

MEGAN MEIER FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Megan Meier Foundation

Opinion

We have audited the accompanying financial statements of Megan Meier Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year 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 Megan Meier Foundation as of June 30, 2022, and the changes in its net assets and its cash flows for the 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 Financial Statements section of our report. We are required to be independent of Megan Meier Foundation 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt Megan Meier 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 Megan Meier 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 Megan Meier 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.

Strategic Accounting Solutions

Strategic Accounting Solutions
Louisiana, MO 63353
December 20, 2022

MEGAN MEIER FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

	<u>ASSETS</u>	
Cash	\$ 358,516	
Accounts Receivable	14,749	
Prepaid Expenses	<u>1,891</u>	
Total Assets		<u>\$ 375,156</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Liabilities		
Payroll Withholdings	\$ 3,606	
Prepaid Revenue	<u>900</u>	
Total Liabilities		4,506
Net Assets		
Without Donor Restrictions	370,650	
With Donor Restrictions	<u>-</u>	
Total Net Assets		<u>370,650</u>
Total Liabilities and Net Assets		<u>\$ 375,156</u>

See accompanying notes.

MEGAN MEIER FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Changes in Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 227,658	\$ -	\$ 227,658
Noncash Contributions	10,776	-	10,776
Government Grants	61,746	-	61,746
Speaking Engagements	15,930	-	15,930
Fundraising Events	66,546	-	66,546
Miscellaneous Revenue	128	-	128
Interest Income	1,401	-	1,401
Net Assets Released From Restrictions	1,000	(1,000)	-
Total Revenues	385,185	(1,000)	384,185
Expenses			
Program Services	222,864	-	222,864
Supporting Services			
General and Administrative	18,155	-	18,155
Fundraising	26,071	-	26,071
Total Expenses	267,090	-	267,090
Increase in Net Assets	118,095	(1,000)	117,095
Net Assets at Beginning of Year	252,555	1,000	253,555
Net Assets at End of Year	\$ 370,650	\$ -	\$ 370,650

See accompanying notes.

MEGAN MEIER FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	Resource Center	Speaking	Leadership Workshops	Other Programs	Total Program Services	General and Administrative	Fund-raising	Total
Accounting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,793	\$ -	\$ 8,793
Annual Appeal	-	-	-	-	-	-	635	635
Depreciation	439	139	95	44	717	30	31	778
Fundraising Events	-	-	-	-	-	-	19,305	19,305
Insurance	-	-	-	-	-	1,079	-	1,079
Miscellaneous	10,380	3,284	2,239	1,065	16,968	-	-	16,968
Occupancy	9,674	3,061	2,087	992	15,814	672	673	17,159
Office Expenses	928	928	633	2,307	4,796	204	204	5,204
Resource Center	8,121	-	-	-	8,121	-	-	8,121
Salaries and Wages	66,533	21,048	14,354	6,824	108,759	4,624	4,624	118,007
Payroll Taxes	6,228	1,970	1,344	639	10,181	433	433	11,047
Supplies	344	109	74	35	562	-	-	562
Telephone	2,092	662	451	215	3,420	145	146	3,711
Therapist	37,972	-	-	-	37,972	-	-	37,972
Travel	-	4,877	-	-	4,877	-	-	4,877
Website	297	94	64	31	486	21	20	527
All Other Expenses	8,477	1,972	1,345	(1,603)	10,191	2,154	-	12,345
Total Expenses	\$ 151,485	\$ 38,144	\$ 22,686	\$ 10,549	\$ 222,864	\$ 18,155	\$ 26,071	\$ 267,090

See accompanying notes.

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 117,095
Adjustments to Reconcile Change in Net Assets to Net Cash Used By Operating Activities:	
Depreciation	778
Changes in Operating Assets and Liabilities	
Accounts Receivable	(12,749)
Prepaid Expenses	(1,202)
Payroll Withholdings	(675)
Prepaid Revenue	<u>(7,750)</u>
Net Cash provided by Operating Activities	<u>95,497</u>
Net Increase in Cash	95,497
Cash at Beginning of Year	<u>263,019</u>
Cash at End of Year	<u><u>\$ 358,516</u></u>
Supplemental Disclosure:	
Cash Paid for Interest	<u><u>\$ -</u></u>
Cash Paid for Income Taxes	<u><u>\$ -</u></u>

See accompanying notes

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 1—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization was incorporated in the State of Missouri on December 12, 2007, as a not-for-profit corporation. The Organization was formed to bring awareness, education, and promote positive change to children, parents, and educators in response to the ongoing bullying and cyberbullying in our children's daily environment. Programs are the Resource Center which includes counseling, speaking engagements to students, parents, and educators in schools, leadership conferences, and other programs of community outreach. Revenue comes from fees for speaking engagements and conferences, direct donations, grants, and fundraising events.

