



MIRIAM FOUNDATION



June 30, 2022 and 2021

**Financial Statements with Independent
Auditor's Report**



miriam
SCHOOL and LEARNING CENTER

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses.....	6
Statements of Cash Flows	8
Notes to Financial Statements	9



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Miriam Foundation
St. Louis, Missouri

Opinion

We have audited the accompanying financial statements of Miriam Foundation ("Miriam"), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 Miriam Foundation as of June 30, 2022 and 2021, 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 of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miriam Foundation 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 these 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 Miriam Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Miriam Foundation'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 Miriam Foundation'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.

Armanino LLP

Armanino^{LLP}
St. Louis, Missouri

October 7, 2022

MIRIAM FOUNDATION

Statements of Financial Position

June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 3,033,197	\$ 2,568,227
Accounts receivable, net	306,935	190,208
Prepaid expenses and deposits	71,973	33,543
Other receivable	349,125	1,074,676
Promises to give	45,000	38,075
Investments - undesignated	2,537,424	3,226,919
Cash and cash equivalents for capital improvements	415,824	-
Cash and cash equivalents designated for extinguishment of debt	928,236	827,451
Promises to give designated for extinguishment of debt, net	1,755,864	2,342,447
Investments designated for extinguishment of debt	413,787	403,479
Investments restricted for capital improvements	287,701	318,508
Investments board-designated for endowment	344,787	344,787
Promises to give restricted for endowment, net	20,125	402,664
Investments restricted for endowment	7,509,853	8,150,787
Fixed assets, net of accumulated depreciation	16,028,703	15,807,687
TOTAL ASSETS	\$ 34,048,534	\$ 35,729,458
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 73,250	\$ 98,847
Construction payables	108,553	509,259
Deferred program revenue	574,209	559,087
Accrued compensation and benefits	256,626	202,131
Other liabilities	146,164	267,207
Deferred rent and lease incentive	21,283	25,075
Lease payable	26,708	34,435
Paycheck Protection Program loan payable	-	887,106
Notes payable	6,921,970	7,292,335
Total Liabilities	8,128,763	9,875,482
Net Assets		
Without donor restriction	17,775,967	16,578,754
With donor restrictions	8,143,804	9,275,222
Total Net Assets	25,919,771	25,853,976
TOTAL LIABILITIES AND NET ASSETS	\$ 34,048,534	\$ 35,729,458

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

MIRIAM FOUNDATION

Statement of Activities

Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND GAINS (LOSSES)			
Program Revenue			
Tuition, net of financial assistance of \$2,011,341	\$ 3,568,701	\$ -	\$ 3,568,701
Miriam Learning Center, net of discounts of \$375,204	2,364,092	-	2,364,092
Miriam Summer Camp	146,038	-	146,038
Other revenues	118,146	-	118,146
Total Program Revenue	6,196,977	-	6,196,977
Resale Revenue			
Miriam Switching Post sales	609,685	-	609,685
Less: Cost of goods sold	(380,345)	-	(380,345)
Net Resale Revenue	229,340	-	229,340
Support Revenue			
Contributions	364,839	322,713	687,552
Campaign gifts	10,254	70,423	80,677
Special events, net	18,154	-	18,154
Total Support Revenue	393,247	393,136	786,383
Other Revenue (Losses)			
Net investment return	(347,207)	(948,545)	(1,295,752)
Miscellaneous	4,710	361	5,071
Total Other Revenue (Losses)	(342,497)	(948,184)	(1,290,681)
Net assets released from restrictions	576,370	(576,370)	-
Total Revenues, Support and Gains (Losses)	7,053,437	(1,131,418)	5,922,019
EXPENSES			
Program Services:			
K-12 Education	4,393,067	-	4,393,067
Miriam Learning Center	1,940,049	-	1,940,049
Summer Camp	127,042	-	127,042
Total Program Services	6,460,158	-	6,460,158
Supporting Services:			
Management and general	1,058,341	-	1,058,341
Fundraising	192,104	-	192,104
Total Supporting Services	1,250,445	-	1,250,445
Total Expenses	7,710,603	-	7,710,603
Other Income	1,854,379	-	1,854,379
CHANGE IN NET ASSETS	1,197,213	(1,131,418)	65,795
Net Assets, Beginning of Year	16,578,754	9,275,222	25,853,976
Net Assets, End of Year	\$ 17,775,967	\$ 8,143,804	\$ 25,919,771

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

MIRIAM FOUNDATION

Statement of Activities

Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND GAINS (LOSSES)			
Program Revenue			
Tuition, net of financial assistance of \$1,695,892	\$ 2,955,624	\$ -	\$ 2,955,624
Miriam Learning Center, net of discounts of \$391,493	1,889,802	-	1,889,802
Miriam Summer Camp	134,670	-	134,670
Other revenues	92,815	-	92,815
Total Program Revenue	5,072,911	-	5,072,911
Resale Revenue			
Miriam Switching Post sales	649,319	-	649,319
Less: Cost of goods sold	(342,211)	-	(342,211)
Net Resale Revenue	307,108	-	307,108
Support Revenue			
Contributions	424,877	199,928	624,805
Campaign gifts	32,954	192,395	225,349
Special events, net	21,306	-	21,306
Total Support Revenue	479,137	392,323	871,460
Other Revenue			
Net investment return	757,867	1,936,435	2,694,302
Miscellaneous	8,109	354	8,463
Total Other Revenue	765,976	1,936,789	2,702,765
Net assets released from restrictions	5,258,866	(5,258,866)	-
Total Revenues, Support and Gains (Losses)	11,883,998	(2,929,754)	8,954,244
EXPENSES			
Program Services:			
K-12 Education	4,019,278	-	4,019,278
Miriam Learning Center	1,748,810	-	1,748,810
Summer Camp	108,350	-	108,350
Total Program Services	5,876,438	-	5,876,438
Supporting Services:			
Management and general	749,028	-	749,028
Fundraising	289,400	-	289,400
Total Supporting Services	1,038,428	-	1,038,428
Total Expenses	6,914,866	-	6,914,866
Other Income	2,208,130	-	2,208,130
CHANGE IN NET ASSETS	7,177,262	(2,929,754)	4,247,508
Net Assets, Beginning of Year	9,401,492	12,204,976	21,606,468
Net Assets, End of Year	\$ 16,578,754	\$ 9,275,222	\$ 25,853,976

