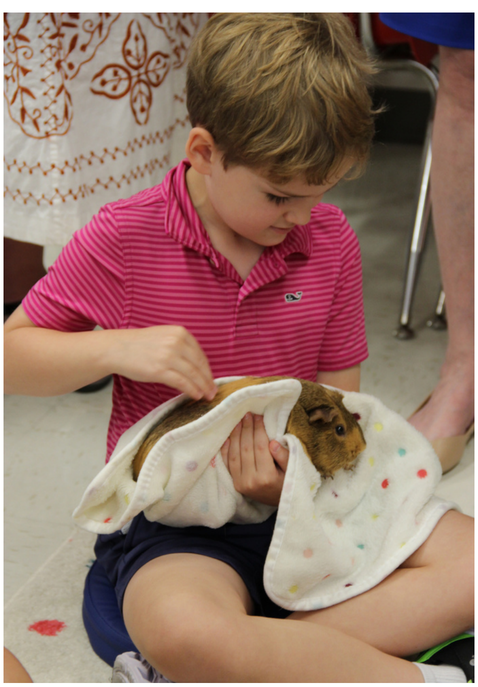
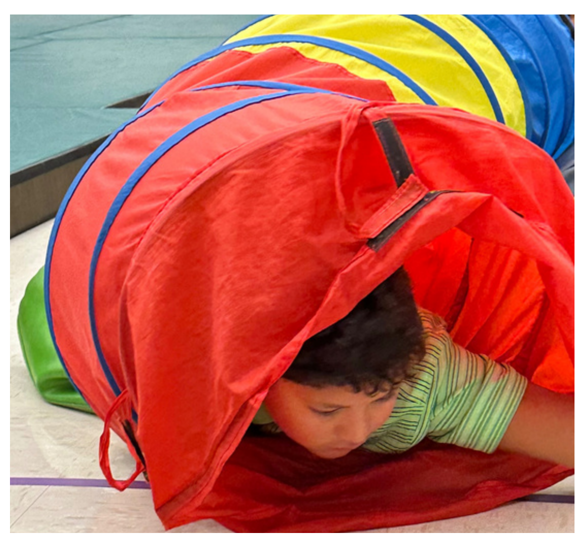
MIRIAM FOUNDATION

Financial Statements with Independent Auditor's Report

June 30, 2023 and 2022





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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, Miriam has adopted Financial Account Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, *Leases*. Our opinion is not modified with respect to that matter.

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.

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 9, 2023

Miriam Foundation
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 3,220,587	$ 2,980,206
Investments - undesignated	2,746,016	2,264,291
Accounts receivable, net	380,429	306,935
Other receivable	-	349,125
Promise to give	99,995	45,000
Cash and cash equivalents designated for extinguishment of debt	370,137	928,236
Cash and cash equivalents for capital improvements and other restrictions	586,040	468,815
Investments board-designated for endowment	344,787	344,787
Investments designated for extinguishment of debt	427,560	413,787
Investments restricted for capital improvements	308,076	272,566
Investments restricted for scholarships	338,466	288,268
Investments restricted for endowment	8,190,561	7,509,853
Promises to give designated for extinguishment of debt, net	1,312,946	1,755,864
Promises to give restricted for endowment, net	-	20,125
Prepaid expenses and deposits	47,807	71,973
Right of use asset - operating lease	194,080	-
Fixed assets, net of accumulated depreciation	15,540,595	16,028,703
Total assets	$ 34,108,082	$ 34,048,534
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 130,280	$ 73,250
Construction payables	20,655	108,553
Deferred program revenue	543,949	574,209
Accrued compensation and benefits	323,994	256,626
Other liabilities	159,816	146,164
Operating lease liability	193,439	21,283
Finance lease liabilities	33,884	26,708
Notes payable	5,887,195	6,921,970
Total liabilities	7,293,212	8,128,763
Net assets		
Without donor restrictions	17,865,701	17,775,967
With donor restrictions	8,949,169	8,143,804
Total net assets	26,814,870	25,919,771
Total liabilities and net assets	$ 34,108,082	$ 34,048,534

