Audited Consolidated Financial Statements

The Miracle Foundation, Inc.

For the Fiscal Year Ended March 31, 2023
With Independent Auditor's Report

The Miracle Foundation, Inc.

Audited Consolidated Financial Statements

For the Fiscal Year Ended March 31, 2023

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Reynolds & Franke, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of
The Miracle Foundation, Inc.
Austin, Texas

Opinion

We have audited the accompanying consolidated financial statements of The Miracle Foundation, Inc. and its subsidiary (collectively, the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of March 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Miracle Foundation, Inc. and its subsidiary as of March 31, 2023, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Reynolds & Franke, PC

Austin, Texas
June 21, 2023

Audited Consolidated Financial Statements

The Miracle Foundation, Inc.

Consolidated Statement of Financial Position

March 31, 2023

Assets		
Current Assets:		
Cash and cash equivalents	$	**374,996**
Accounts receivable		**1,488**
Investments		**2,433,362**
Other current assets		**94,705**
Total current assets		**2,904,551**
Cash and cash equivalents with donor restrictions		**1,088,213**
Long-term deposits		**8,660**
Property and equipment, net		**485,998**
Operating right-of-use assets		**129,206**
Total assets	$	**4,616,628**
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$	**54,603**
Accrued payroll expenses		**61,405**
Other accrued liabilities		**152,246**
Other current liabilities		**5,480**
Operating lease liability - short-term		**34,192**
Total current liabilities		**307,926**
Operating lease liability - long-term		**85,450**
Total liabilities		**393,376**
Net Assets:		
Without donor restrictions		**3,135,039**
With donor restrictions		**1,088,213**
Total net assets		**4,223,252**
Total liabilities and net assets	$	**4,616,628**

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

The Miracle Foundation, Inc.

Consolidated Statement of Activities

For the Fiscal Year Ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenues, and Reclassifications:			
Contributions and support	$ 2,656,366	$ 2,459,774	$ 5,116,140
In-kind contributions	103,291	-	103,291
Investment earnings	9,341	-	9,341
Other income	400	-	400
Total support and revenues	2,769,398	2,459,774	5,229,172
Net assets released from donor restrictions	1,407,951	(1,407,951)	-
Total support, revenues, and reclassifications	4,177,349	1,051,823	5,229,172
Expenses:			
Program services	3,816,666	-	3,816,666
Fundraising	517,253	-	517,253
Management and general	397,865	-	397,865
Total expenses	4,731,784	-	4,731,784
Change in net assets from operations	(554,435)	1,051,823	497,388
Foreign currency adjustment	(6,332)	-	(6,332)
Total change in net assets	(560,767)	1,051,823	491,056
Net assets, beginning of the fiscal year	3,695,806	36,390	3,732,196
Net assets, end of the fiscal year	$ 3,135,039	$ 1,088,213	$ 4,223,252

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

The Miracle Foundation, Inc.

Consolidated Statement of Functional Expenses

For the Fiscal Year Ended March 31, 2023

	Program Services	Fundraising	Management & General	Total
Salaries, payroll taxes, and benefits	$ 1,447,979	$ 293,244	$ 311,028	$ 2,052,251
Partner program costs	786,783	80	235	787,098
Orphanage support	472,875	-	-	472,875
Travel	372,697	8,741	1,088	382,526
Miscellaneous expense	141,856	18,385	12,864	173,105
Charitable contributions	171,816	-	-	171,816
Consulting fees	108,778	10,505	19,154	138,437
Office expense	74,877	14,837	15,386	105,100
Advertising expense	-	85,986	-	85,986
Public relations	30,000	50,306	-	80,306
Professional fees	45,868	11,208	11,094	68,170
Contract labor	45,553	1,194	2,389	49,136
Depreciation expense	25,013	7,157	6,156	38,326
Operating lease expense	23,465	1,321	3,858	28,644
Bank charges	17,614	5,040	4,335	26,989
Utilities	12,705	1,653	2,362	16,720
Licenses and fees	9,170	2,624	2,257	14,051
Postage and shipping	8,831	626	1,497	10,954
Telephone	5,787	895	770	7,452
Repairs and maintenance	4,086	1,169	1,006	6,261
Equipment rental	4,011	1,148	987	6,146
Insurance expense	3,138	898	772	4,808
Interest on lease liability	2,110	143	355	2,608
Rent expense	1,654	93	272	2,019
Total expenses	$ 3,816,666	$ 517,253	$ 397,865	$ 4,731,784
Percentage of total expenses	81%	11%	8%	100%

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

The Miracle Foundation, Inc.

