



MIRIAM'S HOUSE, INC.
Lynchburg, VA

Financial Statements
For years ended
December 31, 2010 and 2009





MIRIAM'S HOUSE, INC.

Officers

Ms. Anne Gibbons	President
Ms. Ellen Nygaard	Vice President
Ms. Kathryn Crowder Yarzebinski	Secretary
Mr. L. Vincent Sawyer, Jr.	Treasurer

Board of Directors

Ms. Nichole Dye Bradley	Ms. Beth Bierman Burns
Ms. Rhonda Callaham	Ms. Sheila Garren
Ms. Joan Jones	Ms. Patricia Davis Price
Mr. George Vermilya, Jr.	Ms. Randall Watts





MIRIAM'S HOUSE, INC.

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DAVIDSON, DOYLE & HILTON
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

Board of Directors
Miriam's House, Inc.
Lynchburg, Virginia

We have audited the accompanying statements of financial position of Miriam's House, Inc. (the "Corporation") as of December 31, 2010 and 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miriam's House, Inc. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Davidson Doyle & Hilton, LLP

Lynchburg, Virginia
May 24, 2011





MIRIAM'S HOUSE, INC.
Statements of Financial Position
December 31, 2010 and 2009

Assets

	2010	2009
Current assets		
Cash and cash equivalents, unrestricted	\$ 145,428	\$ 79,545
Other receivables	471	2,392
Grants receivable	33,477	6,768
Prepaid insurance and expenses	2,292	2,081
Due from Miriam's House Limited Partnership	-	60,674
	<u>181,668</u>	<u>151,460</u>
Property and equipment		
Land	80,441	-
Buildings and improvements	942,164	-
Leasehold improvements	113,944	113,944
Furniture	140,109	136,743
	<u>1,276,658</u>	<u>250,687</u>
Less accumulated depreciation	174,511	157,053
	<u>1,102,147</u>	<u>93,634</u>
Other assets		
Funds held in trust by others	1,821,125	1,757,020
Investment in Partnership, non-marketable	-	690,266
	<u>1,821,125</u>	<u>2,447,286</u>
Total assets	<u>\$ 3,104,940</u>	<u>\$ 2,692,380</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable	\$ 1,092	\$ 2,029
Rents and fees paid in advance	12	260
Accrued salaries and benefits	4,542	13,677
Accrued payroll taxes and withholding	-	257
	<u>5,646</u>	<u>16,223</u>
Net assets		
Unrestricted	1,224,094	905,182
Temporarily Restricted	146,961	69,799
Permanently restricted	1,728,239	1,701,176
	<u>3,099,294</u>	<u>2,676,157</u>
Total liabilities and net assets	<u>\$ 3,104,940</u>	<u>\$ 2,692,380</u>





MIRIAM'S HOUSE, INC.
Statement of Activities
Year ended December 31, 2010

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue				
Public Support				
Individuals	\$ 119,991	\$ -	\$ -	\$ 119,991
Corporations	7,095	-	-	7,095
Community organizations, churches	5,978	-	-	5,978
Grants	-	272,834	-	272,834
Resident rents	8,235	-	-	8,235
In-kind contributions	338,658	-	-	338,658
Total public support	<u>479,957</u>	<u>272,834</u>	<u>-</u>	<u>752,791</u>
Other revenue (loss)				
Trust fund earnings, gains (losses)	-	-	119,949	119,949
Trust fund distributions	55,844	(55,844)	-	-
Appropriation of endowment assets for expenditure	-	92,886	(92,886)	-
Partnership loss	(5,492)	-	-	(5,492)
Loss on dissolution of partnership	(66,570)	-	-	(66,570)
Other	507	-	-	507
Special events, net of expenses of \$4,344	15,814	-	-	15,814
Satisfaction of program restrictions	232,714	(232,714)	-	-
Total other revenue	<u>232,817</u>	<u>(195,672)</u>	<u>27,063</u>	<u>64,208</u>
Total public support and revenue	<u>712,774</u>	<u>77,162</u>	<u>27,063</u>	<u>816,999</u>
Expenses				
Management and general	36,225	-	-	36,225
Program services	352,287	-	-	352,287
Fund raising	5,350	-	-	5,350
Total expenses	<u>393,862</u>	<u>-</u>	<u>-</u>	<u>393,862</u>
Increase in net assets	318,912	77,162	27,063	423,137
Net assets at beginning of year	<u>905,182</u>	<u>69,799</u>	<u>1,701,176</u>	<u>2,676,157</u>
Net assets at end of year	<u>\$ 1,224,094</u>	<u>\$ 146,961</u>	<u>\$ 1,728,239</u>	<u>\$ 3,099,294</u>