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

Miriam Foundation
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains			
Program revenue			
Tuition, net of financial assistance	$ 3,747,448	$ -	$ 3,747,448
Miriam Learning Center, net of discounts	3,836,268	-	3,836,268
Miriam Summer Camp	161,290	-	161,290
Other revenues	119,982	-	119,982
Total program revenue	7,864,988	-	7,864,988
Resale revenue			
Miriam Switching Post sales	595,930	-	595,930
Less: cost of goods sold	(398,258)	-	(398,258)
Net resale revenue	197,672	-	197,672
Support revenue			
Contributions	439,966	483,511	923,477
Campaign gifts	14,266	-	14,266
Special events, net	24,040	-	24,040
Total support revenue	478,272	483,511	961,783
Other revenue			
Net investment return	347,190	918,282	1,265,472
Miscellaneous	13,911	369	14,280
Total other revenue	361,101	918,651	1,279,752
Net assets released from restriction	596,797	(596,797)	-
Total revenues, support, and gains	9,498,830	805,365	10,304,195
Functional expenses			
Program services	8,268,659	-	8,268,659
Management and general	915,497	-	915,497
Fundraising	298,511	-	298,511
Total functional expenses	9,482,667	-	9,482,667
Change in net assets from operations	16,163	805,365	821,528
Other income	73,571	-	73,571
Change in net assets	89,734	805,365	895,099
Net assets, beginning of year	17,775,967	8,143,804	25,919,771
Net assets, end of year	$ 17,865,701	$ 8,949,169	$ 26,814,870

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

Miriam Foundation
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support and gains (losses)			
Program revenue			
Tuition, net of financial assistance	$ 3,568,701	$ -	$ 3,568,701
Miriam Learning Center, net of discounts	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 (loss)			
Net investment return	(347,207)	(948,545)	(1,295,752)
Miscellaneous	4,710	361	5,071
Total other revenue (loss)	(342,497)	(948,184)	(1,290,681)
Net assets released from restriction	576,370	(576,370)	-
Total revenues, support, and gains (losses)	7,053,437	(1,131,418)	5,922,019
Functional expenses			
Program services	6,460,158	-	6,460,158
Management and general	1,058,341	-	1,058,341
Fundraising	192,104	-	192,104
Total functional expenses	7,710,603	-	7,710,603
Change in net assets from operations	(657,166)	(1,131,418)	(1,788,584)
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 Functional Expenses
For the Year Ended June 30, 2023

	K-12 Education	Miriam Learning Center	Summer Camp	Total Program Services	Management and General	Fundraising	Cost of Goods Sold	Total
Expenses by function								
Compensation	$ 3,007,671	$ 2,598,963	$ 83,308	$ 5,689,942	$ 555,102	$ 173,178	$ 192,432	$ 6,610,654
Payroll taxes	207,165	214,115	3,222	424,502	57,388	8,999	13,311	504,200
Fringe benefits	204,032	60,610	681	265,323	65,817	15,170	22,243	368,553
Professional fees	2,228	432	-	2,660	32,013	-	297	34,970
Outside services	63,528	27,042	470	91,040	27,155	27,518	7,434	153,147
Marketing and advertising	40,969	993	887	42,849	8,581	232	1,127	52,789
Financial fees	407	8,815	3,090	12,312	1,057	6,655	13,028	33,052
Supplies	169,517	37,470	2,557	209,544	14,549	4,407	23,738	252,238
Postage and printing	14,628	3,346	-	17,974	4,076	18,153	902	41,105
Dues and subscriptions	11,072	60	-	11,132	1,789	901	541	14,363
Technology	168,031	34,126	-	202,157	51,320	11,780	7,150	272,407
Occupancy	432,609	22,486	-	455,095	24,329	10,850	109,286	599,560
Travel	69	7,503	-	7,572	107	-	5,049	12,728
Meetings/professional development	15,415	1,042	161	16,618	4,466	826	-	21,910
Interest	208,455	99	-	208,554	37,027	9,659	-	255,240
Depreciation and amortization	498,985	23,874	-	522,859	22,664	7,699	5,272	558,494
Insurance	72,372	7,620	71	80,063	7,828	2,484	7,758	98,133
Bad debts	6,200	781	-	6,981	-	-	-	6,981
Miscellaneous	1,482	-	-	1,482	229	-	-	1,711
Total expenses by function	5,124,835	3,049,377	94,447	8,268,659	915,497	298,511	409,568	9,892,235
Resale shop costs of goods sold	-	-	-	-	-	-	(398,258)	(398,258)
Cost of direct benefits to donors	-	-	-	-	-	-	(11,310)	(11,310)
	$ 5,124,835	$ 3,049,377	$ 94,447	$ 8,268,659	$ 915,497	$ 298,511	$ -	$ 9,482,667