Consolidated Statement of Cash Flows

For the Fiscal Year Ended March 31, 2023

Cash flows from operating activities	
Change in net assets	**$ 497,388**
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	**38,326**
Unrealized losses	**96,660**
Amortization of operating right-of-use assets	**31,180**
(Increase) decrease in operating assets:	
Cash and cash equivalents with donor restrictions	**(1,051,823)**
Accounts receivable	**51,819**
Other current assets	**(46,779)**
Long-term deposits	**(3,820)**
Increase (decrease) in operating liabilities:	
Accounts payable	**32,114**
Accrued liabilities	**22,596**
Other current liabilities	**(872)**
Operating lease liability	**(40,744)**
Net cash used in operating activities	**(373,955)**
Cash flows from investing activities	
Purchase of property and equipment	**(5,065)**
Sales of investments, net	**386,106**
Net cash provided by investing activities	**381,041**
Net change in cash and cash equivalents	**7,086**
Effect of foreign currency exchange rates on cash	**(6,332)**
Cash and cash equivalents, at beginning of the fiscal year	**374,242**
Cash and cash equivalents, at end of the fiscal year	**$ 374,996**
Supplemental disclosure of cash flow information:	
Cash paid for interest	**$ 2,608**
Non-cash investing activities:	
Initial adoption of lease standard to record right-of-use assets under lease obligations	**$ 171,208**
Early termination of operating lease right-of-use assets and associated lease obligations	**$ 10,822**

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

The Miracle Foundation, Inc.

Notes to Consolidated Financial Statements

For the Fiscal Year Ended March 31, 2023

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

The Miracle Foundation, Inc. is a nonprofit organization that brings life-changing care to orphaned and vulnerable children around the world. For the past 22 years, The Miracle Foundation, Inc. has improved the lives of more than 20,000 children and supported 100,000 of their family members. Today, we are an industry leader in the movement away from orphanages, uniting children in institutions with a family, and preventing new children from entering the system. In this work, we utilize the power of data to create real, sustainable change. Our proven Thrive Scale ™ methodology is based on the UN Rights of the Child and allows us to systematically measure and improve all aspects of a child's well-being. In addition, our leading-edge software offers a revolutionary and welcome change to the US foster care system. This phone-based app helps streamline communications, simplifies the reporting process, and ultimately helps children avoid the painful process of being moved from home to home. In 2011, The Miracle Foundation, Inc. formed its wholly-owned subsidiary, Miracle Foundation India ("Miracle India"), an Indian registered non-governmental organization, located in New Delhi, India dedicated to facilitating The Miracle Foundation, Inc.'s operations in India.

Principles of Consolidation

The accompanying consolidated financial statements include the consolidated accounts of The Miracle Foundation, Inc. and its wholly-owned foreign subsidiary in New Delhi, India (hereinafter collectively referred to as the "Organization"). All material inter-company accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred.

Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation follows the recommendations of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958). Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – These types of net assets are not subject to donor-imposed stipulations. This also includes net assets with Board designations for specific purposes, since these Board designations may be reversed by the Board of Directors at any time in the future.

Net assets with donor restrictions – These types of net assets are subject to donor-imposed stipulations, which limit their use by the Organization, either permanently or temporarily, to a specific purpose and/or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. For purposes of the consolidated statement of cash flows, cash and cash equivalents exclude cash and cash equivalents with donor restrictions.

Accounts Receivable

Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances which consist of grants and contributions. The Organization has not set up an allowance for uncollectible receivables at March 31, 2023, because management estimates that the receivables are collectible, and write-offs are historically unusual and small.

