

**GODDARD COLLEGE CORPORATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

GODDARD COLLEGE CORPORATION  
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JUNE 30, 2021 AND 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Goddard College Corporation  
Plainfield, Vermont 05667

We have audited the accompanying financial statements of Goddard College Corporation (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goddard College Corporation as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The WGDR Supplemental Schedule on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*O'Brien Shortle Reynolds + Sabotka, P.C.*

Lic. No. 92-0000260

Rutland, Vermont  
October 7, 2021

Goddard College Corporation  
Statement of Financial Position  
June 30, 2021

<u>ASSETS</u>	Without Donor Restrictions	With Donor Restrictions	2021 Total
<b>Current Assets:</b>			
Cash and Cash Equivalents - Note 2	\$ 2,653,032	\$ 498,165	\$ 3,151,197
Cash - Board-Designated Endowment	22,560	-	22,560
Restricted Cash - Note 2	-	42,146	42,146
Tuition Receivable - Note 3	9,015	-	9,015
Perkins Student Loans - Current Portion - Note 4	-	36,000	36,000
Inventories	1,940	-	1,940
Prepaid Expenses	180,215	-	180,215
Other Receivables	97,135	-	97,135
Accrued Interest Receivable	-	36,078	36,078
Investments - Notes 5 and 17	256,636	-	256,636
Total Current Assets	3,220,533	612,389	3,832,922
<b>Non-Current Assets:</b>			
Investments - Notes 5 and 17	243,495	579,211	822,706
Perkins Student Loans - Long-Term Portion - Note 4	-	181,558	181,558
Property, Plant and Equipment (Net of Accumulated Depreciation) - Notes 6 and 8	4,597,852	-	4,597,852
TOTAL ASSETS	\$ 8,061,880	\$ 1,373,158	\$ 9,435,038
<u>LIABILITIES AND NET ASSETS</u>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 138,198	\$ -	\$ 138,198
Accrued Liabilities	172,684	-	172,684
Deferred Revenue - Note 7	488,083	-	488,083
Notes Payable - Current Portion - Note 8	29,262	-	29,262
Total Current Liabilities	828,227	-	828,227
<b>Non-Current Liabilities:</b>			
Notes Payable - Note 8	1,999,078	-	1,999,078
Refundable Advances - U.S. Government - Note 9	-	192,213	192,213
Total Non-Current Liabilities	1,999,078	192,213	2,191,291
Total Liabilities	2,827,305	192,213	3,019,518
<b>Net Assets:</b>			
Net Assets Without Donor Restrictions - Note 17	5,234,575	-	5,234,575
Net Assets With Donor Restrictions	-	1,180,945	1,180,945
Total Net Assets	5,234,575	1,180,945	6,415,520
TOTAL LIABILITIES AND NET ASSETS	\$ 8,061,880	\$ 1,373,158	\$ 9,435,038

The Accompanying Notes are an Integral Part of these Financial Statements.

Goddard College Corporation  
Statement of Financial Position  
June 30, 2020

<u>ASSETS</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
Current Assets:			
Cash and Cash Equivalents - Note 2	\$ 887,171	\$ 570,905	\$ 1,458,076
Cash - Board-Designated Endowment	52,559	-	52,559
Restricted Cash - Note 2	780,518	61,473	841,991
Tuition Receivable - Note 3	102,061	-	102,061
Perkins Student Loans - Current Portion - Note 4	-	36,000	36,000
Inventories	8,880	-	8,880
Prepaid Expenses	137,341	-	137,341
Other Receivables	149,906	-	149,906
Accrued Interest Receivable	-	36,078	36,078
Investments - Notes 5 and 17	103,500	-	103,500
	<hr/>	<hr/>	<hr/>
Total Current Assets	2,221,936	704,456	2,926,392
Non-Current Assets:			
Investments - Notes 5 and 17	187,922	575,910	763,832
Perkins Student Loans - Long-Term Portion - Note 4	-	222,427	222,427
Property, Plant and Equipment (Net of Accumulated Depreciation) - Notes 6 and 8	4,913,245	-	4,913,245
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 7,323,103</u>	<u>\$ 1,502,793</u>	<u>\$ 8,825,896</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities:			
Accounts Payable	\$ 192,113	\$ -	\$ 192,113
Accrued Liabilities	188,477	-	188,477
Deferred Revenue - Note 7	412,001	-	412,001
Federal SBA PPP Loan - Note 23	293,744	-	293,744
Notes Payable - Current Portion - Note 8	28,363	-	28,363
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	1,114,698	-	1,114,698
Non-Current Liabilities:			
Notes Payable - Note 8	2,028,340	-	2,028,340
Refundable Advances - U.S. Government - Note 9	-	257,849	257,849
	<hr/>	<hr/>	<hr/>
Total Non-Current Liabilities	2,028,340	257,849	2,286,189
	<hr/>	<hr/>	<hr/>
Total Liabilities	3,143,038	257,849	3,400,887
Net Assets:			
Net Assets Without Donor Restrictions - Note 17	4,180,065	-	4,180,065
Net Assets With Donor Restrictions	-	1,244,944	1,244,944
	<hr/>	<hr/>	<hr/>
Total Net Assets	4,180,065	1,244,944	5,425,009
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,323,103</u>	<u>\$ 1,502,793</u>	<u>\$ 8,825,896</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