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

Miriam Foundation
Statement of Functional Expenses
For the 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 by function								
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
Resale shop costs of goods sold	-	-	-	-	-	-	(380,345)	(380,345)
Cost of direct benefits to donors	-	-	-	-	-	-	(9,445)	(9,445)
	$ 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
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Revenues		
Program service payments received	$ 7,754,253	$ 6,094,852
Resale shop receipts	595,930	609,685
Contributions received, net of amounts restricted for long-term purposes	696,389	470,482
Receipts from special events	24,040	18,154
Other cash receipts	363,234	742,968
Total revenues	9,433,846	7,936,141
Expenses		
Payments for salaries, benefits and payroll taxes	7,377,232	5,565,870
Payments for occupancy and facility	627,994	566,874
Payments to vendors	986,062	805,991
Interest paid	257,644	300,510
Total expenses	9,248,932	7,239,245
Net cash provided by operating activities	184,914	696,896
Cash flows from investing activities		
Purchases of fixed assets	(49,951)	(723,716)
Insurance proceeds reserved for restoration	73,571	410,367
Purchases of investments	(3,791,995)	(873,334)
Proceeds from sales of investments	3,741,101	925,790
Reinvestment of interest and dividends	54,452	41,971
Net cash provided by (used in) investing activities	27,178	(218,922)
Cash flows from financing activities		
Payments on notes payable	(1,034,775)	(576,561)
Payments on finance leases liabilities	(27,212)	(11,732)
Borrowings on notes payable	-	206,196
Collection of campaign restricted contributions	457,184	796,194
Collection of contributions restricted for perpetual endowment	192,218	89,508
Net cash provided by (used in) financing activities	(412,585)	503,605
Net increase (decrease) in cash and cash equivalents	(200,493)	981,579
Cash and cash equivalents, beginning of year	4,377,257	3,395,678
Cash and cash equivalents, end of year	$ 4,176,764	$ 4,377,257

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

Miriam Foundation
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash and cash equivalents consisted of the following:		
Cash and cash equivalents	$ 3,220,587	$ 2,980,206
Cash and cash equivalents designated for extinguishment of debt	370,137	928,236
Cash and cash equivalents for capital improvements and other restrictions	586,040	468,815
	$ 4,176,764	$ 4,377,257

Supplemental schedule of noncash investing and financing activities

	2023	2022
Construction in progress included in construction payables	$ 20,655	$ 108,553
Loan proceeds utilized to purchase fixed assets	$ 41,674	$ 101,648

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

1. NATURE OF OPERATIONS

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 18 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.

Fundraising

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

1. NATURE OF OPERATIONS (continued)

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.

2. 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 financial statement 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 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 the 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.

2. 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. Miriam determined an allowance for uncollectible accounts receivable of $6,364 and $0 to be necessary as of June 30, 2023 and 2022, respectively.

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, 2023 and 2022.

2. 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, 2023 and 2022.

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 4 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.

