Goddard College Corporation

Financial Statements

June 30, 2022 and 2021

Independent Auditors' Report

To the Board of Trustees
Goddard College Corporation

Opinion

We have audited the accompanying financial statements of Goddard College Corporation (the College), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the College as of and for the year ended June 30, 2021 were audited by other auditors whose report dated October 7, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
November 17, 2022

June 30		2022		2021
Assets				
Current Assets:				
Cash and Cash Equivalents	$	3,106,007	$	3,173,758
Restricted Cash		55,963		42,146
Tuition Receivable, Net of Allowance for Doubtful Accounts of $100,000		27,005		9,015
Accounts Receivable - Other		154,785		97,135
Accrued Interest Receivable		36,078		36,078
Prepaid Expenses and Other Current Assets		183,848		180,215
Inventories		9,834		1,940
Current Maturities of Notes Receivable		36,000		36,000
Total Current Assets		3,609,520		3,576,287
Investments		964,121		1,079,342
Property and Equipment, Net of Accumulated Depreciation		4,598,903		4,597,852
Notes Receivable, Net of Current Maturities		156,610		181,558
Total Assets	$	9,329,154	$	9,435,039
Liabilities and Net Assets				
Current Liabilities:				
Current Maturities of Long-Term Debt	$	30,264	$	29,262
Accounts Payable		64,262		138,198
Accrued Expenses		142,311		172,685
Deferred Revenue		526,723		488,083
Total Current Liabilities		763,560		828,228
Long-Term Debt, Net of Current Maturities		1,968,816		1,999,079
Refundable Advances - U.S. Government		173,743		192,212
Total Liabilities		2,906,119		3,019,519
Net Assets:				
Net Assets without Donor Restrictions		5,132,815		5,234,575
Net Assets with Donor Restrictions		1,290,220		1,180,945
Total Net Assets		6,423,035		6,415,520
Total Liabilities and Net Assets	$	9,329,154	$	9,435,039

The accompanying notes are an integral part of these financial statements.

For the Years Ended June 30	2022			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Tuition and Fees, Net of Scholarships and Grants of $1,677,754 and $1,253,547, Respectively	**$ 6,647,790**	**$ -**	**$ 6,647,790**	$ 5,868,080	$ -	$ 5,868,080
Federal Aid Programs	**1,422,122**	**-**	**1,422,122**	836,184	-	836,184
State COVID Relief Grants	**261,024**	**-**	**261,024**	316,747	-	316,747
Contributions and Grants	**99,051**	**72,577**	**171,628**	284,825	362,886	647,711
Auxiliary Enterprises	**73,158**	**-**	**73,158**	57,202	-	57,202
Student Loan Interest and Fees	**-**	**6,882**	**6,882**	-	4,941	4,941
Department of Education COVID Relief Grants	**-**	**-**	**-**	184,483	-	184,483
Government Grants - Payroll Protection Program	**-**	**-**	**-**	293,745	-	293,745
Appropriation of Investment Income to Operations	**-**	**-**	**-**	-	173,401	173,401
Loss on Disposal of Property and Equipment	**-**	**-**	**-**	(374)	-	(374)
Net Assets Released from Restriction	**142,602**	**(142,602)**	**-**	575,228	(575,228)	-
Total Revenue and Other Support	**8,645,747**	**(63,143)**	**8,582,604**	8,416,120	(34,000)	8,382,120
Operating Expenses:						
Program Services:						
Instruction	**3,344,271**	**-**	**3,344,271**	3,291,643	-	3,291,643
Public Service (WGDR)	**5,795**	**-**	**5,795**	194,733	-	194,733
Total Program Services	**3,350,066**	**-**	**3,350,066**	3,486,376	-	3,486,376
General and Administrative	**2,327,242**	**-**	**2,327,242**	2,193,171	-	2,193,171
Institutional Support	**2,817,909**	**-**	**2,817,909**	1,772,253	-	1,772,253
Total Operating Expenses	**8,495,217**	**-**	**8,495,217**	7,451,800	-	7,451,800
Increase (Decrease) in Net Assets from Operations	**150,530**	**(63,143)**	**87,387**	964,320	(34,000)	930,320
Nonoperating Activities:						
Investment (Loss) Income, Net	**13,765**	**(104,791)**	**(91,026)**	90,192	140,101	230,293
Endowment Contributions	**-**	**11,154**	**11,154**	-	3,301	3,301
Endowment Transfers	**(266,055)**	**266,055**	**-**	-	-	-
Appropriation of Investment Income to Operations	**-**	**-**	**-**	-	(173,401)	(173,401)
Total Nonoperating Activities	**(252,290)**	**172,418**	**(79,872)**	90,192	(29,999)	60,193
(Decrease) Increase in Net Assets	**(101,760)**	**109,275**	**7,515**	1,054,512	(63,999)	990,513
Net Assets, Beginning of Year	**5,234,575**	**1,180,945**	**6,415,520**	4,180,063	1,244,944	5,425,007
Net Assets, End of Year	**$ 5,132,815**	**$ 1,290,220**	**$ 6,423,035**	$ 5,234,575	$ 1,180,945	$ 6,415,520