Goddard College Corporation  
Statement of Activities  
For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Tuition and Fees Revenue:			
Tuition and Fees	\$ 7,121,627	\$ -	\$ 7,121,627
Room and Board Fees - Auxiliary	-	-	-
Less Scholarships and Awards - Note 11	<u>(1,253,547)</u>	<u>-</u>	<u>(1,253,547)</u>
Net Tuition and Fees Revenue	<u>5,868,080</u>	<u>-</u>	<u>5,868,080</u>
Other Revenue, Gains and Other Support:			
Investment Income - Note 5	90,191	140,101	230,292
Federal Aid Programs	836,184	-	836,184
Gifts and Grants	284,825	300,134	584,959
WGDR Income	-	66,053	66,053
Auxiliary Enterprises	57,203	-	57,203
Student Loan Interest	-	4,493	4,493
Other Income	-	448	448
Satisfaction of Program Restrictions and Loan Loss Reserves - Note 12	<u>575,228</u>	<u>(575,228)</u>	<u>-</u>
Total Other Revenue, Gains and Other Support	<u>1,843,631</u>	<u>(63,999)</u>	<u>1,779,632</u>
Total Revenue	<u>7,711,711</u>	<u>(63,999)</u>	<u>7,647,712</u>
Expenses:			
Instruction	2,212,877	-	2,212,877
Management and General	4,910,925	-	4,910,925
Institutional Support	161,703	-	161,703
Public Service - WGDR	<u>166,297</u>	<u>-</u>	<u>166,297</u>
Total Expenses	<u>7,451,802</u>	<u>-</u>	<u>7,451,802</u>
Total Increase (Decrease) in Net Assets from Operating Activities	<u>259,909</u>	<u>(63,999)</u>	<u>195,910</u>
Non-Operating Activities:			
Loss on Disposition of Asset	(374)	-	(374)
Payroll Protection Program Proceeds - Note 23	293,745	-	293,745
State COVID Relief Grants	316,747	-	316,747
Department of Education COVID Relief	<u>184,483</u>	<u>-</u>	<u>184,483</u>
Total Non-Operating Activities	<u>794,601</u>	<u>-</u>	<u>794,601</u>
Increase (Decrease) in Net Assets	1,054,510	(63,999)	990,511
Net Assets - Beginning of Year	<u>4,180,065</u>	<u>1,244,944</u>	<u>5,425,009</u>
Net Assets - End of Year	<u>\$ 5,234,575</u>	<u>\$ 1,180,945</u>	<u>\$ 6,415,520</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

Goddard College Corporation  
Statement of Activities  
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Tuition and Fees Revenue:			
Tuition and Fees	\$ 6,330,488	\$ -	\$ 6,330,488
Room and Board Fees - Auxiliary	553,318	-	553,318
Less Scholarships and Awards - Note 11	(938,953)	-	(938,953)
Net Tuition and Fees Revenue	5,944,853	-	5,944,853
Other Revenue, Gains and Other Support:			
Investment Income - Note 5	19,880	48,673	68,553
Federal Aid Programs	484,334	-	484,334
Gifts and Grants	536,644	284,000	820,644
WGDR Income	-	236,595	236,595
Auxiliary Enterprises	181,264	-	181,264
Student Loan Interest	-	5,183	5,183
Other Income	-	1,084	1,084
Satisfaction of Program Restrictions and Loan Loss Reserves - Note 12	361,999	(361,999)	-
Total Other Revenue, Gains and Other Support	1,584,121	213,536	1,797,657
Total Revenue	7,528,974	213,536	7,742,510
Expenses:			
Instruction	2,895,750	-	2,895,750
Management and General	5,177,269	-	5,177,269
Institutional Support	150,740	-	150,740
Public Service - WGDR	145,486	-	145,486
Total Expenses	8,369,245	-	8,369,245
Total (Decrease) Increase in Net Assets from Operating Activities	(840,271)	213,536	(626,735)
Non-Operating Activities:			
Loss on Disposition of Asset	(485)	-	(485)
Payroll Protection Program Proceeds - Note 23	720,155	-	720,155
Department of Education COVID Relief	15,895	-	15,895
Total Non-Operating Activities	735,565	-	735,565
Net Assets - Beginning of Year	4,284,771	1,031,408	5,316,179
Net Assets - End of Year	\$ 4,180,065	\$ 1,244,944	\$ 5,425,009

The Accompanying Notes are an Integral Part of these Financial Statements.