Insurance proceeds (other income)

Expected insurance proceeds, recorded as other income on the statements of activities, were recognized for a water damage claim that was incurred in fiscal year 2022. 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 were $73,571 and $402,786 for the years ended June 30, 2023 and 2022, respectively.

2. 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 $10,000 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, Miriam, 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. Miriam will record impairment losses when determined.

Leases

Miriam has an operating lease for rental space related to the Switching Post, multiple operating leases for office equipment, and a finance lease for office equipment. As of July 1, 2022, operating leases are required to be included in right-of-use ("ROU") assets and lease liabilities on the statement of financial position. ROU assets represent Miriam's right to use an underlying asset for the lease term and lease liabilities represent Miriam's obligation to make lease payments arising from the lease at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability, plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received and any impairment recognized. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. For operating leases with a term of one year or less, Miriam has elected to not recognize a lease liability or ROU asset on the statement of financial position. Instead, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Miriam determines if an arrangement is a lease, or contains a lease, at inception of a contract or when the terms of an existing contract are changed. Finance and operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Miriam's leases do not provide an implicit rate, Miriam uses the risk free rate commensurate with the lease term based on the information available at commencement date in determining the present value of lease payments. The lease ROU asset also includes any lease payments made and excludes lease incentives. Option periods are included in the ROU asset and liability when it is reasonably certain the option will be exercised. Rent expense for lease payments is recognized on a straight-line basis over the lease term.

For any lease agreements with lease and non-lease components, Miriam has elected to apply the practical expedient that allows leases and their associated maintenance services to be accounted for as a single combined operating lease component. Miriam is a lessee in a lease agreement with third parties that do not contain material restrictions or covenants in their lease agreements, sale-leaseback transactions, land easements or residual value guarantees.

Paycheck Protection Program loan payable

During fiscal year 2021, Miriam applied for and was awarded a loan under the Paycheck Protection Program ("PPP"). Miriam 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 was legally released from the obligation to repay the loan. As of June 30, 2022, Miriam was released from all requirements to pay back the loan and recorded the release 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 13 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.

2. 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

In-kind gifts are recorded at fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specified purpose. 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.

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by Miriam. 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, 2023 and 2022.

Advertising expense

Advertising costs are expensed as incurred. Total advertising expenses for the years ended June 30, 2023 and 2022 were $40,318 and $33,112, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Retention Credit ("ERC") Program (continued)

Laws and regulations concerning government programs, including the ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge Miriam's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon Miriam.

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 2022 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2023. Changes in net assets are unchanged due to these reclassifications.

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), including subsequently issued ASUs to clarify the implementation guidance in ASU 2016-02. Under the lease standard, lessees recognize a right-of-use asset and a lease liability for virtually all leases (other than short-term leases). This ASU may be applied retrospectively in each reporting period presented or modified retrospectively with the cumulative effect adjustment to the opening balance of net assets. Miriam adopted this ASU on July 1, 2022 on a modified basis, with no effect on net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

Management has evaluated subsequent events through October 9, 2023, the date which the financial statements were available for issue.

3. 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:

	2023	2022
Cash and cash equivalents	$ 4,060,368	$ 3,033,197
Accounts receivable, net	380,429	306,935
Promise to give	99,995	45,000
Other receivable	-	349,125
Investments	3,034,418	2,537,424
Endowment spending-rate distributions and appropriations	383,981	366,087
	$ 7,959,191	$ 6,637,768

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 7 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

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

- 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.

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.

Net pledges receivable of $1,312,946, where the donor restriction for completion of construction has been met, are excluded from the above financial assets available, as of June 30, 2023, as the cash received on these pledges are earmarked to be utilized for debt payments.