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

MIRIAM FOUNDATION

Statement of Functional Expenses

Year ended June 30, 2022

	K-12 Education	Miriam Learning Center	Summer Camp	Total Program Services	Management and General	Fundraising	Cost of Goods Sold	Total
EXPENSES								
Compensation	\$ 2,484,762	\$ 1,631,704	\$ 110,097	\$ 4,226,563	\$ 492,180	\$ 69,438	\$ 148,556	\$ 4,936,737
Payroll taxes	182,822	138,241	2,216	323,279	35,825	5,403	10,789	375,296
Fringe benefits	195,783	31,066	347	227,196	25,682	10,988	22,830	286,696
Professional fees	1,952	-	-	1,952	24,774	-	-	26,726
Outside services	42,633	23,177	-	65,810	101,570	29,726	16,907	214,013
Marketing and advertising	35,263	-	1,313	36,576	2,667	866	970	41,079
Financial fees	425	8,459	2,682	11,566	1,650	6,695	12,069	31,980
Supplies	110,607	30,511	10,289	151,407	14,281	4,795	21,870	192,353
Postage and printing	13,710	2,562	-	16,272	2,801	17,350	859	37,282
Dues and subscriptions	32,043	6,821	-	38,864	8,418	1,230	2,092	50,604
Technology	99,508	13,793	-	113,301	23,035	7,187	6,881	150,404
Occupancy	395,494	17,118	-	412,612	22,428	11,208	123,306	569,554
Travel	401	4,915	-	5,316	-	-	7,229	12,545
Meetings/professional development	9,999	-	-	9,999	1,310	2,192	-	13,501
Interest	252,788	216	-	253,004	32,796	14,790	-	300,590
Depreciation and amortization	473,016	22,812	-	495,828	21,658	8,292	6,348	532,126
Insurance	61,272	8,508	98	69,878	4,080	1,944	9,084	84,986
Bad debts	374	146	-	520	243,186	-	-	243,706
Miscellaneous	215	-	-	215	-	-	-	215
TOTAL EXPENSES BY FUNCTION	4,393,067	1,940,049	127,042	6,460,158	1,058,341	192,104	389,790	8,100,393
Less expenses included with revenues on the statement of activities								
Resale shop cost of goods sold	-	-	-	-	-	-	(380,345)	(380,345)
Cost of direct benefits to donors	-	-	-	-	-	-	(9,445)	(9,445)
Total expenses included in the expense section of the statement of activities	\$ 4,393,067	\$ 1,940,049	\$ 127,042	\$ 6,460,158	\$ 1,058,341	\$ 192,104	\$ -	\$ 7,710,603

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

MIRIAM FOUNDATION

Statement of Functional Expenses

Year ended June 30, 2021

	K-12 Education	Miriam Learning Center	Summer Camp	Total Program Services	Management and General	Fundraising	Cost of Goods Sold	Total
EXPENSES								
Compensation	\$ 2,355,333	\$ 1,459,642	\$ 93,475	\$ 3,908,450	\$ 492,399	\$ 156,181	\$ 131,060	\$ 4,688,090
Payroll taxes	174,215	124,795	965	299,975	32,922	11,471	9,684	354,052
Fringe benefits	164,215	39,271	-	203,486	24,997	17,672	17,115	263,270
Professional fees	220	-	-	220	20,780	-	-	21,000
Outside services	58,006	27,686	-	85,692	65,534	22,056	20,509	193,791
Marketing and advertising	35,395	348	1,492	37,235	-	1,804	2,134	41,173
Financial fees	514	9,117	2,517	12,148	1,429	5,399	13,446	32,422
Supplies	129,896	19,011	9,767	158,674	8,439	4,905	11,071	183,089
Postage and printing	13,542	2,392	-	15,934	2,282	19,252	1,553	39,021
Dues and subscriptions	27,456	3,873	-	31,329	4,874	6,864	1,786	44,853
Technology	71,675	11,925	-	83,600	10,611	3,872	6,653	104,736
Occupancy	278,687	16,696	-	295,383	27,706	12,465	115,069	450,623
Travel	4,221	4,868	39	9,128	2,531	1,319	4,923	17,901
Meetings/professional development	0							
Interest	206,235	325	-	206,560	35,869	11,881	-	254,310
Depreciation and amortization	447,084	20,484	-	467,568	15,396	7,308	4,668	494,940
Insurance	48,518	8,377	95	56,990	3,259	1,681	6,812	68,742
Bad debts	590	-	-	590		5,270	-	5,860
Miscellaneous	3,476			3,476		-	-	3,476
TOTAL EXPENSES BY FUNCTION	4,019,278	1,748,810	108,350	5,876,438	749,028	289,400	346,483	7,261,349
Less expenses included with revenues on the statement of activities								
Resale shop cost of goods sold	-	-	-	-	-	-	(342,211)	(342,211)
Cost of direct benefits to donors	-	-	-	-	-	-	(4,272)	(4,272)
Total expenses included in the expense section of the statement of activities	\$ 4,019,278	\$ 1,748,810	\$ 108,350	\$ 5,876,438	\$ 749,028	\$ 289,400	\$ -	\$ 6,914,866