Goddard College Corporation  
Statements of Cash Flows  
For the Years Ended June 30,

	2021	2020
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 990,511	\$ 108,830
Add: Items Providing Cash or Not Requiring Cash:		
Depreciation Expense	343,911	368,380
Loss on Disposal of Assets	374	485
Unrealized Loss on Investments	-	102,702
Decrease in Tuition Receivable	93,046	7,195
Decrease in Perkins Loans Receivables	40,869	46,200
Decrease in Prepaid Expenses	-	21,395
Decrease in Other Receivables	52,771	150,817
Decrease in Inventories	6,940	4,319
Increase in Accounts Payable	-	98,345
Increase in Accrued Liabilities	-	68,098
Increase in Deferred Revenue	76,082	-
Less: Items Requiring Cash or Not Providing Cash:		
Unrealized Gains on Investments	(197,718)	-
Gain on Sale of Investments	-	(136,497)
Increase in Prepaid Expenses	(42,874)	-
Decrease in Accounts Payable	(53,915)	-
Decrease in Accrued Liabilities	(15,793)	-
Decrease in Deferred Revenue	-	(126,169)
Net Cash Provided by Operating Activities	1,294,204	714,100
Cash Flows from Investing Activities:		
Purchase of Investments	(114,268)	(187,388)
Proceeds from Sale of Investments	99,976	902,623
Purchase of Property, Plant, and Equipment	(28,892)	(13,977)
Net Cash (Used) Provided by Investing Activities	(43,184)	701,258
Cash Flows from Financing Activities:		
PPP Loan Proceeds and Forgiveness	(293,744)	293,744
Return of Perkins Principle	(65,636)	(60,765)
Principal Payments on Notes Payable	(28,363)	(32,759)
Net Cash (Used) Provided by Financing Activities	(387,743)	200,220
Increase in Cash	863,277	1,615,578
Cash - Unrestricted, Beginning of Year	1,510,635	567,173
Cash - Restricted, Beginning of Year	841,991	169,875
Cash - Unrestricted, End of Year	\$ 3,173,757	\$ 1,510,635
Cash - Restricted, End of Year	42,146	841,991

## Supplemental Cash Flow Information:

Total interest paid was \$63,870 and \$64,812 in 2021 and 2020, respectively.

The Accompanying Notes are an Integral Part of these Financial Statements.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 1      Summary of Significant Accounting Policies

Nature of Organization

Goddard College is a non-profit corporation established in 1938 and incorporated in the State of Vermont. It 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 Accounting

The College prepares its financial statements in accordance with U.S. generally accepted accounting principles utilizing the accrual basis of accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The College reports information regarding its financial position and activities according to two classes of net assets: Without Donor Restrictions and With Donor Restrictions. The two classes are defined as follows:

Net Assets Without Donor Restrictions

These assets result from contributions and other inflows that have no restrictions and over which the Board of Trustees retains full control to use in achieving any of its institutional purposes.

Net Assets With Donor Restrictions

There are two types of assets that make up the donor-restricted net assets. One type results from contributions and other inflows of assets whose use by the College is limited by donor-imposed stipulations that can be fulfilled and removed by actions of the College. The second type are assets subject to donor-imposed restrictions to be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the income earned on any related investments for general or specific purposes.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 1      Summary of Significant Accounting Policies - (Continued)

Recognition of Revenue

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods and services.

Tuition and Fees are derived from degree programs and are recognized ratably over the academic period of the course or program offered based on time elapsed. Aid awarded to students reduces the amount of revenue recognized. All of the College's programs are designed to be completed within the fiscal year. Discounts in the form of scholarships and financial aid grants, including those funded by the endowment, restricted specific-purpose gifts and government grants, are reported as a reduction of tuition and fees. The academic programs are delivered in the Fall (July – December) and the Spring (January – June) terms. Payments for the fall term are due before the start of the semester and are recorded as deposits and advance payments until the performance obligations are met and totaled \$488,086 and \$412,001, respectively, for the years ended June 30, 2021 and 2020.

Auxiliary revenues includes facility rentals and other miscellaneous activities. The lease rentals are accounted for under other standards, not subject to ASC 606, Revenue from Contracts with Customers.