4. 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, net, on the statements of financial position, consisted of the following:

	2023	2022
Promises to give	$ 99,995	$ 45,000
Promises to give designated for extinguishment of debt, net	1,312,946	1,755,864
Promises to give restricted for endowment, net	-	20,125
	$ 1,412,941	$ 1,820,989

4. PROMISES TO GIVE (continued)

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

	2023	2022
Due in 2023	$ -	$ 705,947
Due in 2024	873,708	589,975
Due in 2025	315,600	315,700
Due in 2026	251,000	251,000
Due in 2027	200,000	200,000
Due in 2028	200,000	200,000
Less: allowance for uncollectible to give	(349,077)	(366,473)
Less: discount on promises to give	(78,290)	(75,160)
	$ 1,412,941	$ 1,820,989

A discount rate of 3.79% and 3.11% was used for the years ended June 30, 2023 and 2022, respectively, to record the promises to give at present value of future cash flows.

At June 30, 2023 and 2022, five donors accounted for 96 percent and 83 percent of total unconditional promises to give, respectively. Two donors accounted for approximately 21 percent and three donors accounted for 69 percent of total contribution support revenue for the years ended June 30, 2023 and 2022, respectively.

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 included various barriers and return of funding if not in conformance with the contract amendment with available emergency funding up to $130,891 through June 30, 2021. 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.

5. 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 Miriam has the ability to access.

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)

- *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 judgment or estimation, including the use of pricing models, discounted cash flow methodologies or similar techniques.

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, 2023 and 2022. 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 $123,327 and $141,097 as of June 30, 2023 and 2022, respectively.

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)

Investments, on the statements of financial positions, consisted of the following as of June 30:

	2023	2022
Investments - undesignated	$ 2,746,016	$ 2,264,291
Investments board-designated for endowment	344,787	344,787
Investments designated for extinguishment of debt	427,560	413,787
Investments restricted for capital improvements	308,076	272,566
Investments restricted for scholarships	338,466	288,268
Investments restricted for endowment	8,190,561	7,509,853
	$ 12,355,466	$ 11,093,552

Investments consisted of the following as of June 30:

	2023	
	Market Value	Cost
Cash and money market funds	$ 427,560	$ 427,560
Exchange traded funds	2,280,644	2,025,069
Mutual funds	9,647,262	9,033,555
	$ 12,355,466	$ 11,486,184

	2022	
	Market Value	Cost
Cash and money market funds	$ 413,787	$ 413,787
Exchange traded funds	1,869,293	1,922,761
Mutual funds	8,810,472	8,571,875
	$ 11,093,552	$ 10,908,423

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Miriam's assets at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Fair Value
Domestic equity				
VTSAX Vanguard Total Stock Mkt Index Adm	$ 3,226,026	$ -	$ -	$ 3,226,026
VFIAX Vanguard 500 Index Fund Admiral Shares	352,412	-	-	352,412
LRGF iShares FactorSelect MSCI USA	1,115,960	-	-	1,115,960
AVUV Avantis US Small Cap Value ETF	1,044,630	-	-	1,044,630
VTI Vanguard Total Stock Market ETF	120,053	-	-	120,053
	5,859,081	-	-	5,859,081
International equity				
DFCEX DFA Emerging Markets Core Equity Instl	282,922	-	-	282,922
DFIEX DFA International Core Equity Instl	1,228,107	-	-	1,228,107
DFVIX DFA Intl Value III	681,032	-	-	681,032
	2,192,061	-	-	2,192,061
Fixed income				
DFEQX DFA Short-term Extended Quality I	967,464	-	-	967,464
PFIIX Pimco Low Duration Income Instl	557,067	-	-	557,067
VCOBX Vanguard Core Bond Admiral	2,352,233	-	-	2,352,233
	3,876,764	-	-	3,876,764
Cash and money market funds	427,560	-	-	427,560
	$12,355,466	$ -	$ -	$12,355,466

