Goddard College Corporation

Financial Statements

June 30, 2023 and 2022

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 statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 GAAS 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 GAAS, 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
February 13, 2024

June 30		**2023**		2022
Assets				
Current Assets:				
Cash and Cash Equivalents	**$**	**568,181**	$	2,977,470
Restricted Cash		**161,229**		184,500
Tuition Receivable, Net of Allowance for Doubtful Accounts of $75,000 and $100,000, Respectively		**28,132**		27,005
Accounts Receivable - Other		**89,771**		154,785
Accrued Interest Receivable, Net of Allowance for Doubtful Accounts of $36,000 as of June 30, 2023		**-**		36,078
Prepaid Expenses and Other Current Assets		**191,856**		183,848
Inventories		**19,100**		9,834
Current Maturities of Notes Receivable		**36,000**		36,000
Total Current Assets		**1,094,269**		3,609,520
Investments		**3,007,606**		964,121
Property and Equipment, Net of Accumulated Depreciation		**4,575,069**		4,598,903
Notes Receivable, Net of Current Maturities		**138,657**		156,610
Total Assets	**$**	**8,815,601**	$	9,329,154
Liabilities and Net Assets				
Current Liabilities:				
Current Maturities of Long-Term Debt	**$**	**31,142**	$	30,264
Accounts Payable		**140,945**		64,262
Accrued Expenses		**148,597**		142,311
Deferred Revenue		**313,101**		526,723
Total Current Liabilities		**633,785**		763,560
Long-Term Debt, Net of Current Maturities		**1,937,750**		1,968,816
Refundable Advances - U.S. Government		**126,955**		173,743
Total Liabilities		**2,698,490**		2,906,119
Net Assets:				
Net Assets without Donor Restrictions		**4,844,150**		5,132,815
Net Assets with Donor Restrictions		**1,272,961**		1,290,220
Total Net Assets		**6,117,111**		6,423,035
Total Liabilities and Net Assets	**$**	**8,815,601**	$	9,329,154

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

For the Years Ended June 30			2023			2022
	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 $723,056 and $764,607, Respectively	**$ 6,477,138**	**$ -**	**$ 6,477,138**	$ 7,100,092	$ -	$ 7,100,092
Contributions and Grants	**272,559**	**68,928**	**341,487**	99,051	72,577	171,628
Auxiliary Enterprises	**176,472**	**-**	**176,472**	73,158	-	73,158
Student Loan Interest and Fees	**-**	**4,231**	**4,231**	-	6,882	6,882
Federal Grant Revenue	**-**	**-**	**-**	969,820	-	969,820
State COVID Relief Grants	**-**	**-**	**-**	261,024	-	261,024
Net Assets Released from Restriction	**233,758**	**(233,758)**	**-**	142,602	(142,602)	-
Total Revenue and Other Support	**7,159,927**	**(160,599)**	**6,999,328**	8,645,747	(63,143)	8,582,604
Operating Expenses:						
Program Services:						
Instruction	**2,608,006**	**-**	**2,608,006**	3,344,271	-	3,344,271
Public Service (WGDR)	**-**	**-**	**-**	5,795	-	5,795
Total Program Services	**2,608,006**	**-**	**2,608,006**	3,350,066	-	3,350,066
General and Administrative	**2,828,182**	**-**	**2,828,182**	2,327,242	-	2,327,242
Institutional Support	**2,098,687**	**-**	**2,098,687**	2,817,909	-	2,817,909
Total Operating Expenses	**7,534,875**	**-**	**7,534,875**	8,495,217	-	8,495,217
(Decrease) Increase in Net Assets from Operations	**(374,948)**	**(160,599)**	**(535,547)**	150,530	(63,143)	87,387
Nonoperating Activities:						
Investment Income (Loss), Net	**86,283**	**92,880**	**179,163**	13,765	(104,791)	(91,026)
Endowment Contributions	**-**	**50,460**	**50,460**	-	11,154	11,154
Endowment Transfers	**-**	**-**	**-**	(266,055)	266,055	-
Total Nonoperating Activities	**86,283**	**143,340**	**229,623**	(252,290)	172,418	(79,872)
(Decrease) Increase in Net Assets	**(288,665)**	**(17,259)**	**(305,924)**	(101,760)	109,275	7,515
Net Assets, Beginning of Year	**5,132,815**	**1,290,220**	**6,423,035**	5,234,575	1,180,945	6,415,520
Net Assets, End of Year	**$ 4,844,150**	**$ 1,272,961**	**$ 6,117,111**	$ 5,132,815	$ 1,290,220	$ 6,423,035