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

MIRIAM FOUNDATION

Statements of Cash Flows

Years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Program service payments received	\$ 6,094,852	\$ 5,006,901
Resale shop receipts	609,685	649,319
Contributions received, net of amounts restricted for long-term purposes	470,482	703,258
Receipts from special events	18,154	21,306
Other cash receipts	742,968	46,024
Payments for salaries, benefits and payroll taxes	(5,565,870)	(5,219,068)
Payments for occupancy and facility	(566,874)	(474,330)
Payments to vendors	(805,991)	(766,405)
Interest paid	(300,510)	(239,223)
Net cash provided (used) in operating activities	696,896	(272,218)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(723,716)	(27,684)
Insurance proceeds reserved for restoration	410,367	-
Purchases of investments	(873,334)	(6,484,804)
Proceeds from sales of investments	925,790	6,496,213
Reinvestment of interest and dividends	41,971	32,685
Net cash (used) provided in investing activities	(218,922)	16,410
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on lease payable and notes payable	(588,293)	(1,007,895)
Borrowings on notes payable	206,196	887,106
Collection of campaign restricted contributions	796,194	1,353,762
Collection of contributions restricted for perpetual endowment	89,508	68,713
Net cash provided by financing activities	503,605	1,301,686
INCREASE IN CASH AND CASH EQUIVALENTS	981,579	1,045,878
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,395,678	2,349,800
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,377,257	\$ 3,395,678
	2022	2021
Cash and cash equivalents consisted of the following:		
Cash and cash equivalents	\$ 3,033,197	\$ 2,568,227
Cash and cash equivalents for capital improvements	415,824	-
Cash and cash equivalents designated for extinguishment of debt	928,236	827,451
	\$ 4,377,257	\$ 3,395,678

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

MIRIAM FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

Note A - Nature of the Organization

The mission of Miriam Foundation (“Miriam”) is to empower unique learners by building confidence and a foundation for success through innovative and comprehensive programs. Miriam supports three programs, K-12 School, Learning Center, and Summer Camp. Miriam’s revenue and support is derived primarily from program service fees, resale revenue, contributions including campaign gifts, grants, and investment returns.

K-12 Educational Services

Miriam provides a personalized learning program, integrated therapies, and a nurturing community to ensure students with unique learning needs in Kindergarten through twelfth grade thrive both academically and socially.

With a low student to teacher ratio and collaborative learning approach, students find an environment full of possibilities. At Miriam, learning is intentional, collaborative and personalized, designed to meet the unique social, emotional, physical and academic needs of each student.

Miriam Learning Center

Miriam Learning Center provides services to students ages 2 to 24 who wish to remain in their current educational environment but need specialized in-school or after-school support services to meet their potential.

Miriam Learning Center provides specialized services for children who learn differently. A wide variety of services including IQ, academic and psychological testing, tutoring, counseling, behavior support and occupational, speech/language, music and physical therapy, offer families and schools a coordinated treatment effort to help students learn.

Summer Camp

Miriam Summer Camp offers both full and half-day camp sessions for children with learning differences. Camp sessions offered include occupational therapy, speech and language therapy, social skills, project-based learning, academic tutoring, and non-competitive sports.

Miriam Switching Post

Miriam operates a resale shop, Miriam Switching Post, which is an upscale resale boutique selling gently used furniture, home décor and collectibles. Miriam Switching Post raises needed funds to support Miriam’s mission of empowering unique learners.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note A - Nature of the Organization (Continued)

Fundraising

Fundraising activities include the functions necessary to provide structure to encourage and secure financial support from individuals, organizations, corporations, and public agencies.

Management and General

Management and general activities encompass the functions necessary to maintain programs, ensure an adequate working environment, provide coordination and articulation of Miriam's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of Miriam, and manage the financial and budgetary responsibilities of Miriam.

Note B - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting and Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment along with designations for other specified purposes.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Miriam designates endowment investment earnings as net assets with donor restrictions that are temporary in nature until they are expended for the intended purposes or distributed from endowment in line with board approved spending policy.

Contributions restricted by donors are recorded as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies (Continued)

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Miriam's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include checking accounts and highly-liquid investments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by Miriam to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Miriam has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection. Investments are made by diversified investment managers whose performance is monitored by the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the investment committee believes that the investment policies and guidelines are prudent for the long-term welfare of Miriam.

Receivables and Allowance for Uncollectible Accounts

Accounts receivable consist primarily of noninterest-bearing amounts and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to expenses and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection of efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The School determined that no allowance for uncollectible accounts receivable was deemed necessary as of June 30, 2022 and 2021.

Amounts invoiced and uncollected at year end are considered receivables. Receivables, net of an allowance, are listed separately on the statements of financial position. Contract assets primarily relate to rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. There were no contract assets as of June 30, 2022 and 2021.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies (Continued)

Contract Liabilities

Registration and tuition payments are required prior to commencement of the applicable school year and camp program. All registration and tuition received for subsequent school years and fiscal periods is recorded as deferred program revenue and recognized as revenue in the subsequent fiscal period. Contract liabilities represent Miriam's obligation to transfer goods or services to a customer when consideration has already been received from the customer. Amounts invoiced and collected in excess of revenues recognized are contract liabilities and are listed separately on the statements of financial position. There were no contract liabilities as of June 30, 2022 and 2021.

Promises to Give

Unconditional promises to give are recorded as receivables and support when the unconditional promise is made. Promises to give are considered conditional when a measurable barrier and right of return or release exists. Promises to give become unconditional and are recognized as revenue when the barriers upon which they depend are overcome. Unconditional promises to give are recorded after being discounted to the anticipated net present value of the future cash flows. Promises to give consist of operating and capital project fundraising campaigns. The evaluation of uncollectible amounts follows the same policies as for accounts receivable. See Note E for the allowance charged against unconditional promises to give.

Investments

Miriam's investments are carried at fair value and consist primarily of money market funds, certificates of deposit, mutual funds, corporate equities, and other investments functionally equivalent to cash. Miriam presents the investment return, which consists of interest and dividend income, realized gains (losses), the unrealized appreciation (depreciation) on investments, and investment fees, in the statements of activities.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Other Receivable

Expected insurance proceeds, recorded on the statements of activities and other receivable on the statements of financial position as of June 30, 2022 and 2021, were recognized for a water damage claim that was incurred in fiscal year 2021. Under ASC 610-30, *Revenue Recognition — Other Income — Gains and Losses on Involuntary Conversions*, when an involuntary conversion occurs, to the extent the cost of a nonmonetary asset differs from the amount of monetary assets received, the transaction results in the realization of a gain or loss that shall be recognized in the statements of activities. Insurance proceeds recorded as other income were \$402,786 and \$542,261 with \$0 and \$ 542,261 remaining as other receivable as of June 30, 2022 and 2021, respectively.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies (Continued)

Fixed Assets

Fixed assets are carried at cost, less accumulated depreciation and amortization computed using the straight-line method over the following periods:

Building and building improvements	10-40 years
Leasehold and school property improvements	10-40 years
Equipment, furniture, and fixtures	3-7 years

An asset is capitalized if it has a cost of \$1,500 or more, is used in operations, and has a useful life of three years or longer. Repairs and maintenance expenditures that do not meet these guidelines are expensed when occurred. When depreciable assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recorded in the statements of activities. Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered, the School, using its best estimates and projections, reviews for impairment the carrying value of long lived identifiable assets to be held and used in the future. The School will record impairment losses when determined.

