great many of the faculty members who for year to year served in the program. Now—

Q. (By Mr. Stuart) All right, sir. Let me ask you a question there. Based upon your knowledge and experience in this field, if you did not have this summer employment available to offer to your Sullins College people, and I am including the people who are paid extra for their work in the summer program, would that have any effect on your ability to retain your faculty?

A. I think it would.

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Q. (By Mr. Stuart) Now, aside from these people whom you have described as regular Sullins College people who work in the summer camp program also, Doctor, what about college students at Sullins? Do any of them work in the summer program?

William T. Martin

A. Yes, I think this is of value to us.

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Q. (By Mr. Stuart) Are the Sullins college students given an opportunity to be counselors during the summer program?

A. Yes, each year we acquaint them with the opportunity and encourage them to serve. One factor that you have to keep in mind is that to be, to be eligible to serve as a counselor, a student must have some of the skills and equipment involved in the program because she may be a very nice girl, but just because of that she wouldn't be qualified to serve. But we think it's important for the students and, as I say, we think it's important for the college to have outstanding Sullins girls there working with the young people.

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The Court: Let it be introduced as Petitioner's Exhibit Number 11.

(Petitioner's Exhibit Number 11 was marked for identification and filed.)

Mr. Stuart: I might point out to Your Honor that building shown on the cover in 1954 was the lodge that Dr. Martin testified is still the central building of the camp.

Q. (By Mr. Stuart) Dr. Martin, aside from the various connections that the Camp Sequoya plant and operation have with respect to the program of the college itself, that is, the college student program, is the, is the offering of the camp's program itself in the summer time educational?

William T. Martin

Mr. Roberts: I think I would object to that as being a matter of opinion, Your Honor.

The Court: He is an educator, isn't he, gentlemen?

Mr. Stuart: I thought so, sir.

The Court: Proceed.

Mr. Roberts: If I may state this, Your Honor, that their Bulletin shows that the college formerly maintained a preparatory department which offered the third and fourth years of high school. The board of trustees decided in 1955 to discontinue that department so the facility might

page 63 } concentrate entirely on the two-year liberal arts program. At the present time no course is offered below college level and that—

Mr. Stuart: As far as courses for credit are concerned, Your Honor, we agree with that.

The Witness: Shall I go on?

The Court: You may answer.

The Witness: We regard it as a very high educational value. * * *

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The Court: Doctor, but essentially, Camp Sequoya is just what you say it is in your Bulletin, it's a distinguished summer camp for girls, isn't it?

The Witness: Well, I think it is that.

The Court: Yes. And I think we all recognize that from a cabin down there that you derive educational benefits by spending weeks or week-ends as some of the good counsel do, and the court recognizes that. I don't think we have to go into all of that, Mr. Stuart and Mr. Warren.

The Witness: Well, Your Honor, I would like to point out in this connection one very significant standard of the Southern Association.

The Court: All right, sir.

The Witness: Which I think you will want to consider. This is Standard 9 of the Southern Association. Many institutions have developed a variety of summer mental and special educational programs in an attempt to fulfill their stated

objectives and their responsibilities to their constituents. Such programs may be identified as special activities relative to branches, centers, extension classes, correspondence and home study, foreign travel and study, conferences,
page 66 } institutes, short courses, workshops, special evening classes, special summer sessions, and television and radio. The standards of the College Delegate Assembly apply directly to all programs involving academic credit, but in addition, specifically, criteria and definitions may be designed for certain programs assigned to the category of special activities. It should be the responsibility of the parent institution to justify all special activities for credit or not for credit within the framework of its stated purposes and objectives. All special activities programs must be integral parts of the total educational program of the parent institution. The accreditation of the institution is affected by the quality of each program or course. Special activities shall always be critically evaluated and judged by the College Delegate Assembly as a part of its function in granting or reaffirming accreditation of the total institution.

Now, under that standard, Your Honor, the visiting committees of the association which came to the college, the first one in 1954 and the second one to review our comprehensive self study, which all colleges and universities have to conduct each ten years, thoroughly reviewed with me the whole nature of the summer program at Camp Sequoya, approved it as an educational program under this standard, a
page 67 } proper part of our total educational effort. Their report was approved by the accreditation committee of the Southern Association.

Q. (By Mr. Stuart) When?

A. The last one, our comprehensive ten year study was conducted 1961-63, and the visiting committee spent four days at the college in May, 1963.

Q. All right, sir. Now, Dr. Martin, I think the Judge has made a very good point in suggesting in his last question that young girls or any children get some education from camping itself, that is, just from being out in the open and being with other young people and being subject to certain discipline. Would you agree with that?

A. Yes.

William T. Martin

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Q. (By Mr. Stuart) Now, Dr. Martin, aside from the general education, if you might call it that, that a young girl camper receives at Camp Sequoya, is there any educational offering that might be considered of the more formal type in courses?

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Now, the programs which we have developed in the last twelve years at Camp Sequoya and which we attach particular importance to are programs that go far beyond the offerings of the usual so-called summer camps. These programs in art, that is, in drawing, painting, composition, design, these programs in music appreciation, which all our campers take, these programs in literature, reading good books, getting together and discussing them, these programs in choral music and in ballet go very far beyond the programs of the usual summer camp. We feel, and the parents of our campers feel, that we are achieving much more in involving all students in these on a non-credit basis than if we tried to put it on the ground that children rebel against taking a unit of math or a unit of English.

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Q. (By Mr. Stuart) Dr. Martin, is the Camp Sequoya plant any part of the endowment of Sullins College?

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William T. Martin

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The Witness: The, the question of what is or isn't endowment is a rather difficult one, and I would simply like to offer some facts which I think are of great significance and pertinent to a determination of that question. In the early years when I was with the college I must admit that I didn't have any very clear idea as to what the term endowment meant and it is used not only by laymen but sometimes by educators in a rather loose and broad sense. The college has had some experiences which have led me to believe that I understand much better what the term does mean. Under the principles of college administration and finance and accounting, if the college owns property which is used and usually it is for commercial purposes, in ways that are not related to the educational purposes and program of the college, this is to be considered endowment. And under the financial and accounting principles relative to endowment, that property or
page 73 } business or operation is to be administered separately, the property managed separately, the funds to be handled separately, and depreciation accounting is to be used. This is set forth in the book "College and University Business Administration" published by the American Council on Education. The latest edition is 1968. And under the standards of the Southern Association all colleges and universities are required to follow the principles set forth in this, in this book.

The Court: To be accredited by that association?

The Witness: Yes, and I think all the other regional associations require that too. So this is the standard test.

Now, one point, this is going into history, but I think to understand some of these past accounts that I am sure you are looking at, this has to be kept in mind. The Southern Association used to have a requirement of four year colleges and universities that they must have a certain amount of endowment and endowment income each year in order to be accredited by the Southern Association, and this was scaled according to the student enrollment of the institution. The Southern Association recognized, however, that most junior colleges in the South have little or no endowment, so as to them a different provision applied. As published

page 74 } in the standards of the association, this provision was Standard 7, that the minimum annual income from sources other than students' fees or payments of any sort shall be $15,000 for the first one hundred students or fraction thereof in full time enrollment and $5,000 for each additional one hundred students or fraction thereof. In the early '50's the accrediting committee of the Southern Association asked me to appear before it two or three successive years because they were puzzled by some phases of our college operation and couldn't decide whether they thought we met this particular standard or not. We found it very difficult for me to discuss these very complex matters with fifteen college presidents on our committee and so after the 1953 meeting they told me that the committee would like to have two college presidents whom they regard as being fully familiar with the standards of the Southern Association and the interpretation of them visit the college, go over all our operations with us and give a report to the committee about it. These two college presidents came to the college and spent October 3rd and 4th.

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The Witness: They went over with me and with our business manager and accountant and others all the programs of the college and they advised me that under the interpretations of the Southern Association's Committee, the camp property and plant could not be treated as endowment because it was used throughout the year in the college's educational program. They told me, however, they would recommend to the committee and they felt it was right that the net income, departmental income from camp, even though it is imprecise, would qualify as part of this income requirement because the committee was construing this provision as meaning income from other than college student fees. They also told me that they would include in that—

The Court: In other words, Doctor, what you are telling the court is that if you got $30,000 net income from the camp, you can use that towards the amount that you have to have outside of student fees to become accredited?

William T. Martin

The Witness: Outside college student fees.

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The Witness: Yes, and I just wanted, if you'll look at the audits, I just want to make that point because you won't know what this is. They also said that we could treat the net departmental income from summer conferences held at the college as included in this category and also the income from the sales of Spring Garden real estate which is an endowment property and also such income as we have from faculty apartment buildings and faculty residences which the college owns, so when you see in the earlier, earlier years' audits, these four grouped under schedule B-3 of the audits—

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Mr. Roberts: Your Honor, I'll state as of the exhibits filed in reply to the interrogatories, I have no objections to the audits becoming a part of it.

Mr. Warren: Your Honor, while there are ten years worth of those, here is one that may be typical, of 1960.

The Court: Well, you said filed. Where are they?

Mr. Warren: If Your Honor, please, we only had one copy of one of those old audits, so we turned them over Your Honor, please, to our opposition, and they have let us have them back a time or two and they have them and we would like for them to be filed. We told them at the time that—

Mr. Roberts: Yes, we do want them to be filed, Your Honor.

Mr. Warren: This happens to be one exhibit copy.

The Court: They have not been filed, have they, gentlemen?

Mr. Roberts: I don't suppose they were marked by the Clerk. They stated they were filing them as a part of the interrogatories or part of the answers to the interrogatories, but they were delivered to counsel for the county.

Mr. Brown: Are you filing them?

page 78 } Mr. Warren: Yes, we'd like for them to be filed —'59, '60, '61, '62, '63, '64, '65, '66, '67.

Mr. Roberts: I have '68 here in my hand.

Mr. Warren: Well, may I have that and let it get marked filed? And then we'll give it back to you.

The Court: Well, gentlemen, we'll just have to get these. Do you want to stamp them, Mr. Clerk?

They are not exhibits; they are just marked filed as I understand. They are referred to as being filed in the interrogatories and we'll consider that all as a part of the record.

Mr. Roberts: As I understand, they did want to file them as exhibits. If they don't, if they are not treated as exhibits in the record, I do want them to be marked as exhibits and treated as a part of the record.

Mr. Warren: Well, what the court has already said, it's sufficient for us, is that they are made a part of the record as exhibits to the answers to the interrogatories.

The Court: Well, as answers to the interrogatories the court will consider them as a part of the record.

Mr. Roberts: Well, then, are we all to consider them as exhibits to the testimony and not as exhibits to the answers to the interrogatories?

page 79 } The Court: Well, gentlemen, they are filed and the court has ruled that they were filed heretofore and the interrogatories were filed in the pleadings and requested the answers in the pleadings and the answers were filed in the pleadings together with the exhibits thereto, and the court rules them a part of the record without any further markings. And you may refer to them. They are correctly identified, I take it.

Mr. Roberts: Very well, Your Honor. My exception is still in the record.

The Witness: Well, Your Honor, I think in just another sentence or two I can complete that. As I say, in the earlier audit reports, those four accounts are grouped in about three for that reason. Now in 1960 the Southern Association appointed a study committee to make a thorough review of all the standards of the association applicable to both four-year and two-year colleges. As a part of the recommendation of that committee, which were to the effect that this particular financial classification had not proved workable in relationship to different types of institutions, the association in its

William T. Martin

new standards adopted in 1962 discontinued that particular requirement entirely and substituted one for the Standard 74 that private and church related institutions should have a history of diversity of income in order to indicate stability.

page 80 } Each institution should have evidence of a cultivation and utilization of each source of income so that the combination is adequate to its needs.

In other words, this was a more flexible and general requirement which the visiting committees on the institutional self studies would consider as a whole. The committee which visited the college from May 5 to 8, 1963, went into this matter of the summer program with us in detail, the fact that we do not manage it, do not administer it, do not keep the finances separately, do not keep the accounting separately, do not use depreciation accounting, in other words, we treat it simply as one of our regular departments, and they felt that this was the proper way to do it, and the report was fully approved by the Southern Association.

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Q. (By Mr. Stuart) How far from the main campus of Sullins College in Bristol to the present Camp Sequoya facilities?

A. It's about fourteen miles.

Q. And you have testified to three tracts of land which were acquired at that location by the college, one in 1953, and two in 1957. Do they form one contiguous body of land?

A. Yes.

Q. Dr. Martin, is the Camp Sequoya summer program operated for a profit?

A. Well, I think definitely—

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The Witness: I think definitely not, no more than any other of our educational departments. Our primary objective is to render educational service. Of course, we are interested in, in preserving the financial integrity of each department

and of the college itself, but to say we are operating the college or any department thereof for a profit would page 84 } not be true.

Q. (By Mr. Stuart) Well, in your college audits, and I'll refer specifically to the last one which is dated May 31st, 1968, in schedule B-4 which is headed "Statement of Camp Sequoya Program", we find there, after the operating income and operating expenses are shown, what is termed "Net Income" of $35,794.47.

Mr. Roberts: That's for which year, Mr. Stuart, for purposes of identification?

Mr. Stuart: I said May 31st, 1968, the date of audit, I think I said it.

Mr. Warren: You did.

Q. (By Mr. Stuart) Is that net income profit or is it net income or what is it?

Mr. Roberts: Your Honor, I think I am going to have to object to that.

The Court: Doesn't the statement show what it is, gentlemen?

Mr. Roberts: Yes, sir.

The Court: I don't have that.

Mr. Roberts: Says "Net Income."

Mr. Stuart: It says "Net Income", and I am asking the witness to tell us what it means.

Mr. Roberts: If you look at schedule B-4, it is page 85 } so designated.

The Court: I don't have it. You have it.

Mr. Roberts: Well, it's B-4 in each of those. It's a different figure. Does Your Honor have it?

The Court: I have it.

Mr. Roberts: I submit that when their auditor prepares a report that says "Net Income" that it is not a proper question to ask the gentleman on the stand if that is in fact net income.

The Court: Gentlemen, if you have any explanation that you want from the witness, I'll let him answer any explanation. The court sees it.

Mr. Stuart: Yes, sir, the exhibit speaks for itself.

William T. Martin

Q. (By Mr. Stuart) You may answer.

A. All right. I think that to use the term Net Income as shown here has analogous to net profit as that term is used in the accounting of commercial enterprises would be entirely incorrect and quite misleading. It would certainly indicate a lack of understanding of the nature of operations of non-profit corporations. The term net profit under all accepted accounting principles has no place whatever in the accounts, either overall or departmental of non-profit corporations.

Q. Let's go to, well, why do you say that, Dr. Martin?

A. Well, I'd like to point out three factors that

page 86 } I think—

Mr. Roberts: Your Honor, I think that I am going to object again as being irrelevant and immaterial.

The Court: Overruled.

Mr. Roberts: Exception.

The Witness: I'd like to point out three statements, Mr. Stuart.

Mr. Roberts: Excuse me, Your Honor. May we show a continuing—

Mr. Stuart: We'll be glad to stipulate the objection can go to all of Dr. Martin's testimony.

The Court: All right.

Mr. Stuart: Just to keep from having interruptions, we'll be glad to stipulate that objection.

Q. (By Mr. Stuart) Go ahead.

A. The accepted accounting principles as set forth very clearly in the accounting book to which I refer, which we must follow it, point out very clearly that the entire accounting system and principles applicable to non-profit corporations are entirely different from the systems and terms applicable to commercial enterprises. This arises from the basic fact that their purposes are entirely different so that to use terms from one into the other or concepts from one into the other is not accurate.

page 87 } Without going into detail, I would like to point out several factors that I think are essential to understanding the operations and the accounts of non-profit organizations, and especially those of a very small college. In a commercial enterprise making a profit is certainly a dominant, if not the dominant goal. This isn't the case with

a college at all because the primary goal here is to furnish the best programs which can have an educational, have educational value. In the commercial enterprise, if a given department cannot show a net profit, and this continues for long, that department would be discontinued. This isn't true in a college at all. And I'd like to give quickly two examples to illustrate it.

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The Witness: As an example of what I just observed, on schedule B-1 of the audit report for the year ended May 31st, 1968, you'll see that the library department has a net operating deficit of $28,592, and that is before allocation to that department of any of the general expenses which are allocable to all departments. In a commercial enterprise, I take it that the department would be discontinued rather soon because it has shown substantial net operating deficit for many years, but obviously the library is the very heart of our educational program, illustrating the entire difference between the operations and the accounts of the two types of enterprises.

Just below that you will see that the music department had a net operating deficit of $2500 before allocation to it of any general expenses. That might suggest that this department should be continued—discontinued because it has shown a net operating deficit for many years.

On the other hand, colleges regard music departments as being of great value in the program of the college, not only for students who take music, but for all students in the college, illustrating that these decisions are made in a college on the basis of educational value and not on the basis of financial accounts.

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Q. (By Mr. Stuart) Is there any difference, Dr. Martin,

in the way that the Camp Sequoya department is treated from a financial standpoint under your system from the way any of the other departments is treated?

A. Well, in many respects not, but I would say that in some respects each department is treated differently.

One fact that I think we must recognize is that in a very small college we cannot afford the time and expense that would be required to allocate capital and operating costs precisely to the different departments. In a very small college we have people who are working day by day on several different departments and not on any regular schedule at all. They will be working on this one and then on that one. We have buildings and equipment that are used for several departments. And to get any precise allocation of costs as between these departments would require in the first place that we have extremely expensive studies made of allocation of physical plant costs, operating costs, and these would have to be remade every couple of years because the situation changes to get specific distribution of operating costs. All of us who work on different departments, and this is many of us, would have to keep time schedules every day showing,

page 92 } "Now, I am working for ten minutes on library. Now for half an hour on the summer program. Now I am going to work for forty minutes on the science program." It's recognized by accountants and by educational authorities that this would not be practical, practicable, and so it is not required of very small colleges, so that with many of the departments, and this is especially true of the summer camp, in some of them, I know from an administrative standpoint, and I suppose I am about the only one who knows this as well as many, many of these allocations are based on "guestimates", and charges, capital and operating, which might properly be charged to the summer program and some other programs are not charged at all.

Q. Look at schedule B-5 in the May 31st, 1968, audit. Starting at the top of that schedule, we have two general groupings, one under "Administrative Expenses" and one under "Maintenance, Utilities and General Expenses", and coming over to the heading "Camp Program" I notice that for most of the items listed there is a figure under the camp program. How are those figures arrived at? Is it on a percentage basis or some other basis and who arrives at them?

A. These figures were mostly arrived at in 1952, largely

by me and our treasurer and business manager, Mr. Robert Knox. What we had to do is simply sit down and just try to think and guess at what proportion of different

page 93 } people's time is spent on different departments. I'd just have to admit that it is a guess. It has to be done for the purpose of keeping bookkeeping, so Mr. Knox who knows many of these things better than I because he deals with them, I relied on a good deal for this. Some of them, because I know what different people are doing that he doesn't know, so we made some guesses, arrived at this system. Now from that point we try not to change these allocations very much because from our standpoint and the board's standpoint it is more important to see how much each department is doing in comparison with prior years than it is to compare departments. So through the years we have tried to keep these as much the same as possible. Some changes have been made but not many.