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

For the Year Ended June 30 **2023**

	Program Services				
	Instruction	Total Program Services	General and Administrative	Institutional Support	Total
Salaries, Payroll Taxes and Related Benefits	$ 2,353,520	$ 2,353,520	$ 1,192,691	$ 1,004,954	$ 4,551,165
Professional Services	10,907	10,907	363,072	182,668	556,647
Miscellaneous Expenses	66,657	66,657	281,038	136,406	484,101
Memberships and Subscriptions	105,106	105,106	242,223	66,831	414,160
Depreciation	-	-	-	315,821	315,821
Utilities, Postage, and Internet	166	166	291,930	641	292,737
Advertising	-	-	16,510	260,628	277,138
Repairs and Maintenance	-	-	190,216	-	190,216
Insurance	460	460	132,157	-	132,617
Travel	44,911	44,911	27,562	20,663	93,136
Space Rental	22,545	22,545	-	66,308	88,853
Interest	-	-	62,044	-	62,044
Supplies and Catering	3,734	3,734	11,616	32,666	48,016
Repairs and Maintenance	-	-	17,123	11,101	28,224
	$ 2,608,006	$ 2,608,006	$ 2,828,182	$ 2,098,687	$ 7,534,875

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
Miscellaneous Expenses	243,193	247	243,440	147,355	61,279	452,074
Memberships and Subscriptions	81,359	-	81,359	139,908	323,948	545,215
Depreciation	-	-	-	-	298,601	298,601
Utilities, Postage, and Internet	15,019	261	15,280	328,421	7,037	350,738
Advertising	-	-	-	33,015	240,733	273,748
Repairs and Maintenance	-	-	-	118,506	1,524	120,030
Insurance	-	-	-	132,010	-	132,010
Travel	43,340	-	43,340	22,896	9,713	75,949
Space Rental	20,445	-	20,445	360	64,169	84,974
Interest	-	-	-	62,971	-	62,971
Supplies and Catering	29,845	-	29,845	16,971	28,448	75,264
Repairs and Maintenance	-	-	-	-	28,544	28,544
	$ 3,344,271	$ 5,795	$ 3,350,066	$ 2,327,242	$ 2,817,909	$ 8,495,217

For the Years Ended June 30	2023	2022
Cash Flows from Operating Activities:		
(Decrease) Increase in Net Assets	**$ (305,924)**	$ 7,515
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash (Used in) Provided by Operating Activities:		
Depreciation	**315,821**	298,601
Bad Debt Expense	**50,687**	39,460
Realized and Unrealized (Gains) Losses on Investments	**(106,909)**	119,486
Increase in Tuition Accounts Receivable	**(15,736)**	(57,450)
Decrease (Increase) in Accounts Receivable - Other	**65,014**	(57,650)
Increase in Prepaid Expenses and Other Current Assets	**(8,008)**	(3,633)
Increase in Inventories	**(9,266)**	(7,894)
Increase (Decrease) in Accounts Payable	**76,683**	(73,936)
Increase (Decrease) in Accrued Expenses	**6,286**	(30,374)
(Decrease) Increase in Deferred Revenue	**(213,622)**	38,640
Decrease in Refundable Advances - U.S. Government	**(46,788)**	(18,469)
Net Cash (Used in) Provided by Operating Activities	**(191,762)**	254,296
Cash Flows from Investing Activities:		
Purchase of Investments	**(2,842,261)**	(28,392)
Proceeds from Sale of Investments	**905,685**	24,127
Acquisition of Property and Equipment	**(291,987)**	(299,652)
Payments Received on Notes Receivable	**17,953**	24,948
Net Cash Used in Investing Activities	**(2,210,610)**	(278,969)
Net Cash Used in Financing Activities:		
Repayments of Long-Term Debt	**(30,188)**	(29,261)
Net Decrease in Cash, Cash Equivalents and Restricted Cash	**(2,432,560)**	(53,934)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	**3,161,970**	3,215,904
Cash, Cash Equivalents and Restricted Cash, End of Year	**$ 729,410**	$ 3,161,970

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year for Interest	**$ 62,044**	$ 62,971

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. Board-designated net assets are net assets without donor restrictions subject to self-imposed limits by actions of the governing board and may be earmarked for future programs, investments, contingencies, purchase or construction of property and equipment, or other uses.
>
> *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, endowment contributions, 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.