Paycheck Protection Program Loan Payable

Miriam applied for and was awarded a loan under the Paycheck Protection Program (“PPP”). The Organization elected to account for the loan using the debt-model under Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 470. The debt-model required initial recording of the proceeds received as financing activities and the loan as a liability until Miriam is legally released from the obligation to repay the loan. When the loan was forgiven and legal release was received, Miriam reduced the liability by the amounts forgiven and recorded a gain on extinguishment as other income in the statements of activities.

Revenue Recognition

Exchange revenue consists of therapy revenue, counseling revenue, instruction delivery revenue, resale revenue, and special event ticket revenue. Revenue is recognized when satisfaction of the performance obligation is met. The performance obligation is met over time as the service is completed or at a point in time when the transaction was completed. See footnote N for more information on the various types of revenue and how they are recognized.

Special event revenue includes ticket sales for events held by Miriam during the year. The ticket sales and sponsorships, included in special event revenue, are partially for an exchange in goods or services and partially a contribution. The contribution is recognized in accordance with ASC 958 while the reciprocal piece is recognized under ASC 606 over the course of the event.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program and supporting services are allocated directly according to their natural expenditure classifications.

The expenses allocated on the basis of estimates of time and effort include compensation, payroll taxes, and fringe benefits. Facility expenses such as depreciation expense, repairs and maintenance, and utilities (included in occupancy on the statements of functional expenses) are allocated on the basis of estimated usage and square footage.

Donated Services and In-kind Gifts

Volunteers contribute significant amounts of time to program services, management and general, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP. No significant contributions of such services were received during the years ended June 30, 2022 and 2021.

In-kind gifts are recorded at fair value at the date of donation. During the years ended June 30, 2022 and 2021, Miriam received and recognized \$2,971 and \$7,512, respectively, of in-kind gifts that were later sold, raffled or auctioned during its fundraising events. Contributions of furniture, household goods and other items to the resale shop are recognized as revenue when, and if, sold. The resale shop's revenue and expenses are presented as Miriam Switching Post sales revenue and cost of goods sold in the statements of activities.

Advertising Expense

Advertising costs are expensed as incurred. Total advertising expenses for the years ended June 30, 2022 and 2021 were \$33,112 and \$36,201, respectively. Expenses for advertising as well as public relations and marketing efforts are categorized as marketing and advertising expenses on the statements of functional expenses.

Employee Retention Credit (ERC) Program

On March 27, 2020, in response to the COVID-19 pandemic, the U.S. Congress enacted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which among other things, contains provisions for an employee retention credit, a refundable payroll credit for 50% of wages and health benefits paid to employees not providing services or experienced a decline in gross receipts, as a result of the COVID-19 pandemic. As a result of the CARES Act, Miriam claimed the employee retention credit, which was recorded as part of other receivable on the statements of financial position and other income on the statements of activities.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note B - Summary of Significant Accounting Policies (Continued)

Tax Status

Miriam Foundation is organized as a Missouri nonprofit corporations and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(ii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3). Annually Miriam Foundation is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Miriam is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Miriam has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Miriam has addressed the provisions of FASB ASC 740, *Accounting for Income Taxes*. In that regard, Miriam has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings and believes that no provision for income taxes is necessary, at this time, to cover any uncertain tax positions.

Reclassifications

Certain 2021 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2022. Changes in net assets are unchanged due to these reclassifications.

Change in Accounting Principle

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which provides for new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The School adopted ASU 2020-07 with a date of initial application of July 1, 2021, using the modified retrospective method. The adoption of ASU 2020-07 did not have a significant impact on the School's financial position, results of operations, or cash flows.

Subsequent Events

Management has evaluated subsequent events through October 7, 2022, the date which the financial statements were available for issue.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note C - Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,033,197	\$ 2,568,227
Accounts receivable	306,935	190,208
Promise to give	45,000	38,075
Other receivables	349,125	532,415
Investments - undesignated	2,537,424	3,226,919
Endowment spending-rate distributions and appropriations	<u>366,087</u>	<u>267,851</u>
Financial assets available to meet general expenditures within one year	<u>\$ 6,637,768</u>	<u>\$ 6,823,695</u>

Miriam regularly monitors liquidity required to meet its operational needs and other contractual commitments, while also striving to maximize the investment of its available funds. Miriam has various sources of liquidity at its disposal, including cash and cash equivalents, marketable equity securities, and in the event of an unanticipated liquidity need, Miriam could draw upon a \$500,000 operational line of credit. See Note H for information about Miriam's line of credit.

In addition to financial assets available to meet general expenditures over the 12 months, Miriam operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Miriam has historically received approximately 72 percent of total revenue from program services, with the remainder funded by support revenue, net resale revenue, investment return without donor restrictions and appropriated earnings from endowment gifts with donor restrictions. Furthermore, historically, approximately 20 percent of payroll expenses are only incurred if there is an associated program service fee to cover the expense due to PRN (or "as needed") employees.

Miriam manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that operations continue to fulfill enrollment contracts, ensuring the sustainability of Miriam.

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for tuition assistance, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note C - Liquidity and Availability of Resources (Continued)

Although Miriam does not intend to spend from the board-designated endowment valued at \$344,787 (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary, upon board approval.

Note D - Supplemental Cash Flow Information

As of June 30, 2022, and 2021, cash and cash equivalents include highly liquid investments with original maturities of three months or less in the amount of \$141,097 and \$88,641, respectively.

Miriam purchased fixed assets through construction payable and loan borrowings in the amount of \$210,201 and \$2,007,142 for the years ended June 30, 2022 and 2021, respectively.