Financial Statement Presentation

Megan Meier Foundation reports information regarding its financial position and activities according to two classes of net assets (with and without donor restrictions) based upon the existence or absence of donor-imposed restrictions.

Megan Meier Foundation reports contributions received as with or without restrictions support, depending on the existence and/or nature of any donor restrictions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for speaking engagements and conferences. If necessary, we determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivables are written off when deemed uncollectable. As of June 30, 2022, no amounts are expected to become uncollectable.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, assets with donor restrictions are reclassified to assets without donor restrictions. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using the present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. No promises to give as of the year ended June 30, 2022.

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 1—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES(continued)

Leasehold Improvements and Equipment

Leasehold Improvements and Equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method over the estimated useful lives. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of Leasehold Improvements and Equipment are reviewed for impairment whenever events of circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2022.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates, and those differences could be material.

Net Assets

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 or certain grant) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment. As of June 30, 2022, there are no board-designated assets.

Net Assets With Donor Restrictions= Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in, where the donor stipulates that resources be maintained in perpetuity.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 1—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES(continued)

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, principally in membership development, fundraising and other programs; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. The Organization records donations of securities, materials, facilities (and use thereof), and other non-monetary items at fair market value when received, provided the Organization has a clearly measurable and objective basis for determining their value. If values are not reasonably determinable, the donations are not recorded. The Organization recognized \$5,000 of additional rental income and expense on their below-market lease. The Organization also received \$5,776 in additional non-monetary support, such as food and silent auction items.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expense Allocation:

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes:

The Organization is organized as Missouri nonprofit organization and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections Q70(b)(1)(A)(vi), and have been determined not to be private foundation under IRC Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Note 2—LIQUIDITY AND AVAILABILITY

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.

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Cash	<u>358,516</u>
	<u>\$ 358,516</u>

Note 3—OFF-STATEMENT OF FINANCIAL POSITION RISK AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash held in financial institutions. At times such instruments may be in excess of FDIC, SIPC, and third-party insured limits. The Organization does not consider cash balances to be at significant risk.

Note 4—LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Fixed Assets consist of:

Leasehold Improvements	\$ 24,073
Equipment	3,290
Less: accumulated depreciation	<u>27,363</u>
	<u>\$ -</u>

Depreciation was \$778 for the year ended June 30, 2022.

Note 5—LEASES

During 2016, the Organization entered into a five-year lease for office space in Saint Charles, Missouri expiring August 30, 2021. Prior to the expiration date of August 30, 2021, the lease was renewed for another five years expiring on August 30, 2026

At June 30, 2022, the minimum lease payments under the terms of all lease agreements were as follows:

<u>For the year Ended June 30,</u>	<u>Amount</u>
2023	10,320
2024	10,320
2025	10,320
2026	<u>1,720</u>
	<u>\$ 32,680</u>

The lease expense for office space for the year ended June 30, 2022, was \$13,600 which included a fair value donation adjustment of \$5,000.

MEGAN MEIER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Note 6—REACH

During the year ended June 30, 2022, the Organization has reached 31,385 students, parents, educators, and professionals through school-based and community-based bullying, cyberbullying, and suicide prevention and intervention programs at a total program cost of \$6.34 per unit.

Note 7—FUNCTIONAL ALLOCATION OF EXPENSES

Functional expense allocations were based upon specification identification or based upon time spent. Functional expense percentages are as follows:

Program Services	83.08%
General and Administrative	6.95%
Fundraising	9.97%

Note 8—EMPLOYEE RETENTION TAX CREDIT

During the fiscal year ended June 30, 2022, the Organization became aware of eligibility for the Employee Retention Tax Credit for several quarters. \$61,745 was requested. \$47,846 was received during 2022 with \$13,899 included in Accounts Receivable.

Note 9—SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 20, 2022, the date which the financial statements were available for issue. The Employee Retention Tax Credit Receivable referenced in Note 8 was received on October 3, 2022.

Note 10—UNCERTAIN INCOME TAX POSITIONS

The Financial Accounting Standards Board (FASB) has issued a financial reporting standard effective in 2013 that requires disclosure and possibly recognition of uncertain income tax positions in financial statements for all entities that report under U.S. generally accepted accounting principles, including tax-exempt organizations. For an exempt organization, an uncertain tax position might be one that potentially affects the organization's tax exempt status or that affects whether or not it is subject to unrelated business income tax on some if its revenue and the amount of such tax. Under current accounting standards, uncertain tax positions are required to be recorded and disclosed only if it is probable a claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable. Megan Meier Foundation believes it has no uncertain tax positions that qualify for either recognition or disclosure in its financial statements under current standards or the new standard. The organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The organization believes it is no longer subject to income tax examinations for years prior to 2018.