The accompanying notes are an integral part of these financial statements.

For the Year Ended June 30 **2022**

	Program Services					
	Instruction	Public Service (WGDR)	Total Program Services	General and Administrative	Institutional Support	Total
Salaries, Payroll Taxes and Related Benefits	$ 2,892,718	$ 5,287	$ 2,898,005	$ 1,197,805	$ 1,098,302	$ 5,194,112
Professional Services	18,352	-	18,352	127,024	655,611	800,987
Memberships and Subscriptions	81,359	-	81,359	139,908	323,948	545,215
Miscellaneous Expenses	243,193	247	243,440	147,355	61,279	452,074
Utilities, Postage, and Internet	15,019	261	15,280	328,421	7,037	350,738
Depreciation	-	-	-	-	298,601	298,601
Advertising	-	-	-	33,015	240,733	273,748
Insurance	-	-	-	132,010	-	132,010
Repairs and Maintenance	-	-	-	118,506	1,524	120,030
Space Rental	20,445	-	20,445	360	64,169	84,974
Travel	43,340	-	43,340	22,896	9,713	75,949
Supplies and Catering	29,845	-	29,845	16,971	28,448	75,264
Interest	-	-	-	62,971	-	62,971
Equipment Rental and Repair	-	-	-	-	28,544	28,544
	$ 3,344,271	$ 5,795	$ 3,350,066	$ 2,327,242	$ 2,817,909	$ 8,495,217

For the Year Ended June 30 2021

	Program Services					
	Instruction	Public Service (WGDR)	Total Program Services	General and Administrative	Institutional Support	Total
Salaries, Payroll Taxes and Related Benefits	$ 3,097,191	$ 140,341	$ 3,237,532	$ 1,034,782	$ 1,004,482	$ 5,276,796
Professional Services	66,345	40,303	106,648	258,327	59,911	424,886
Memberships and Subscriptions	71,518	3,189	74,707	76,521	85,685	236,913
Miscellaneous Expenses	21,122	1,698	22,820	208,693	8,894	240,407
Utilities, Postage, and Internet	17,100	5,251	22,351	301,744	5,460	329,555
Depreciation	-	-	-	-	343,911	343,911
Advertising	7,596	-	7,596	20,354	228,593	256,543
Insurance	395	1,240	1,635	94,976	-	96,611
Repairs and Maintenance	863	379	1,242	122,752	774	124,768
Space Rental	1,100	1,987	3,087	-	4,663	7,750
Travel	20	-	20	1,279	219	1,518
Supplies and Catering	8,393	345	8,738	9,873	2,153	20,764
Interest	-	-	-	63,870	-	63,870
Equipment Rental and Repair	-	-	-	-	27,508	27,508
	$ 3,291,643	$ 194,733	$ 3,486,376	$ 2,193,171	$ 1,772,253	$ 7,451,800