5. FAIR VALUE MEASUREMENTS AND INVESTMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Miriam's assets at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Fair Value
Domestic equity				
VTSAX Vanguard Total Stock Mkt Index Adm	$ 2,758,594	$ -	$ -	$ 2,758,594
VFIAX Vanguard 500 Index Fund Admiral Shares	294,805	-	-	294,805
LRGF iShares FactorSelect MSCI USA	949,168	-	-	949,168
AVUV Avantis US Small Cap Value ETF	920,126	-	-	920,126
	4,922,693	-	-	4,922,693
International equity				
DFCEX DFA Emerging Markets Core Equity Instl	275,209	-	-	275,209
DFIEX DFA International Core Equity Instl	1,060,130	-	-	1,060,130
DFVIX DFA intl Value III	601,688	-	-	601,688
	1,937,027	-	-	1,937,027
Fixed income				
DFGBX DFA Five Year Global Fixed Income Portfolio	1,149,753	-	-	1,149,753
VFSUX Vanguard Short-term Inv Grade Admiral	2,670,292	-	-	2,670,292
	3,820,045	-	-	3,820,045
Cash and money market funds				
Cash and money market funds	413,787	-	-	413,787
	413,787	-	-	413,787
	$11,093,552	$ -	$ -	$11,093,552

6. FIXED ASSETS

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

	2023	2022
Land	$ 5,450,000	$ 5,450,000
Building	9,835,931	9,835,931
Improvements to school property	117,636	117,636
Land improvements	233,610	233,610
Leasehold improvements	4,969	4,969
Equipment, furniture, and fixtures	1,358,004	1,387,400
Phase one improvements	356,826	356,826
Gymnasium	2,103,893	2,103,893
Construction in progress	565,302	535,696
	20,026,171	20,025,961
Accumulated depreciation and amortization	(4,485,576)	(3,997,258)
	$ 15,540,595	$ 16,028,703

Depreciation and amortization amounted to $558,494 and $532,126 for the years ended June 30, 2023 and 2022, respectively.

7. 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 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 were due monthly. Interest accrued 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 was 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 not renewed during the year ended June 30, 2023.

8. 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"). Miriam received full forgiveness under PPP2 in the amount of $890,334, which represents principal in the amount of $887,106 and interest in the amount of $3,228 for the year ended June 30, 2022. The forgiveness was reported as other income on the statement of activities for the year ended June 30, 2022.

9. 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 and 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.

The future maturities of the notes payable are as follows:

Year ending June 30,	Construction Note	Term Note	Total
2024	$ 966,667	$ 139,367	$ 1,106,034
2025	366,667	145,931	512,598
2026	266,667	152,344	419,011
2027	266,667	3,319,122	3,585,789
2028	263,763	-	263,763
	$ 2,130,431	$ 3,756,764	$ 5,887,195

10. OTHER LIABILITIES

Miriam holds agency accounts for the Miriam'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, 2023 and 2022 is $7,073 and $8,250, respectively.

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 $150,000 and $135,000 at June 30, 2023 and 2022, 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.

11. 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:

	2023	2022
Undesignated	$ 17,520,914	$ 17,431,180
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
	344,787	344,787
	$ 17,865,701	$ 17,775,967

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

	2023	2022
Subject to expenditure for specified purpose:		
Scholarships and tuition assistance	$ 355,398	$ 323,211
Capital improvements and specialized equipment	388,442	287,701
Learning to Succeed campaign	-	20,125
Curriculum support	12,025	-
	755,865	631,037
Subject to passage of time:		
Charitable gift annuity	2,743	2,914
	2,743	2,914
Endowments (includes endowment earnings):		
Named scholarship endowment funds	4,181,098	3,778,022
Learning to Succeed endowment funds	3,432,482	3,188,656
Cornelsen Testing Scholarship endowment	576,981	543,175
	8,190,561	7,509,853
	$ 8,949,169	$ 8,143,804

11. 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:

	2023	2022
Program Restrictions:		
Scholarship and tuition assistance	$ 223,686	$ 248,369
Professional development	-	1,750
Capital improvements and specialized equipment	11,905	2,064
Building on Success Campaign	-	45,562
Learning to Succeed Campaign	-	30,320
Curriculum support	18,992	-
	254,583	328,065
Timing Restrictions:		
Charitable gift annuity	540	540
	540	540
Spending rate distributions and appropriations:		
Financial aid and scholarships	341,674	247,765
	341,674	247,765
	$ 596,797	$ 576,370

12. ENDOWMENT

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, 2023 and 2022, 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.