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

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

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.

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

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.

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, 2023	June 30, 2022	July 1, 2021
Tuition Receivable, Net	$ 28,132	$ 27,005	$ 9,015
Deferred Revenue	$ 313,101	$ 526,723	$ 488,083

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.

Cash, cash equivalents and restricted cash as of June 30, 2023 and 2022, 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, 2023 and 2022, as follows:

	2023	2022
Cash and Cash Equivalents	$ 568,181	$ 2,977,470
Restricted Cash	161,229	184,500
	$ 729,410	$ 3,161,970

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

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.

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, 2023 and 2022, the allowance for doubtful accounts amounted to $75,000 and $100,000, respectively.

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.

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

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.

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, 2023 and 2022, 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, 2023 and 2022, the College incurred advertising expense in the amounts of $277,138 and $273,748, 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, 2023 and 2022, 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, 2023 and 2022. The College does not expect any material change in uncertain tax benefits within the next 12 months. The College's tax returns are subject to review and examination by federal authorities.

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, 2022 financial statements have been reclassified for comparative purposes to conform to the presentation in the June 30, 2023 financial statements.

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

Subsequent Events: Management has evaluated subsequent events spanning the period from June 30, 2023 through February 13, 2024, the date the financial statements were available to be issued.

Recently Adopted Accounting Policies: In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842), which replaces the existing leasing standards and expands disclosure requirements for leasing arrangements. Effective July 1, 2022, the College adopted the guidance and expanded disclosure requirements under ASC 842 using the modified retrospective approach. The College elected the package of practical expedients allowable under ASC 842 transition guidance, and as a result did not reassess prior conclusions related to whether contracts are or contain a lease, lease classification and initial direct costs. The adoption of this ASU at July 1, 2022, had no impact, as the College had no material arrangements at July 1, 2022 that required classification as operating or finance leases.

2. Availability and Liquidity:

The following reflects the College's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use within one year of June 30, 2023 and 2022 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2023	2022
Cash and Cash Equivalents	$ 568,181	$ 2,977,470
Accounts Receivable - Other	89,771	154,785
Accrued Interest Receivable	-	36,078
Tuition Receivable, Net of Allowance for Doubtful Accounts	28,132	27,005
Restricted Cash	161,229	184,500
Investments	3,007,606	964,121
Total Financial Assets at End of Year	3,854,919	4,343,959
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	411,292	538,591
Subject to Spending Policy and Appropriate Guidelines	861,669	751,629
Restricted Cash	32,692	55,963
General College Reserve Funds	1,948,701	1,907,215
USDA Reserve Account	128,537	128,537
	3,382,891	3,381,935
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 472,028	$ 962,024

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. General college reserve funds are designated by the College's Board of Trustees and are available for general use at the Board's discretion.

3. Notes Receivable:

Notes receivable as of June 30, 2023 and 2022 amounted to $174,657 and $192,610, 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 Federal Perkins Loan Revolving Funds due to the wind-down of the Federal 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.

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 $126,955 and $173,743 as of June 30, 2023 and 2022, 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, 2023 and 2022 consists of the following:

	2023	2022
Land	$ 7,053	$ 7,053
Building and Improvements	11,714,586	11,553,058
Equipment	1,813,492	1,718,327
Motor Vehicles	101,992	66,698
	13,637,123	13,345,136
Less: Accumulated Depreciation	9,062,054	8,746,233
	$ 4,575,069	$ 4,598,903

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to $315,821 and $298,601, respectively.