Q. Dr. Martin, in your audits, these covering this period of ten years, that is, the audits which are before the court, do any of them have any amount of money set up for depreciation or reserve of any kind?

A. No.

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page 94 } The Court: What was the question on depreciation?

Mr. Stuart: If there was any figure in these audits set up for depreciation or reserve of any kind.

The Court: Well, the court has them before it and the court doesn't see any.

Mr. Stuart: Yes, sir, they are somewhat extensive. I thought maybe somebody had missed them. We think it's relevant, sir.

The Court: You may answer the question, Doctor.

The Witness: No, we have never used depreciation accounting in any of our departments.

Q. (By Mr. Stuart) Well, how do you finance any additions to your college plant such as the humanities building that you are now building?

A. Well, I think it is important to understand how these things function.

William T. Martin

Mr. Roberts: Your Honor, I think we are talking about Camp Sequoya. I am going to object on the ground it's irrelevant and immaterial.

Q. (By Mr. Stuart) All right. I'll include in my question if you need to replace a building at Camp Sequoya.

A. Yes, in the way that we function, it is, of course, essential that the college have a net operating income over a period of years because recognizing the fact that we

page 95 } can't escape that this thing of physical depreciation and also obsolescence is constantly occurring.

If we didn't, the college would fail in a very short time. The capital needs of the various departments are all met through the general fund of the college and these vary from year to year. One department needs a new building or new equipment this year; another department next year. And it is a constantly fluctuating thing. So to the extent it can, each department, unless there are exceptions, should endeavor to replenish the general fund for capital expenditures or if most didn't we again would go broke. The, the camp plant, the initial cost of the plant out there when the old one was virtually worn out and was completely negatived by the highway department, the cost of the plant initially was about $460,000, and with additions now it is about $630,000. Over a period of years normally you would want to expect that department to replenish the general fund with that amount before it all wore out again or you would be in a bad shape. Now, looking at the so-called net income figures of the summer program, in the say ten years since we built the plant there, from an administrative standpoint, I and the board feel that the operations have been satisfactory. Three things we have to keep in mind or we'll be in great trouble are these: (1) The plant out there is mostly frame. It is subject to a great

page 96 } deal of weathering from the elements there. In the early years with the new plant the expense of repairs and maintenance are exceedingly small. We in the last two years, however, are getting into the period where repairs and maintenance are going on a very steep incline. Such things as roof, the swimming pool is beginning to flake, the equipment of the filtering system is beginning to go, the streets out there, the roads are full of holes and cracks, they are going to have to be changed soon. Looking into the next ten years, we are going to experience a situation where the

income of the camp will not increase. The whole plant is built for a maximum of 250 campers. It cannot be expanded. Everything about it will service only that many children and I don't think over the years ahead we will be able to increase the tuition appreciably, so we are in a situation where we have a rather fixed income. We are in an inflationary period which may continue. We are facing rapidly rising repairs and maintenance, so that I believe myself that before the general fund is replenished with the capital investment, we are going to be into a period of capital replacement, capital investments again. From that standpoint it is my opinion and that of our board of trustees that the so-called net income of the camp for past years is no more than was necessary from page 97 } the standpoint of looking forward to the future requirements.

Q. All right, Dr. Martin, you said that the funds with which the Camp Sequoya plant was built at its present location came from the general fund. What happened to the proceeds of the award in the condemnation suit in connection with the old camp facility, that is, at Lake Sycamore?

A. Well—

Q. Where did that money go?

A. Well, two factors that you have to remember and that is we got about perhaps $200,000 in that proceeding after the expenses of the proceeding.

Q. Well, did that go into the general fund?

A. Yes.

Q. And did that provide part of the money necessary to construct the new facility? Or was it just co-mingled with whatever was already in the general fund?

A. Yes, and you must remember that that didn't just involve a camp plant, that condemnation suit covered a great deal of other valuable property of the college.

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CROSS EXAMINATION

By Mr. Roberts:

Q. Now, Dr. Martin, when Camp Sequoya was originally

established, and I believe you stated that was about 1925, the structures then used in connection with the camp were on land which the college owned and which was adjacent to the portion of your property on which the main college buildings were located, was it not?

A. I don't know, the main campus now, Mr. Roberts, well, certainly then was treated as the part that's

page 99 } fronting on Glenway Avenue and backing on the road down by the stables, which road ran across there and has now been closed. The present main campus is considered seventy-five acres that runs from Glenway back to Sunset Hill. Neither of those is contiguous to what was the camp site.

Q. Well, now, regardless, regardless of what you consider the main campus or not, you owned all the land from the college back to the place where the camp was located—

A. Yes.

Q. Didn't you?

A. That's entirely correct.

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page 100 } Q. Yes, sir. And now you took, you said the money which you got from the condemnation award, a portion of it, and you added to the fund which the college already had. Is that correct?

A. No, we borrowed from the bank. We made a very, we were in a very urgent financial crisis.

Q. All right. You borrowed from the bank and you constructed the Camp Sequoya plant at a total cost of what did you say?

A. The buildings plus the land was about $460,000.

Q. And that was not expended, that amount of money was not expended in order to give you a place for your alumnae to have a picnic once a year, was it?

A. Well, it was expended for all the purposes that I have discussed.

Q. And it was not expended for a purpose to give you a retreat when you started your session as set out on Exhibit 7, your orientation program?

A. I think it was.

Q. Is it not a fact, Dr. Martin, that you would never have constructed the facility out there had you not intended to operate a summer camp?

William T. Martin

A. I think all the integral uses of the property by the college were essential to that decision.

Q. Please, sir, if you will answer my question
page 101 } now. You would not have constructed those facilities out there unless you intended to operate a summer camp, would you?

A. No.

Q. All right. And it is the avowed purpose of your institution, is it not, to conduct a liberal arts, two-year liberal arts college program? That is your primary purpose, is it not?

A. I would say our primary purpose, yes.

Q. Well, you would say so. It is so reflected on page 19 of your Bulletin, is it not?

A. Well, that's the college session catalog.

Q. And you do not accept anyone in your college program that is not a graduate of an accredited high school?

A. No.

Q. And that means that you have girls principally from 17 to 20 years of age. Is that about correct?

A. Yes.

Q. Possibly 18 to 20 years of age?

A. Most of them are 18 and 19.

Q. Uh huh. And your, your camp's program is designed, is it not, for girls from 7 to 17?

The Court: Eight to seventeen.

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Mr. Roberts: Your Honor, to be consistent I have objected to the blanket filing of it and if I may, I'd like to have this marked as an exhibit, put it in the record.

Q. (By Mr. Roberts) I'll ask you to file this as Exhibit—

Mr. Roberts: What, Your Honor? Do you want it D-1?

The Court: Well, why don't you have it C-1 since it is the county?

Mr. Roberts: C-1, all right, sir.

The Court: Camp Sequoya catalog. There is one in the file. That's not the same one, is it, Mr. Roberts?

Mr. Brown: I am pretty sure it's not because we had it and the court had another one.

The Court: Same catalog?

Mr. Warren: Not the same paper but the same catalog.

(Exhibit C-1 was marked for identification and filed.)

Mr. Roberts: All right. If I may have it back
page 103 } a minute—

Q. (By Mr. Roberts) And at Camp Sequoya, why you charge those that are able to pay the price and want to send their daughters $445 for a five-week session?

A. Yes.

Q. And you conduct two five-week sessions each summer?

A. Yes.

Q. And the price at each session is $445?

A. Yes.

Q. Why of course, if you stayed the two, why it's $990. And, of course, you do not purport to offer any education to the campers in the sense of reading, writing, and arithmetic, do you?

A. We do.

Q. Well, what do you offer?

A. Purport to, all of the programs that I mentioned are in the sense of reading, writing, and arithmetic.

The Court: None for accreditation, I take it.

The Witness: Yes.

Q. (By Mr. Roberts) None for accreditation and they are educational in the sense that it's nice to be able to live in those surroundings for a period of the camp's program. Is that correct?

A. No, I wouldn't say that at all.

page 104 } Q. You cater only to the higher bracket income people, do you not?

A. No, I was offering to give some comparative costs of the college and the summer program.

Q. Well, now, I am asking you about the camp now.

William T. Martin

A. Yes, well, I do have some comparative costs there which have—

Q. Of camps?

A. Yes.

Q. And you don't take any underprivileged children at your camp, do you?

A. No.

Q. And you do not consider it a charitable institution, certainly?

A. Yes, in a sense of an eleemosynary institution.

Q. You mean Camp Sequoya, you consider that a charitable institution?

* * * * *

Mr. Roberts: All right, sir. May I ask him if he does consider it a charitable institution?

page 105 } Mr. Stuart: Excuse me, Your Honor. The objection is he is asking the witness to construe a word. If you will ask him what they do out there in the summer program, that would be appropriate.

Mr. Roberts: He was asked to construe several other words.

The Court: The question has been answered, gentlemen.

Mr. Roberts: I didn't hear the answer.

The Witness: I said in the sense of an eleemosynary institution, we do.

Mr. Roberts: Could I follow up on that or is that sufficient to—

The Court: Go ahead, just don't repeat.

Q. (By Mr. Roberts) In what respect do you consider, do you consider Camp Sequoya an eleemosynary institution?

A. It is in the sense that it is a non-profit educational institution. Now, I don't mean at all that we consider our summer program as comparable to these very valuable summer programs that are sponsored by Y M C A's and girl scouts, newspapers, which are largely subsidized for underprivileged children. I don't mean that we conduct any program of that kind.

Q. What was the original, what was the purchase price of the first tract of land which you purchased? Do

page 106 } you know?

William T. Martin

A. It was a trade that I made with Mr. Joe Berry who owned the property and he has a farm next door. And it was $10,000 plus two years tuition for his daughter at the college.

Q. All right. That was the first purchase in 1953. What was the purchase price of the next tract which you got from Mr. Berry in 1956?

A. Let me see.

The Court: '57. Now let's keep the record correct.

Mr. Roberts: '57, thank you, Your Honor.

The Witness: I don't have that figure in my notes. I should have, but I can supply that.

Mr. Stuart: Can he get some assistance?

Mr. Knox: $21,000.

Q. (By Mr. Roberts) And what did you pay for the property which you purchased from Mr. Bradley Brown?

A. $500.

Q. Now, I believe that your records in 1968 show that you carried a total value of the land at Camp Sequoya $83,952.69. I take it that that figure is arrived at by adding the original cost of the land, adding to the original cost of the land the cost of grading and improving your site and paving.

A. Yes, I take it.

page 107 } Q. Do you know that to be a fact or would your accountant be better advised as to that?

A. My accountant would be better *adivsed.*

Q. All right, sir.

Mr. Roberts: Your Honor, I refer to schedule A-2 and I think that figure is as to the land cost is comparatively stable over the last few years.

Q. (By Mr. Roberts) Now, you show buildings and equipment at Camp Sequoya for the year 1968 at $546,865.48. What, what does that figure represent?

A. Well, I said it represents the structures which we described in the answer to your interrogatories. The lodge, the combination dining hall, library, kitchen, storehouses, the gymnasium, the infirmary, the crafts hut, the maintenance, little maintenance shed, the director's cabin, and the cabins for campers. Most of them live in units. There is a cabin that

has two sides and campers and a counselor live in each side. We have one building that is the counselors' building for those that don't keep huts, and then we have a small stables and we have Mr. Cawood's house at—

Q. Small stables. Why in your interrogatories you show you spent $21,000 on it. How big is it?

A. Well, I think of it as small because it keeps eighteen horses and Mrs. Bailey tells me that is not suffi-
page 108 } cient. The parents are complaining they like to ride a lot and they are going to have to expand them.

Q. And it includes, I believe approximately $69,000 for a swimming pool?

A. Yes. It would not be safe for the summer campers or the college students to swim in the lake, but we have a very nice outdoor pool there that is good for both groups.

Q. Well, in order not to trouble you unduly, I take it that your accountant has the breakdown on the cost of these various buildings.

A. Our treasurer and business manager, Mr. Knox, is available.

Q. All right, sir. I'll ask him about that. But do you know this, of the $546,865.48 buildings and equipment for the year 1968, what portion of that sum is equipment as distinguished from buildings, if you know?

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Q. (By Mr. Roberts) It's certainly not the usual thing for an educational institution such as yours to operate a summer camp, is it, Dr. Martin?

A. I know many that do.

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The Witness: I have made no exhaustive study of this at all. I do know that many of the preparatory
page 111 } schools in the country do conduct summer programs of various sorts, some of them quite simi-

lar to ours. I happen to know several very good colleges who do, which I can mention here. This is, these would just be examples, but Connecticut College for Women, which is one of the best four year colleges for women in the country, conducts a summer program each summer for younger girls with some emphasis, a good deal of emphasis in ballet and dance.

Q. (By Mr. Roberts) I see—

A. The charge is higher than ours. Stevens College which was a two year but now is a four year college in Columbia, Missouri conducts a summer camp program that is held in Colorado Springs, Colorado. This is primarily for girls of pre-high school age with some emphasis in dance. Santa Clara College in Wisconsin operates a summer program. They call it Camp Wehakee in Wisconsin. This is a recreational physical education, physical development camp. It has none of the features that are literary or fine arts which we have in our program. Syracuse University operates summer programs for boys of pre-college age. Norwich University operates summer programs for boys of pre-college age. Neither of these programs is for academic credit.

I understand the University of Tennessee has begun operating a summer program for boys. I think
page 112 } this is primarily physical education in nature.
It is my understanding the University of Florida has begun operating such programs.

Montreat-Anderson College in North Carolina operates a summer program. It's call Camp Montreat for Girls. It's somewhat similar to our program but none of the fine arts or literature features that we have in our program.

These are ones that come to my attention, of colleges and universities.

Q. All right, sir. Do you know whether or not they are operated on their own campuses or whether they utilize the facilities such as yours separate and apart from the college?

A. Some on their own campuses, some apart.

Q. And you don't know whether they are operated for profit or not?

A. Well, I certainly know that they would not be. These are non-profit educational colleges and universities.

Q. The fact that they are not—

A. I might add, Mr. Roberts, Colby Junior College, which is one of the outstanding junior colleges in the East, operates a summer program.

William T. Martin

Q. Doctor, as I understand it, you consider the operation of a camp such as this non-profit if it is operated by a non-profit organization. Is that what you are say
page 113 } ing?

A. Well, I'd have to take exception to your word profit in the use of the accounts of non-profit colleges. I think it is an improper use. So I would say I consider it—

Q. Whether you think it is improper or not, I'll ask for the reporter to read the question and ask you if you'll answer the question and then add any explanation you want to.

(Thereupon, the reporter read the pending question: "Doctor, as I understand it, you consider the operation of a camp such as this non-profit if it is operated by a non-profit organization. Is that what you are saying?")

The Witness: I consider it non-profit, yes.

Q. (By Mr. Roberts) Well, because it is operated by a non-profit organization such as Sullins College?

A. Yes.

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A. Well, I have tried to make the point, Mr. Roberts, that in my opinion the camp summer program is in part on an incremental cost basis and that if all the capital charges and all the operating charges that could be, if we could afford the time and expense would charge to it, the net income would be substantially less.

Q. Well, sir—

A. If you then charge to it any reasonable depreciation accrual such would be used if you were dealing with a commercial concern such as you have in mind, it would be further, very substantially reduced to the point so that if the figures shown there were $10,000 you would actually be operating far in the red.

Q. Uh huh. Well, now, you talk about deprecia-
page 116 } tion accounting methods and all and I certainly

don't profess to know very much about it, but a lot of this maintenance that you charge and replacements would not be proper charges in the event you were working on a depreciating principle, would it?

A. The repair maintenance?

Q. Yes.

A. Well, I don't believe that would be correct, no.

Q. All right. But at any rate, your books do show that for the year 1958 an item which you term "Net Income" of $53,901.54.

A. Yes.

Q. That's for '59. For '60 you have what you term "Net Income" of $32,987.37.

The Court: Gentlemen, the court has examined all the exhibits filed and finds that there is a net income of some amount for each year so—

Mr. Roberts: And that the least is $33,8—$32,987.13, and the greatest is $55,023.29 for this period.

Q. (By Mr. Roberts) Now, as I understand it, Dr. Martin, you are saying that these figures don't reflect the true picture at your camp?

A. That's true. I think that they do not include all the costs or all the charges that would be applicable at all if it were a separate entity rather than simply a de-
page 117 } partment of the college.

Q. Well, your statements schedule—

The Court: Gentlemen, can't we stipulate in order to save time that these reports do reflect a true picture as they purport to reflect and then you come to the interpretation of the reports which I assume that the court has to interpret as well. Unless you want the witnesses to—

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Q. (By Mr. Roberts) During the college year, Dr. Martin, there are no regularly scheduled college activities at the camp other than for a couple of picnics. Is that correct?

William T. Martin

A. It is not correct.

Q. Well, what else is scheduled out there?

A. Well, I have gone over a good many of them, Mr. Roberts.

Q. Well, that's what I had thought and the only thing I could pick out was picnics and you let the girls go out there when they want to to ski and to have dates. But just tell me any regular college activity that goes on at the camp during the academic year of Sullins College.

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A. These are our planning sessions and we have faculty meetings there. And then we have meetings of our students' officers and then joint meetings following those. When the incoming students arrive, we begin our orientation sessions for new students there, and we have a testing program there which is an important part of our guidance system. They take their tests there of various descriptions, aptitude and placement tests. When they are not doing that, why we find it valuable for them to be able to meet each other and take advantage of the recreational facilities there. They go back to the college for their counseling sessions and for their registration, but this takes only part of their time and so we make it possible to groups who are not otherwise engaged

page 120 } to go out to the camp and have something to do to keep from being homesick. Now the first week-end after orientation week we have a "Lake Day" at the college. This isn't just a picnic. We invite students, men students from all the area colleges to come and try to help the girls get acquainted with some boys. They enjoy the swimming and sailing, water-skiing in the afternoon, and then in the evening in the gym we have a dance.

The following week-end we have another special event there at which we invited three hundred V.P.I. boys to come down, stay there.

Mr. Warren: Speak up a little bit, Doctor, please.

The Witness: Yes. This is repeated in the spring. Each

spring we have a major social event out there. We try to have it in late April or May when the weather is good. And we have another big event at which we invite boys from neighboring colleges and from colleges away. The groups that go out on week-ends is a regular thing. Every week-end their facilities are available for overnight groups. We find, of course, that this is more popular with the girls in the early fall and in the spring. Actually, it is more popular in the spring than the fall because most of them have been to the beach or been swimming all summer and so this isn't as appealing, but when the weather gets good in the

page 121 } spring, it is of great appeal to them.

So this is something that is regularly scheduled.