For the Years Ended June 30	2022	2021
Cash Flows from Operating Activities:		
Increase in Net Assets	**$ 7,515**	$ 990,513
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	**298,601**	343,911
Loss on Disposal of Property and Equipment	**-**	374
Bad Debt Expense	**39,460**	-
Realized and Unrealized Losses (Gains) on Investments	**119,486**	(197,719)
(Increase) Decrease in Tuition Accounts Receivable	**(57,450)**	93,046
(Increase) Decrease in Accounts Receivable - Other	**(57,650)**	52,771
Increase in Prepaid Expenses and Other Current Assets	**(3,633)**	(42,874)
(Increase) Decrease in Inventories	**(7,894)**	6,940
Decrease in Accounts Payable	**(73,936)**	(53,915)
Decrease in Accrued Expenses	**(30,374)**	(15,793)
Increase in Deferred Revenue	**38,640**	76,082
Decrease in Refundable Advances - Paycheck Protection Program	**-**	(293,744)
Decrease in Refundable Advances - U.S. Government	**(18,469)**	(65,636)
Net Cash Provided by Operating Activities	**254,296**	893,956
Cash Flows from Investing Activities:		
Acquisition of Property and Equipment	**(299,652)**	(28,892)
Purchase of Investments	**(28,392)**	(114,267)
Payments Received on Notes Receivable	**24,948**	40,869
Proceeds from Sale of Investments	**24,127**	99,976
Net Cash Used in Investing Activities	**(278,969)**	(2,314)
Net Cash Used in Financing Activities:		
Repayments of Long-Term Debt	**(29,261)**	(28,363)
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	**(53,934)**	863,279
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	**3,215,904**	2,352,625
Cash, Cash Equivalents and Restricted Cash, End of Year	**$ 3,161,970**	$ 3,215,904

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year for Interest	**$ 62,971**	$ 63,870

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: Goddard College Corporation (the College) is a nonprofit organization incorporated in 1938 in the State of Vermont. The College is an accredited institution of higher education providing both undergraduate and graduate degrees. The College is located in Plainfield, Vermont, has a site in Port Townsend, Washington, and a satellite site in Seattle, Washington.

Basis of Presentation: The financial statements of the College have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The College reports information regarding its financial position and activities according to the following net asset classifications:

> *Net Assets without Donor Restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the College. These net assets may be used at the discretion of the College's management and Board of Trustees. Net assets without donor restrictions include net assets designated by the board for specific purposes.
>
> *Net Assets with Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the College's ongoing educational services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the College has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

1. Organization and Summary of Significant Accounting Policies (Continued):

Revenue Recognition: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Donor restricted funds are initially classified as net assets with donor restrictions and are reclassified as net assets without donor restrictions when expenses are incurred for their intended purpose or the required amount of time has elapsed.

Revenue is recognized when control of the goods and services provided is transferred to the College's customers and in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the College satisfies the performance obligations.

The College generates revenue from student tuition and related fees. The College recognizes revenue from student tuition and related fees during the term in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic term. Students who adjust their course load or withdraw completely within a few weeks of the start of the semester may receive partial or full refunds of their tuition and fees in accordance with the College’s refund policy. Payments for tuition and fees are due approximately two weeks after the start of the academic term. All amounts received prior to the commencement of the academic term, including enrollment deposits, are deferred to the applicable period. Scholarships provided to students are recorded as a reduction from the posted tuition and fees at the time revenue is recognized.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the College if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The College must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a measurable barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a measurable barrier include performance related barrier or incurring qualifying expenses, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The College cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

1. Organization and Summary of Significant Accounting Policies (Continued):

Government grant revenue is recognized as reimbursable expenses are incurred and upon meeting the legal and contractual requirements of the funding source.

Tuition Receivable: Tuition receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those receivables considered to be uncollectible based upon management's assessment of the collectability of tuition receivable, which considers historical write-off experience and any specific risks identified in customer collection matters. Bad debts are written off against the allowance when identified.

Contract Balances: The College's contract balances, resulting from contracts with customers, include deferred revenue. Deferred revenue represents payments received for which the aforementioned revenue recognition criteria have not been met, including prepaid tuition and fee payments. Generally, deferred revenue is recognized in the following year.

Opening and closing balances for tuition receivable and contract balances from contracts with customers consist of the following:

	June 30, 2022	June 30, 2021	July 1, 2020
Tuition Receivable, Net	$ 27,005	$ 9,015	$ 102,061
Deferred Revenue	$ 526,723	$ 488,083	$ 412,001

Refundable Advances: Refundable advances primarily consist of funds advanced by the Federal government under the Federal Perkins Loan Program.

Cash and Cash Equivalents: The College maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The College considers highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Restricted Cash: Restricted cash includes amounts restricted for student loans from Federal loan funds received. As required by the Federal Perkins Loans Program, a separate cash account is maintained for the Perkins Loan Program funds.