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

Income Taxes

Goddard College Corporation is a non-profit Vermont corporation and a tax-exempt educational facility under Internal Revenue Code Section 501(c)(3) and is not a private foundation. As such, the College is exempt from income tax on its exempt function income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the College and recognize a tax liability (or asset) if the College has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the plan and has concluded that as of June 30, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The College is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2018.

**GODDARD COLLEGE CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

Note 1      Summary of Significant Accounting Policies - (Continued)

Functional Expenses

Expenses are reported on the statements of activities in two categories. The College's primary program service, Educational Program Services, includes academic programs, public services, student services and auxiliary enterprises. All other functions are considered supporting services and have been categorized as academic support and institutional support.

Expenses associated with the operation and maintenance of the College plant assets, including interest and depreciation expense, are included in the institutional support functional expense category.

	2021				
	Instruction	Management & General	Institutional Support	Public Service (WGDR)	Total Expenses
Salaries and Benefits	\$ 2,154,377	\$ 2,844,680	\$ 125,016	\$ 140,341	\$ 5,264,414
Professional Services	6,065	368,318	1,200	225	375,808
Advertising and Special Events	-	262,792	-	2,641	265,433
Travel	-	239	1,279	-	1,518
Memberships and Subscriptions	2,267	302,813	12,937	3,189	321,206
Utilities, Postage and Internet	194	352,716	5,810	5,251	363,971
Supplies and Catering	1,594	13,713	5,113	345	20,765
Equipment Rental and Repair	-	26,268	-	1,620	27,888
Miscellaneous Expenses	48,380	395,475	10,348	12,685	466,888
Depreciation Expense	-	343,911	-	-	343,911
<b>Total Expenses</b>	<b>\$ 2,212,877</b>	<b>\$ 4,910,925</b>	<b>\$ 161,703</b>	<b>\$ 166,297</b>	<b>\$ 7,451,802</b>

  

	2020				
	Instruction	Management & General	Institutional Support	Public Service (WGDR)	Total Expenses
Salaries and Benefits	\$ 2,640,058	\$ 2,998,418	\$ 112,899	\$ 123,037	\$ 5,874,412
Professional Services	33,741	265,175	974	470	300,360
Advertising and Special Events	87	237,648	7,997	620	246,352
Travel	76,115	95,144	79	15	171,353
Memberships and Subscriptions	4,924	215,627	14,046	6,539	241,136
Utilities, Postage and Internet	16,861	339,065	-	5,679	361,605
Supplies and Catering	69,830	83,351	685	454	154,320
Equipment Rental and Repair	1,228	173,480	-	2,292	177,000
Miscellaneous Expenses	52,906	400,981	14,060	6,380	474,327
Depreciation Expense	-	368,380	-	-	368,380
<b>Total Expenses</b>	<b>\$ 2,895,750</b>	<b>\$ 5,177,269</b>	<b>\$ 150,740</b>	<b>\$ 145,486</b>	<b>\$ 8,369,245</b>

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 1      Summary of Significant Accounting Policies - (Continued)

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired.

Investments

Marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position, with the exception of the Certificate of Deposit portfolio which is listed at full value with the assumption that they are held to maturity. Unrealized gains and losses are included in revenue. Investments received by gift are recorded at market value at the date of acquisition.

Allowance for Doubtful Accounts

Goddard College Corporation uses the allowance method for uncollectable accounts. The College has allowances for accounts and loans receivable.

The Collection

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

Inventories

Inventories consist of campus stores, kitchen supplies and postage. Inventory is valued at cost using the first-in/first-out (FIFO) method for the campus stores and the inventory for the kitchen is valued using the suppliers' pricing on the date the inventory is finalized and the postage is valued on a cash basis.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 1      Summary of Significant Accounting Policies - (Continued)

Concentrations

Goddard College Corporation derives its revenue primarily from tuition.

Property, Plant and Equipment

Property, plant and equipment are stated at cost at the date of acquisition and are depreciated using the straight-line method over their estimated useful and economic lives, which range from 5 to 83 years. Contributions of property, plant and equipment are recorded at their estimated current value at the date of the gift.

Expenditures for new construction, major renewals, and replacements costing over \$5,000 are capitalized. Equipment and fixtures costing over \$5,000 are capitalized. Contributions of long-lived assets or contributions restricted for acquisition of long-lived assets are reported as increases in net assets with donor restrictions. When restrictions are considered met, an appropriate amount reclassified to net assets without donor restrictions.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents and short-term investments approximate fair value because of the short maturity of those financial instruments. The carrying amounts (which are fair value) of long-term investments are based on values provided by an external investment manager which are quoted market values.