12. ENDOWMENT (continued)

Interpretation of relevant law (continued)

In accordance with UPMIFA, 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 purposes of the organization 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

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.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Miriam to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2023 and 2022.

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.

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.

12. ENDOWMENT (continued)

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without Donor Restrictions	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	-	6,921,200	6,921,200
Accumulated investment gains	-	1,269,361	1,269,361
	-	8,190,561	8,190,561
	$ 344,787	$ 8,190,561	$ 8,535,348

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	Without Donor Restrictions	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
	-	7,509,853	7,509,853
	$ 344,787	$ 7,509,853	$ 7,854,640

12. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2022	$ 344,787	$ 7,509,853	$ 7,854,640
Investment return			
Interest and dividends	-	185,408	185,408
Realized and unrealized gain	-	644,756	644,756
Total investment return	-	830,164	830,164
Contributions/additions	-	192,218	192,218
Appropriation of endowment assets for scholarships	-	(341,674)	(341,674)
	-	680,708	680,708
Balance, June 30, 2023	$ 344,787	$ 8,190,561	$ 8,535,348

Changes in endowment net assets for the fiscal year ended June 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2021	$ 344,787	$ 8,150,787	$ 8,495,574
Investment return (loss)			
Interest and dividends	-	187,893	187,893
Realized and unrealized loss	-	(1,067,970)	(1,067,970)
Total investment return (losses)	-	(880,077)	(880,077)
Contributions/additions	-	486,908	486,908
Appropriation of endowment assets for scholarships	-	(247,765)	(247,765)
	-	(640,934)	(640,934)
Balance, June 30, 2022	$ 344,787	$ 7,509,853	$ 7,854,640

13. 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.

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.

13. RECOGNITION OF EXCHANGE REVENUE UNDER ASC 606 (continued)

The following table summarizes deferred program revenue balances as of June 30:

	2023	2022
Beginning deferred program revenue	$ 574,209	$ 559,087
Contracts completed	(3,915,608)	(3,737,194)
Contracts opened	3,885,348	3,752,316
	$ 543,949	$ 574,209

The following table presents revenue disaggregated by revenue source and pattern of revenue recognition as of June 30, 2023:

	Over time	Point in time
Educational services, net of financial assistance and discounts		
Tuition revenue	$ 5,787,565	$ -
Misc. educational revenue	14,649	-
Financial assistance and discounts	(2,040,117)	-
	3,762,097	-
Outreach services, net of discounts		
Learning Center revenue	4,301,852	-
Summer camp	161,290	-
Discounts and donated services	(465,584)	-
	3,997,558	-
Resale revenue	-	595,930
Other school income	-	119,982
Special event ticket sales	-	12,483
	$ 7,759,655	$ 728,395

13. RECOGNITION OF EXCHANGE REVENUE UNDER ASC 606 (continued)

The following table presents revenue disaggregated by revenue source and pattern of revenue recognition as of June 30, 2022:

	Over time	Point in time
Educational services, net of financial assistance and discounts		
Tuition revenue	$ 5,580,042	$ -
Misc. educational revenue	4,710	-
Financial assistance and discounts	(2,011,341)	-
	3,573,411	-
Outreach services, net of discounts		
Learning Center revenue	2,739,296	-
Summer camp	146,038	-
Discounts and donated services	(375,204)	-
	2,510,130	-
Resale revenue	-	609,685
Other school income	-	118,146
Special event ticket sales	-	8,497
	-	736,328
	$ 6,083,541	$ 736,328

14. SPECIAL EVENTS

Special events, net, are as follows:

	2023	2022
Special events revenue under ASC 606	$ 12,483	$ 8,497
Special events revenue not considered under ASC 606	22,867	19,102
Special events expenses	(11,310)	(9,445)
	$ 24,040	$ 18,154

15. 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 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 Miriam recorded a $561,258 benefit related to the CARES Employee Retention Credit in the accompanying statements of activities as other income for June 30, 2022. As of June 30, 2022, $349,125 was still outstanding related to this benefit. In fiscal year 2023, the full proceeds from the benefit were received.