Cash, cash equivalents and restricted cash as of June 30, 2022 and 2021, as individually reported on the accompanying statements of financial position, agree to the total of the same such amounts presented on the accompanying statements of cash flows for the years ended June 30, 2022 and 2021, as follows:

	2022	2021
Cash and Cash Equivalents	$ 3,106,007	$ 3,173,758
Restricted Cash	55,963	42,146
	$ 3,161,970	$ 3,215,904

Investments and Investment Income: The College's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

1. Organization and Summary of Significant Accounting Policies (Continued):

Interpretation of Relevant Law: The College follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The College's Board of Trustees has interpreted UPMIFA as considering the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) appreciation (depreciation) in the fair value of endowment investments. Therefore, unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Duration and preservation of the fund
- Purposes of the College and the donor-restricted endowment fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the College
- Investment policies of the College

Concentrations of Credit Risk: Financial instruments that potentially subject the College to concentration of credit risk consist primarily of cash, cash equivalents, investments, and tuition and other accounts receivable. The College maintains its cash, cash equivalents and investments with high-credit quality financial institutions. The College believes it is not exposed to any significant losses due to credit risk on cash, cash equivalents and investments. Tuition and other accounts receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing the customer's or payor's credit worthiness. As of June 30, 2022 and 2021, the allowance for doubtful accounts amounted to $100,000.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Special Collections: The special collections, which consists of library books, periodicals, and related materials, have been acquired through purchases and contributions since the College's inception, and are not recognized as assets on the statements of financial position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year the items are acquired or as decreases in donor restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions are reflected as increases in the appropriate net asset classes.

Inventory: Inventory is stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal and transportation. Appropriate consideration is given to obsolescence, excessive levels, deterioration, and other factors in evaluating net realizable value.

1. Organization and Summary of Significant Accounting Policies (Continued):

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Building and Improvements	10-30 Years
Equipment	5-30 Years
Motor Vehicles	10 Years

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of June 30, 2022 and 2021, the College has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the College's long-lived assets.

Advertising Costs: The College expenses advertising costs as incurred. During the years ended June 30, 2022 and 2021, the College incurred advertising expense in the amounts of $273,748 and $256,542, respectively.

Functional Allocation of Expenses: The costs of providing the College's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries, Payroll Taxes, and Related Benefits	Time and Effort

Income Taxes: The College is a nonprofit College as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the College's exempt function. The College may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the College's exempt function. As of June 30, 2022 and 2021, management believes that the College has not generated any unrelated business taxable income.

The College assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The College's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The College has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of June 30, 2022 and 2021. The College does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the College may differ from those estimates.

Reclassification: Certain accounts in the June 30, 2021 financial statements have been reclassified for comparative purposes to conform to the presentation in the June 30, 2022 financial statements.

Subsequent Events: Management has evaluated subsequent events spanning the period from June 30, 2022 through November 17, 2022, the date the financial statements were available to be issued.

2. Availability and Liquidity:

The following reflects the College's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use within one year of June 30, 2022 and 2021 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2022	2021
Cash and Cash Equivalents	$ 3,106,007	$ 3,173,758
Accounts Receivable - Other	154,785	97,135
Accrued Interest Receivable	36,078	36,078
Tuition Receivable, Net of Allowance for Doubtful Accounts	27,005	9,015
Restricted Cash	55,963	42,146
Total Financial Assets at End of Year	3,379,838	3,358,132
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	538,591	601,734
Subject to Spending Policy and Appropriate Guidelines	751,629	845,266
Restricted Cash	55,963	42,146
USDA Reserve Account	128,537	128,537
	1,474,720	1,617,683
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 1,905,118	$ 1,740,449

As part of the College's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, the College invests cash in excess of daily requirements in long-term investments.

3. Notes Receivable:

Notes receivable as of June 30, 2022 and 2021 amounted to $192,610 and $217,558, respectively and consist of amounts due to the College under the Federal Perkins Loan Program.

The objective of the Federal Perkins Loan Program is to provide long-term, uncollateralized, low-interest loans to students who demonstrate the need for financial aid to pursue their courses of study. A revolving loan fund is established by Federal government grants and institutional matching contributions. A liability is established on the statements of financial position for the net assets of this program refundable to the Federal government. The Federal Perkins Loan Program notes bear interest at 3% to 5% and are payable over approximately eleven years.

The Extension Act amended section 461 of the Higher Education Act to end the College's authority to make new Perkins Loans after June 30, 2018. The College is not required to assign the outstanding Perkins Loans to the Department of Education or liquidate their Perkins Loan Revolving Funds due to the wind-down of the Perkins Loan Program. However, the College may choose to liquidate at any time in the future.