MIRIAM'S HOUSE, INC.
Statement of Activities
Year ended December 31, 2009

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue				
Public Support				
Individuals	\$ 66,377	\$ -	\$ -	\$ 66,377
Corporations	5,200	-	-	5,200
Community organizations, churches	12,859	-	-	12,859
Grants	-	238,177	-	238,177
Daycare	3,943	-	-	3,943
Resident rents	8,814	-	-	8,814
In-kind contributions	1,011	-	-	1,011
Total public support	<u>98,204</u>	<u>238,177</u>	<u>-</u>	<u>336,381</u>
Other revenue (loss)				
Trust fund earnings, gains (losses)	-	-	353,045	353,045
Trust fund distributions	119,213	(50,000)	(69,213)	-
Appropriation of endowment assets for expenditure	-	105,844	(105,844)	-
Partnership loss	(472)	-	-	(472)
Other	3,609	-	-	3,609
Special events, net of expenses of \$4,910	28,900	-	-	28,900
Satisfaction of program restrictions	245,633	(245,633)	-	-
Total other revenue	<u>396,883</u>	<u>(189,789)</u>	<u>177,988</u>	<u>385,082</u>
Total public support and revenue	<u>495,087</u>	<u>48,388</u>	<u>177,988</u>	<u>721,463</u>
Expenses				
Management and general	47,934	-	-	47,934
Program services	428,830	-	-	428,830
Fund raising	3,995	-	-	3,995
Total expenses	<u>480,759</u>	<u>-</u>	<u>-</u>	<u>480,759</u>
Increase in net assets	14,328	48,388	177,988	240,704
Net assets at beginning of year	<u>890,854</u>	<u>21,411</u>	<u>1,523,188</u>	<u>2,435,453</u>
Net assets at end of year	<u>\$ 905,182</u>	<u>\$ 69,799</u>	<u>\$ 1,701,176</u>	<u>\$ 2,676,157</u>





MIRIAM'S HOUSE, INC.
Statement of Functional Expenses
Year ended December 31, 2010

	<u>Management And General Expenses</u>	<u>Program Service Expenses</u>	<u>Fund Raising Expenses</u>	<u>Total</u>
Salaries	\$ 26,633	\$ 195,313	\$ -	\$ 221,946
Employee benefits	3,556	26,076	-	29,632
Contract labor	-	27,129	-	27,129
Payroll taxes	2,669	19,574	-	22,243
Depreciation	-	17,458	-	17,458
Utilities	-	13,923	-	13,923
Insurance	-	11,355	-	11,355
Rent expense	-	10,025	-	10,025
Maintenance and repairs	-	9,118	-	9,118
Professional fees	3,367	1,658	-	5,025
Postage and printing	-	1,419	2,881	4,300
Telephone	-	3,804	-	3,804
Food	-	3,688	-	3,688
Program services	-	2,848	-	2,848
Staff recruitment and training	-	2,640	-	2,640
Public relations	-	-	2,469	2,469
Supplies	-	2,404	-	2,404
Office supplies	-	1,992	-	1,992
Dues	-	785	-	785
Medical screening	-	549	-	549
Miscellaneous	-	484	-	484
Other taxes	-	45	-	45
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Total expenses	\$ 36,225	\$ 352,287	\$ 5,350	\$ 393,862





MIRIAM'S HOUSE, INC.
Statement of Functional Expenses
Year ended December 31, 2009