Sometimes, I keep no record of when they do it, I know that over the years some of the art teachers have taken their classes out there to sketch. I know the science teachers take their students on field trips out there for nature study. I have known organizations which, which, for example, the annual staff, feel like they want to get together and do some planning, they and their sponsor would go out for an overnight group and work on the Sampler so that there are varying uses of this kind which aren't, as you say, regularly scheduled. And I keep no track of it, but they occur and recur as people want to do it.

Q. (By Mr. Roberts) Doctor, is it not a fact that those uses are incidental and you wouldn't furnish those to the college unless you had the camp out there which permitted you to make that incidental use of the camp for the benefit of your students?

A. We couldn't possibly furnish it to them unless we had the summer program.

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Q. (By Mr. Roberts) Now, Doctor, I believe you stated that it was vital to the college to give year-round employment to your faculty.

William T. Martin

A. Faculty and staff.

Q. And staff. All right, sir. Now, actually, very few of your faculty participate in the summer program, do they? Now your business staff does, but of your faculty, comparatively few of them.

A. Well, the number is shown.

Q. Well, in '68, how many people do you have on your faculty for the year '68? I believe your college Bulletin here shows that I count, is it 36?

A. Well, it depends on your term. Do you mean teaching faculty?

Q. Well, I am starting here with page 6 of your Bulletin and beginning with the name Arthur Adair, and I have—

page 123 } you list 37, apparently, faculty members. Is that, look there and see if that's correct. I am sure my counting is correct but—that's as distinguished from your administrative staff?

A. No, this wouldn't be as distinguished from the administrative staff. Some of these people, a good many of them, have administrative duties as well as teaching duties.

The Court: Well, you say there is a ratio of ten to ten. That's very good, I'd say, gentlemen.

The Witness: Yes.

Q. (By Mr. Roberts) And of those listed there in that Bulletin, I believe you and Mrs. Bailey, Mr. Knox—

Mr. Stuart: Why don't you just let him count them.

Mr. Roberts: I beg your pardon?

Mr. Stuart: Why don't you just let him count them or name them if you want to.

Q. (By Mr. Roberts) Mrs. McDonough, Mrs. Valiant, Mrs. Johnson listed on the first and second pages, Mrs. Bailey—are any of those in your teaching staff? Let's see, Mr. Knox I believe you stated did conduct a class or two?

A. Yes.

Q. And I believe you conduct a class or two?

A. When I can.

Q. Not on a regular basis. And the only other employees

page 124 } of your teaching faculty are Miss Barbara Hatcher, who teaches equitation, and Miss Betsy

Gilliam, who taught music, I believe, last year. Is that correct?

A. Are you reading from the summer of '68?

Q. '68, yes.

A. That was a light year. Normally you'll find all these years back we had a good many more than we did last summer. They had other plans.

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Q. (By Mr. Roberts) I believe, Mr. Martin, that you stated now that you did not consider the money invested at Camp Sequoya as a part of your endowment but that by a special arrangement with the Southern Association you page 126 } were able to treat the income from the camp as a substitute for endowment funds in order for you to qualify for membership in the Southern Association. Is that correct?

A. No, that's not correct at all.

Q. All right, sir. What is correct then?

A. I said that in respect of two year colleges there was no endowment or no endowment income requirement, that recognizing that almost no junior colleges in the South have much endowment at all.

Mr. Warren: Raise your voice, Mr. Martin.

The Witness: Recognizing that almost no junior colleges in the South have any endowment to speak of at all, the standards had a different requirement as to all junior colleges, that they have a certain amount of income each year from sources that, other than college student fees. This was no special arrangement with the Association. This was simply an approval of the Association of this departmental income as being includable in that category.

Q. (By Mr. Roberts) All right, sir. Then in order to qualify for membership in the Southern Association you have to have a certain amount of income over and above your college fees. Is that correct?

William T. Martin

A. You did at that time. As I say, that standard was dropped, I believe I said in 1962.

page 127 } Q. Well—

The Court: '62, changed to Standard 74 on diversity of income is what you said.

The Witness: Yes, yes.

Q. (By Mr. Roberts) But to continue your membership do you have to have any income over and above that from student fees?

A. There is no requirement, no specificity on that at all. The Association reviews each college's overall financial structure and determines whether they feel there is a stability of income sufficient to maintain the financial integrity of that college.

The Court: But if there is diversity of income, as you stated, Doctor, it would have to come from some place other than fees, wouldn't it?

The Witness: Yes.

The Court: Standard 74?

The Witness: Yes.

Q. (By Mr. Roberts) And your diversity of income comes from Camp Sequoya and from Spring Garden?

A. And from our—

The Court: You see your alumnae donations in there, Mr. Roberts. They have got a list in your exhibits.

Mr. Roberts: Yes, I understand.

page 128 } The Witness: Yes, and from our summer conferences and from our faculty apartment buildings and faculty residences. We have a faculty apartment building that we built several years ago and eleven faculty residences which the college rents to faculty.

Q. (By Mr. Roberts) You mean you rent that to the—

A. Faculty.

Q. Is that on the tax rolls?

A. Oh, no.

Q. It is not?

The Court: That's in Bristol, isn't it?
The Witness: Yes.

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Q. (By Mr. Roberts) Now, in your construction of your college campus buildings and all I believe you stated that you got some grants from the federal government.

page 129 } A. Yes.

Q. You would not consider that you could get a grant from the federal government to build a new building at Camp Sequoya, would you?
A. I would consider that we might, yes.
Q. You think so?
A. I think we might.

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page 131 } JAMES M. TAYLOE having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

By Mr. Stuart:
Q. State your name, please.
A. James M. Tayloe.
Q. And *you* age?
A. Fifty-one.
Q. Where do you live?
A. Columbia Road, Bristol, Tennessee.
Q. What is your occupation?
A. I am a certified public accountant, a partner in the firm of Dent K. Burk Associates.
Q. How long have you been so engaged?
A. I came to work with the firm in 1940, had four years in the army, and became a partner in 1947 or 8.
Q. Since then your practice has been as a C.P.A. in Bristol with that firm?
A. As a C.P.A. in Bristol, Virginia, with that firm.
Q. I believe your firm has some branches in other cities or towns?
A. We have an office in Kingsport and one in Grundy, Virginia.

James M. Tayloe

page 132 } Q. I believe it appears from the Sullins College Corporation audits for the last ten years which are in the record in this case that your firm has prepared those audits.

A. That's right.

Q. And to what extent have you personally been involved in the preparation of these audits?

A. I have been the partner in charge of the examination in the first few years and I have reviewed it in all years during this period. Paul Royston has been the partner in charge for the past few years.

Q. Mr. Tayloe, what is the purpose of an audit for a non-profit educational institution such as Sullins College?

A. I would think that the main purpose is to inform the board of trustees that the officers, the elected officers have faithfully accounted for the money. Secondary purpose is to inform the Southern Association of Colleges that this is the way it is operated, this is the results of a financial operation. Probably a third one, and this is in an organization like this it is of little importance, is to give the management some meaningful statements, but the management is so close to this that that is not a real purpose of this audit.

Q. Generally, in these audits as the court has pointed out, there is no figure shown for depreciation. Is page 133 } there any other figure in these audits which constitutes any type of reserve account?

A. No, sir.

Q. Why not?

A. The book referred to—

Mr. Stuart: "College and University Business Administration."

A. Right, says that the, as far as depreciation for a college or for a municipal government or for a state government or for a federal government, that this generation is only interested in getting the buildings they need now, they are not interested in putting up the buildings and then setting up a reserve fund so they can replace them. They'll let the next generation worry about replacing those buildings; therefore, since we are mainly concerned in getting enough income on the top line to offset the budget on the bottom line, we do not think that it should be complicated by depreciation and, ac-

cording to this book, of the 116 colleges surveyed, only 14 of the colleges mentioned the word "depreciation" in any of their accounts.

Q. Is depreciation an accounting principle that is ordinarily recognized for commercial enterprises?

A. It is recognized for commercial purposes mainly because it is a deduction on the tax return, but depreciation is very real in a commercial or a non-profit organization or a municipality because things wear out and have to be replaced. I think your automobile is a good example of a depreciable item that has to be replaced, but buildings do the same thing, equipment becomes obsolete.

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Q. Well, for a college such as Sullins, or to take a specific instance of Sullins College, what is its source of funds for these replacements of capital assets or additions to capital assets?

Mr. Roberts: Your Honor, to limit this, I suggest that we are concerned only with Camp Sequoya. Now if Your Honor wants to go into the rest of it, it's all right, but I—

The Court: Well, their contention is that all of it is part and your contention is that it isn't, so I'll hear it on capital improvements.

Mr. Roberts: Very well, exception.

The Witness: The college has five main sources of income. First is federal grants, which is now becoming a big item. The second is gifts from friends and alumnae. The third is from the sale of real estate, which is really the conversion of their old dairy farm into a subdivision. The fourth is Camp Sequoya. And the fifth and the largest source of income is from college students.

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Q. (By Mr. Stuart) Is there any relationship between that figure and what we might call in a commercial sense a profit?

A. I don't think that there is because the major item of commercial operation with some $4,000,000 invested in building and equipment, depreciation, there is no item there for depreciation at all. Now a major item of income that is in-

cluded in there is gifts of $51,691. Well, I think it is well established in a commercial enterprise if somebody gives you a gift it isn't income, so we have net income, a gift, which under a commercial enterprise would definitely be excluded, and we have failed to accumulate any depreciation that page 136 } would be accumulated on a commercial *conern* and if this were a commercial concern and you were figuring that profit, you would have a loss for that year.

Q. Mr. Tayloe, from your experience with, with accounting for the college, tell the court whether on any, over any long-term basis at all, whether the college could continue to operate with a net income level of $158,000 a year.

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The Witness: I don't think they could because right now they are in a new building. Somebody else will probably give the exact figures. I think round figures, I think it cost a million dollars. The federal grant is three hundred thousand, they put up three hundred thousand and they borrowed four hundred thousand. Well, in future years from some place we have to have $700,000. The three hundred thousand initial payment, the four hundred thousand dollars to pay on the debt. That is at a rate of $158,000 a year it would take five years to pay for this building. When this building page 137 } is completed, there's no more students, that's just keeping up with the modern trend in education of furnishing better facilities, so I would say that it takes more net income than $158,000 to keep this college going. Over the past, over the past ten years when income has probably averaged in excess of $200,000, the college has not improved its financial position but very little because at May 31st, 1968, the current fund had a deficit of $54,692, and the capital fund owed $151,750. In other words—

Q. Excuse me. Are you referring in speaking of the deficit in the current fund to schedule A-3?

A. To schedule A.

Mr. Roberts: On his balance sheet.

The Witness: Exhibit A.

Q. (By Mr. Stuart) Yes, sir. Isn't that taken from schedule A-3 though?

James M. Tayloe

A. Yes, sir, that's the details of it.

Q. Yes, that's the details of the deficit.

A. But at that point the liabilities of the college exceeded their quick assets, cash accounts receivable and inventory by $54,692. At the same time they owed $151,750 in long-term debt. So you might say that they were $205,000 in debt. If you go back to the May 31st, 1959, balance sheet, the first one that's in evidence here, the first exhibit here,

page 138 } the college, the deficit in the current fund was $61,900, and they owed $201,000, so at that time you might say that they, they owed $262,000. So they owe $204,000, they owed $262,000 ten years ago, so they reduced their indebtedness, I believe that would be $62,000, despite the fact that we show that they had "Net Income" in excess of $2,000,000 during this ten years. So it all goes right back into planning facilities to keep up with the modern education.

Q. And did I understand you to say that they did not now have substantially more students than they had ten years ago?

A. That's right. For the, this appears on page 16 of the May 31st, '68, statement, the average enrollment was 328 for the year '58-'59, and the average enrollment last year was 325. It has gone up to 350, the average enrollment, that's about the limit, but it's been right in there in between 325 and 350 for the last ten years. All of this money has been spent for new science buildings, new science equipment, perhaps some new bathrooms, new library, some additions to the library, additions to the heating plant, and just enough to keep up to date and to offset the depreciation and obsolescence that occurred many years ago over the years.

Q. And I take it from what you have said that

page 139 } there is no depreciation or reserve figure set up for Camp Sequoya or any other department?

A. Right.

Q. Is the Camp Sequoya department which is shown, I believe on Exhibit B-4, is that handled in the same way generally as the other departments that you show here of the college? Or is it handled differently in any way?

A. Well, there is, the accounting department during most of this time consisted of one person and during part of the time that person was teaching also. There they did not try to keep exact cost records. Now—

Q. Right there, from your standpoint as an accountant, is

it necessary for Sullins College to keep accurate cost accounting records?

A. As long as we can keep it, as long as the statements are meaningful to the Southern Association and to the board of trustees, then we are in favor of them saving the additional employee or time that it would take to develop all of this information. But on schedule B-4 we do not allocate any rent that the college probably should pay for the use of the facilities during the college year.

Mr. Roberts: The use of what facilities?

The Witness: The use of the camp facilities.

The Court: Which would be income to this par-
page 140 } ticular department?

The Witness: It could if you were going to try to get an exact figure, you would have to figure out something for that, but as Dr. Martin testified, nobody really knows how many are going out there. They just don't keep records of how many are going out there for parties.

Q. (By Mr. Stuart) Well, on the other hand, is there anything there shown as charged against the camp for the college for the use of Mrs. Bailey's office in the administration building for camp throughout the year?

A. Right then there is a lot of—

Q. I say is that shown?

A. No, it isn't, and there are a lot of expenses backwards and forwards like the rent of Mrs. Bailey's office, the use of secretaries for the camp interchangeably with the college, the use of vehicles backwards and forwards, the use of kitchen equipment and utensils between the two.

Q. You do have an item—excuse me.

A. They are one in a certain respect, and we do not make a great attempt to allocate the income.

Q. All right, sir. Look at your schedule B-5 of administrative expenses and maintenance, utilities, and general expense which are the last expense item on schedule B-4. These figures
under the camp program in schedule B-5, how
page 141 } were those arrived at? Did you arrive at those
or were those based on calculations given you by the administrative personnel of the college?

A. I seem to recall that the first one was, were developed in a meeting with Mr. Knox and Mr. Martin, and I was

there, but they had so much more knowledge of what people were doing that in general they are their figures. I think we have revised them once or twice to correct obvious errors, but in general we feel like that that is as close to it as you can get without spending a lot of time trying to figure out what everybody's doing.

Q. Well, again, was any effort made to apply cost accounting to the figures that appear under that camp program column, that is to have people keep accurate time records to see where they worked and when?

A. No, I believe that they were based on Mr. Martin's and Mr. Knox's knowledge of what these people were doing.

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page 142 } CROSS EXAMINATION

By Mr. Roberts:

Q. Mr. Tayloe, I don't believe it is in the record, do you have any record there of how many campers attended Camp Sequoya last summer?

A. Has that been in the record, Your Honor? I don't recall it if it has.

Q. Do you have any record of it?

The Court: It's in there some place.

The Witness: I have been told that each session accommodates 250, so that there would be 500, and they have been filled to capacity both times in most years is my understanding.

Mr. Warren: In answer number 3 to the interrogatories.

Mr. Roberts: Well, it was not in evidence though and that's what I—well, of course, Your Honor has treated those as being in there. I objected to them.

The Court: Two five two—well, what I didn't put in, you put in, so I don't see that it makes any difference.

Mr. Roberts: All right, sir.

Q. (By Mr. Roberts) At any rate, approximately two hundred fifty campers at each session and it's
page 143 } full?

A. Right.

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Q. Now, is this, are these reports accurate in your opinion as a certified public opinion?

A. Yes, it's an accurate accounting for a college, for the operations of a college.

Q. All right.

A. Which are entirely different from the operations of a commercial concern.

Q. All right.

A. Just like the operations of a city are different from the operations of a commercial concern.

Q. All right, sir. Is the operation of a camp any different from an operation of a college?

A. I think it would be because most of the camps are operated by Y.W.C.A.'s, boy scouts, girl scouts, or colleges.

Q. So the same accounting principles do not apply to Camp Sequoya as they do to Sullins College?

A. Exactly the same principles.

Q. They do apply you say?

A. Right.

Q. All right. Now, you stated I believe that the college had three sources—five sources of income: federal grants, gifts from friends, sale of real estate, and in this in-
page 144 } stance has had extensive developments of real estate into a residential development. Has it not? The whole Spring Garden addition of Bristol.

A. (No response.)

Q. And Camp Sequoya and college students' fees. So in your opinion Camp Sequoya does produce income for the college, does it not?

A. Yes, it produces income.

Q. And how much did it produce in 1968?

A. Of the $158,000, the statement shows that the net income of the college was $158,371.61.

Q. Yes, sir.

A. Now that was produced $14,812. from resident instruction.

Q. Uh huh.

A. Resident hall, the boarding of the students, produced $37,493. The dining halls for the first time, I believe, or one of the few times, lost money, lost Seventeen. Then you follow it on down and we put Camp Sequoya as making $35,794.47. Then we have got $14,812.46 from resident instruction, $87,-258.66 from auxiliary enterprises—that's the camp, resident

hall, the dining hall and several other things; then we come down to endowment and gifts which produced $64,544.53. If you will notice there is a gift in there of $51,691.31.

page 145 Now, under a commercial accounting and if someone made you a gift or anyone else in this courthouse a gift, they would not include it in their net income, but as far as a college is concerned, gifts are a source of income, the same as Camp Sequoya.

Q. That's probably not a recurring item, probably not a recurring item in their budget?

A. They can't count on it, but it's getting to be a big item.

Q. All right, sir. But the camp generated as income for the college $35,794.47 of money that the college could use in its purposes. Isn't that what we are saying?

A. Right.

Q. And for the preceding year, and I won't go into any more detail other than for this one year, it generated $51,-633.33 in income?

A. Right.

Q. And that's cash which the college used?

A. Right.

Q. And that's not any accounting principle or, that is cash?

A. That is cash.

Q. All right.

page 146 A. But you remember that the college—

Q. All right.

A. Itself has put over $600,000 into the camp to get it going.

Q. I was going to ask you about that now. In 1959—'57 when the camp was built, where did the money come from? Have you got the figures there?

A. It was right under, in the middle of construction at the end of a fiscal year, which makes it a little difficult to figure, but in a year where they took over the, when the highway condemned Spring Garden, the old Camp Sequoya and part of the Spring Garden development, they paid the college $195,000. That together with substantial loans from the bank was used to pay all bills through May 31st, '58.

Q. Uh huh, all right, sir. Now, the camp generated sufficient income to discharge all those loans, did it not?

A. Well, it's all in one pot. They discharged those probably from student fees, but over the years, perhaps, it has gen-

erated enough to do it, but that isn't the way we account for it. It's all into one pot.

Q. Well, for your purposes it is, you say it is all in one pot, but you do separate, you can determine which figures come from fees of campers and which fees come from fees of students, can you not?

A. Right.

page 147 } Q. And which comes from gifts and other items?

A. Right.

Q. So—

The Court: That's only for a given year, as I understand it though. Is that right, Mr. Tayloe?

The Witness: Right.