After a student is no longer enrolled in an institution of higher education and after a grace period, the student is responsible for monthly debt service payments. Student loans receivable through the loan programs are considered to be past due if a payment is not made within thirty days of the payment due date, at which time, late fees are charged and recognized. The Federal Perkins Loan Program receivables may be assigned to the U.S. Department of Education. Students may be granted a deferment, forbearance, or cancellation of their student loan receivable based on eligibility requirements defined by the U.S. Department of Education.

3. Notes Receivable (Continued):

Allowances for doubtful accounts are established based on prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms.

Funds advanced by the Federal government of approximately $173,743 and $192,212 as of June 30, 2022 and 2021, respectively, are ultimately refundable to the government and are classified as liabilities on the accompanying statements of financial position.

4. Property and Equipment:

Property and equipment as of June 30, 2022 and 2021 consists of the following:

	2022	2021
Land	$ 7,053	$ 7,053
Building and Improvements	11,553,058	11,323,250
Equipment	1,718,327	1,662,478
Motor Vehicles	66,698	52,703
	13,345,136	13,045,484
Less: Accumulated Depreciation	8,746,233	8,447,632
	$ 4,598,903	$ 4,597,852

Depreciation expense for the years ended June 30, 2022 and 2021 amounted to $298,601 and $343,911, respectively.

5. Investments:

Investments as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Equity Securities	$ 596,671	$ 676,061
Fixed Income Corporate Bonds	187,027	202,801
Certificates of Deposit	137,607	138,594
Money Market Funds	36,600	57,086
Other Assets	6,216	4,800
	$ 964,121	$ 1,079,342

For the years ended June 30, 2022 and 2021, net investment income consists of the following:

	2022	2021
Interest and Dividends	$ 28,460	$ 32,574
Net Realized and Unrealized (Losses) Gains	(119,486)	197,719
	$ (91,026)	$ 230,293

6. Endowment:

As of June 30, 2022 and 2021, the endowment balance, by net asset classification, consists of the following:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds	$ -	$ 751,629	$ 751,629

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds	$ 266,055	$ 579,211	$ 845,266

The changes in the endowment balance by net asset classification as of June 30, 2022 and 2021 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment Balance, June 30, 2020	$ 240,781	$ 575,910	$ 816,691
Investment Returns:			
Net Realized and Unrealized Gains	54,889	131,286	186,175
Interest and Dividends, Net of Investment Fees	3,685	8,815	12,500
Total Investment Returns	58,574	140,101	198,675
Contributions	-	3,301	3,301
Appropriation of Endowment Assets for Expenditure	(33,300)	(140,101)	(173,401)
Endowment Balance, June 30, 2021	266,055	579,211	845,266
Investment Returns:			
Net Realized and Unrealized Losses	-	(117,873)	(117,873)
Interest and Dividends, Net of Investment Fees	-	13,082	13,082
Total Investment Returns	-	(104,791)	(104,791)
Contributions	-	11,154	11,154
Transfers	(266,055)	266,055	-
Endowment Balance, June 30, 2022	$ -	$ 751,629	$ 751,629

During the year ended June 30, 2022, it was determined cumulative endowment earnings and net appreciation in the amount of $266,055 should be reclassified to net assets with donor restrictions from net assets without donor restrictions.

6. Endowment (Continued):

Return Objectives and Risk Parameters: The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The College has a spending policy, which is deemed to be within the guidelines specified under state law, of appropriating for distribution each year up to 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned and annually approved by the College's Board of Trustees. In considering this policy, the College took into account the long-term expected return on its endowment.

7. Fair Value Measurements:

Investments measured at fair value on a recurring basis as of June 30, 2022 and 2021 are as follows:

	Fair Value Measurements at June 30, 2022			
	Totals	Level 1	Level 2	Level 3
Equity Securities	$ 596,671	$ 596,671	$ -	$ -
Fixed Income Corporate Bonds	187,027	-	187,027	-
Money Market Funds	36,600	36,600	-	-
Other Assets	6,216	6,216	-	-
	$ 826,514	$ 639,487	$ 187,027	$ -

	Fair Value Measurements at June 30, 2021			
	Total	Level 1	Level 2	Level 3
Equity Securities	$ 676,061	$ 676,061	$ -	$ -
Fixed Income Corporate Bonds	202,801	-	202,801	-
Money Market Funds	57,086	57,086	-	-
Other Assets	4,800	4,800	-	-
	$ 940,748	$ 737,947	$ 202,801	$ -

Certificates of deposit are carried at the cost of the certificates and are not included in the fair value hierarchy with other investments. Certificates of deposit for the years ended June 30, 2022 and 2021 amounted to $137,607 and $138,594, respectively.