	<u>Management And General Expenses</u>	<u>Program Service Expenses</u>	<u>Fund Raising Expenses</u>	<u>Total</u>
Salaries	\$ 36,969	\$ 271,112	\$ -	\$ 308,081
Employee benefits	4,681	34,324	-	39,005
Payroll taxes	3,018	22,130	-	25,148
Depreciation	-	20,342	-	20,342
Maintenance and repairs	-	16,332	-	16,332
Utilities	-	14,298	-	14,298
Rent expense	-	10,000	-	10,000
Contract labor	-	7,288	-	7,288
Food	-	6,167	-	6,167
Professional fees	3,266	1,609	-	4,875
Insurance	-	4,809	-	4,809
Postage and printing	-	1,381	2,806	4,187
Telephone	-	3,588	-	3,588
Miscellaneous	-	3,567	-	3,567
Supplies	-	2,770	-	2,770
Staff recruitment and training	-	2,735	-	2,735
Office supplies	-	2,048	-	2,048
Program services	-	1,963	-	1,963
Public relations	-	-	1,189	1,189
Dues	-	1,135	-	1,135
Child Care	-	640	-	640
Medical screening	-	592	-	592
Total expenses	\$ <u>47,934</u>	\$ <u>428,830</u>	\$ <u>3,995</u>	\$ <u>480,759</u>





MIRIAM'S HOUSE, INC.
Statements of Cash Flows
Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Increase in net assets	\$ 423,137	\$ 240,704
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Net realized and unrealized (gain) loss on assets held in trust	(109,840)	(338,131)
Depreciation	17,458	20,342
Non-cash contribution of partnership interest	(337,831)	-
Trust earnings, net	(10,109)	(14,914)
Partnership loss	5,492	472
Net trust (contributions) distributions	55,844	119,213
Changes in assets and liabilities:		
Decrease (increase) in other receivables	1,921	(2,242)
Decrease (increase) in grants receivable	(26,709)	14,643
Decrease (increase) in prepaid expenses	(211)	3,423
Increase (decrease) in accounts payable	(937)	(6,482)
Increase (decrease) in rents paid in advance	(248)	260
Increase (decrease) in accrued salaries and expenses	(9,135)	(15,893)
Increase (decrease) in accrued payroll taxes	(257)	(1,078)
Net cash provided by operating activities	<u>8,575</u>	<u>20,317</u>
Cash flows from investing activities		
Additions to property and equipment	(3,366)	(5,713)
Decrease (increase) in due from limited partnership	<u>60,674</u>	<u>(11,135)</u>
Net cash provided by (used in) investing activities	<u>57,308</u>	<u>(16,848)</u>
Net increase in cash and cash equivalents	65,883	3,469
Cash and cash equivalents at beginning of year	<u>79,545</u>	<u>76,076</u>
Cash and cash equivalents at end of year	\$ <u>145,428</u>	\$ <u>79,545</u>
Supplementary Cash Disclosures:		
Building and land acquired with dissolution of partnership	\$ <u>1,022,605</u>	\$ <u>-</u>





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 1 – Nature of Organization

Miriam's House, Inc. (the "Corporation") was chartered as a not-for-profit corporation in 1991. The purpose of the Corporation is to make available a transitional residence for women and their children and to provide social services to address the contributing causes of homelessness in the City of Lynchburg and surrounding areas.

Note 2 – Summary of significant accounting policies

The financial statements of Miriam's House, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies described below are to enhance the usefulness of the financial statements to the reader.

Contributions

The Corporation accounts for contributions in accordance with FASB ASC 958, formerly Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made. In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Gifts of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts of property and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and cash equivalents

Cash and cash equivalents consist of cash-on-hand and on-demand deposits. The Corporation maintains cash at financial institutions. Certain accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, balances may exceed the FDIC limit. Management does not feel there is a risk of loss.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board, FASB ASC 958, formerly Statement of Financial Accounting Standards (SFAS) No. 117. Under FASB ASC 958, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by action of the Corporation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restraints.

Permanently restricted net assets - Net assets subject to donor-imposed restrictions that the assets be maintained permanently by the Corporation. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related net assets for general purposes.





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 2 – Summary of significant accounting policies (continued)

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Investment in partnership

The investment in the Partnership is stated on the equity method of accounting.

Property and depreciation

The property and equipment is stated in the financial statements at cost, or fair market value if contributed. Depreciation is computed using the straight-line method over estimated useful lives as follows:

<u>Classification</u>	<u>Estimated Useful Life</u>
Leasehold improvements	10 years
Furniture	5 – 7 years
Vehicle	5 years

Donated services

No amounts have been reflected in the statements for donated services because no objective basis is available to measure the value of such services. Uncompensated volunteers have made significant contributions of their time and effort to the Corporation.

Estimates

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

Basis for reporting investments

Investment securities are stated at fair market value as of December 31, 2010 and 2009. Fair values are generally determined from, or based on, the quoted market prices for such securities.