The Court: And at the end of any fiscal year, whatever the source, it goes into a common fund.

The Witness: To a common fund and is used for improvements to really replace depreciated items and obsolete items.

Q. (By Mr. Roberts) Now, the, you are familiar with the camp, are you not?

A. Yes, sir.

Q. It is, I believe you would state that it is one of the outstanding camps of the South, is it not?

A. I think it is.

Q. And its facilities depict, whether or not you show any depreciation on this schedule here, its buildings are kept in tiptop shape out of income from it, are they not?

A. They are kept in fair shape.

Q. Well, aren't they in excellent shape?

A. No more than the average person keeps his home repaired.

Q. Uh huh. And, of course, that all comes out of income?

A. Right.

page 148 } Q. And these buildings, the use to which they are put actually from a practical standpoint they are, the rate of depreciation is very slow, is it not?

A. I think the Internal Revenue Service would say that you could depreciate the buildings over thirty years.

Q. I see. And as a practical matter, at the end of thirty years if they are kept in repair, the, in excellent repair, why the chances are from a usable standpoint they are just about

as good at the end of thirty years as when they are built, are they not?

A. I say you would almost have to rebuild—

The Court: I would say that regardless of what the witness says if they are frame buildings they won't be that good, Mr. Roberts. I know it and you know it.

Mr. Roberts: I think that may be correct, Your Honor, but from a usable standpoint.

The Court: No, not from any standpoint.

The Witness: The other camp the testimony developed was that it was built in 1925. In 1955 my daughter went there and, or 1956, the last year it was there, and those things were terribly depreciated.

Q. They were in terrible shape.

page 149 } A. I think you made the same statement so looking at those buildings we are not going to have much at the end of this thirty year period.

Q. But these type buildings are originally far superior to the type that was at Camp, the old Camp Sequoya, are they not?

The Court: They are still out of wood construction, aren't they?

The Witness: Still frame.

Mr. Roberts: Yes, sir. Mr. Stuart's house is frame. I believe it's been here a good many years, lots of old houses around Abingdon.

Mr. Stuart: Yes, and it's not going to last too much longer either.

The Court: Mr. Roberts, in any direction from this courthouse there are plenty of frame buildings that are about to fall down.

Mr. Roberts: They are vacant too.

The Court: I believe the camp is vacant most of the time, according to you, isn't it, most of time?

Mr. Roberts: Yes, sir, I think it is except for the summer.

Q. (By Mr. Roberts) I believe you stated that in your accounting methods you have made, and directing your attention to 1968, you have made a deduction for an allocation of

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charges out of the general college fund of about
page 150 } $28,000 to Camp Sequoya. Is that correct?

A. That's right.

Q. That statement that's on—

A. B-5.

Q. And so you have at least made an effort to arrive at a fair figure for incidental expense which the college officials are put to in the operation of Camp Sequoya?

A. We attempted to arrive at a figure as accurately as we could without spending a lot of money trying to come up with an exact figure.

Q. Uh huh. And of course the $35,000 net figure, net, what do you call it—net income figure for 1968 deducts that item or makes allowance for that $28,000?

A. Right.

Q. And I believe as you have stated that there is no charge made against or made against the college for use, for such use as the college makes of the camp facilities?

A. Right, and no charge made for such use as the camp has of the college facilities. It's a two-way street.

Q. Except the $28,000. You did make a charge of $28,000?

A. That's it, but there is no allocation in that for the food service equipment and the use of vehicles and a lot of other
stuff going from the camp out to the, from the
page 151 } college out to the camp.

Q. I wouldn't argue with you particularly, but do you not show a charge in your allocation there for the use of vehicles specifically?

A. That is a guess that was, as to the gasoline bills.

Q. Uh huh. Now, you stated that the college was, what, $200,00, $205,000 in debt?

A. Right.

Q. But, of course, again that it has assets which you show there to be in excess of $4,000,000?

A. Right.

Q. Now, you mentioned the Southern Association requirements. Does it require, in order to permit Sullins College or any other college to become a member of that association, does it require certain outcome, certain outside income in addition to that received from students?

A. Well, all that I know is that the, what I heard Mr. Martin read and what I have read in this book.

Q. Uh huh.

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A. I don't think that there is a clarity. They just require that it be operated in a financially sound manner.

Q. Well, what I—

A. It seems to me is what is required.

page 152 } Q. Well, what I am getting at, you have not furnished any specific information to the Southern Association with regard to the income other than what is set out in this, your annual audit?

A. I believe that when they were doing a survey that I had to answer a very extensive questionnaire of theirs, supplemental to this, but this is the main thing that they judge by, is this audit.

Q. And, of course, that does include the income of what you consider "Net Income" from Camp Sequoya each year as being outside income?

A. Right.

Q. Mr. Tayloe, the college could not justify, accountingwise now, the college couldn't justify an expenditure of $650,000 to establish a camp out there unless the primary purpose of it was to operate a camp, could it not—could it?

A. Sullins College is an educational institution.

Q. Now, if you will just answer my question.

Mr. Warren: We object to that, interrupting him.

Q. (By Mr. Roberts) Answer yes or no and then make any explanation you want to. It's all right. But please answer the question if you can.

A. Yes, they can justify it for reasons other than making money.

page 153 } Q. What are those reasons?

A. Sullins College is an educational institution, doesn't say college education.

Q. Uh huh.

A. Just happens that over the years and in fairly recent years they have, their main purpose at the Bristol campus is to educate college students, but a camp is as much an education and particularly the camp out there is worth a tremendous amount to the people who go out there. It's a part of the education and even if it was losing money I think that the board of trustees would say that the educational value was there and they would try to keep it going.

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Q. Not educational insofar as the education of girls from of high school graduates is concerned, do they?

A. The education of pre, of the ones still in high school.

Q. Uh huh. And you are stating that you believe that the program which is carried on at Camp Sequoya in the summer time is educational within the meaning of the Constitution of Virginia which says that educational, that educational, the property used primarily for educational purposes is exempt from taxation?

A. I think I am really stating that my daughter went there and I don't consider that I was sending her there to get her out of the house for the summer.

page 154 } Q. Uh huh.

A. Or to learn to swim, but really to get an education as to what it is to be away from home and to live with other girls and to get the instructions that I knew she would get out there.

Q. And, of course, you paid, I take it, the usual fee of $445 for it?

Mr. Stuart: We would admit—

The Witness: I think it was a little bit less, but it—

Mr. Stuart: We have been over that four or five times. There has been no question about the amount.

Mr. Roberts: That's all.

Mr. Stuart: That's all, thank you, sir.

Mr. Roberts: Excuse me, sir.

Q. (By Mr. Roberts) Do you have an exhibit there anywhere that shows the cost of these various buildings that have gone up? I did intend to ask you those.

Mr. Stuart: I believe it's in the answers to the interrogatories.

Mr. Roberts: It didn't check out with the figures, with the other figures, and I wondered—

The Court: What is the question?

Mr. Roberts: The cost of the various buildings

page 155 } out there.

The Witness: We were trying to keep these things separate and the equipment and cost of each building, but in the mad rush to open this camp, the one contractor would be putting in equipment and building one building and

this one until we got to the point that we could only say that that much had been spent on the camp and we couldn't tell whether it was equipment or buildings at times because some of the equipment is built into those buildings, particularly the dining room, kitchen facility, so we lost track of equipment and had to combine it with building and equipment.

Q. (By Mr. Roberts) Well, have you got any figure there that you carry these various items at?

A. We carry the building and equipment at a cost of $546,-865.48.

Q. Could you tell us how much of that is equipment?

A. I am not going to be able, I could tell you how much was equipment when we lost track of it, when the books—

Q. What are we referring to as equipment, what are you?

A. That's kitchen equipment, beds, and I suppose that it gets real tricky as to whether the filtering system is a piece of equipment or whether it, you have got the tennis courts, it gets real hard to classify between buildings and equipment and land.

page 156 } Q. How about the boats and the—

A. It would be, the boats.

Q. Are they equipment also?

A. They would be in there.

Q. Well, just give us the best you can their difference, what portion of that figure which you have given us is equipment?

A. I would say $100,000.

Q. So that would leave the building with a net cost of approximately what?

A. Approximately $440,000.

Q. Now, I believe you know that since the college has purchased this property it has improved it by constructing roads and drives on it. I take it that would be land improvement, would it not?

A. Most of that has been added to the land.

* * * * *

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* * * * *

The Court: I have one question. I have looked through

here and the only place I can find it, I take it we have been talking about income from tuition and fees. Is the figure on "Sullins College Corporation, page 13 of Comments, May 31st, 1968", the figure of $518,526.57, is that the total from student fees?

Mr. Roberts: What page, Your Honor, did you say?

The Court: Page 13 of Comments. Do you see page 13 of Comments?

page 158 } The Witness: Yes, sir.

The Court: Mr. Tayloe?

The Witness: Yes, sir.

The Court: Now, that figure there, 1967-68 income, and you have got it broken down. Is that the total of fees and tuition paid by the college students? If it is not, I haven't been able to find that fee as such.

The Witness: That is the total income assigned to these functions, the resident halls and the—

The Court: Is there another one besides that one?

The Witness: And the dining rooms are in another place.

The Court: Well, do you have it any place where the total of those fees are?

The Witness: No, sir, you have to, it has to be dug out by—

The Court: You have to find it out the hard way?

The Witness: They have been applied to about ten different places, the $2,750 is divided among about ten accounts in their accounting system, but if you will multiply $2,750 by 325 students, you are very close to it.

The Court: But nowhere do you show that net figure there?

The Witness: Right. Now on Exhibit B, sir—

page 159 } The Court: Exhibit B?

The Witness: In each year.

The Court: Schedule B?

The Witness: We are breaking down the net income figures as between resident instruction.

The Court: Yeah, but I wasn't, I wanted your main category of income, those five. I couldn't find that one any place.

The Witness: Now, may I—look at Schedule B-1, page 2.

The Court: B-1, page 2, okay. All right.

The Witness: If you will see $368,482.20 was allocated to student tuition fees, liberal art student tuition fees. Then on page, on B-2, Schedule B-2, $201,467. was allocated to resident halls. That's for room.

The Court: All right.

The Witness: And then in the next, under dining halls, $214,732 was allocated to dining halls for food. So it is, you have to look through there several places to find where the student tuition is reported.

The Court: All right.

Q. (By Mr. Roberts) But, Mr. Tayloe, there, you do show the gross income from the camp?

A. That is the gross income, yes, sir.

page 160 } Q. On Schedule B-4?

A. Yes, sir.

* * * * *

ROBERT R. KNOX having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

By Mr. Stuart:

Q. State your name, age, and address, please.

A. Robert R. Knox, 1101 Glenway Avenue, Bristol, Virginia; forty-four years old.

Q. And your occupation?

A. I am treasurer and business manager of Sullins College.

Q. How long have you been working for Sullins College?

A. I came in September, 1947, in position of accountant and faculty member, and I took over the position of treasurer and business manager in 1960.

Q. And in those capacities, have you had charge of the bookkeeping and accounting records of the col-

page 161 } lege?

A. Yes, sir.

Q. I suppose you are completely familiar with them?

A. I am pretty much familiar with where the money went.

Q. And in addition to your duties as business manager, do you teach any classes?

A. I teach one course in accounting now.

(Discussion off the record.)

Q. Mr. Knox, as part of your duties have you also had

charge of the financial records with respect to Camp Sequoya operation, both during the summer session and year round?

A. Yes, they are part of our regular business office operations.

Q. Looking at the audit report dated May 31st, 1968—

Mr. Roberts: Excuse me, Your Honor. We all understand that these audits which have been marked by the clerk are now in evidence and a part of the record?

The Court: Oh, yes, they have been marked filed.

Mr. Roberts: All right. I understand that, but I didn't know whether they had been treated as part of the evidence or not.

The Court: Yes, sir.

Mr. Roberts: All right.

Q. (By Mr. Stuart) Have you got a copy of it
page 162 } there?

A. Yes, sir.

Q. Turning over, turning over, please, sir, to Schedule B-5 which we have referred to in the testimony of other witnesses, showing there under administrative expenses and maintenance, utilities, general expenses, and allocation for a number of the items listed on that schedule to the camp program. Can you tell the court whether everything that is used, that is, all personnel and equipment and material used at Camp Sequoya either during the summer program or, or say during the summer program, is included in that allocation?

A. Well, there is nothing more than an allocation of administrative expenses and the maintenance expenses as listed here, but there are many items that we interchange with the camp's program that are not listed here and for which no charge has ever been made.

Q. Will you tell the court what those items are or as many of them as you can think of at the moment?

A. Well, for instance, during the summer program we send most of our Physical Ed supplies out there, tumbling mats, archery equipment, gold equipment, tennis equipment. From our kitchen we send pots and pans, French friers, ice machines, and things of that nature just out there to use. Infirmary, we send the scales, sterilizers, and things of that
nature. Riding department, send the jumps and
page 163 } the saddles and bridles.

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The Court: You send the horses, don't you?

The Witness: Horses too, yes, sir. From the drama we send spotlights and props and scenery, microphones. From the offices we send typewriters, adding machines, desks and chairs. And then, of course, a lot of general equipment, folding chairs, projectors and screens and, of course, our V W buses go out there for the whole sessions and so for those we just make available—

Q. (By Mr. Stuart) And is anything charged against the camp on your audits for these items which you have mentioned?

A. None whatsoever. These are just an interchange among departments and we just make them available for the camp.

Q. You mentioned horses. Prior to 1968, was there any charge made for the horses?

A. Yes, we charged minimum amount, $600 a year.

Q. And that was dropped in 19—

A. May 31st, 1968. It's not shown in this last audit report.

The Court: Well, now, he has got it charged against the camp, gentlemen, for his autos and trucks, apparently.

The Witness: Yes, sir.

Q. (By Mr. Stuart) Are your two Volkswagen buses included under the item for autos and trucks on Schedule B-5?

page 164 } A. No, sir, we have two trucks at the college. Of course, under autos and trucks, that also includes the truck driver's salary, so this is for the trucks of the college and his, part of his salary.

Q. Are those Volkswagen buses made available for use by the summer camp's program all summer long?

A. Yes, they go out at the beginning of the session and stay there.

Q. Now, have you got a copy of Appendix I with the answers to the interrogatories?

A. No, I don't have that. I have got this part, but I don't have that long one.

Q. Well, is the information the same?

A. Yes, it's the same information.

Q. All right.

A. I imagine mine is just on a different sheet.

Robert R. Knox

Q. Well, referring to Appendix I filed with the answers to the interrogatories which is headed, quote, "Structures and Buildings, Camp Sequoya," close quote, do you know when the itemized buildings or improvements listed there were constructed?

A. Yes, on the lodge, for instance, we have some additions to that, but the original one was finished in 1957-58, in that period. But since then—

page 165 } Q. Let me ask you there, it's in evidence that the land was acquired out there in 1953, and some building constructed on it. Was that any of the buildings shown here?

A. Yes, that was called the Lodge Center.

Q. Well, was that built in 1953 then?

A. We, yes, built that building first as a adjunct of the college program.

Q. And is it still there?

A. Yes.

Q. What part does that building play in the summer camp program?

A. Right now it is the central hub of the camp administration. It includes the offices, the book store, and it is just the center of the whole activity.

Q. All right. Take those other items, "b" through "n", when were they constructed?

A. These were constructed as a part, most of them, of the original camp in 1957. I guess it was finished in '58, whenever that time was.

Q. Look up to the court, please, when you answer.

A. All right.

Q. Well, which ones were built later than that?

A. I can't be sure of all these—service building, we completed that later, found that we needed storage space. The

page 166 } director's cabin was built at a later date. And there was an addition to the infirmary at a later date.

Q. In your audits, you show that a substantial amount of money was spent on capital improvements or at least in some way added to the improvements at the camp site. What generally constituted those expenditures?

A. Well, of course, it would be boat dock. I mentioned the addition to the infirmary, the service building, equipment for the dining halls, kitchen, and I don't know of any other items.

Q. Are there any boat docks shown here on this Appendix I?

A. I don't believe so.

Q. About when were they constructed?

A. Well, we built some initially and, of course, we had to add to them from time to time, so I don't know which year they were built, but we have about one, two, three boat docks there now.

Q. Referring to these items individually as necessary or taking them in groups, if you can, give the court a brief description of the condition in which they now are and whether, if you know, they will need replacement at any time in the near future.

A. Item by item?

Q. Yes, sir, or in groups if you can so group them.

page 167 } A. Well, the lodge center has been there since 1953, and we have made two additions to it since then. We have kept it up fairly well. For instance, this year we had to put on a new roof, cost about $1,500. That popped up unexpectedly, but with that it's in fair shape.

The dining-recreation-library complex, that's part brick and wood construction, pretty fair shape. Some of the shingles on the roof are now starting to deteriorate. Of course, it needs a coat of paint just about every year because of the weather out there, but I would say in fair shape.

The gym-auditorium and art studio complex, the roof on that is starting to deteriorate. Face boards are starting to warp. We give it a coat of varnish and shellac and paint every time we think it needs it, which is about every year. The concrete inside is starting to chip on the floor, but other than that, I think it's pretty fair shape.

Arts and crafts is one of the frame buildings, and that has been recently repainted inside and out. We have fixed some screens and doors, fair shape.

Stables and stableman's room, that takes a little more of a beating. Some of the people living in the stableman's room are pretty rough, so they have, that has deteriorated somewhat. The stables, the stalls, of course, are a little bit beat up, and the roof shingles are starting to deteriorate.

page 168 } And then under the service building that would, would be about the same as the others,

most of the shingles are what's causing most of the problems on those right now.

Under utilities, including sewerage, that we are having some trouble and it appears we may have to replace part of the sewerage unit, and that would be very expensive.

The counselors' staff unit, frame construction, we have taken care of that just about the same as the rest of these type buildings, we have had to start replacing the porches and the steps on those, and, of course, as I say, the shingles are deteriorating.

On the director's cabin, we have kept that one up pretty well, that's not as old as the rest, so it's in better shape than some of the others.

Caretaker's house, we have kept that one up pretty well. And, of course, we had to add to that, I forgot to mention that earlier, we did add a room to that for him, so that was part of the capital improvement.

Q. Who is that caretaker?

A. Mr. D. W. Cawood.

Q. He's the one that's been testified about by Dr. Martin?

A. That's right, he is there on year-round basis.

And then under the cabins, we are having
page 169 } trouble with those. Some of them are built real
low to the ground on the main island. They are starting to deteriorate. We have had to put in new bathroom floors. They need some new beams around the bottoms and, of course, some of the roofs are real bad and the cabins take a good bit of a beating from those campers, so they do, are in worse shape than the other buildings.

And the swimming pool, we have had pretty tough time with that. The tiles, the concrete are all chipping away due to the weather. The filtering equipment has broken down a number of times. We have had to replace pipes and valves. And we just don't know how long that will last.

Tennis courts, of course, are wire around with blacktop. Some of the blacktop is coming up and we have had to replace the wire once.