7. Fair Value Measurements (Continued):

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended June 30, 2022 and 2021.

Equity Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This methodology included basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quotes prices are not available for identical or similar bonds, the bond is valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Money Market Funds: Valued at the daily closing price as reported by the fund from an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

8. Long-Term Debt:

The College is party to a note payable agreement with the United States Department of Agriculture (USDA) in the original amount of $2,100,000. The note bears interest at a rate of 3.125% annual and requires monthly payments of principal and interest in the amount of $7,686 through its maturity in September 2058. The note is secured by buildings on the College campus with a net book value of $4,137,425 as of June 30, 2022. The outstanding balance of long term debt as of June 30, 2022 and 2021 amounted to $1,999,080 and $2,028,341, respectively. Interest expense for the years ended June 30, 2022 and 2022 amounted to $62,971 and $63,870, respectively.

Maturities of long-term debt as of June 30, 2022, are as follows:

Year Ending June 30,	
2023	$ 30,264
2024	28,517
2025	34,771
2026	33,156
2027	34,208
Thereafter	1,838,164
	$ 1,999,080

9. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Net Investment in Property and Equipment	$ 2,600,821	$ 2,569,512
General College Reserve Funds	1,907,215	1,201,462
Undesignated	496,242	1,069,009
Board Designated - Funds Functioning as Endowment	-	266,055
USDA Reserve Account	128,537	128,537
	$ 5,132,815	$ 5,234,575

10. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Subject to Expenditure for Specified Purpose:		
Scholarships	$ 297,169	$ 384,009
Perkins Student Loan Funds	107,962	103,469
Fund for Initiatives and New Experiments	107,635	82,635
Radio Station Funds	25,825	31,621
Total Purpose Restrictions	538,591	601,734
Subject to Spending Policy and Appropriation Guidelines:		
Investment in Perpetuity (Including Amounts above Original Gift Amounts of $676,887 as of June 30, 2022):		
Endowment Funds - Income to be Used for Scholarships	751,629	579,211
Total Net Assets with Donor Restrictions	$ 1,290,220	$ 1,180,945

11. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended June 30, 2022 and 2021 consist of the following:

	2022	2021
Scholarships	$ 136,806	$ 379,876
Radio Station Funds	5,796	150,600
Fund for Initiatives and New Experiments	-	44,752
	$ 142,602	$ 575,228

12. Conditional Contributions:

Payroll Protection Program: On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted and signed into law to provide certain aid and stimulus to the U.S. economy. The College qualifies as a small business under the CARES Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

In April 2020, the College's application with the lender was approved and as a result, the College obtained a loan (PPP Loan) in the amount of $1,013,990. The PPP Loan bore fixed interest at 1.00% per annum, which began accruing from the date of the loan, and was set to mature in April 2022. The PPP loan was unsecured and guaranteed by the SBA. The PPP Loan was eligible to be forgiven provided the College satisfied certain conditions and upon approval by the lender and the SBA. The PPP Loan provided for the deferral of payments until the SBA had determined the forgiveness amount, at which time, any remaining PPP loan amount would have required equal monthly payments of principal plus accrued interest in an amount sufficient to have repaid the remaining PPP Loan balance by the maturity date.

The College elected to account for the PPP Loan in accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* and accounted for the PPP Loan, in substance, as a government grant that was earned through the College's compliance with the loan forgiveness criteria. During the year ended June 30, 2021, the College estimated the conditions had been met and the then remaining balance subject to conditions in the amount of $293,745 was recognized in grants and contracts without donor restrictions on the accompanying statements of activities.

In November 2020, the College obtained from the SBA notification of forgiveness of the entire PPP loan balance in the amount of $1,013,990. Accrued interest on the PPP Loan was determined by management to be immaterial to the financial statements.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

Higher Education Emergency Relief Funding: The coronavirus pandemic has had a significant negative impact on higher education. Recognizing that, Congress has passed several acts which provide grant-based relief to both students and institutions as they pivot and cope with the many costs of the pandemic. Generally, the grants have at least a portion allocated to emergency student aid. The remainder is to be used to defray institutional costs associated with the coronavirus (including lost revenue, reimbursements for costs already incurred, technology costs associated with a transition to distance education, faculty and staff trainings and payroll). While each grant had somewhat different guidelines initially, over the course of subsequent grants, those have been adjusted to be similar and the end date to spend each grant has been adjusted to the end date of the last grant issued. For all emergency student aid, funds were released as aid was awarded to students. For all institutional expenses, funds were released as barriers to use were met. These grants were reported as government grants revenue with donor restrictions and net assets released from restrictions on the statements of activities. Generally, all funds must be spent by May 2022, and the College believes that it will have student emergency aid requests and coronavirus related costs such that the grants will be fully utilized.