A reasonable estimate of the fair value of the loans to students under government loan programs, and U.S. government loan funds refundable, could not be made because the notes receivable are not stable and can only be assigned to the U.S. government or its designees; the fair value of notes receivable from students under college loan programs approximates carrying value.

The College records the value of donated services and materials when there is an objective basis available to measure their value. Donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

Reclassifications

Certain 2020 financial information has been reclassified to conform with the 2021 presentation.

GODDARD COLLEGE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021 AND 2020

Note 1      Summary of Significant Accounting Policies - (Continued)

Date of Management Review

Management has evaluated for subsequent events through October 7, 2021, the date the financial statements were available to be issued.

Note 2      Cash and Cash Equivalents

	2021		2020	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Insured - FDIC	\$ 259,070	\$ 259,070	\$ 259,060	\$ 259,060
Uninsured	1,042,933	1,258,554	834,225	779,273
Uninsured, Collateralized by Bank	1,909,261	1,909,261	1,254,547	1,254,547
Cash on Hand	4,639	-	4,794	-
Total	\$ 3,215,903	\$ 3,426,885	\$ 2,352,626	\$ 2,292,880

The difference between the book and the bank balance are reconciling items such as outstanding checks and deposits in transit.

Restricted cash represents amounts restricted for student loans from Federal loan funds received. As required by the Federal Perkins Loan Program, a separate cash account is maintained for the Perkins Loan Program funds. Restricted cash further represents the amount that USDA requires the College to maintain in a separate account as a condition of the loan, and in 2020, the letter of credit required by the Department of Education.

The College has a repurchase agreement with Community National Bank, which is collateralized by a pool of U.S. Government Agencies or U.S. Treasury Notes held at the Federal Reserve Bank of Boston.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 3      Tuition Receivable

	2021	2020
Tuition Receivable	\$ 109,015	\$ 202,061
Allowance for Doubtful Accounts	(100,000)	(100,000)
Net Tuition Receivable	\$ 9,015	\$ 102,061

Delinquent accounts are sent to a collection agency. Receivables are written off only after all efforts at collection have been attempted. The allowance for doubtful accounts is based on receivables considered by the College to have a low likelihood of being collected.

Note 4      Perkins Student Loans

	2021	2020
Perkins Loans Receivable	\$ 217,558	\$ 258,427
Less: Current Portion	(36,000)	(36,000)
Long-Term Portion	\$ 181,558	\$ 222,427

Perkins Loans are charged 5% annual interest beginning at the end of a student's nine-month grace period. The term of these loans can extend up to ten years. All interest earned is reinvested into the Perkins Loan Program. Receivables are considered in default when they are more than 120 days past due.

Loans can enter non-accrual status or deferment if forbearance is granted for financial hardships, poor health or other acceptable reasons. There is no allowance for doubtful Perkins Loans as an offsetting liability is recorded.

Note 5      Investments and Fair Value Measurements

The following are the fair values of assets measured on a recurring basis at June 30:

	2021	2020
People's Financial Advisors CD Portfolio	\$ 16,002	\$ 10,118
Northfield Savings CD	122,592	120,813
Schwab Cash and Money Market (Sweep)	57,086	27,597
Schwab Fixed Income	202,801	215,722
Schwab Equities	676,061	489,216
Schwab Other Assets	4,800	3,866
Total	\$ 1,079,342	\$ 867,332



GODDARD COLLEGE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021 AND 2020

Note 5      Investments and Fair Value Measurements – (Continued)

The fair value hierarchy 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).

All of the College’s cash and investments are considered Level 1 and were valued using unadjusted quoted prices in active markets that were accessible at the measurement date for identical, unrestricted assets.

Total investment earnings for the year ended June 30, consisted of the following:

	2021	2020
Interest and Dividends	\$ 32,574	\$ 34,779
Net Realized and Unrealized Gain	197,719	33,774
Total Gain on Investments	\$ 230,293	\$ 68,553

The College considers all non-endowed investments available for operations. As of June 30, 2021 and 2020, the total available investments for operations were \$256,636 and \$103,200, respectively.

Note 6      Property, Plant and Equipment

Property, plant and equipment are stated at cost on the date of acquisition or at fair market value on the date of donation.

The lives and depreciation methods are as follows:

	<u>Method</u>	<u>Lives</u>
Land Improvements	SL	5-25 Years
Buildings and Improvements	SL	5-83 Years
Vehicles	SL	10 Years
Equipment	SL	5-30 Years

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 6      Property, Plant and Equipment – (Continued)

Property, plant and equipment were as follows at June 30:

	2021		
	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 7,053	\$ -	\$ 7,053
Land Improvements	631,104	521,490	109,614
Buildings and Improvements	10,692,145	6,312,687	4,379,458
Vehicles and Equipment	1,715,181	1,613,454	101,727
Total Property, Plant and Equipment	\$ 13,045,483	\$ 8,447,631	\$ 4,597,852

Total depreciation expense for 2021 is \$343,911.