Note E - Promises to Give

Unconditional promises to give are included in the financial statements as assets and support within the appropriate net asset category. Donor promises restricted for endowment are included in promises to give and are recorded as net assets with donor restrictions that are perpetual in nature.

Promises to give, on the statement of financial position, consisted of the following:

	<u>2022</u>	<u>2021</u>
Promises to give	\$ 45,000	\$ 38,075
Promises to give designated for extinguishment of debt, net	1,755,864	2,342,447
Promises to give restricted for endowment, net	<u>20,125</u>	<u>402,664</u>
	<u>\$ 1,820,989</u>	<u>\$ 2,783,186</u>

Promises to give are expected to be collected in the following periods:

	<u>2022</u>	<u>2021</u>
Due in 2022	\$ -	\$ 751,608
Due in 2023	705,947	661,034
Due in 2024	589,975	670,388
Due in 2025	315,700	315,700
Due in 2026	251,000	251,000
Due in 2027	200,000	200,000
Thereafter	200,000	200,000
Less: Allowance for uncollectible promises to give	(366,473)	(144,482)
Less: Discount on promises to give	<u>(75,160)</u>	<u>(122,062)</u>
	<u>\$ 1,820,989</u>	<u>\$ 2,783,186</u>

A discount rate of 3.11% and 2.08% was used for the years ended June 30, 2022 and 2021, respectively, to record the promises to give at present value of future cash flows.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note E - Promises to Give (Continued)

At June 30, 2022 and 2021, four donors accounted for 83 percent and 73 percent of total unconditional promises to give, respectively. Three donors accounted for approximately 69 percent and four donors accounted for 55 percent of total contribution support revenue for the years ended June 30, 2022 and 2021, respectively.

Unconditional promises to give totaling \$0 and \$96,515 received during the years ended June 30, 2022 and 2021, respectively, were restricted by donors for current-year operations and were reported as net assets without donor restrictions.

During the fiscal year ended June 30, 2020, Miriam signed a contract amendment for emergency funding in response to the COVID-19 pandemic that would bridge the difference of average contracted counseling services and actual performed services. The agreement includes various barriers and return of funding if not in conformance with the contract amendment. Emergency funding up to \$130,891 through June 30, 2021, may be available if the conditions are met. The barriers related to this grant were eliminated and therefore the full amount of this funding was recorded as contributions for the year ended June 30, 2022.

Note F - Fair Value Measurements and Investments

FASB ASC 820-10, Fair Value Measurements and Disclosures, applies to all financial instruments that are measured and reported on a fair value basis. FASB ASC 820-10 defines fair value and establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2 – Quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are significant and reflect substantial management judgement or estimation, including the use of pricing models, discounted cash flow methodologies or similar techniques.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note F - Fair Value Measurements and Investments (Continued)

Miriam records marketable securities held at fair value on the statements of financial position with unrealized gains and losses reflected in net investment return in the statements of activities. The degree of judgment used in measuring fair value of investments held generally correlates to the level of pricing observability. Pricing observability is impacted by a number of factors, including the type of investment held, whether the investment held is new to the market and not yet established, and the characteristics specific to the transaction. Investments held, with readily available active quoted prices for which fair value can be measured from actively quoted prices, generally will have a higher degree of pricing observability and lesser degree of judgment used in measuring fair value. Conversely, investments held, rarely traded, or not quoted, will generally have less or no pricing observability and a higher degree of judgment used in measuring fair value.

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. Management assesses and approves these policies and procedures. At least annually, Management: (1) determines if the current valuation techniques used in fair value measurements are still appropriate and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

Miriam recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the fair value hierarchy table for the years ended June 30, 2022 and 2021. Money market funds are valued at their carrying amount due to their short maturities (Level 1). Mutual funds are reported at fair value based on quoted market prices (Level 1).

The primary uses of fair value measures in Miriam's financial statements are initial measurement of gifts, including gifts of investment assets and unconditional promises to give, recurring measurements of investments, recurring measurement of endowment investments, recurring measurement of bequests from wills and trusts, and recurring measurement of annuities.

Miriam holds highly-liquid investments, included in cash and cash equivalents on the statements of financial position, in the amount of \$141,097 and \$88,641 as of June 30, 2022 and 2021, respectively.

Investments consisted of the following as of June 30:

	Market Value		Cost	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash and money market funds	\$ 413,787	\$ 413,479	\$ 413,787	\$ 413,479
Exchange traded funds	1,869,293	1,072,635	1,922,761	1,000,063
Mutual funds	8,810,472	10,958,366	8,571,875	9,957,883
	<u>\$11,093,552</u>	<u>\$12,444,480</u>	<u>\$10,908,423</u>	<u>\$11,371,425</u>

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note F - Fair Value Measurements and Investments (Continued)

The fair values of Miriam's investments were determined using inputs, as described above, at June 30, 2022 and 2021, as follows:

	June 30, 2022			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Domestic equity				
Domestic large blend				
VTSAX Vanguard Total Stock				
Mkt index Adm	\$ 2,758,594	\$ 2,758,594	\$ -	\$ -
VFIAX Vanguard 500 Index				
Fund Admiral Shares	294,805	294,805	-	-
Domestic large				
LRGF iShares FactorSelect				
MSCI USA	949,168	949,168	-	-
Domestic small				
AVUV Avantis US Small Cap				
Value ETF	920,126	920,126	-	-
Total domestic equity	4,922,693	4,922,693	-	-
International equity				
Emerging market				
DFCEX DFA Emerging				
Markets Core Equity Instl	275,209	275,209	-	-
International large blend				
DFIEX DFA International Core				
Equity Instl	1,060,130	1,060,130	-	-
International large value				
DFVIX DFA Intl Value III	601,688	601,688	-	-
Total international equity	1,937,027	1,937,027	-	-
Fixed income				
Taxable fixed income				
DFGBX DFA Five Year Global				
Fixed Income Portfolio	1,149,753	1,148,753	-	-
VFSUX Vanguard Short-term				
Inv Grade Admiral	2,670,292	2,670,292	-	-
Total fixed income	3,820,045	3,820,045	-	-
Cash and money market funds	413,787	-	-	-
Total Investments	<u>\$11,093,552</u>	<u>\$10,679,765</u>	<u>\$ -</u>	<u>\$ -</u>