The CARES Act provided budgetary relief to higher education institutions. Congress set aside approximately $14.25 billion of the $30.75 billion allotted to the Education Stabilization Fund through the Higher Education Emergency Relief Fund (HEERF I). In the Spring of 2020 each institution received one grant comprised of two parts. Under the legislation, no less than 50 percent of the full grant was to be used for direct emergency aid to students and the remainder for institutional costs.

Also, as a part of the CARES Act, institutions which received less than $500,000 were awarded Fund for the Improvement of Postsecondary Education (FIPSE) funding to bring the institution to $500,000 total awarded. FIPSE funds may be used entirely for institutional costs although institutions are encouraged to use a portion for emergency student aid.

12. Conditional Contributions (Continued):

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law which authorized the Higher Education Emergency Relief Fund II (HEERF II). In total, the CRRSAA authorizes $81.88 billion in support for education, in addition to the $30.75 billion expeditiously provided last spring through the CARES Act. Congress expanded the allowable uses for supplemental awards and new awards made under the CRRSAA and for unspent CARES Act funds, subject to certain limitations. In addition, the CRRSAA requires that an institution receiving funding provide the “same amount” in financial aid grants to students from the new CRRSAA funds that it was required or which it would have been required to provide under its original CARES Act Student Aid Portion award.

The CRRSAA also authorized additional funding for the Supplemental Aid to Institutions of Higher Education (SAIHE) also called Supplemental FIPSE which was available by application for institutions meeting certain criteria. The College applied for funding under the SAIHE in January 2021 and was awarded August 6, 2021. Such funds are available for use beginning July 2021 for student emergency aid.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was signed into law which authorized the Higher Education Emergency Relieve Fund III (HEERF III). Under the legislation, no less than 50 percent of the full grant is to be used for direct emergency aid to students. The remaining portion of the grant is to be used to defray expenses associated with coronavirus as described above, implement evidence-based practices to monitor and suppress coronavirus, and conduct direct outreach to financial aid applications about the opportunity to receive a financial aid adjustment due to a change in circumstance.

During the years ended June 30, 2022 and 2021, the College recognized revenue in the amounts of $969,820 and $180,652, respectively, under these programs. As of June 30, 2022, there were no award amounts unrecognized.

13. Operating Leases:

The College leases office equipment with various expiration dates through December 2026. During the years ended June 30, 2022 and 2021, office expense incurred under these agreements amounted to $27,056 and $26,424, respectively.

Future minimum lease payments due under these noncancelable lease agreements as of June 30, 2022 are as follows:

Year Ending June 30,		
2023	$	17,976
2024		17,976
2025		17,976
2026		17,976
2027		8,988
	$	80,892

14. Retirement Plan:

The College sponsors a defined contribution plan covering substantially all of its employees who meet certain eligibility requirements. The College, at the discretion of the Board of Directors, may make contributions to the plan. The College has not made any contributions to the plan for the years ended June 30, 2022 and 2021.

15. Related Party Transactions:

During the years ended June 30, 2022 and 2021, the College received contributions from members of its Board of Trustees in the amounts of $7,975 and $6,355, respectively.

16. Concentrations:

During the years ended June 30, 2022 and 2021, the College received a substantial portion of its revenues from federally funded financial aid programs. Federal funded student assistance, grants and loan represent approximated 79% and 75% of the College's revenues received from students during the years ended June 30, 2022 and 2021, respectively. The Federal funded student tuition assistance programs are subject to audit by governmental agencies. A significant reduction in the level of this support, if this were to occur, could have an adverse effect on the College's programs and services.

17. Indemnifications:

In the ordinary course of business, the College enters into various agreements containing standard indemnification provisions. The College's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the College under such indemnification provisions is uncertain. As of June 30, 2022 and 2021, no amounts have been accrued related to such indemnification provisions.