	2020		
	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 7,053	\$ -	\$ 7,053
Land Improvements	631,105	503,285	127,820
Buildings and Improvements	10,692,145	6,034,878	4,657,267
Vehicles and Equipment	1,745,027	1,623,922	121,105
Total Property, Plant and Equipment	\$ 13,075,330	\$ 8,162,085	\$ 4,913,245

Total depreciation expense for 2020 is \$368,380.

Note 7      Deferred Revenue

Deferred revenue consists of prepaid tuition and fees payments.

GODDARD COLLEGE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021 AND 2020

Note 8      Notes Payable and Line of Credit

	2021	2020
United States Department of Agriculture, Rural Development - Annual Interest Rate 3.125%, monthly payments of \$7,686 through September of 2058, secured by the College Campus.	\$ 2,028,340	\$ 2,056,703
Less: Current Portion	(29,262)	(28,363)
Long-Term Portion	\$ 1,999,078	\$ 2,028,340

Maturities of long-term debt for years ending after June 30, 2020, are as follows:

2022	\$	29,262
2023		30,190
2024		31,147
2025		32,134
2026		33,153
Thereafter		1,872,454
		\$ 2,028,340

Restricted for Letter of Credit Reserve

During the fiscal year ended June 30, 2020, the Department of Education required the College to provide a letter of credit in the amount of \$675,980, expiring on December 31, 2020. The letter of credit is secured by a cash account in the amount of \$680,517 as of June 30, 2020. This requirement was removed in 2021 and the restrictions on the funds were released.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 9      Refundable Advances

Refundable Advances - U.S. Government represents Perkins/NDSL loan funds due back to the U.S. government. These balances are the Federal capital contributions received by the College to run the Perkins program. The liability at June 30, 2021 and 2020, is \$192,213 and \$257,849, respectively. Generally accepted accounting principles for Colleges recognize this amount as a liability. However, should the College ever elect to discontinue the Perkins program, Federal regulations require certain calculations that could result in a much larger amount to be returned to the U.S. Department of Education.

Note 10      Net Assets With Donor Restrictions

The Net Assets with Donor Restrictions consist of the following at June 30:

	2021	2020
Subject to Expenditure for Specific Purpose:		
Scholarships	\$ 384,009	\$ 331,550
Radio Station Funds	31,621	131,865
Fund for Initiatives and New Experiments	82,635	107,387
Not Subject to Appropriation or Expenditure:		
Endowment Funds - Income to be Used for Scholarships	579,211	575,910
Loan Funds - Perkins	103,469	98,232
Total	\$ 1,180,945	\$ 1,244,944

Note 11      Scholarships and Awards

Staff Benefit Waiver amounts for 2021 and 2020, for Staff Tuition Waiver, were \$24,111 and \$9,704, respectively.

Scholarships and awards consist of the following:

	2021	2020
Federal PELL Awards	\$ 397,651	\$ 393,934
CIC Tuition Exchange	9,261	59,236
Federal SEOG	87,854	87,854
HEERF Student Grants	336,917	-
Scholarships	392,579	365,971
Other School Awards	29,285	31,958
Total	\$ 1,253,547	\$ 938,953

GODDARD COLLEGE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021 AND 2020

Note 12      Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by donors/grantors or by releases by the donors.

	2021	2020
Donor Imposed Restrictions Have Been Fulfilled	\$ 575,228	\$ 361,999

Note 13      Operating Leases

During fiscal year 2018, the College entered into a lease agreement with Pitney Bowes for a postage meter for \$25,161 to be paid in twenty-one (21) quarterly payments and a lease with LEAF for a copier for \$7,380 to be paid in sixty (60) monthly payments. During fiscal year 2017, the College entered into a lease agreement with DeLage Financial to replace GE Capital copier lease for a total of \$64,800 to be paid in sixty (60) monthly installments.

Future minimum lease payments under these leases for the years ending after June 30, 2021, are as follows:

2022	\$ 11,669
2023	6,487
Total	\$ 18,156

The lease payments made during the years ending June 30, 2021 and 2020, were \$26,424 and \$18,467, respectively.

Note 14      Retirement Contributions

Goddard College is presently a member of the Teachers Insurance and Annuity Association (TIAA) offered by the College Retirement Equities Fund (CREF). Employees are eligible to participate in the plan upon completion of one year of service and attaining age twenty-one. If an Employee is hired from another educational institution, they can participate in the Plan immediately. Employees who elect to participate in this defined contribution plan can contribute any amount to the plan up to the maximum allowed. The College's contribution is dollar for dollar up to 5% of salary for each employee in the plan. The College has elected to suspend the 5% College Retirement Annuity match indefinitely.