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note F - Fair Value Measurements and Investments (Continued)

	June 30, 2021			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Domestic equity				
Domestic large blend				
VTSAX Vanguard Total Stock				
Mkt index Adm	\$ 3,261,195	\$ 3,261,195	\$ -	\$ -
VFIAX Vanguard 500 Index				
Fund Admiral Shares	329,967	329,967	-	-
Domestic large				
LRGF iShares FactorSelect				
MSCI USA	1,072,635	1,072,635	-	-
Domestic small				
AVUV Avantis US Small Cap				
Value ETF	1,043,739	1,043,739	-	-
Total domestic equity	5,707,536	5,707,536	-	-
International equity				
Emerging market				
DFCEX DFA Emerging Markets				
Core Equity Instl	352,738	352,738	-	-
International large blend				
DFIEX DFA International Core				
Equity Instl	1,213,236	1,213,236	-	-
International large value	685,164	685,164	-	-
Total international equity	2,251,138	2,251,138	-	-
Fixed income				
Taxable fixed income				
DFGBX DFA Five Year Global				
Fixed Income Portfolio	1,221,700	1,221,700	-	-
VFSUX Vanguard Short-term				
Inv Grade Admiral	2,850,626	2,850,626	-	-
Total fixed income	4,072,327	4,072,327	-	-
Cash and money market funds	413,479	-	-	-
Total Investments	\$12,444,480	\$12,031,001	\$ -	\$ -

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note G - Fixed Assets

Fixed assets, net consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 5,450,000	\$ 5,450,000
Buildings	9,835,931	9,198,110
Improvements to school property	117,636	117,636
Land improvements	233,610	233,610
Leasehold improvements	4,969	4,969
Equipment, furniture and fixtures	1,387,400	1,346,267
Phase one improvements	356,826	356,826
Gymnasium	2,103,893	2,103,893
Work in progress	535,696	567,786
	<u>20,025,961</u>	<u>19,379,097</u>
Less: accumulated depreciation	<u>(3,997,258)</u>	<u>(3,571,410)</u>
Fixed assets, net	<u>\$ 16,028,703</u>	<u>\$ 15,807,687</u>

Depreciation and amortization amounted to \$532,126 and \$494,940 in 2022 and 2021, respectively.

Note H - Line of Credit

On July 5, 2020, Miriam signed a promissory note with Midwest BankCentre for a working capital line of credit in the amount of \$500,000. All outstanding principal and accrued interest are due annually on July 5th. A Modification Agreement was signed on May 5, 2021, which extended the due date of any outstanding borrowings annually to December 5th. Payments of any accrued interest are due monthly. Interest accrues on any outstanding principal at the bank's prime rate plus 1%, with an initial rate of 6.5%. The working capital line of credit is secured by a Commercial Security Agreement dated December 7, 2017. Miriam did not have an outstanding balance as of June 30, 2021 and the line of credit matured December 5, 2021. As of June 30, 2022, there was no balance outstanding on the line of credit. The line of credit was in the renewal process at the date these financial statements were available for issuance.

Note I - Paycheck Protection Program Loan Payable

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRRSAA") was signed into law. The legislation includes provisions for expansion of the U.S. Small Business Administration's 7(a) Loan Program to support the new Paycheck Protection Program ("PPP2"). Loans made under the PPP can be forgiven if certain conditions are met. Miriam has adopted the provisions of the PPP Flexibility Act to defer interest and principal payments until the date on which the amount of forgiveness is determined.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note I - Paycheck Protection Program Loan Payable (Continued)

Miriam received full forgiveness under both rounds of the PPP program in the amount of \$890,334 and \$1,102,365, which represents principal in the amount of \$887,106 and \$1,091,300 and interest in the amount of \$3,228 and \$11,065 for the years ended June 30, 2022 and 2021, respectively. The forgiveness is reported as other income on the statement of activities for the years ended June 30, 2022 and 2021.

Note J - Notes Payable

On September 18, 2019, Miriam acquired a building for the purchase price of \$5,450,000. A financing agreement was signed borrowing a total up to \$8,000,000 for purchase and renovations to the property. A modification agreement was signed on August 11, 2020, allowing up to a total borrowing of \$8,500,000. Up to \$4,500,000 contingent upon written formalization of campaign pledges. An additional modification agreement signed December 14, 2021 adjusted the timing of principal to be self-liquidating with the pledge payments and monthly interest due at 3.75% of the outstanding bridge loan balance. Total outstanding principal is due September 18, 2028. The remaining \$4,000,000 is a term note with a maturity date of October 5, 2026, at a rate of 4.25% interest only until renovations were completed in September 2020. The modification agreement signed on December 14, 2021 modified payment for one year as interest only. Thereafter, principal and interest in the amount of \$24,953 is due monthly. These financing agreements are secured by the Deed of Trust. Both finance agreements can be paid in advance without penalty.

Future principal payments for long-term debt are as follows:

	<u>Construction Note</u>	<u>Term Note</u>	<u>Total</u>
Due in 2023	\$ 966,667	\$ 67,907	\$1,034,574
Due in 2024	966,667	139,367	1,106,034
Due in 2025	366,667	145,931	512,598
Due in 2026	266,667	152,344	419,011
Due in 2027	266,667	3,319,323	3,585,990
Thereafter	263,763	-	263,763
Outstanding June 30, 2022	<u>\$ 3,097,098</u>	<u>\$ 3,824,872</u>	<u>\$ 6,921,970</u>

Note K - Other Liabilities

Miriam holds agency accounts for the School's Parent Association. The Parent Association elects their own officers and has full decision-making authority regarding the use of these funds. The amounts held in both cash and cash equivalents and other liabilities as of June 30, 2022 and 2021 is \$8,250 and \$10,223, respectively.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note K - Other Liabilities (Continued)

An accrual for anticipated self-insurance claims related to Miriam's employee health benefits is included in other liabilities. Miriam uses stop-loss coverage with third party insurers to limit Miriam's claim and total exposure. This liability is an estimate for the ultimate costs to close known claims, including claims incurred but not yet reported as of the statement of financial position date. Miriam's recorded estimated liability of \$135,000 and \$123,000 at June 30, 2022 and 2021, respectively, for self-insurance is based on the insurance companies incurred loss estimates and management's judgment, including assumptions and factors related to the frequency and severity of claims, claims development history and claims settlement practices.