Investments

Investments are stated at fair value. Realized and unrealized gains and losses are reported in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Note 1 – Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if received by donation. The Organization capitalizes assets with cost/fair value of $2,000 or more and a useful life of more than one year. Depreciation is computed on a straight-line basis using a useful life appropriate for the asset class. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the account. Any gain or loss on the sale or retirement is recognized in current operations.

Federal Income Taxes

The Organization is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Miracle India was incorporated as a not for profit under Section 25 of the India Companies Act, 1956. Therefore, the Organization has made no provision for federal income taxes in the accompanying consolidated financial statements. The Organization is a public charity under the Internal Revenue Code.

The Organization evaluates uncertain tax positions, if any exist, under ASC Topic 740, *Income Taxes*. The Organization accounts for uncertainty of income taxes based on a “more-likely-than-not” threshold for the recognition and de-recognition of tax positions, which includes the accounting for interest and penalties relating to tax positions. The Organization does not have any tax positions that it would consider uncertain at March 31, 2023.

The Organization accrues interest and penalties related to unrecognized tax positions as a component of income tax expense. As of March 31, 2023, there was no accrued interest and penalties.

Contributions

Contributions, including promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. When donor restrictions expire, that is when a stipulated time restriction ends or donor restricted purpose is accomplished, the related net assets with donor restrictions are reclassified to net assets without donor restrictions. This is reported in the consolidated statement of activities as net assets released from donor restrictions.

Note 1 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The expense information contained in the consolidated statement of activities is presented on a functional basis. Accordingly, certain expenses are allocated among the programs and supporting services benefited. Expenses which cannot be specifically identified have been allocated based on management's best estimate of usage. Salaries, payroll taxes, and benefits are allocated based on estimated time spent by the employees for each function. Rent and operating lease expense costs are allocated based on the estimated space usage. Depreciation is allocated on estimated usage in each function.

In-Kind Contributions

The Organization records various types of in-kind contributions primarily related to their programs. In-kind support is recognized in accordance with the *Contributions Received* Subsection of FASB ASC 958. The amounts reflected in the accompanying consolidated financial statements as in-kind contributions are offset by like amounts included in expenses.

Fair Value of Financial Instruments

The Organization follows FASB ASC 820, *Fair Value Measurements and Disclosures*, which relates to the Organization's financial assets and liabilities carried at fair value and the associated fair value disclosures. FASB ASC 820 defines fair value, expands related disclosure requirements, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined 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.

There are three levels of inputs to fair value measurements – Level 1, meaning the use of quoted prices for identical instruments in active markets; Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active or are directly or indirectly observable; and Level 3, meaning the use of unobservable inputs.

The Organization's financial instruments consist principally of cash and cash equivalents, cash and cash equivalents with donor restrictions, accounts receivable, investments, other current assets, long-term deposits, accounts payable, other accrued liabilities, accrued payroll expenses, other current liabilities, and operating lease liability. The Organization believes all of the financial instruments' recorded values approximate current market values.

Note 1 – Summary of Significant Accounting Policies (continued)

Change in Account Principle

Effective April 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in recognition of right-of-use assets, net of prepaid lease payments and lease incentives, of $171,208 and operating lease liabilities of $171,208 as of April 1, 2022. Results for periods beginning prior to April 1, 2022, continue to be reported in accordance with our historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on the Organization's consolidated statement of activities or cash flows. See Note 10 for additional information.

Foreign Currency Translation

The functional currency of the Organization's foreign subsidiary was determined to be the local currency; and therefore, assets and liabilities are translated at the current exchange rate at the consolidated statement of financial position date and the consolidated statement of activities items are translated at the average exchange rates prevailing during the reporting period. The foreign currency translation adjustment and gains and losses from non-functional currency denominated transactions are reported in the consolidated statement of activities. The functional currency of the Organization's Indian subsidiary is the Indian Rupee (INR). As of and for the fiscal year ended March 31, 2023, the cumulative translation adjustment, included as a component of net assets in the accompanying consolidated statement of financial position, was as follows:

Balance as of March 31, 2022	$	52,270
Current year translation adjustment		6,332
Balance as of March 31, 2023	$	58,602

Date of Management's Review

These financial statements considered subsequent events through June 21, 2023, the date the consolidated financial statements were available to be issued.