GODDARD COLLEGE CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2021 AND 2020

Note 15      Fundraising Expenses

For the years ended June 30, 2021 and 2020, the College incurred expenses related to fund-raising amounting to \$161,703 and \$150,740, respectively.

Note 16      Related Party

The following is a summary of related party transactions and balances as of and for the years ended June 30:

	2021	2020
Revenue from Gifts Given by Members of the Board of Trustees	\$ 6,355	\$ 36,045

Note 17      Endowment

Goddard College's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Goddard College has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring prudent investment on all endowment funds absent explicit donor stipulations. As a result of the interpretation, the College classifies as assets with donor restrictions (a) the original value of the gifts donated to permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulations are added to the fund.

Goddard College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income to programs supported by its endowment while maintaining the purchasing power of the endowment assets. As such, the primary long-term investment objective of the Endowment is to attain an average annual real return of at least 6% measured over a rolling five-year period. To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College's spending will average no more than 5% of the trailing twelve-quarter average market value of the Endowment. Investment returns and appropriations occur within the same year for Endowments With Donor Restrictions and, accordingly, are reflected with the activity of Endowments Without Donor Restrictions.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 17      Endowment – (Continued)

2021 Endowment Net Asset Composition by Type of Fund:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 579,211	\$ 579,211
Board-Designated Endowment Funds	<u>266,055</u>	<u>-</u>	<u>266,055</u>
Total Funds	<u>\$ 266,055</u>	<u>\$ 579,211</u>	<u>\$ 845,266</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, July 1, 2020	<u>\$ 240,781</u>	<u>\$ 575,910</u>	<u>\$ 816,691</u>
Investment Return:			
Investment Income	3,685	8,815	12,500
Net Appreciation (Realized and Unrealized)	<u>54,889</u>	<u>131,286</u>	<u>186,175</u>
Total Investment Return	58,574	140,101	198,675
Contributions	-	3,301	3,301
Appropriation of Endowment Assets for Expenditure	<u>(33,300)</u>	<u>(140,101)</u>	<u>(173,401)</u>
Endowment Net Assets June 30, 2021	<u>\$ 266,055</u>	<u>\$ 579,211</u>	<u>\$ 845,266</u>

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 17

Endowment – (Continued)

2020 Endowment Net Asset Composition by Type of Fund:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 575,910	\$ 575,910
Board-Designated Endowment Funds	240,781	-	240,781
Total Funds	<u>\$ 240,781</u>	<u>\$ 575,910</u>	<u>\$ 816,691</u>

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, July 1, 2019	<u>\$ 881,508</u>	<u>\$ 575,000</u>	<u>\$ 1,456,508</u>
Investment Return:			
Investment Income	14,677	35,934	50,611
Net Appreciation (Realized and Unrealized)	<u>5,203</u>	<u>12,739</u>	<u>17,942</u>
Total Investment Return	19,880	48,673	68,553
Contributions	-	910	910
Appropriation of Endowment Assets for Expenditure	<u>(660,607)</u>	<u>(48,673)</u>	<u>(709,280)</u>
Endowment Net Assets June 30, 2020	<u>\$ 240,781</u>	<u>\$ 575,910</u>	<u>\$ 816,691</u>

Note 18

Discontinued Operations - WGDR

The College was notified on October 6, 2020, that the grant from the Corporation for Public Broadcasting, which funded the College's radio station operations, has been terminated. The amount of this grant in fiscal year 2020 was \$184,449. As a result of the loss of the grant, Goddard College transferred the radio station to a community group in March of 2021 and is no longer responsible for radio station operations.



GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 19      Significant Concentrations of Risk

The College receives a substantial amount of its revenue for educational services provided to students in Vermont. The College has incurred enrollment declines over recent years, which has contributed to its operating losses. Management has created and implemented a plan to increase enrollment along with controlling expenditures.

The College is a party to a collective bargaining agreement (union contract) for the faculty and the staff. Both contracts were ratified and received Board approval on June 9, 2015. The contracts were extended through June 30, 2021, and the extension was ratified by both unions.

Federally funded financial aid programs are subject to special audit requirements. Such audits could result in claims against resources of the College. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date. Federally funded student assistance, grants and loans represent approximately 74.6% and 77.1% of the revenues received from students for the years ended June 30, 2021 and 2020, respectively. A reduction or related change in the federally funded student assistance programs could adversely affect the ability of the students to pay the tuition and other costs of attendance. This, in turn, could adversely affect the College's revenues.