5. Investments:

Investments as of June 30, 2023 and 2022 consist of the following:

	2023	2022
Equity Securities - Common Stocks	$ 1,104,867	$ 596,671
Mutual Funds	1,013,487	-
Exchange Traded Funds	323,324	-
Alternative Investments	184,402	-
Certificates of Deposit	139,511	137,607
Money Market Funds	112,933	42,816
Corporate Bonds	99,763	187,027
Municipal Bonds and Government Securities	29,319	-
	$ 3,007,606	$ 964,121

For the years ended June 30, 2023 and 2022, net investment income (loss) consists of the following:

	2023	2022
Net Realized and Unrealized Gains (Losses)	$ 106,909	$ (119,486)
Interest and Dividends	72,254	28,460
	$ 179,163	$ (91,026)

6. Endowment:

As of June 30, 2023 and 2022, the endowment balance, by net asset classification, consists of the following:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds	$ -	$ 861,669	$ 861,669

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

6. Endowment (Continued):

The changes in the endowment balance by net asset classification as of June 30, 2023 and 2022 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Totals
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
Investment Returns:			
Net Realized and Unrealized Gains	-	84,053	84,053
Interest and Dividends, Net of Investment Fees	-	8,827	8,827
Total Investment Returns	-	92,880	92,880
Contributions	-	50,460	50,460
Appropriation of endowment assets for expenditure (Spending Rate)	-	(33,300)	(33,300)
Endowment Balance, June 30, 2023	$ -	$ 861,669	$ 861,669

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.

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, 2023 and 2022 are as follows:

	Assets at Fair Value as of June 30, 2023			
	Total	Level 1	Level 2	Level 3
Equity Securities - Common Stocks	$ 1,104,867	$ 1,104,867	$ -	$ -
Mutual Funds	1,013,487	1,013,487	-	-
Exchange Traded Funds	323,324	323,324	-	-
Money Market Funds	112,933	112,933	-	-
Corporate Bonds	99,763	-	99,763	-
Municipal Bonds and Government Securities	29,319	-	29,319	-
Total Assets in the Fair Value Hierarchy	2,683,693	$ 2,554,611	$ 129,082	$ -
Investments Measured at Net Asset Value*	184,402			
Investments at Fair Value	$ 2,868,095			

	Fair Value Measurements at June 30, 2022			
	Total	Level 1	Level 2	Level 3
Equity Securities - Common Stocks	$ 596,671	$ 596,671	$ -	$ -
Fixed Income Corporate Bonds	187,027	-	187,027	-
Money Market Funds	42,816	42,816	-	-
	$ 826,514	$ 639,487	$ 187,027	$ -

*Certain investments measured at fair value using the NAV (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

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, 2023 and 2022 amounted to $139,511 and $137,607, respectively.

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, 2023 and 2022.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the College are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the College are deemed to be actively traded.

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

Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

7. Fair Value Measurements (Continued):

Corporate and Municipal 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.

Alternative Investments: The Organization's alternative investments are valued at the net asset value (NAV) as provided by those entities, which are based primarily on the estimated fair value for the underlying assets.

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.

The following table summarizes investments measured at fair value based on NAV used as a practical expedient per share as of June 30, 2023 and 2022:

Investment	Fair Value at June 30, 2023	Fair Value at June 30, 2022	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
BREIT CL I	$ 75,070	$ -	None	Monthly repurchase offers of 2% of the NAV/month not to exceed 5% of NAV/quarter	1 year soft lock, 2% early redemption fee
STARWOOD REIT CL I	49,586	-	None	Monthly repurchase offers of 2% of the NAV/month not to exceed 5% of NAV/quarter	1 year soft lock, 5% early redemption fee
OWL ROCK CORE INCOME CORP.	29,903	-	None	Quarterly repurchases are limited to 5% of outstanding shares of common stock	N/A
BLACKSTONE BCRED	29,843	-	None	Quarterly repurchases are limited to 5% of outstanding shares of common stock	1 year soft-lock; 2% early redemption fee
	$ 184,402	$ -			

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 $3,898,154 and $4,137,425 as of June 30, 2023 and 2022, respectively. The outstanding balance of long term debt as of June 30, 2023 and 2022 amounted to $1,968,892 and $1,999,080, respectively. Interest expense for the years ended June 30, 2023 and 2022 amounted to $62,044 and $62,971, respectively.