16. LEASES

Miriam Switching Post operates its resale shop in a lease 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 recognized net of the ROU asset on the statements of financial position.

Miriam leases certain office equipment under finance leases for which principal and interest are payable in monthly installments ranging from $217 to $449 expiring in December 2025 and September 2027.

Miriam adopted FASB Topic 842, Leases, using the modified-retrospective transition as of July 1, 2022 for the date of initial adoption. Miriam elected the package of practical expedients permitted under the transition guidance within the new standard, which allowed Miriam to not reassess expired or existing contracts for lease identification, the lease classification for any existing or expired leases, or the initial direct costs for any existing leases. As a result of adopting the new standards effective July 1, 2022, Miriam recorded net operating lease assets and liabilities of approximately $295,494. Adoption of the new standard does not impact Miriam’s change in net assets and had no impact on beginning net assets.

16. LEASES (continued)

The following summarizes the line items on the statement of financial position as of June 30, 2023:

Operating leases		
Operating lease right-of-use assets	$	194,080
Operating lease liabilities, current	$	79,472
Operating lease liabilities, noncurrent		113,967
Total operating lease liabilities	$	193,439
Finance Leases		
Equipment	$	92,397
Accumulated amortization		(50,506)
Property and equipment, net	$	41,891
Finance lease liabilities		
Finance lease liabilities, current	$	13,553
Finance lease liabilities, noncurrent		20,331
Total finance lease liabilities	$	33,884

The following summarizes the line items on the statement of activities for the year ended June 30, 2023:

Operating		
Operating lease expense included in rent expenses	$	77,772
Maintenance included in rent expenses		35,037
Short-term leases included in operating expenses		2,362
		115,171
Finance		
Amortization of assets included in depreciation and amortization		22,429
Interest included in interest expenses		6,025
		28,454
	$	143,625

16. LEASES (continued)

The following summarizes the cash flow information related to operating leases for the year ended June 30, 2023.

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 78,412
Operating cash flows from finance leases	5,937
Financing cash flows from finance leases	27,212
	111,561
Lease assets obtained in exchange for lease obligations	
Operating leases	265,342
Finance leases	41,891
	307,233
	$ 418,794

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2023:

Weighted average discount rate	
Operating leases	2.9 %
Finance leases	3.3 %
Weighted average remaining lease term in years	
Operating leases	2.6
Finance leases	3.1

The maturities of lease liabilities as of June 30, 2023 were as follows:

Year ending June 30,	Operating	Finance
2023	$ 79,472	$ 13,552
2024	80,532	11,646
2025	40,264	7,124
2026	-	2,601
2027	-	650
Total lease payments	200,268	35,573
Less: interest	(6,829)	(1,689)
Present value of lease liabilities	193,439	33,884
Current portion	(79,472)	(13,553)
Long-term portion of lease liabilities	$ 113,967	$ 20,331

17. EMPLOYEE RETIREMENT PLAN

Miriam 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 $39,732 and $29,893 for the years ended June 30, 2023 and 2022, respectively.

18. 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 years ended June 30, 2023 and 2022, contributions from members of Miriam's Board of Directors totaled $49,266 and $42,227, respectively. As of June 30, 2023 and 2022, promises to give from members of the Board of Directors totaled $11,500 and $34,313, respectively.

19. CONCENTRATION OF CREDIT RISK

Miriam 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.

Miriam's tuition revenues are derived primarily from families that live in the St. Louis Metro Area. As such, Miriam'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, Miriam 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.