Q. Have you got any way of estimating what charge would probably, could properly be allocated against the camp for the percentage of use that the summer program makes of these items that you testified about earlier?

A. I have no way of knowing. I don't have any amount of money that, that's set down for them. These are just items

that we use in the various other departments of the college. so we just make them available in their program.

In a real small college we have got to use our
page 170 } equipment and buildings to the best advantage,
so we want to try to get twelve months use out of this equipment, and that is why we do it.

Q. Mr. Knox, would you give the court a brief description of the improvements in the physical facilities of the college proper in Bristol over the last ten years?

A. Yes, I believe I can enumerate most of them. Of course, we have had—you mean new buildings as well as renovations?

Q. Yes, sir.

* * * * *

The Witness: In 1951-52, of course, we renovated, I think these are the years now, but we did the Virginia Hall over, which is the faculty residence hall apartments for the teachers. Right immediately after that we built the Fine Arts Center, fine arts building. Then we had a period where we built a almost completely new boiler house to house the heating equipment and tool storage and at the same time we renovated completely the kitchen and dining room, which was
very expensive project. And then we went into
page 171 } the administration building, Metts Hall, which
is administration-classroom building.

Q. You mean you built one?

A. Built a new, brand-new building in, we have been in it about four years now. And then followed with our new science building, complete new building, and then a small chapel, seat about fifty students, for a meditation building. And then we built a house for the dean on the campus, and we built two, two residences for faculty members as a part of our overall program to house the faculty, keep them at Sullins. And, of course, now we are into the humanities building, as I mentioned earlier.

Q. Anything else going on now?

A. Of course, during this time we had extensive renovations of the buildings, as testified earlier, built in 1917, 1918, and 1925, we have had extensive renovations to do the bathrooms over, they were the old style, and the girls didn't much appreciate those, and, of course, then we have renovated with

new lights, new wiring, new ceiling acoustical tile, and everything to modernize the buildings, and we are approximately maybe half-way through that project, maybe, well, about two-thirds of the way through.

Q. What about the library?

A. Oh, I forgot to mention the library. That
page 172 } was part of the humanities project, and this past summer during almost a 90 day period we completely gutted the building and converted it from a classroom-library building to a library by itself, complete library.

Q. How old was that building when the renovation was begun?

A. That building was, I think it was finished in 1947.

Q. And you say that was included in the humanities building project?

A. Part of that overall project.

Q. You mean that was under the million dollar umbrella?

A. Right.

Q. And what has been the source of the funds for this capital improvement program that you have described?

A. Well, as testified earlier, we lately were able to get some federal grants and loans on the science building and on our new humanities-library complex, but prior to that all the funds we had to generate from our own sources, so any excess revenues over expenses were plowed right back into these projects.

Q. Your own sources including, of course, whatever gifts the college received?

A. Right. And prior to this time it was not, has not been too, too generous.

page 173 } Q. That's all.

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The Witness: I'd like to make an additional
page 178 } statement.

Mr. Stuart: All right, sir.

The Witness: In reference to the summer conferences, we made some remark about income from summer conferences.

I just wanted to show you that I think we netted in there something like $9,500 as surplus revenues or net income from conferences. We make those conferences available to, usually it is Y-Teens, Bible Conferences and in the past Presbyterian Holston Conference, the Methodist Church this past year, we had two conferences, the Y-Teens and the Bible Conference. We charged those people a rate of $4.75 a day for room and board, except that we did not furnish linens. I believe you'll have to agree that is a very fine figure, and an attractive figure. Now I show the expenses again, that leaves us a profit or as we say, a net income or excess revenues of $9,500. This does not purport to show even approximately half of the charges that we would have in order to render this service to these people. All that we charge is the people that we had directly on the payroll at the time, the food charge, maybe a half of the utilities bill, that's all we throw in. Anything else is just made available to those people with no charge. So really and truthfully, if we tried to do that on a cost accounting basis, I am pretty sure instead of showing a net figure on the income side, it would be in the deficit side.

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SECOND DAY

(Thereupon, Court reconvened at 9:00 o'clock, A. M., on the 29th of January, 1969.)

Mr. Warren: Are you ready for us to proceed?
The Court: I am ready.

* * * * *

AMELIA M. BAILEY having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

By Mr. Warren:

Q. Will you state your name and your age into the record, please, ma'am?

page 182 }

A. Amelia Martin Bailey.

Amelia M. Bailey

* * * * *

A. That's correct.

Q. Mrs. Bailey, you are the daughter of Dr. W. E. Martin and the sister of Dr. William T. Martin, are you not?

A. That's correct.

Q. And the wife of Mr. Raymond Bailey?

A. Right.

Q. And where do you live, Mrs. Bailey?

A. 416 Green Hill Road.

Q. In Bristol, Virginia?

A. Bristol, Virginia.

Q. Mrs. Bailey, are you a member of the staff of Sullins College?

A. Yes.

Q. And could you outline to the court first perhaps your educational training?

A. I graduated from the Sullins Academy in 1931, Arlington Hall, a junior college in Washington, D. C., page 183 } in '33, and '33 and '34 I returned to Bristol and took a business course at Sullins and graduated from the University of Michigan in Ann Arbor in 1936 with a degree in sociology.

Q. What has been your association with Sullins College since 1936? If you will briefly outline it for the court.

A. Well, I worked there in one capacity or another practically all of the time since then. One year after I finished at Michigan I worked as a newspaper reporter, the *Baltimore News Post* in Baltimore, Maryland, returned to Bristol and at that time Mrs. Maude Boggess was the director of Camp Sequoya which was then located at the other site.

Q. At Lake Sycamore?

A. Lake Sycamore. In the fall for two years I traveled with her. She had camp parties in the various cities and was out in the interest of enrolling children at Camp Sequoya. As I traveled with her, I called on schools and worked on the enrollment at Sullins College and called on families in the various cities and talked to girls about entering Sullins. After we would come back in from the road, I worked in the office at Sullins until my marriage in 1942. Then we moved to Charlotte, North Carolina, lived there for one year, returned to Bristol, and I again worked in the office at Sullins. 1944 and '45, I believe it was, I had children and I stopped work-

ing. When they were older, old enough to go away
page 184 } and leave with a maid and so on, I returned to
work on part-time basis.

Q. When was that?

A. Forty-six.

* * * * *

In the fall of '59 I changed jobs and became director of Camp Sequoya. My first summer at Camp Sequoya was the summer of 1960, and this coming summer will be my tenth.

Q. In other words, you have been continuously
page 185 } in the position of director of Camp Sequoya
since the summer season of 1960?

A. That's correct.

Q. Mrs. Bailey, have you had, I noticed in an exhibit here you are also referred to as advisor in student activities program of the college session. Is that also a part of your, although a lesser part, of your duties at the college?

A. It is, and, of course, this changes from time to time. When I first left there I was necessarily very active in it in starting somebody else in the job.

Q. Mrs. Bailey, what are the lengths of the sessions of the actual camp's program during the summer?

A. We have two five-week sessions.

Q. And how many campers do you take in each session?

A. Two hundred and fifty in each session.

Q. Now, in addition to campers, what staff, generally speaking, do you have at the camp?

A. Well, we, of course, this changes from year to year, but we would have an average of 50 on the staff at camp.

Q. Now, again, what categories do these 50 people fall into?

A. Counselors and staff. I have 30 college girls who teach in various activities and live in cabins with children. And
in addition to that, I hire seven or eight college
page 186 } boys driving ski boats, teach in certain activi-
ties. Then I have a number of people on the staff
that do not live in cabins with the children.

Q. Those adults, if I may call them that, members of the staff who do not live in cabins, to what extent are they personnel? And I am talking about year-round personnel of Sullins College.

Amelia M. Bailey

A. Well, it's a thing that varies a great deal from year to year. By and large, these are the people that we start with and build around.

Q. Mrs. Bailey, you are speaking of the people from the staff of Sullins College, people that you start with and build around. Do you mean the people at Sullins that come to camp?

A. Yes.

Q. Members of the Sullins staff proper?

A. Yes.

Q. Who come to camp?

A. Yes.

Q. And work with camp?

A. Yes.

Q. Going through Appendix III of the answers to interrogatories, I notice the names, for instance, getting away for a moment from administrative personnel, Dr. Dewey Scarboro. Who is Dr. Scarboro or Mr. Scarboro?

page 187 } A. Mr. Scarboro.

Q. Mr. Scarboro.

A. Mr. Scarboro is in the social science department at Sullins and also teaches religion in their program.

Q. What does he teach at camp?

A. Well, he has been a very vital part of our program ever since I have been there and before I was there. He is in charge of the music and literature. He is a gifted musician and having studied music all his life, he is quite an expert on it, and he has classes in music and literature that every camper takes.

Q. All right. Now, I notice from this exhibit that he was not at camp, as a matter of fact, last year, in 1968, and his place was taken by Miss Betsy Gilliam. It's been said that he was on sabbatical leave during the summer.

A. He was in London during the summer.

Q. He is still a member of the college staff, is he not?

A. Absolutely.

Q. And do you expect him to occupy the same position with camp this coming—

A. Certainly—

Q. Summer session?

A. Certainly hope so.

page 188 } Q. I notice too the name of Mr. Russell Marshall who was at camp from 1959 through 1966

with the exception of one year. Who is or was Mr. Marshall in relation to the college staff?

A. Mr. Marshall was a member of the art faculty at Sullins and taught at Sullins during the winter months and taught art to the campers during the summer months at Sequoya.

Q. I mentioned Miss Betsy Gilliam a moment ago as having taken Mr. Scarboro's place during the summer of 1968. State whether or not she is a regular member of the Sullins College teaching staff and, if so, in what capacity.

A. She is a member of the English faculty and has been at Sullins for many years.

Q. I noticed the name of Miss Deanna Nichols, who was at camp in '67, and then Mrs. Joe Hicks, who was at camp in 1968. Were those two ladies during those years members of the regular college staff?

A. Deanna Nichols was at camp and then went to Sullins the following year as a member of the art faculty at Sullins. Mrs. Joe Hicks was not a member of the Sullins staff. She was a Sullins graduate.

Q. Was she a qualified instructor in art?

A. She had received her art training at Sullins.

Q. Uh huh. Not to unduly prolong this in-
page 189 } quiry, but I'll ask you about one or two others.
I see Gail Law. What can you say about her? What's her connection with the college?

A. Gail Law is a graduate of Sullins College, was a dance major and had gone from Sullins to the University of Kansas where she is a physical education major with an emphasis on dance, and she was our dance teacher during last summer.

Q. During last summer?

A. Yes.

Q. The summer of 1968. Orban Peters, I notice was there '67-'68. Who is he?

A. Mr. Peters is a member of the Sullins faculty at Sullins, teaches chemistry, and he helped us in the office in administration. Marilyn Christopher—

Q. I see here we have Miss Betsy Legg who was at camp in 1968 and for several years prior there too.

A. Betsy is a Sullins graduate. She had assisted in the riding department at Sullins during her school years there. She has taught riding for me at camp for many years. She is now graduated from Emory University, is teaching in Atlanta Public School System.

Amelia M. Bailey

Q. Who is Miss Marilyn Christopher who was there last summer?

A. This thing interlaces and works back and forth so much that it is difficult to explain at times. Marilyn

page 190 } Christopher was with me at camp first while she was in school, still in college, and was a counselor at Camp Sequoya for many years. She later got her master's degree in physical education from University of Tennessee and came to Sullins to teach.

Q. Was she chairman of the department at Sullins?

A. Yes, and she was my head counselor at Camp Sequoya and is expected to return.

Q. I notice that over the years Miss Barbara Hatcher has been at camp. What is her connection, if any, with the regular college staff?

A. Miss Hatcher teaches riding at Sullins in the winter months and has the same program at Camp Sequoya in the summertime.

Q. Mrs. Bailey, we have also filed as a part of the answers to interrogatories designated as Appendix II to the answers, certain typical weekly schedules for campers at Camp Sequoya. And I notice that these schedules are divided into Group I, Group II, III, IV, V, VI, and VII. And then you have a different category entitled "Group Counselors in Training." What does these different groupings denote?

A. We divide the campers out in age groups. The youngest children in camp are in the two cabins that are nearest to the office.

Q. And what are their—

page 191 } A. And they are Group I.

Q. Let me interrupt you for a moment. Do I understand as it appears from this exhibit that the ages range from 8 to 17?

A. Yes, with many more 17 than 8.

Q. All right. Well, go forward, I didn't mean to interrupt you.

A. Then cabins I and II make up Group I. That in turn is divided into IA and IB so that you do not send 32 children to an activity at the same time so that part of them have to watch while the other one is engaging in the activity. Each Group is divided into A and B, and that's 16 children, so that 16 children go to tennis at the same time, 16 children go to archery at the same time, and our equipment is geared so

that all 16 children can engage in that activity at the same time.

Q. Now, these schedules that you have filed cover periods during the day beginning at 9:00 A. M., and ending at 4:30 P. M., with the exception of lunch time.

A. An rest hour.

Q. Is that, how much rest hour and lunch do you have there?

A. We stop classes at twelve o'clock and eat at twelve-thirty, and we have rest hour from 1:30 to 2:30.

page 192 } Q. It appears from these schedules, and I did not ask you about the age ranges of the other groups, I take it they are in ascending ages on through?

A. Right.

Q. The last group that you accept, which is seven—

A. Right.

Q. It appears to me that the campers, except for lunch and rest period, that there is an activity during every hour of the day until 4:30.

A. That's right.

Q. To what extent are the campers required to participate in these activities?

A. All the way. We, well, in the country you find many different kinds of camps. Some camps are run on a very specialized basis, for instance, a riding camp where you go and the girl is assigned a horse and she rides all day. Or there are sailing camps with emphasis on sailing. We don't place the emphasis on any one sport at Sequoya, the theory being that we would like to introduce these children to as many activities as possible, thinking that this will make them into better rounded individuals, the more things they learn to do and enjoy in life. Every child is handed a basic schedule. By and large she follows that schedule every day of the week. Say a child comes in and says, "Mrs. Bailey, I can't

page 193 } ride, I am allergic to horses." We will adjust her schedule, take her out of riding, and put her into another activity. But nobody sits in the cabin.

Q. Nobody sits in the cabin?

A. Nobody sits in the cabin, and I know it's true.

Q. How do you keep a check on that to be sure where everybody is?

Amelia M. Bailey

A. We emphasize to the counselors over and over again that we are to take a head count in every class. And we have—

Q. Does that mean every hour?

A. Every hour.

Q. Uh huh.

A. And we have an intercom that goes all over the camp, it goes to every activity, and every cabin, and if you normally have 16 girls in your class and there are just 15, then she calls the roll and she pushes a button, then calls the office and says, "Betty Jones is missing." And we check the infirmary and if she is not in there, we go right to the cabin.

Q. I see. State whether or not qualified instructors are in charge of each of those activities that are shown on this Appendix II schedule.

A. Oh, yes.

Q. All right. Mrs. Bailey, I notice here on each of these schedules you have an entry designated as "M and L." What does that denote?

page 194 } A. Music and literature.

Q. Uh huh. Well, would you explain to the court the nature and extent of this teaching and training program in music and literature?

A. Well, it's really quite unique in camping. I don't know of any other camp that does anything similar to it, and it's certainly one that the parents think a great deal of. Mr. Scarboro and I, quite a few years ago, worked quite hard one fall. I got reading lists from many of the leading prep schools in the country, and we have ascertained that all of these books are available in our library, and the girls are not only encouraged, but everybody has to check out some books and do some reading during the summer months.

Q. Now, when you talk about your library, you are talking about the library at the Bristol campus?

A. No.

Q. Or the main campus?

A. Camp Sequoya library. And we not only have these books which are suggested by the leading prep schools in the country, but we have other books for the smaller children and all the mysteries and lighter reading that they want, the theory being that you pick up fluence in reading by practice, and it is better to read something light than not to read at all. But the older girls are certainly encouraged

Amelia M. Bailey

page 195 } to read the classics and the books that are required by schools.

Q. Uh huh.

A. Music, Mr. Scarboro is a musician. He studied music all of his life. We have a wonderful collection of records at Camp Sequoya. He will tell them something about a composer's life or he will go into a period of music and then play these records for the children, and they sit in there and they discuss it. On our intercom system in camp we have a record player in the office, and frequently at night Mr. Scarboro will come in and say, "We have been studying about such and such a period of music. Here is a record. Will you put it on when the children go to bed?" At night we put this record on and it goes all over the camp so that the children are introduced and become familiar with very good music.

Q. You mentioned discussions by Mr. Scarboro with the students, the campers concerning music. In your literature courses are discussions held concerning the readings that these children have done by their instructors? Are there periods of discussions of what they read and evaluations, things of that sort?

A. Oh, yes.

* * * * *

page 196 } Who ordinarily is in charge of that program, that class?

A. Well, this too varies from year to year. There was a lady for many years at Sullins, she's retired now, named Madame Bessa Skalarsky, and she has been out at camp and lived there and taught dancing at times. For the past couple of years there has not been, but we hope that we can get a Sullins instructor out there again. We have had Sullins connected people, but not the head of the dance department.

Q. But you have had a qualified dance instructor?

A. Absolutely.

Q. What are the children taught in that course?

A. They have had some modern dance, some acrobatics, and ballet.

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Amelia M. Bailey

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Q. (By Mr. Warren) And who, and I am not asking about names, but what are the qualifications of the persons that teach swimming at Camp Sequoya?

A. Our swimming program is conducted under American Red Cross standards, and everyone who teaches at the pool has to have their water safety instructors, which is a certificate presented by the Red Cross after a very strenuous program. And this, *incidently,* has to, you might get your W.S.I. this year and if you don't engage in teaching swimming before next year, you have to do it all over again. This is something that's renewed by actual teaching. All the girls at the pool have their W.S.I.

Q. What does that mean, W.S.I.?

A. Water Safety Instructors.

Q. And are the campers, I take it it is implied from your remarks, that they are tested on the various phases of the water safety course?

page 198 } A. Well, this brings up another theory of camping. Many where you have two tribes and they vie also for points and some of them, or two teams. We don't have any of that. Each child is competing only with herself and at her own pace. Most of our departments and all of them possible are affiliated with national organizations such as the National Archery Association, which sets up standards for each grade that you go along in archery, National Water-Skiing Association, the children get certificates for beginner, advanced, and expert. Our pool is conducted on American Red Cross standards. The children are issued cards as they pass swimming tests.

* * * * *

Q. I notice here you have another scheduled activity entitled "Crafts". What does that consist of, crafts?

A. Crafts?

Q. Yes.

A. Well, crafts is art and crafts as opposed to art, which is also taught. One of them is fine art, and the other is crafts such as decoupage or making of flowers or weaving and

things on that order rather than fine art, which is painting, sketching.

Q. All right. And to what extent do you teach
page 199 } art? Explain to the court what instruction is given in art, which is another scheduled class.