Note L - Net Assets

The Board of Directors has designated certain net assets for specific purposes. These designations may be changed at any time by Board decision. The net assets without donor restrictions consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 17,431,180	\$ 16,233,967
Board-designated endowment:		
Gala Scholarship	132,117	132,117
Eleanore T. Kenney Memorial Scholarship	27,670	27,670
Joan Holland Endowment Fund	25,000	25,000
Andy Thorp Endowment Fund	10,000	10,000
Cornelsen Testing Scholarship	150,000	150,000
	<u>\$ 17,775,967</u>	<u>\$ 16,578,754</u>

Net assets with donor restrictions are restricted for the following purpose or periods at June 30:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Scholarships and tuition assistance	\$ 323,211	\$ 368,100
Capital improvements and specialized equipment	287,701	318,508
Professional development	-	1,750
Learning to Succeed campaign	20,125	432,984
Subject to passage of time:		
Charitable gift annuity	2,914	3,093
Endowments (includes endowment earnings):		
Named scholarship endowment funds	3,778,022	4,337,097
Academy endowment funds	3,188,656	3,177,629
Cornelsen Testing Scholarship endowment	543,175	636,061
	<u>\$ 8,143,804</u>	<u>\$ 9,275,222</u>

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note L - Net Assets (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows at June 30:

	<u>2022</u>	<u>2021</u>
Program Restrictions:		
Scholarships and tuition assistance	\$ 248,369	\$ 184,682
Professional development	1,750	8,250
Capital improvements and specialized equipment	2,064	14,833
Building on Success campaign	45,562	4,846,547
Learning to Succeed Campaign	30,320	24,331
Timing Restrictions:		
Charitable gift annuity	540	540
Spending rate distributions and appropriations:		
Financial aid and scholarships	<u>247,765</u>	<u>179,683</u>
Net assets released from restrictions	<u>\$ 576,370</u>	<u>\$ 5,258,866</u>

Note M - Endowment Funds

Miriam's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting standards, net assets associated with endowment funds, including funds designated by either donors or the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Miriam's Board of Directors has interpreted the Missouri Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2022 and 2021, there were no such donor stipulations. As a result of this interpretation, Miriam will retain in perpetuity (a) the original value of initial and subsequent gift amounts including promises to give at fair value donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note M - Endowment Funds (Continued)

Miriam considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of Miriam and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of Miriam
- (7) The investment policies of Miriam

As of June 30, 2022 and 2021, the endowment net asset composition by type and fund consisted of the following:

	2022		
	Without Donor Restriction	With Donor Restrictions	Total
Board-designated endowment funds	\$ 344,787	\$ -	\$ 344,787
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	6,728,982	6,728,982
Accumulated investment gains	-	780,871	780,871
Endowment, June 30, 2022	\$ 344,787	\$ 7,509,853	\$ 7,854,640
	2021		
	Without Donor Restriction	With Donor Restrictions	Total
Board-designated endowment funds	\$ 344,787	\$ -	\$ 334,787
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	6,242,074	6,242,074
Accumulated investment gains	-	1,908,713	1,908,713
Endowment, June 30, 2021	\$ 344,787	\$ 8,150,787	\$ 8,495,574

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note M - Endowment Funds (Continued)

The following is a reconciliation of the beginning and ending balance of Miriam's endowment net assets for the years ended June 30, 2022 and 2021:

	2022		
	Without Donor Restriction	With Donor Restrictions	Total
Endowment, July 1, 2021	\$ 344,787	\$ 8,150,787	\$ 8,495,574
Investment loss:			
Interest and dividends	-	187,893	187,893
Realized and unrealized gain (loss)	-	(1,067,970)	(1,067,970)
Total investment losses	-	(880,077)	(880,077)
Contributions/additions	-	486,908	486,908
Appropriation of endowment assets for scholarships	-	(247,765)	(247,765)
Endowment, June 30, 2022	<u>\$ 344,787</u>	<u>\$ 7,509,853</u>	<u>\$ 7,854,640</u>
	2021		
	Without Donor Restriction	With Donor Restrictions	Total
Endowment, July 1, 2020	\$ 334,787	\$ 5,908,191	\$ 6,242,978
Investment return:			
Interest and dividends	-	81,506	81,506
Realized and unrealized gain	-	1,688,357	1,688,357
Total investment returns	-	1,769,863	1,769,863
Contributions/additions	10,000	652,416	662,416
Appropriation of endowment assets for scholarships	-	(179,683)	(179,683)
Endowment, June 30, 2021	<u>\$ 344,787</u>	<u>\$ 8,150,787</u>	<u>\$ 8,495,574</u>

Return Objectives and Risk Parameters

Miriam 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 Miriam must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results and exceed price and yield results of a market average rate of return while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note M - Endowment Funds (Continued)

Strategies Employed or Achieving Objectives

To satisfy its long-term rate of return objectives, Miriam 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). Miriam targets a diversified asset allocation in an effort to achieve the yield objectives within strategies not to expose the funds to unacceptable levels of risk.

Spending Policy and How Investment Objectives Relate to Spending Policy

Miriam's endowment fund is made up of 38 individual funds, all established for the purpose of providing cash for financial aid toward tuition and testing. Each year the investment returns may be released if needed for use in providing financial aid. The policy is that the release is up to 5% over a three-year rolling average. The policy results in the endowment maintaining a value equal to the original contributions of the donors.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the permanent value of the endowed funds. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no material deficiencies as of June 30, 2022 and 2021.

Note N - Recognition of Exchange Revenue under ASC 606

Revenue for contracts with students for tuition, camp and other program services is reported at the amount that reflects the consideration to which Miriam expects to be entitled in exchange for providing instruction and other program services. These amounts are due from parents and others and includes variable consideration for financial aid. Revenue is recognized as performance obligations are satisfied, which is ratable over the academic year and camp period. Generally, Miriam bills students prior to the beginning of the school year. Payment is due based upon selected payment plans. Families must withdraw prior to the school year to receive any refund of tuition payments but forfeit the enrollment deposit. Tuition, camp and other program services revenue are considered separate contracts.