Note 2 – Concentration of Risk

Financial instruments which potentially subject the Organization to credit risk principally consist of cash and cash equivalents and investments. To minimize the risk, the Organization places its temporary cash investments with high credit quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investment Protection Corporation (SIPC), or the Deposit Insurance and Credit Guarantee Corporation (DICGC). Effective January 1, 2013, deposit insurance coverage by the FDIC changed to $250,000 per bank per entity for all interest bearing and non-interest bearing accounts. Securities are protected by the SIPC which currently protects brokerage accounts up to $500,000 in securities, including up to $250,000 for cash. Additional coverage is frequently offered by brokerage accounts for amounts in excess of the $500,000 SIPC limit. Effective February 4, 2020, deposit insurance coverage by the DICGC changed to INR 500,000 per bank per entity for all interest bearing and non-interest bearing accounts. As of March 31, 2023, the Organization had $321,875 of uninsured balances. The Organization has not experienced any losses in these accounts in the past.

During the fiscal year ended March 31, 2023, approximately 49% of the Organization’s total revenues was received from three grantors.

Note 3 – Investments

At March 31, 2023, investments consist of the following:

Equity funds	$ 398,298
Exchange traded funds	2,022,790
Fixed income	12,274
Total investments	$ 2,433,362

Note 4 – Fair Value of Financial Instruments

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of March 31, 2023:

		Fair Value Measurements Using:		
Description	**Fair Value**	**Quoted Prices in Active Markets for Identical (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equity funds	$ 398,298	$ 398,298	$ -	$ -
Exchange traded funds	2,022,790	2,022,790	-	-
Fixed income	12,274	12,274	-	-
Total investments	$ 2,433,362	$ 2,433,362	$ -	$ -

Note 5 – Property and Equipment

At March 31, 2023, property and equipment consisted of the following:

Land	$ 316,048
Building	79,012
Computers	51,353
Website and software development costs	187,980
Furniture and equipment	178,503
Total cost	812,896
Less: accumulated depreciation	(326,898)
Property and equipment, net	$ 485,998

Depreciation expense totaled $38,326 for the fiscal year ended March 31, 2023.

Note 6 – Net Assets With Donor Restrictions

The Organization had the following net assets with donor restrictions activity for the fiscal year ended March 31, 2023:

	Beginning Balance	Additions	Released from Donor Restrictions	Ending Balance
Donor Restricted for a Specified Purpose:				
Thrive Scale app	$ 23,446	$ 1,423,183	$ (760,038)	$ 686,591
Higher education & mental health	5,079	33,900	(37,351)	1,628
Texas Alliance of Child and Family Services work	7,865	10,000	(17,865)	-
FosterShare	-	819,844	(481,193)	338,651
Child care institutions	-	55,329	(49,319)	6,010
Children's homes run by Marialaya	-	93,162	(37,829)	55,333
Child care and protection	-	24,356	(24,356)	-
Total	$ 36,390	$ 2,459,774	$ (1,407,951)	$ 1,088,213

Note 7 – Related Party Transactions

During the fiscal year ended March 31, 2023, members and officers of the Board of Directors made contributions totaling $154,025 to the Organization.

Note 8 – Conditional Grants

During September 2022, the Organization received a conditional grant from Grantor A in the amount of $1,000,000 plus 10% of the Organization's prior year annual revenue (not to exceed $1,000,000) for a total potential payment of up to $2,000,000 per year for five years (October 2022 – October 2027). These funds are earmarked for A Family for Every Child program. During the fiscal year ended March 31, 2023, the Organization earned and recognized $1,373,183. Future annual payments are conditional based on the Organization achieving reasonable progress towards implementation of various milestones and measures as outlined in the grant agreement and complies with reporting requirements.

During October 2022, the Organization received a conditional grant from Grantor B in the amount of $306,475 for children's homes run by the Organization's partner Marialaya in Erode and Coimbatore. The first $95,587 was earned and recognized during the fiscal year ended March 31, 2023 when payment was received. The remaining $211,288 is expected to be earned and recognized as revenues throughout the fiscal years ended March 31, 2024, 2025, and 2026 as the Organization achieves the desired outcomes outlined in the grant and complies with reporting requirements. Actual amounts may vary due to currency exchange rates at the time of payment.