A. Well, art, every child has two classes in art each week, and it is really amazing the number of children that were not aware of any talent that become so very interested in this. We furnish all the materials. We have sketch boards, clothes pins, and we have large pieces of paper, and the children start out with charcoals and they will do some charcoals, some ink work, pastels, and some of the children who have been in camp over a period of years and older get into oils.

Q. I seem to recall noticing in the camp bulletin, the pages are numbered, a gentleman, I believe is Mr. Russ Marshall who is teaching sculpture, I believe.

A. That's correct.

Q. And is that activity also at Sullins under the classification of art? I mean at Camp Sequoya.

A. Yes. And when these pictures were made, we used to teach that class out on the porch of the lodge, but we now have much more adequate quarters for our art department behind the gymnasium.

Q. Now, there has been introduced in evidence here as Exhibit 10 the Sullins Alumnae Bulletin dated November of 1960, and on page 12 of that Bulletin the follow-
page 200 } ing appearance, quote, "Many of the students become counselors during the summer and a number of the faculty is on hand to teach art, appreciation of music, literature, ballet, and modern dance, and a course in personal development." What is this course in personal development?

A. A course that we had for the first eight years I was out there, we have not had for the past two because our teacher was not available. Mrs. Vance who is a member of the music department at Sullins came out and every child had one class a week in personal development, and Mrs. Vance was excellent at this. It involved good grooming, manners, both social manners and table manners, and posture, and Mrs. Vance had lessons for this, and then it developed as children asked questions and as they worked together.

Q. I believe Mrs. Vance has been the last year or so pursuing her education, has she not?

Amelia M. Bailey

A. Yes, Mrs. Vance has been at Eastman School of Music getting her master's degree.

Q. And she, of course, is a regular member of the Sullins staff?

A. Yes.

Q. Do you intend to reinstall this subject or program during the—

A. Certainly want to.

page 201 } Q. Forthcoming session?

A. Certainly want to.

Q. Mrs. Bailey, we have been talking about particular matters. I notice you also have here riflery, golf, canoeing, sailing, riding, and you have mentioned Miss Hatcher from the college staff teaches riding. As the director of camp in charge of the program at camp, is this program designed to be an educational program?

A. Absolutely.

Q. In addition to the specific items that we have mentioned, the specific classes and subjects, what other educational purposes and values does this program have to the campers overall?

A. Now say this to me once more.

Q. What educational value, if any, does the program have to the campers other than training in these specific subjects?

A. Well, I think the greatest thing that camp can do for children is training in citizenship. For many of these girls it is the first time they have ever lived away from home, and they are accustomed to being at home where they come home with a problem settled by parents and living in an adult world, and this is the first time that they are ever completely on their own, and these children learn to handle themselves.

And it is much easier for them to adjust to a

page 202 } school life in later years, and they certainly do learn a lot about getting along with one another.

Q. Now, the last activity shown on these particular schedules we have been referring to is 4:30 in the afternoon. Are there evening and Sunday, weekend activities that are scheduled as well?

A. Always.

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Amelia M. Bailey

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Q. Mrs. Bailey, I also noticed through the camp catalog and also there was reference made by Mr. Knox and others about bringing certain gym mats and other gymnasium equipment from the college to camp. What use is made of the gymnasium on the college, on the Camp Sequoya property?

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Q. (By Mr. Warren) What use is made of the gymnasium, Mrs. Bailey?

A. You mean how do we use it at camp?

Q. Yes. Do you teach basketball or anything of that sort there?

A. Oh, yes, we have basketball and volley ball. On a rainy day we have everybody in camp up there.

Q. Uh huh.

A. We teach dancing lessons there in the daytime. We have art classes in the back of the gym. It's used every night for some sort of a, an activity in the evening, it's in use all day and every night.

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Q. Well, let me ask you this. I think that has been covered by other witnesses too, some of the other purposes. During the regular session of camp, the summer session at Camp Sequoya, is, what indoctrination or acquaintance program, if I may call it that, orientation or acquaintance program do you have with the girls for the purpose of acquainting them with Sullins College?

Amelia M. Bailey

A. During each session we take the entire camp into Sullins.

Q. To the campus in Bristol?

A. Yes. Yes, we rent buses and take everybody in camp in, and we have a picnic on the college campus. And we then divide the children out into, well, we take them page 212 } into the auditorium and the director of admissions gives them a talk on Sullins, and then we divide them into groups by age and have a guide for each age group, and that guide takes them over all the buildings and ground at Sullins.

Q. Well, is there any—

A. I also have many parents that come at the end of camp that say, "We are coming to pick our child up. Will you arrange an interview at Sullins while I am in town?" And all of this is arranged through my office at Sullins.

Q. Let me ask you this, it's been said that Mr. Bailey as the director of development at the college, insofar as you have observed at camp, what contact, if any, does he make or Dr. Martin make with the parents of the, parents of these children when they bring their children or come to call for them at camp?

A. Well, Mr. Bailey always stays out there on the opening day of camp because I have so many parents that bring children and Mr. Martin is usually there for a part of the day. Mr. Bailey stays all day because it is difficult to spread yourself thin enough to talk to everybody that comes in one fell swoop. He helps me then and then also on closing day. And frequently in the past he has talked with particular girls. He lives out there and he sees them in an informal way, and a little girl will say, "You know, I might like Sullins." And he is in a position to talk to them.

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Q. In further connection with promoting the college through camp, do you travel and contact various alumnae groups and others concerning camp and the college?

A. Mr. Bailey and I go together very frequently and have this fall.

Q. This past fall?

Amelia M. Bailey

A. Yes. And he will go and talk to an alumnae meeting. I'll go with him, tell them something about Camp Sequoya. He will go with me to a camp party, and we do the same there.

Q. You mean talk about Sullins at the camp party?

A. And Camp Sequoya, sure.

Q. Do you have movies that you show and so forth?

A. I did. They are lost.

Q. That's right. They got lost on your last trip I believe.

A. On my last trip.

Q. You are still hoping they'll be found.

A. I am still hoping they'll be found.

Q. Mrs. Bailey, without going into detail, over what geographical area do you make these trips? And

page 214 } describe those. Could you tell us why some of them have been held from time to time over the years?

A. Over the years?

Q. What cities and so forth.

A. Nashville, Tennessee; Memphis, Tennessee; Columbus, Ohio; Houston, Texas; Greenwood, Mississippi; Mobile, Alabama; Elderado, Arkansas; that's camp though, that isn't Sullins. Many of these are both.

Q. Many of them are both?

A. Yeah.

Q. Has that been a regular activity over the years, this traveling, whether you did it or someone else, promoting the college and camp?

A. Here again that changes. This year I am doing it. Last year, no, the year before and for the five or six years previously to that, I had first a girl named Julie Ann Daffney, and she traveled for Camp Sequoya during certain months of the year. Then she returned and was in charge of the island program at Sullins, taking girls to camp on the weekends.

Q. You mean college girls?

A. Yes. Then she married and Carolyn Moxley, who had been with me a number of years at Camp Sequoya, traveled with the camp movies, served on the physical

page 215 } education faculty at Sullins, and was in charge of the island program.

Q. Is it fair to say then that one of the purposes of camp is to promote students or the recruitment of students at Sullins?

A. Yes.

Amelia M. Bailey

Q. As a matter of fact, some inquiry was made yesterday, do you have, have you looked at the college records to determine how many girls now are students at Sullins College are former campers at Camp Sequoya?

A. I have.

Q. Would you give that information to the court, if you would?

A. (No response.)

Q. Well, to make your work a little easier, is this a typewritten copy of what you have there?

A. That's a typewritten copy of what I have, yes.

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page 216 } The Court: Fifteen girls, as I take it.

Mr. Roberts: At the same time could we inquire the enrollment of Sullins this year so that we will have it in one place there?

Mr. Warren: I think that's in the record, but if she knows she can certainly state.

Q. (By Mr. Warren) Do you know the enrollment of the college this year?

A. I thought they said yesterday that it was 360. At the same time, George, this doesn't show how many applied.

* * * * *

Q. (By Mr. Warren) Mrs. Bailey, in addition to the girls shown on this Exhibit 14 now in Sullins College as former campers, is this all of the girls who have applied for admission who have been in camp or are these the girls that are actually in school?

A. These are girls that, who are actually in school.

Q. Do you know whether there are other campers who applied for Sullins admission?

A. I know a good many in the past. I couldn't
page 217 } be exact with you about this year, but I am sure they have.

Q. Well, we are talking actually about a period of ten years.

A. I could name many.

Q. I would ask you this question also, do you know of your own knowledge that over that ten-year period other girls

have come to Sullins who became acquainted with Sullins through camp but did not go to camp?

A. Certainly.

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Q. I take it. Mrs. Bailey, I referred a moment ago and called to your attention in testimony to the Sullins Alumnae Bulletin of November, 1960, which referred to the page 218 } various educational subjects and programs at the camp. State whether or not that has been the basis upon which the camp has been promoted to a large extent.

A. Oh, yes.

Q. Well, what do you—

A. It's what makes us different from the rest.

Q. That is what makes you different. Can you state to the court what sort of reaction you have received to that educational program from parents and from campers?

A. Enthusiastic.

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Q. (By Mr. Warren) Do you have letters from parents that you have taken from the official files of the college reporting their reactions to camp?

A. I could bring you a sheaf, but I have got a few here.

Q. Do you have some of them with you?

A. Yeah.

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Mr. Warren: All right. The court can certainly read them. I would ask Mrs. Bailey this question.

Q. (By Mr. Warren) Mrs. Bailey, are those letters that we have just introduced in evidence, state whether or not they are typical of the letters that you have received over the years.

Amelia M. Bailey

A. Yes.

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CROSS EXAMINATION

By Mr. Roberts:

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Q. (By Mr. Roberts) Your brochure on camp advertises the, rather states, makes the statement which is not modest, but it is probably deserved, that it is the finest camp plant in the nation. And I take it that you think that's a reasonably accurate statement.

A. I do.

Q. And it is, of course, conducted for girls from 8 to 17 years of age.

A. That's correct.

Q. Now, the buildings which you, which are located on the premises consisting of the items set out on Appendix I here, and I call it to the interrogatories—

A. Uh huh.

Q. And I ask you if all of those buildings are of a type, they are built for summer use, are they not?

A. No.

Q. Is there any central heat in the lodge?

A. Yes.

Q. What, where?

A. There are electrical heaters, but they are built in. They are not portable things, but there are electrical

page 222 } heating units in the lodge.

Q. To what extent and how many of them?

A. There are four in the main room, one in one bedroom, one in another bedroom, one in the kitchen. There is also—

The Court: I take it that particular building then has—

The Witness: Sir?

Amelia M. Bailey

The Court: Has a heating system in the entire building, the lodge building. All right, now what other building?

Q. (By Mr. Roberts) There is nothing in the main room there of the lodge but a fireplace, is there?

A. Oh, there are three or four, Mr. Knox can tell you which it is, electrical built-in units in that room. And there is a very large fireplace that has a heatolator that the air circulates through and comes out. It's very warm.

Q. I believe there are two or three, how many bedrooms are connected with the lodge there?

A. Actually, the way we use it now only one.

Q. Only one bedroom?

A. But one of the rooms that we use for an office in the summertime can be used for a bedroom and is heated. Oh, and there are built-in heaters in both of the baths in that building too.

page 223 } Q. And no one stays in that lodge in the winter time. Is that correct?

A. It is used on weekends.

Q. Now, the dining room-recreation-library, there is no central heating system there at all, is there?

A. The dining room and library adjoin, you know.

Q. Yes.

A. And the library is enclosed and has a very large fire place and heatolator, and it does not have built-in electrical heaters, but there are electrical heaters there.

Q. Uh huh.

A. It's usable in the wintertime and so is the infirmary.

Q. How about the, to what extent is it used in the wintertime?

A. The lodge?

Q. No, no, the dining room and recreation-library.

A. Well, it's, in the very dead of winter, I would say it is not used, but the heat that's in there enables people to use it in the late fall and early spring.

Q. Well, I mean you don't serve any meals, your kitchen is not open out there.

A. It is when they have large gatherings in the fall and spring.

Q. For your picnics and things like that?

page 224 } A. Yes.

Q. No, the gym, the gym is open?

Amelia M. Bailey

A. The gym is open.

Q. There is no heat in that. You say there is some heat in the infirmary?

A. I said it's not built-in, but that the infirmary is enclosed and there are heaters in the infirmary.

Q. Well, there is no use made of that in the wintertime? Is there? Other than for your campers?

A. Early in the spring and in the fall we use it.

Q. Well, you don't send girls out from the college to go to the infirmary out there, do you?

A. Sometimes in the fall.

* * * * *

The Witness: Sometime in the fall and in the spring there would be more girls than the lodge will hold, and when the weather is not too bad, there are quarters that they can stay in in the infirmary.

Q. (By Mr. Roberts) And your arts and crafts building, that's just a frame structure, there is no plumbing or anything in that, is there?

page 225 } A. No, it's just a frame structure and there is a water spigot on the porch.

Q. Your stables and your stableman's room, that's not used in connection with the college in the wintertime?

A. The what?

Q. The stable and the stableman's room.

A. No.

Q. That building is solely for the use of the camp?

A. No—yes, yes.

Q. And your, let's see, you got a service building 60 x 26. Was that just a storage room?

A. Service building is a room where they keep all their tools and the tractor and so on, shop.

Q. Uh huh. And your sewage plant, is that operated in the wintertime?

A. Yes.

Q. Your, does anybody occupy the counselor staff units in the wintertime?

A. Well, not just day by day.

Q. Uh huh. It's there if somebody from the college wants to go out?

Amelia M. Bailey

A. Yes.

Q. And makes the proper arrangements. The director's cabin, does anyone occupy that in the wintertime?

page 226 } A. No.

Q. The caretaker's house, of course, that's there all year round.

A. Occupied year round.

Q. And is occupied by Dame Cawood?

A. Yes.

Q. And the 15 cabins for the counselors, they are only for camp use and are not occupied in the wintertime?

A. They have been, but I wouldn't want to stay there tonight.

Q. No regular use made of them?

A. No day by day use, special occasions.

Q. Well, as a matter of fact, the water is cut off in all those buildings, isn't it, to keep them from freezing?

A. Right now, but it will be turned on very early in the spring.

Q. And your swimming pool, of course, its primary purpose is for the children at camp?

A. The pool will be filled and ready for use in March, and the campers won't be there until the middle of June.

Q. And your tennis courts, you have tennis courts at the college which the girls use rather than, do they use the tennis courts any in connection with the college?

A. Yes, they do.

Q. How often?

page 227 } A. Why I couldn't tell you how often because I am not a part of the physical education faculty. I can tell you some special occasions when they do.

Q. Special occasions it has been used. Well, of course, the primary purpose of all these buildings is for camp use, is it not?

A. Well, that would be a matter of personal opinion.

Q. Uh huh, all right. That answer made in the interrogatories—

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Q. (By Mr. Roberts) But at any rate, you state that the whole area out there is, put it this way, says, "The entire camp plant is a classroom." As a matter of fact, there are no

buildings out there specifically constructed as classrooms, are they, Mrs. Bailey?

A. Well, we, everything we have is a class, we have a dancing class, the gymnasium houses it.

Q. Well, put—

A. We have an art class, and we have an art classroom.

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The Court: I take it the question was it is not used as a classroom for Sullins College. Mrs. Bailey, you are not telling the court that, are you?

The Witness: Well, would you ask me again now?

The Court: Are there any rooms that are constructed as classrooms for Sullins College?

Mr. Roberts: Yes.

The Witness: Oh, I didn't do the building, I don't know why there were constructed.

Q. (By Mr. Roberts) Well, assuming that you say that you don't know why they were constructed, you know that the principal use of them is for the purpose of the camp, don't you?

A. The buildings were started out there before the camp was there.

Q. Well, that's the lodge.

A. (No response.)

Q. That's the lodge. And that was the only building that was there before the camp was constructed, was it not?

A. Yeah.

Q. And the girls at your camp now, they cover a wide territory, do they not? Have you got any statement
page 229 } there as to how many states are represented?

A. They come from approximately thirty-five, thirty-seven states every summer.

Q. Thirty-five to thirty-seven states. And possibly some of the foreign countries?

A. Yeah, from time to time.

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REDIRECT EXAMINATION

By Mr. Warren:

Q. Mrs. Bailey, I omitted asking you, do you have an office as director of camp, do you have an office in the
page 234 } administration building of the college?

A. I do.

Q. At Bristol. Now, you and Mr. Roberts were carrying on a little dialogue there about Mr. Ray Bailey. As a matter of fact, I notice here R. A. Bailey is designated in the catalog as public relations. To what extent does his office in Bristol handle the public relations of Camp Sequoya? In other words, is not the alumnae program and the public relations program of the college done through Mr. Bailey's office?

A. Yes.

Q. Well, tell His Honor how the public relations program of camp is carried on by him, by his staff and his office.

A. Well, we work together and we share personnel and make many trips together in the interest of Sullins and Camp Sequoya.

Q. On a year-round basis?

A. On a year-round basis.

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HENRY L. ASHMORE having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

By Mr. Warren:

Q. Would you state your name and age, please?

A. My name is Henry L. Ashmore, and my age is 48.

Henry L. Ashmore

Q. Dr. Ashmore, what is your profession, sir?

A. I am a college president.

Q. President of what college?

A. I am president of Armstrong State College in Savannah, Georgia.

Q. Is that a four-year college?

A. Yes, sir, it is.

Q. And how long have you been president of Armstrong State College?

A. I have been president of Armstrong State College for four and a half years.

Q. Would you outline to the court, please, sir, your formal education and training in your profession?

A. I have the bachelor of arts degree and the
page 236 } master of arts degree and the doctorate of education. My major was educational administration; my minor was political science and sociology and history. I have served as president of Pensacola Junior College, a two-year state college in Pensacola, Florida, eleven years prior to coming to Armstrong State College. I have served and am serving as consultant to a considerable number of institutions both public and private.

Q. A consultant in what capacity?

A. A general consultant in an educational capacity. I have worked extensively with the Southern Association of Colleges and Schools. Do you want me at this point to give this, this particular background?

Q. Yes, sir, I would like to have that background at the same time.

A. I served from 1959 to 1964 as the secretary of the executive council of the Commission on Colleges and also as a member of the Commission on Colleges for the Southern Association of Colleges and Schools.

Q. Now, may I interrupt you there for just a moment? What is this Commission on Colleges? What is its function?

A. That is a commission within the Southern Association. This is a commission within the Southern Association. The Southern Association is divided into three dele-
page 237 } gate assemblies. You have the Elementary Delegate Assembly; you have the Secondary Delegate Assembly; and you have the College Delegate Assembly. The College Delegate Assembly elects from its membership of several hundred a commission of 54 persons to serve as a board

of directors, and from the commission are elected approximately eleven members which serve as the executive council. And the officers, non-professional, non-paid officers who serve as chairman of the commission also serves as, would serve as chairman of the executive council, and the same would be true of the secretary position which I held, which was a non-paid, non-professional in a sense of receiving remunerations. I served as both the secretary for the Commission and the secretary for the council.