Performance obligations are determined based on the nature of the services provided by Miriam. Revenue for performance obligations satisfied over time is recognized proportionally over the term of service. Miriam believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time related to students receiving educational services and camp services. Miriam measures performance obligation from the start of the school and camp years.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note N - Recognition of Exchange Revenue under ASC 606 (Continued)

Because all of its performance obligations related to contracts with a duration of less than one year, Miriam has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligation referred to above are primarily related to providing enrichment to students. The performance obligations for these contracts are generally completed through the passage of time ratably over the performance obligation.

Miriam determines the transaction price based on standard charges for services provided, discounts provided in accordance with Miriam's policy, and implicit price concessions provided to students. Miriam determines its estimates of explicit price concessions based on contractual agreements and its discount policies. Miriam determines its estimates of implicit price concessions based on its historical collection experience with each class of students. From time to time, Miriam will receive overpayments of student balances from students resulting in amounts owed back to the student. These amounts are excluded from revenues and are recorded as liabilities until they are refunded.

Miriam estimates the transaction price for students based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the student's ability to pay are recorded as bad debt expense. Miriam has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by its service lines.

The following table summarizes deferred program revenue balances as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Beginning deferred program revenue	\$ 559,087	\$ 495,390
Contracts completed	(3,737,194)	(3,107,349)
Contracts opened	<u>3,752,316</u>	<u>3,171,046</u>
Ending deferred program revenue	<u>\$ 574,209</u>	<u>\$ 559,087</u>

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note N - Recognition of Exchange Revenue under ASC 606 (Continued)

Disaggregation of Revenue

The following table presents revenue disaggregated by revenue source and pattern of revenue recognition:

	<u>2022</u>	<u>2021</u>
Transferred over time		
Educational services	\$ 3,573,411	\$ 2,963,733
Outreach services	<u>2,510,130</u>	<u>1,879,307</u>
	<u>6,083,541</u>	<u>4,843,040</u>
Point in time		
Other school income	118,146	92,815
Resale revenue	609,685	649,319
Special event tickets	<u>8,497</u>	<u>5,130</u>
	<u>736,328</u>	<u>747,264</u>
	<u>\$ 6,819,869</u>	<u>\$ 5,590,304</u>

Note O - Special Events

Special events held during the years 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Special events revenue under ASC 606	\$ 8,497	\$ 5,130
Special events revenue not considered under ASC 606	19,102	20,448
Special events expenses	<u>(9,445)</u>	<u>(4,272)</u>
Special events revenue, net as presented on statements of activities	<u>\$ 18,154</u>	<u>\$ 21,306</u>

Note P - Employee Retention Credit (ERC) Funding

The CARES Act provides an employee retention credit ("CARES Employee Retention Credit"), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. In calendar year 2020, the tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee. In calendar year 2021, the tax credit is equal to 70% of the qualified wages paid to employees after December 31, 2020, through September 30, 2021. These qualified wages are capped to \$10,000 per employee per calendar quarter in 2021. The maximum employee retention credit available is \$7,000 per employee per calendar quarter, for a total of \$21,000 for the eligible quarters in 2021, January through September. Miriam qualified for the tax credit and received additional tax credits for qualified wages, and the Organizations' recorded \$561,258 and \$525,942 benefit related to the CARES Employee Retention Credit in the accompanying statements of activities as other income for the year ended June 30, 2022 and 2021, respectively.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note Q - Operating Leases

Miriam Switching Post operates its resale shop in a leased facility under an operating lease with a start date of September 15, 2015 and end date of January 14, 2026. The lease calls for escalating annual rent throughout the lease which is reported on the straight-line basis with the difference of the minimum rent payment as deferred rent and lease incentive in the statements of financial position.

All rent escalations and lease incentives are recognized on a straight-line basis ratably over the term of the lease for each of the leases noted. The minimum lease payments for the operating leases are as follows:

	<u>Total</u>
2023	\$ 78,412
2024	79,472
2025	80,532
2026	40,266
Thereafter	-
Total	<u>\$ 278,682</u>

Total rent expense for the aforementioned leases was \$73,560 and \$88,457 for the years ended June 30, 2022 and 2021, respectively.

Note R - Employee Retirement Plan

Miriam Foundation sponsors a salary deferral contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering all employees. Under the plan, employees contribute a specified percentage of their salary or a fixed dollar amount to the plan. Miriam will match up to 3% of each full-time employee's compensation at the rate of \$0.50 for every \$1.00 contributed by the employee. Miriam made contributions of \$29,893 and \$33,249 for the years ended June 30, 2022 and 2021, respectively.

Note S - Related Party Transactions

Miriam's Board of Directors is comprised of community leaders, educators, and prior and current parents who are committed to the oversight of the program operations and strategic planning for the future. In addition to their fiduciary responsibilities, they actively contribute to various fundraising opportunities. Directors who have children enrolled in the schools are subject to the standard tuition rates and are eligible to apply for financial aid based upon program guidelines. All Directors sign a conflict-of-interest agreement annually.

During the year ended June 30, 2022 and 2021, contributions from members of Miriam's Board of Directors totaled \$42,227 and \$73,034, respectively. As of June 30, 2022 and 2021, promises to give from members of the Board of Directors totaled \$34,313 and \$99,484, respectively.

MIRIAM FOUNDATION

Notes to Financial Statements - Continued

June 30, 2022 and 2021

Note T - Concentration of Credit Risk

The School extends credit to parents requesting installment payments throughout the School year. The ability of the parents to honor the installment payment contracts is dependent upon their individual earnings and cash flows. Historically, losses on these contracts have not been significant.

The School's tuition revenues are derived primarily from families that live in the St. Louis Metro Area. As such, the School's enrollment and operations could be negatively impacted depending on the condition of the St. Louis Metro Area economy.

Instructors, key administrators, and other employees are employed on an annual contract basis. These contracts expire at the end of the fiscal year but are paid out on a 12-month basis. Generally, the School has been able to retain the services of desired instructors and administrators and has not experienced any decline in its programs due to this concentration.