Note 9 – Contributed Nonfinancial Services

	Revenue Recognized	Utilization in Programs and Activities	Donor Restrictions	Valuation Techniques and Inputs
Legal Services	$ 91,869	Expensed to Technology, prevention, and Thrive Scale programs, as well as general & administrative	No associated donor restrictions	Fair value
IT Services	11,422	Expensed to Foster Share and Thrive Scale programs	No associated donor restrictions	Fair value
Total	$ 103,291			

Note 10 – Operating Lease Commitments

The Organization entered into various operating lease agreements set to expire at various dates through August 2027. Six of these leases had lease terms of twelve months or less. These leases meet the definition of a short-term leases and thus the Organization does not recognize right-of-use assets and lease liabilities for these leases. During the fiscal year ended March 31, 2023, the short-term lease expense totaled $9,021. The remaining six leases had lease terms of greater than twelve months and are accounted for under the new lease standard.

The following summarizes the line items in the consolidated statement of financial position for the long-term operating leases as of March 31, 2023:

Operating leases:		
Operating right-of-use assets	$	129,206
Operating lease liability – short-term	$	34,192
Operating lease liability – long-term		85,450
Total operating lease liabilities	$	119,642

The following summarizes the weighted-average remaining lease term and discount rate as of March 31, 2023:

Weighted-average remaining lease term:	
Long-term operating leases	4.27 years
Weighted-average discount rate:	
Long-term operating leases	3.32%

As of March 31, 2023, future minimum lease payments to be paid on these long-term operating leases are due as follows:

Year Ending March 31,		
2024	$	30,744
2025		27,066
2026		28,131
2027		29,772
2028		12,893
Total		128,606
Less: Interest		(8,964)
Present value of lease liabilities	$	119,642

Note 10 – Operating Lease Commitments (continued)

The following summarizes the line items in the consolidated statement of functional expenses which include the components of the long-term operating lease expense for the fiscal year ended March 31, 2023:

Operating lease expense	$	28,644
Interest on lease liability		2,608
Total long-term operating lease costs	$	31,252

The following summarizes cash flow information related to long-term operating leases for the fiscal year ended March 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from long-term operating leases	$	31,252

Note 11 – Advertising Costs

Advertising costs are expensed as incurred. Advertising costs totaled $85,986 for the fiscal year ended March 31, 2023.

Note 12 – Retirement Plans

Miracle Foundation, Inc. participates in a 401(k) Retirement Plan, which covers all U.S.-based employees upon hire. Starting January 2021, Miracle Foundation, Inc. matches employee contributions dollar-for-dollar for the first 3% and $0.50 on the dollar for the next 2%. Employer contributions totaling $30,779 were made to the 401(k) plan during the fiscal year ended March 31, 2023.

Miracle India participates in two retirement plans, the Provident Fund and the Gratuity plan, which covers all India-based employees upon hire. Miracle India makes employer contributions of 12% of the employee’s salary to the Provident Fund. Employer contributions totaling $30,399 were made to the Provident Fund during the fiscal year ended March 31, 2023. Miracle India makes employer contributions to the Gratuity plan based on employee’s salary and years of service. Employer contributions totaling $17,028 were made to the Gratuity plan during the fiscal year ended March 31, 2023. As of March 31, 2023, Miracle India has accrued $54,645 of future obligations under the Gratuity plan.

Note 13 – Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the fiscal year attributable to timing of receipts of contributions. Monthly cash outflows vary each fiscal year based on the specific requirements of the Organization's programming during the fiscal year.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Organization's Board of Directors approves that action.

Financial assets available:	
Cash and cash equivalents	$ 374,996
Cash and cash equivalents with donor restrictions	1,088,213
Accounts receivable collectible in less than one year	1,488
Investments	2,433,362
Total financial assets	3,898,059
Contractual or donor-imposed restrictions:	
With donor restrictions	(1,088,213)
Financial assets available to meet cash needs for expenditures within one year	$ 2,809,846