8. Long-Term Debt (Continued):

Maturities of long-term debt as of June 30, 2023, are as follows:

Year Ending June 30,	
2024	$ 31,142
2025	32,129
2026	33,148
2027	34,199
2028	35,283
Thereafter	1,802,991
	$ 1,968,892

9. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of June 30, 2023 and 2022 consist of the following:

	2023	2022
Net Investment in Property and Equipment	$ 2,606,177	$ 2,600,821
General College Reserve Funds	1,948,701	1,907,215
Undesignated	160,735	496,242
USDA Reserve Account	128,537	128,537
	$ 4,844,150	$ 5,132,815

10. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of June 30, 2023 and 2022 consist of the following:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Fund for Initiatives and New Experiments	$ 127,635	$ 107,635
Perkins Student Loan Funds	112,193	107,962
Scholarships	98,839	297,169
Other	41,004	-
Radio Station Funds	31,621	25,825
Total Purpose Restrictions	411,292	538,591
Subject to Spending Policy and Appropriation Guidelines:		
Investment in Perpetuity (Including Amounts above Original Gift Amounts of $727,347 and $676,887 as of June 30, 2023 and 2022, Respectively):		
Instruction	861,669	751,629
Total Net Assets with Donor Restrictions	$ 1,272,961	$ 1,290,220

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, 2023 and 2022 consist of the following:

	2023	2022
Scholarships	$ 226,258	$ 136,806
Other	7,500	-
Radio Station Funds	-	5,796
	$ 233,758	$ 142,602

12. Conditional Contributions:

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.

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.

12. Conditional Contributions (Continued):

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 year ended June 30, 2022, the College recognized revenue in the amount of $969,820 under these programs. As of June 30, 2022, there were no award amounts unrecognized.

13. Retirement Plan:

The College sponsors a defined contribution plan (the 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, 2023 and 2022.

14. Related Party Transactions:

During the years ended June 30, 2023 and 2022, the College received contributions from members of its Board of Trustees in the amounts of $5,300 and $7,975, respectively.

15. Concentrations:

During the years ended June 30, 2023 and 2022, the College received a substantial portion of its revenues from federally funded financial aid programs, resulting from students choosing to pay for their tuition for the College using funds received from financial aid. Federal funded student assistance, grants and loan represent approximated 85% and 79% of the College's revenues received from students during the years ended June 30, 2023 and 2022, 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.

16. 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, 2023 and 2022, no amounts have been accrued related to such indemnification provisions.

17. Subsequent Events:

In January 2024, the College received notification from the Department of Education that the College is required to post an irrevocable letter of credit in the amount of $522,327 in accordance with the heightened cash monitoring method of payment. The letter of credit matures in January 2029 and is and is collateralized by cash accounts pledged by the College.

In January 2024, the College has made the determination to transition to fully remote learning, effective with the fall 2024 semester.

18. Department of Education Financial Responsibility Information:

The Department of Education (ED) revised the regulations for financial responsibility, which required the College to implement as of July 1, 2019. The regulations require the College to provide additional disclosures, including a financial responsibility supplemental schedule, to assist the ED in measuring financial responsibility through a calculation of the composite score using three financial ratios. The financial responsibility supplemental schedule must contain all financial elements required to calculate the composite score ratios, with a cross-reference to the consolidated financial statement line or note that contains the element.

Note 4 provides information on the College's property and equipment, net of accumulated depreciation, but does not provide a breakout by the implementation date of July 1, 2019. The following table provides a breakdown of property and equipment, net, as of June 30, 2023 and 2022, based on the July 1, 2019 implementation date.

	2023	2022
Property and equipment, net of accumulated depreciation, pre-implementation	$ 4,039,644	$ 4,307,132
Property and equipment, net of accumulated depreciation, post-implementation without outstanding debt	535,425	291,771
Total property, plant and equipment, net of accumulated depreciation, as of June 30, 2023 and 2022, respectively	$ 4,575,069	$ 4,598,903

Note 8 provides information on the College's long-term debt but does not provide a breakout by the implementation date of July 1, 2019. The following table provides a breakdown of long-term debt, as of June 30, 2023 and 2022, based on the July 1, 2019 implementation date.

	2023	2022
Long-term debt for long-term purposes, pre implementation	$ 1,968,892	$ 1,999,080
Long-term debt for long-term purposes, post implementation	-	-
Total long-term debt for long-term purposes, as of June 30, 2023 and 2022, respectively	$ 1,968,892	$ 1,999,080