Q. You were five years secretary to the executive council. And how long were you secretary to the commission?

A. The same, the same period.

Q. Oh, I see. Did you complete your statement about your experience?

A. No, sir, I didn't. I also have served as chairman of a considerable number of committees, in excess of fifteen, to accredit or to reaffirm the creditation of membership schools. I served as a member of the five man committee to rewrite and to edit the present standards of the College page 238 } Delegate Assembly and of the Commission on Colleges. I am currently serving as a member of the commission of the colleges, of the Association of Colleges and Schools, and I am also currently serving as the chairman of the special purpose committee, which is a committee—

Q. Just a minute now. I want to be sure the reporter is getting it. Which is a committee—go ahead.

A. Which is the committee to examine for purposes of determining whether or not the special purpose institution should be accredited and by special purposes, we mean a non-liberal arts, a non-general education type institution such as a college of mortuary science, a school or college of art, a seminary, theological school, and I am serving as chairman of that committee.

Q. Would you explain for the record just what the Southern Association of Colleges and Schools is and what recognition it receives as the official accrediting agency for colleges such as Sullins College?

A. The accrediting practice in the United States is divided into two general areas. You have what is called special accreditation, and this is done usually on a national level and is done by special organizations. For instance, if you were to accredit a school of law, this would be done by the American Bar Association. If you were to accredit a

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page 239 } college for dentistry, for instance, it would be done by the American Dental Association. The term special accreditation has to do with professional accreditation. Prior to being able to receive special accreditation an institution must be generally accredited as a general college, a special purpose institution or a liberal arts college. For this purpose the United States is divided into seven regions. And each region has the prerogative of determining what the accrediting standards would be for that particular region. We have in the Southern Association eleven states. The Association is made up of volunteer members who have passed the minimal standards and who have received accreditation. Each college is entitled to one official delegate. And this is what constitutes the College Delegate Assembly of the Southern Association of Colleges and Schools. You would have a comparable type accrediting procedure in the other six regions.

Q. Is Virginia included among those eleven states?

A. Virginia is included among the eleven states.

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Q. Now, speaking from your own personal experience as a member of the executive commission on colleges and of the Commission itself and your other activities within the Southern Association, has it thereby become your duty and function to examine within this eleven state area the programs and operation of numerous colleges for purpose of accreditation or renewal of accreditation?

A. This is correct. I have either served directly as the chairman of a committee to visit such colleges, or I have served as a consultant for colleges which are getting ready to ask for membership in practically every state of the eleven.

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Q. Dr. Ashmore, do I understand that if a school applies for or is considered for accreditation or renewal of a creditation by the Southern Association, is the Commission on Colleges the one that votes, so to speak, that makes that final decision?

A. The Commission on Colleges handles the mechanics of setting up the committee which will make the
page 242 } visitation, has a subcommittee to review the report of the committee and then passes on the report of the committee either affirmatively or negatively to the College Delegate Assembly. The College Delegate Assembly would be the official body and the ultimate and final action to accredit or non-accredit.

Q. I see.

A. Now you mentioned two things. The original accreditation which is a voluntary act on the part of the college officials, the Southern Association does not invite, it is a group of peers, and it is voluntary. The reaffirmation is not voluntary. Once an institution is accredited under the present standards and regulations of the Southern Association, the institution must have a committee to come in to reaffirm the quality and the fact as to whether or not it should be continued as an accredited institution.

Q. Is Sullins College—

The Court: How often is that, every ten years?

The Witness: Yes, sir, every ten years.

Mr. Warren: Thank you, Your Honor. I should have asked him.

Q. (By Mr. Warren) Is Sullins College an accredited institution by the Southern Association?

A. Sullins College is an accredited institution by the Southern Association and received its reaffirma-
page 243 } tion in 1963, and I was chairman of the committee that visited the college.

Q. Now, how many were on that committee that visited the college?

A. I am sorry, I can't give an exact number for that be-

cause we vary from institution to institution, but probably not less than three and not more than six.

Q. All right, sir.

A. Four.

Q. In any event, would you describe to the court what you and the other members of that committee did when you went to Sullins College to examine its program?

A. The chairman of the committee will prior to the actual visit visit the institution to determine if the institution is ready for the visit by the commitee.

Q. Now, did you do that in the Sullins case?

A. I did that.

Q. Could you give us an approximation of that date?

A. It would have been approximately six weeks before the actual date of the visitation committee, and I am sorry I don't recall the exact date of it.

Q. But it was in 1963?

A. It was in 1963 in the school year, during the school year.

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Q. And what was the result of the examination made by the committee?

A. The result was that the committee recommended to the Southern Association Commission on Colleges that the accreditation be reaffirmed and recommended that the self study which covered the ten-year period was complete and acceptable.

Q. All right, sir. Now, in the course of that investigation of the Sullins College program, I'll ask whether it included the department of the college known as Camp Sequoya.

A. Yes, it did.

Q. All right. Did you and your committee become familiar with the operation of the program and the nature of the program at Camp Sequoya?

A. Yes, we did. And visits were made both by me on the preliminary visit and by the committee on the actual visit to the camp.

Q. To the camp itself?

A. Yeah.

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Q. (By Mr. Warren) First of all, did you check the program, summer program and winter program?

A. Yes.

Q. Thoroughly?

A. We checked the program thoroughly as well as all other programs of the college.

Q. All right, sir. Well then, I'll ask you again what did you find or what conclusions did you reach as to the relevancy of the camp program as to whether or not it was page 247 } an educational program related to the college program proper, the other departments of the college?

A. To answer that in context, I would have to say that the Southern Association does not attempt to determine specifically the purposes of the institution. It examines and evaluates the program of the institution according to the purposes which have been set up by the governing body and by the professional staff of that college; therefore, as the committee members examine all facets of the program at Sullins and examine in particular their program, we look at it from three viewpoints which would be consistent with an examination of this kind. Number one, was it consistent with the purposes as defined by the governing body of the institution? Number two, did it serve effectively and was it a quality program as outlined by the college? And, number three, was it of any significance to the college as again defined by the college? And, fourthly, is it a burden to the institution or is it in the total program, the total program an asset? And in the examination of this the committee under the standard nine which would be special activities of the standards of the College Delegate Assembly determined that the program was a normal, natural type program that you find in institutions both public and private, that it served the purposes as defined by the people and the time. And the purposes page 248 } were, number one, as an educational experience

Henry L. Ashmore

per se for the students involved, this meaning that the experiences were of a recreational nature, that the experiences has to do with an involvement of participation in art and music, the involvement in literature, the typical type of programs that you would find in elementary schools, secondary high schools, and colleges, an essential enrichment program. Secondly, that it did serve effectively for the purposes of the college in terms of recruitment of students both in a direct sense and an indirect sense. That it thirdly did serve community services for the college community. And here I would say that the college community involves any person who has a relationship with that particular college, could be alumnae, could be students, could be faculty, could be administration, could serve over a large geographic area if the constituents of the college came from a large geographical area, and we felt that there was some element having to do with the recruitment of teachers and the sustaining of the employment once the teachers were recruited because we are in a highly competitive market for personnel and—

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Q. (By Mr. Warren) Doctor, let me clear that up. I understood you had been talking about Sullins College and Camp Sequoya specifically in your present answer.

A. Yes, I was speaking specifically about the program at Sullins College.

Q. All right, sir. Do you recall where you were?

A. I believe I was at the point where we were saying that their values were from the standpoint of recruitment of faculty and sustaining the employment of faculty in a highly competitive market for higher education.

Q. Why is that of value in relation to the highly competitive market for an institution or in what way?

A. In an educational sense your institution will in final analysis be what your faculty is because that *it* the creativity, this is the ability, this is the talents
page 250 } brought to bear on the total program. So to the

extent that you can recruit and maintain a good faculty, to that extent you will have a good program.

Q. And what aid in particular is Camp Sequoya, what did you find it to be in, to Sullins College proper in maintaining its faculty and quality of faculty?

A. There is the aspect that many faculty members need or desire and seek year-round employment, and to this extent that employment could be given through the programs going on at the camp would be an asset.

Mr. Roberts: Your Honor, I move to strike that answer on the ground it is speculative. There has been evidence as to how many of the faculty do—

The Court: The court has ruled, Mr. Roberts. You don't have to continue, your exception is to all the testimony, as I understand it.

Mr. Roberts: All right, sir. Thank you. Exception.

Q. (By Mr. Warren) Dr. Ashmore, as to the college program—kill that.

As to the camp program itself, what were your findings as to whether or not the camp program standing on its own is or is not educational *per se?*

A. Could I ask for a clarification, Your
page 251 } Honor? I am not quite sure what you mean by standing on its own.

Q. Well, what I mean is the actual function of the camp and the activities that take place at the camp, are those activities in themselves in the meaning of today's interpretation of educational functions and activities, what was your finding on that point?

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Q. (By Mr. Warren) I don't mean to restrict that just to the summer program.

A. In the world in which we operate in higher education today, this type of program is a normal, natural extension of the typical historical old fashion college programs. Practically every institution in the nation, both public and private, will have what they call community services, continuing education, enrichment programs. These would range all the way from such activities as the camping activity to the teach-

ing of people to play bridge, to the retraining in a non-credit sense of nurses who need to be retooled to go back into professional work. In this sense and in today's world, my professional judgment would be that the activities

page 252 } of the camp are sound, educational.

Q. Do you—kill that.

Does the fact of whether or not credit is given for the summer session at camp or whether it is not given, does that have any bearing upon your answer?

A. This would have no bearing and would not be relevant in an educational sense. The fact that such activities are expected is implied in the way the Standard 9 of the standards of the College Delegate Assembly is written.

Q. And does it matter whether these activities such as Camp Sequoya are conducted upon the main campus or whether they are conducted in a remote location?

A. In an educational sense the educator would assume that any place in which an activity was held by the college would be part of the campus. This could range from other multiple campuses to camps to a floating ship.

Q. You have mentioned what other schools have done or might do, and you have described your contact with a great many schools in the eleven state area of the Southern Association. Do you know and have you come in contact with other liberal arts colleges that have such programs? And can you name some of those programs?

A. Yes.

Q. And colleges.

page 253 } A. I have come into contact with both public and private institutions. At Pensacola Junior College when I was president there we ran during the summer a series of camps that we entitled a music camp, an art camp, a biology camp, a chemistry camp, a mathematics camp. This was primarily for junior high students and ran for a period of about six weeks.

You have at Montreat-Anderson, a college in North Carolina, comparable programs that are run in the summer, using the facilities of the college.

You have at Gulfport—Montreat-Anderson is a private two-year college.

You have at Gulfport, Mississippi, a comparable use of facilities, regular college facilities and other facilities at the college there, that is a two-year girls' school, private. You

have in practically all public community junior colleges throughout the South these kind of programs which are extended enrichment programs put on in some instances by grants from foundations and by grants from the federal government, put on in other instances purely and simply from the income of the recipients or the students enrolled.

Q. Is the nature of these programs affected by, the educational nature of these programs affected by whether or not a fee or a charge is made to the person receiving page 254 } the *the* benefits of that program?

A. There would be no connection, no direct connection between the fee charge and the educational value of the program.

Q. Dr. Ashmore, I would like to read to you from Petitioner's Exhibit 2 that has been introduced in this proceeding entitled "By-laws of Sullins College", paragraph one of that exhibit under the heading of purposes. Quote, "The purpose of the Corporation"—meaning Sullins College Corporation —"shall be to conduct a non-profit institution for the furnishing of education to girls and young women, and to own, maintain and operate such property and other facilities as may be necessary and appropriate to that end." I'll ask you whether or not your findings from your investigation of the program at the department of Sullins College known as Camp Sequoya indicated that that program had direct references to the purposes I have just read to you and whether or not it tended immediately and directly to promote those purposes.

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A. As read to me my answer would be yes.

Mr. Warren: You may ask him.

CROSS EXAMINATION

By Mr. Roberts:

Q. Doctor, as I understand you, you say that any experience which would assist a child to find his nitch into society

Henry L. Ashmore

and to become a useful member of society is in effect educational?

A. Yes, sir, I'd say that's correct.

Q. And when you answered the question that the program at Camp Sequoya which includes water-skiing, horseback riding, archery, and allied sports and other matters of other things incident to recreation, is in itself educational?

A. As an educator I would say that there are three basic reasons for providing education both formal and informal. One would be for the personal development of the individual as a human being; second would be for the development for that said person as a member of a free society which chooses to govern itself or for citizenship purposes; and the third basic reason would be for purposes of enabling this individual to make a contribution through a profession or through some creative productive form of work. The answer that you, the

page 256 ⟩ question, as I understand, that you have asked me would be covered by the first, which in turn spills over into the other two because certainly if you are better adjusted, better educated as an individual, this spills over into the other two categories.

Q. And so that water-skiing is educational in your definition?

A. Yes, sir.

Q. And horseback riding is educational?

A. Yes, sir.

Q. In your definition?

A. Yes, sir.

Q. A trip to the Continent would be most educational?

A. To any continent would be most educational.

Q. Being together in a group is educational?

A. Yes.

Q. Learning to get along with your fellow man?

A. Every experience in a sense, if you want to use a real broad looking definition, would be educational when in a formal and informal sense an institution can give certain of these experiences, and this is what the camp would be doing.

Q. I take it that you have testified in court before?

A. Yes, sir, I have.

page 257 ⟩ Q. And you consider each appearance in court as educational, do you not?

A. Very definitely.

Q. I see. So when you looked at the records of Camp Se-

quoya did you consider its financial relationship with the college?

A. Yes, sir, we did.

Q. And that was your primary reason in looking at it, was it not?

A. No, sir, that's not correct.

Q. That was one of the reasons then?

A. Yes, sir, it was one of the reasons.

Q. And you, in connection with your investigation of the college's affairs, you checked to see whether or not it produced income or whether it cost the college money to operate it, didn't you?

A. Yes, sir, you would check that.

Q. And the fact that it showed each year a figure designated as "Net Income" from thirty-five to fifty-five thousand dollars a year over the past ten years, you considered that factor, did you not?

A. May I elaborate on my answer?

Q. Well, just answer me first if you considered it.

A. Yes.

Q. And then you can tell me, add any explanation you want.

A. Yes.

page 258 } Q. You did consider it?

A. We did consider it.

Mr. Warren: Now you may explain.

Q. (By Mr. Roberts) Now any elaboration you want.

A. As we look at the kind of activity such as the camp activity in relationship to the college, you would look at it in terms of cost, certainly, and you would look at it in terms of income, if there were any true income. You are not too concerned as to whether it is true income or paper income. By paper income I mean a figure in an audit, not necessarily a definitive form of accounting, which would give you an actual reason to know what the true income is. It would not matter, educationally speaking, whether or not there were an income or a loss in this particular aspect of the college if the educational purposes and the reasons why the college was using it justified this. If you are looking at it strictly as an income, just income, you might say that such an activity would be highly questionable because of the total involvement of the funds in such an activity as the camp could under more pru-

dent financial handling bring as income to the college significantly more than it brings as, quote, income, unquote, as a camp.

Q. Well, now, in connection with accreditation by the Southern Association, is there any requirement that
page 259 } the college have income outside of the fees received from tuition?

A. Yes, the Standard 4 does mention the word "diversity and stability." These are the two key words, and the word diversity would and does imply more than one income, and the fees from students alone would be a single income.

Q. And did you consider the book figure or whatever you call it of $35,000 to $55,000 a year in determining whether or not Sullins was entitled to continue its status as an accredited institution?

A. No, sir, not in the sense that it would be dependent upon this one facet as to whether or not the college would continue to be accredited. We looked at it only as a separate part of a total picture, and we did not make the kind of determination that you would make in a true accounting as to whether the income was in excess of the cost for the simple fact that the other purposes for which it were used to us as educators was more relevant—

Q. Uh huh.

A. Than the financial aspect of the program, of the camp program.

Q. All right. Did you look into its program of real estate development?

A. We were aware and looked into the program of real estate development as the college received an in-
page 260 } come from this particular development.

Q. And you do know, of course, that over the years that you examined they had an extensive real estate development?

A. Yes, sir, this is correct. The Southern Association would not be concerned with the source of the income other than it was a legitimate source.

Q. All right. Now that's it. You did consider the fact that they had income from Camp Sequoya and the fact that they had income from the real estate development in determining whether or not they were to be accredited, did you not?

A. As a part of the total picture these factors would have to be considered. We did not try to determine in either case the true income.

Henry L. Ashmore

Q. I understand.

A. As representative and all that.

Q. I understand. But it looked at each year and saw from the audits they had $35,000 income or as the case may be $55,000 income. You saw that they had ten or fifteen or twenty thousand dollars income from the sale of real estate?

A. This is correct, we would examine the audits we do have.

Q. All right, sir. I take it that the examining members of the committee did check in detail the financial reports as given to you by the college authorities?

page 261 } A. This is correct.

Q. And it includes an audit from Dent King Burk, certified public accountants, for the various years, did it not?

A. An audit by certified public accountants is required.

Q. Are they required to file it with you each year?

A. No, not necessarily. It depends entirely on the decision of the Commission. For instance, if an institution were marginal in a financial sense the Commission might ask the institution either public or private to file annually. If it were not marginal and there was no particular reason for looking at this annually, they might not.

Q. Why specifically did you visit Camp Sequoya?

A. Because it is a part of the total educational program of the college and we have to look at every aspect of the total program of the college.

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Q. All right. Now what other camp programs have you seen? You mentioned some others. Put it this way—do you know of any other college that has a camp such as Sullins College? And, if so, where is it?

A. I would say that there are considerable number of colleges that have camps that would be somewhat comparable. A significant number of universities and colleges operate this kind of camp for the sole purpose of recreation and or the sole purpose of carrying on activities of a non-credit nature. Florida State University, for instance, owns a camp; the

University of Florida owns a camp; the Stephens College. You would have, you would have a significant number, St. Angelo College in Texas owns both a farm and a, I don't know that you'd call it a camp, but it is a large recreation area with facilities for recreation.

Q. But none in the sense that they bring in children from seven to seventeen?

A. Oh, yes, sir. The Florida State University, page 264 } for instance, brings in, they have a music camp for high school and junior high school students, and I am not familiar enough with it to know how long it lasts, but several weeks. And they bring in and place them in the residence and carry on the camp activities.

Q. A question of a modest fee for that—do you know of any that charge $475 for five weeks?

A. I am not aware of the fee structure of charges for this, so I could not answer that.

Q. You have looked at the camp property?

A. Yes, sir.

Q. Do you know of any reason that Sullins College should maintain all those buildings out there unless they did operate the camp there?

A. Yes, sir, the four reasons that I gave you, I believe in the beginning of my testimony.

Q. Uh huh, yes, sir. All right.

A. But would to me as an educator be sufficient.

Q. You mean you justify an expenditure of, for a gymnasium, of, well, for a stable, $21,000 that you had no horses to put in during the school year?

A. Again in a broad sense, if this is germane to the purposes of the institution and has peripheral and direct relationship to the total program of the college. That page 265 } would have to be a decision made by the college.