Note 20      Contingencies

The College is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition will not have a material adverse effect on the College's financial statements.

Note 21      Subsequent Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the change in net assets. Other financial impacts could occur, though such potential impacts are unknown at this time.

On July 31, 2021, Goddard College reached a settlement in a dispute with a former student. The settlement required Goddard College to pay \$40,000. Goddard College has accrued the settlement expense in the current year financial statements.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 22      Liquidity and Availability Disclosure

The following information reflects Goddard College Corporation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or the quasi-endowment for general expenditure within one year of the statement of financial position date have not been subtracted as unavailable.

	2021
Financial Assets at Year End	\$ 4,501,395
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(498,265)
Investments held to generate income	(579,211)
Perkins Loan Fund	(103,469)
USDA Loan Reserve	(100,000)
Board Designations:	
Quasi-Endowment fund, primarily for long term investing	(266,055)
Financial Assets available to meet cash needs for general expenditures within one year	\$ 2,954,395

Note 23      Federal SBA PPP Loan

On April 16, 2020, the College received loan proceeds in the amount of \$1,013,900 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks (or up to twenty-four weeks) as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

On November 4, 2020, Goddard College Corporation received notification from their lender that their forgiveness application had been approved and the entire loan was forgiven. The College spent \$720,155 on eligible expenses in the prior year and \$293,745 in the current year; \$293,745 was recognized as revenue in the year ended June 30, 2021.

GODDARD COLLEGE CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

Note 24

New Accounting Guidance Implementations

In February 2016, the FASB issued Accounting Standards Updated (ASU) 2016-02, *Leases (Topic 842)*. The Standard requires a lessee to recognize the assets and liabilities that arise from leases. A lessee will recognize, in the statement of financial position, a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The measurement of assets and liabilities arising from a lease will include payments to be made in optional periods, only, if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset, not to recognize lease assets and lease liabilities. If a lessee makes this election, it will recognize lease expense for such leases on a straight-line basis over the lease term. The standard is effective for private nonprofits for fiscal years beginning after December 15, 2021. The impact of this standard on the financial statement is yet to be determined.

In May 2014, FASB issued ASU 2014-09, *Revenue with Contracts with Customers (ASC 606)*, which outlines a single comprehensive revenue model for entities to use in accounting for revenue arising from contracts with customers. The guidance supersedes most current revenue recognition guidance, including industry-specific guidance, and ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services, by allocating transaction price to identified performance obligations, and recognizing that revenue as performance obligations are satisfied. The College adopted ASC 606 as of July 1, 2020, using the modified retrospective transition method. The guidance did not have a significant impact on the College's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance clarifies the definition of an exchange transaction and the criteria for evaluating whether contributions are unconditional or conditional. Effective July 1, 2020, the College adopted ASU 2018-08 simultaneously with the adoption of the new revenue standard, using the modified prospective transition method. The guidance did not have a significant impact on the College's financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires presentation of the total change in cash, cash equivalents, restricted cash, and restricted cash equivalents for the period in the statement of cash flows. The beginning and ending balance of cash, cash equivalents, restricted cash and restricted cash equivalents shown on the statement of cash flows should agree to the total of similarly titled line items on the statement of financial position. The College has evaluated and applied this guidance on a retrospective basis and included all applicable cash balances within the Statement of Cash Flows.

**SUPPLEMENTARY INFORMATION**

GODDARD COLLEGE CORPORATION  
 SUPPLEMENTAL SCHEDULE FOR WGDR  
 FOR THE YEAR ENDED JUNE 30,

	2021
<u>Revenues</u>	
Corporation for Public Broadcasting Grant:	
Grant Income - Operations	\$ -
Grant Income - COVID Related	-
Total Grant Income	-
Other Income:	
Underwriting	3,000
Annual Appeal	63,053
Total Other Income	66,053
Total Revenue	66,053
<u>Expenses</u>	
Salaries and Benefits	140,341
Professional Services	225
Advertising and Special Events	2,641
Travel	-
Memberships and Subscriptions	3,189
Utilities, Postage and Internet	5,251
Supplies and Catering	345
Equipment Rental and Repair	1,620
Miscellaneous Expense	12,685
Professional Services	-
Total Expenses	166,297
Net Income	\$ (100,244)

Excerpt from Footnote 18:

The College was notified on October 6, 2020, that the grant from the Corporation for Public Broadcasting which funded the College's radio station has been terminated. The amount of this grant in fiscal year 2020 was \$184,449. As a result of the loss of the grant, Goddard College has transferred the radio station to a community group in March of 2021 and is no longer responsible for radio station operations.

The Accompanying Notes are an Integral Part of the Financial Statements