Q. Or for a gymnasium that is, the college students use very little if at all out there.

A. I stated earlier in a sense that if you were looking at this strictly and solely from a financial standpoint and strictly and solely for income to the college, it would probably be a questionable investment if there were not educational and other reasons for them having this particular plant.

Q. All right. And a $34,000 sewage disposal plant.

A. Again it would be in the context of the reason for being, if you have a medical school, you'll spend $8,000 a year to

train one student. If you have a private or liberal arts college, you might spend $2,000. If you have a state school such as mine, you might spend $1,100. You determine whether or not the expenditure is sound by virtue of what you are attempting to do and the purpose for it.

* * * * *

Q. Now, you looked at the financial report, didn't you, and you stated that you saw each year that it produced net income of from $35,000 to $55,000?

page 266 } A. I looked at the audits back in 1963, and from the kind of audit that you would have in this particular kind of institution of this particular size the income factor would not be in my interpretation as an educational administrator a true picture of income which would be true income for us by the college. The college may be and well is a, cannibalizing itself in the operation of this camp.

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Q. All right, sir. And in connection with educational exeriences, my colleague over here suggested that you might even consider that it was educational, family life together is educational?

A. Yes, sir, I'd sure say it was.

Q. You think so?

A. Yes, sir.

* * * * *

page 268 } REDIRECT EXAMINATION

By Mr. Warren:

Q. Just want to ask you one thing. You mentioned Stephens College as having a camp. Is Stephens College a private school?

A. Stephens College is a private school.

Q. Where is it located?

A. Missouri.

Q. And do you know where its camp is located?

A. It's not in the state. They have a camp and I believe, I believe it's in Colorado, but I would not state categorically that that's correct.

Q. Is it Colorado Springs?

A. I believe that is correct.

Q. All right, sir. That is all.

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CURTIS BUCKLES having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

By Mr. Warren:

Q. State your name and age into the record.

A. Curtis Buckles, age 58.

Q. And I believe you are the Commissioner of the Revenue of Washington County, Virginia, are you not?

A. Yes, sir, that's true.

page 270 } Q. And as such, Mr. Buckles, are records kept in your office concerning taxes levied upon the property in Washington County and assessed against property and more particularly the property of Sullins College Corporation known as Camp Sequoya?

A. That is true.

Q. Is that property under a single assessment? And let me explain that question by saying that the property was acquired in three different tracts. Is it assessed now as one tract?

A. Yes, sir, it is as one unit.

Q. When was the property first assessed of taxation?

A. According to the record in my office the first assessment that appeared against Sullins College on Camp Sequoya was in the year 1958.

Q. Now, was it assessed each and every year thereafter through 1968?

A. Yes, sir, it was.

Q. Have any of those taxes been paid?

A. According to the records in the Treasurer's office, the 1958 tax year was paid.

Q. All right, sir. Of course, you don't have the figures with you concerning what penalty or what interest or filing costs, but your records would reflect that, would they not, sir?

page 271 } A. The Treasurer's records would reflect that.

Q. I mean the Treasurer's records would reflect that.

A. Yes, sir.

Q. All right. Will you please go forward and beginning with 1958 state into the record the amount of taxes assessed and levied on the Camp Sequoya property each year through 1968?

A. You just want the taxes now, not the values?

Q. Irrespective of any penalty, interest, or otherwise.

Mr. Roberts: Well, to save us putting it into the record, why don't you ask him if he knows the value of it or what the value of the land was and the total and buildings, just have the whole information there.

Mr. Warren: All right. I don't mind doing that.

Q. (By Mr. Warren) Would you go forward and do it in that way, if that's important?

A. Okay. For the year 1958 the assessed value on the land was $340. The value, assessed value of the improvement was $14,000, a total assessed value for the year 1958 was $14,340.

The tax due on that much assessed value for the year 1958 was $1,218.96.

Q. Now, that year has been paid?

A. That year was paid December the 12th,

page 272 } 1960.

Q. All right, sir. Now go forward.

A. Now for the year 1959 the assessed value on the land was the same, $340. The same assessed value on the improvements, $14,000. Total assessed value $14,340.

The amount of tax due for that year was $1,269.09.

For 1960 the assessed value of the land was $1,020. The value of the improvements was $16,100. Total assessed value for the year 1960, $17,120.

Total amount of tax due on that assessment was $16,000—excuse me, $1,694.88.

Now for a number of years this same value remained the same on the land and on the improvements. Of course, I will be glad to read it year by year if you want to.

Q. For how many years and through what year?

A. Well, the assessed value for the year 1960 through the year of 1967.

Q. Assessed value on the land during that time was how much?

A. $1,020.

Q. And on the improvements?

A. $16,100.

Q. Well, now, was the tax the same or are there different tax rates?

A. No, sir, there was a different tax rate and reflected a different tax for the years.

page 273 } Q. All right, sir. Beginning with 1961 state the taxes, sir.

A. Okay. For the year 1961 the amount of tax due was $1,694.88.

For the year 1962, $1,694.88. For the year 1963, the net amount of tax due for that year was $1,643.52.

For the year 1964, $1,643.52.

For the year 1965, net amount of tax, $1,780.48.

For the year 1966, $1,523.68.

For the year 1967, $1,643.52.

For the year 1968, the assessed value charged for that year, the assessed value on the land for 1968 was $1,390, and the improvements $21,900. Total assessed value for the year 1968, $23,290.

The tax due thereon was $2,049.52.

(Discussion off the record.)

Q. In other words, Mr. Buckles, this property was first, that is, after it became the property of Sullins College Corporation, it was first assessed for taxation for the year 1958, according to your records?

A. That is right. It was picked up as a supplemental assessment for that year.

Q. And the information you have stated here you have within the past hour taken from your records in your office, have you not?

page 274 } A. Yes, sir, I have.

Q. And the information you have given as to the taxes and whether or not they are paid or unpaid for these years, has that information been placed on record in the Clerk's office through the year that it is required to be placed there?

A. Well, that information comes from the Treasurer's. I feel sure that it has been. I am sure that it has.

Q. I understand.

A. I feel sure that it has.

Q. All right, sir. That's all.

Mr. Roberts: Are you through?

Mr. Warren: Yes, sir.

CROSS EXAMINATION

By Mr. Roberts:

Q. Mr. Buckles, the evidence shows that J. K. Berry transferred a small tract of land to the college together with a right-of-way in April, 1953. Under date of September 17th, 1957, J. K. Berry and wife conveyed a larger tract of land to Sullins College Corporation. And on September the 19th, 1957, Bradley P. Brown conveyed a tract of land to Sullins College Corporation. I'll ask you if in the normal course of events in your office the property transferred page 275 } to Sullins College Corporation in 1957 would not appear on the tax rolls in the name of Sullins College until the year 1958, would it?

A. That is right, if it were recorded in the year 1957.

Q. It is assessed as of the first day—

A. Of the year.

Q. Of each year?

A. That is right, sir.

Q. Now, I believe that the description shown on the land book has remained constant from 1958 up through 1968, that is, it is described as being 16 acres and 128 poles of Berry-Brown land?

A. That is true, sir.

Q. The College Bulletin, Camp Sequoya Bulletin indicates that there is fifty acres in the tract. Do you know any explanation of that?

A. In this particular location a portion of that land could be under the T.V.A. easement and would not be assessed.

Q. I see. And you do not make it a policy of assessing, the taxing authorities do not make a policy of assessing property that's within the boundary of the T.V.A. lake?

A. That is true.

page 276 } Q. Now, I'll ask you when were you elected to Commissioner of Revenue? How long have you served?

A. I was elected in the year 1959, took office January 1st, 1960.

Q. Did you fix the valuations on the property for the years 1958 to 19—1959 to 1968?

A. Yes, sir. The records that I have in my records beginning January 1st, 1960 were the records that were compiled by the board of assessors.

Q. Well, what I mean is you personally did not determine the valuation?

A. No, sir.

Q. You went on the records of the assessment board?

A. That is true.

Q. Which were handed to you?

A. That's right, sir.

Q. All right, sir. At my request did you go down and look over the premises at Sullins College, at Camp Sequoya?

A. I did.

Q. There have been pictures of them here, so I won't ask you that. Are you acquainted with real estate values in Washington County, Virginia?

A. I feel like I am fairly well acquainted with them, sir.

Q. You are, have been Commissioner of the Revenue for the period you have stated.

page 277 } A. That is right.

Q. And it is your duty to be familiar with the value of real estate, is it not?

A. Yes, sir.

Q. What in your opinion is the value of the land on which the Sullins College facilities, the Camp Sequoya facilities are located?

Mr. Warren: We object, irrelevant and immaterial.

Mr. Roberts: Well, I suggest that it is very material, Your Honor.

Curtis Buckles

The Court: Overruled.
Mr. Warren: Exception.
The Witness: Just on the land, sir?

Q. (By Mr. Roberts) On the land or on the land and buildings?
A. The whole thing as a unit?
Q. Yes, sir.
A. I would think the fair market value of the property as of today according to my estimation would be a half a million dollars.
Q. You break that down as between land and buildings?
A. Well, I would say that the land value would be, a fair market value of that would be at least $50,000, and $450,000 to cover the improvements.
page 278 } Q. Thank you, sir.

The Court: Mr. Buckles, did the court understand you to say there was no assessment against Sullins College property in 1954, 1955, 1956, nor 1957?
The Witness: According to my record, sir, I did not find any assessment for those years.
The Court: All right. And you took office in 1960?
The Witness: That is true, sir.
The Court: January 1. Prior to your taking office, do you know of your own knowledge when the last reassessment of the real estate of Washington County took place?
The Witness: The most current one?
The Court: No, prior to your taking office.
The Witness: Prior, yes, sir, it was, the last assessment that was made by the county prior to me becoming Commissioner of the Revenue was in the year 1959, effective January 1, 1960.
The Court: So upon your entering office, you entered upon a new reassessment of all the real estate in Washington County?
The Witness: Yes, sir, that is true.
The Court: So the assessment of 1960 market values of the property was determined by the reassessment
page 279 } board of Washington County?
The Witness: That is true, sir.
The Court: And then whatever the assessed value was

applied by the authority of the board of supervisors of Washington County?

The Witness: Yes, sir.

The Court: All right. Now, since 1959 when has been, or after 1959, when was the next general reassessment of the property of Washington County?

The Witness: 1965, effective January 1, 1966.

The Court: So the reassessment board did not see fit to change the value of the assessment of this property beginning January 1, 1966?

The Witness: No, sir, the values remained the same.

The Court: And has there been a general reassessment since 1966?

The Witness: Yes, sir, but not a field inspection.

The Court: And was that effective January 1, 1968?

The Witness: Yes, sir, that is true.

The Court: So all of these valuations or the fair market value and the assessed value were determined either by the general reassessment board or the supervisors of Washington County applying their rate to the fair market value?

page 280 } The Witness: They applied their rate to the assessed value derived from the fair market value, if I follow you right, sir.

The Court: Well, they also applied their rate to the fair market value to come up with the assessed value?

The Witness: Yes, sir.

The Court: A rate that they determined?

The Witness: Yes, sir.

The Court: So you as Commissioner of Revenue have had nothing to do with the assessment of the property in question?

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Q. (By Mr. Roberts) Is there a figure, the assessors, as I understand it, determine what they consider the fair market value of the property. Then you take about what percentage is it and put that on the books?

A. Well, I might cite you an example.

Curtis Buckles

Q. All right, sir.

page 282 } A. I believe it would be very clear to see. Assuming that during the period, the last field inspection was May, I went out here to make some assessment covering, and the board did the same thing, the board of assessors. I found the piece of property that had what I considered to be a $15,000 fair market value on it.

Q. All right.

A. The method used to determine the assessed value of that was to take one-third of it, then to apply twenty percent to that one-third of the market value, which would have been —$1,000 in that case.

Q. Well, do you have there what the assessors actually determined to be the fair market value of this piece of property before this computation was made?

A. You mean before the 1968 one was made?

Q. Yes, sir, the '65 assessment.

A. I believe I could determine it for you just in a minute here.

* * * * *

page 283 } Mr. Roberts: The records are there, and I'll ask him to produce them after lunch as to what the assessors consider to be the fair market value of this property as of the date of this last assessment.

Mr. Warren: We object as irrelevant and immaterial.

The Court: Let me ask you this, Mr. Roberts, before ruling on that question. Do you say that this property is assessed at a different valuation than other property in Smyth County—Washington County, percentage-wise? Is there any discrimination against this property from the amount of the assessment?

Mr. Roberts: I say, Your Honor, that I believe that it is discriminated in that it is under assessed.

The Court: I didn't ask you that question, Mr. Roberts. Yes, I say from the bench in my opinion all the property in Washington County is underassessed.

Mr. Roberts: Yes, sir.

The Court: I say do you say this property is discriminated so far as the assessment is concerned in comparison to other property in Washington County?

Mr. Roberts: I say it is underassessed, Your Honor, yes, sir, in the sense that that's discrimination.

The Court: You mean you don't think it is percentagewise value to comparable values?

page 284 } Mr. Roberts: That's right.

The Court: Are you going to produce any evidence to that effect?

Mr. Roberts: Just what—no, no, I'll not.

Mr. Warren: We renew our objection.

The Court: The objection is sustained.

Mr. Roberts: Wait just a minute, Your Honor—

The Court: You may state your exception.

Mr. Roberts: May I state my position into the record? That the statute does not say that all property shall be assessed on equal base. It says when a motion like this has been filed that the court, the court, not the board of assessors, shall determine the fair market value of the property and shall put such assessment on the property as is justified under the evidence in the case as to the fair market value. It doesn't say ten percent of it or anything else, and I, therefore, state that the evidence—

The Court: Motion is overruled, sir.

Mr. Roberts: May we avow into the record what the board of assessors' actual valuation of this property would show and produce it after lunch even though, if Your Honor does not consider it?

The Court: If you have it I'll let you put it into the record.

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AFTERNOON SESSION

IN CHAMBERS (Commencing at 2:00 o'clock, P. M.)

The Court: All right, at the conclusion of the evidence the court indicated that he would see counsel in chambers on certain motions filed by the Petitioner asking that the tax years 1960, '61, '62, '63, '64, '65—

Mr. Warren: You are in error on '60, Your Honor.

The Court: Did I say '60?

Mr. Warren: Yes, sir.

The Court: I didn't mean '60. '61, '62, '63, '64, '65—and did that motion include '66?

Mr. Stuart: No, sir.

Mr. Warren: It did.

Mr. Roberts: It did include the '66, '67, '68.

page 291 } The Court: The court having considered the motion for those years denies the motion to amend the original petition, and the record will show that in December of 1968 an additional petition was filed by the Petitioner to cover the tax years 1966, 1967, 1968, and the record will further show that counsel agreed to hear the entire matter together before the court ruled on the motion as to those five years. Now—

Mr. Warren: One other thing, if Your Honor, please. The Defendant filed some amended answers which I don't guess the court has ever permitted, but which I took the liberty without consulting my associate counsel to tell Mr. Roberts he did not object to his filing—

The Court: Those have been filed and are marked filed in the record.

Mr. Warren: That's right, sir. And to the court's ruling on that motion, we respectfully except.

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CURTIS BUCKLES was recalled, and further testified as follows:

DIRECT EXAMINATION

By Mr. Roberts:

Q. You are the same Mr. Buckles who testified before lunch and are still Commissioner of Revenue?

A. Yes, sir.

Q. All right. You were asked to make certain examination of your records. Have you made those examinations?

A. Yes, sir, I have.

page 294 } Q. What was the valuation placed on the Camp Sequoya property by the board of reassessment in 1965?

Curtis Buckles

A. The records that I have here covering the real estate shows that they placed an appraised value of $5,100 on the land without any improvements. That represents one-third of what they considered to be the value of the real estate. There is also $80,500 assessed or appraised value which represents one-third of the fair market value that they consider the improvements on this said property to be.

Q. Well, then, what was the, the actual value of it, disregarding the fractions? What did they find the fair market value of the land to be?

A. On the whole, just the land?

Q. Yes.

A. $15,300.

Q. And the buildings, the improvements?

A. $241,500.

Q. And that total for the record is what?

A. I need something—may I use this, please, ma'am?

I am just calculating it in my head.

The Court: Go ahead and put it in.

The Witness: The total fair market value from which the assessment was derived from according to my figures was $256,800.

Mr. Roberts: Thank you, sir.

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(Thereupon, counsel presented final argument to the court.)

The Court: Gentlemen, it seems to me that the Hanover case is controlling in this matter. And I must say it surprises me that no one has quoted what the court thought was the most pertinent language in the whole Hanover case, that being:

"Where constitutional provisions or statutes exempt from taxation real estate used for educational institutions not operated for profit, what lands are reasonably required to promote the purposes for which the institution was established must be determined by the officers of the institution, and in absence of a showing that they have not acted in good faith and not unreasonably in determining how to occupy

and use the real estate of the corporation, their determination shall not be interfered with by the courts."

And if our court meant what it said in making that quotation, and as I understand the purposes of the in-
page 296 } stitution and that your governing body has indicated that this real estate is necessary, and while the court doesn't know that it is entirely being used for educational purposes, the court is of the opinion that the educational purposes and those matters incidental thereto are so broad and under the interpretations which our court have given this section of the Constitution, clearly the petitioner falls within the *pervue* of Section 183 of the Constitution of Virginia, and the taxes assessed for the years 1958, 1959, 1960 are erroneously assessed, and that the payment made by the petitioner for the taxes for the year 1958 should and are hereby ordered refunded.

The court has heretofore ruled on motions to include the tax years 1961, 1962, 1963, 1964, and 1965 for which years no petition was made that they were erroneously assessed within the period required by the statute.

The court hereby orders that the taxes and penalties and interest and other costs which may be properly assessed to be paid by the petitioner, and the assessment for the tax years of 1966, 1967, and 1968 are erroneous and should not be assessed, and the order will so indicate.

That will be my ruling, gentlemen. And I think everybody —I haven't made a mistake in my years, have I,
page 297 } gentlemen, now, what the years were?

Mr. Roberts: I think you are correct, Your Honor.

Mr. Warren: You are entirely correct.

The Court: So that will be the ruling, if you gentlemen will prepare the necessary order showing the necessary parties being present. And each side may note their respective exceptions to the ruling of the court in the order.

Mr. Roberts: We do except, Your Honor, to that portion of the ruling—

The Court: To all of it?

Mr. Roberts: No, sir, only to that portion in which you give relief for the taxes assessed for 1958, '59, '60, '66, '67, and '68.

The Court: All right.

Mr. Roberts: And we at this time indicate our intention to apply to the Court of Appeals for a Writ of Error. And I assume there is no need of any suspension bond on the part of anyone. I don't know if one is required of the County.

The Court: I don't think so for the County.

Mr. Roberts: I assume, Your Honor, that there is no necessity of a motion for a rehearing. I don't suppose the court—

* * * * *

A Copy—Teste:

Howard G. Turner, Clerk.

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