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 3 – Endowments

The Corporation is the beneficiary of the Trust for Miriam's House Inc. (the "Trust"), established in 1993. The Trust received no contributions in 2010 or 2009. The Trust made distributions totaling \$55,844 and \$119,213 in 2010 and 2009, respectively. The trustee of the Trust is Greater Lynchburg Community Trust, which has discretion over the investment of the Trust assets. The endowment fund consists of one permanently restricted fund. As required by GAAP, net assets associated with endowment funds, including funds designated by 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

The responsibility for investment of all endowment funds of the Corporation is solely the responsibility of the Board of Trustees. The interpretation by the Board of Trustees of relevant law is stated as follows:

The Uniform Prudent Management of Institutional Funds Acts (UPMIFA) as enacted by the Commonwealth of Virginia applies to all the endowment funds unless the donor has specifically directed otherwise. The Board of Trustees interprets UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor restrictions to the contrary. As a result of this interpretation, the Board of Trustees classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The Board of Trustees considers the effect of inflation and deflation on the original gift value from the effective date of UPMIFA, July 1, 2008, or the gift date, whichever is later. Endowment funds are appropriated as of the date of disbursement from the invested asset.

Spending Policy

The responsibility for investment of all institutional funds is solely the responsibility of the Board of Trustees. The spending policy and how the investment objectives relate to the spending policy, which is applicable to the endowments herewith presented, are stated as follows:

The Trust follows the spending policy set by the Board of The Greater Lynchburg Community Trust ("GLCT"). The GLCT's current policy allows for annual distributions up to five percent (5%) of the value of the Trust. The value is calculated on June 30th of each year on a rolling basis by averaging the previous twelve (12) quarters' value of the Trust. The trust distributed \$55,844 and \$119,213 to the Corporation during the 2010 and 2009, respectively.





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 3 – Endowments (continued)

Return Objectives and Risk Parameters

The responsibility for investment of all endowment funds of the Corporation is solely the responsibility of the Board of Trustees. The return objectives and risk parameters applicable to the endowments herewith presented are as follows:

The Corporation has adopted investment 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 the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

Strategies Employed for Achieving Objectives

The responsibility for investment of all endowment funds is solely the responsibility of the Board of Trustees. The strategies employed for achieving objectives applicable to the endowments herewith presented are as follows:

To satisfy its long-term objectives, the Corporation 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). The Corporation targets a diverse asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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/SPMIFA requires the Corporation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$-0- as of December 31, 2010 and \$-0- as of December 31, 2009.

Description of Amounts Classified as Permanently Restricted Net Assets
and Temporarily Restricted Net Assets (Endowment Only)

	2010	2009
Permanently Restricted Net Assets		
(1) The portion of perpetual endowment funds that is required to be retained Permanently either by explicit donor stipulation of by UPMIFA	\$ <u>1,728,239</u>	\$ <u>1,701,176</u>
Total endowment funds classified as permanently restricted net assets	\$ <u>1,728,239</u>	\$ <u>1,701,176</u>
Temporarily Restricted Net Assets		
(1) Term endowment funds	\$ -	\$ -
(2) The portion of perpetual endowment funds subject to a time restriction Under UPMIFA		
Without purpose restrictions	92,886	55,844
With purpose restrictions	<u>-</u>	<u>-</u>
Total endowment funds classified as temporarily restricted net assets	\$ <u>92,886</u>	\$ <u>55,844</u>





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 3 – Endowments (continued)

Endowment Net Asset Composition by Type of Fund
As of December 31, 2010

	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 92,886	\$ 1,728,239	\$ 1,821,125
Total funds	\$ -	\$ 92,886	\$ 1,728,239	\$ 1,821,125

Changes in Endowment Fund Net Assets
For Fiscal Year Ended December 31, 2010

	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment fund net assets				
Beginning of year	\$ -	\$ 55,844	\$ 1,701,176	\$ 1,757,020
Investment income:				
Dividends, interest, etc. (net of expense, \$32,711)	-	-	10,109	10,109
Net realized and unrealized gains	-	-	109,840	109,840
			119,949	119,949
Distributions	-	(55,844)	-	(55,844)
Transfer of earnings to corpus	-	-	-	-
Appropriation of endowment assets for expenditure	-	92,886	(92,886)	-
Other changes:				
Transfer to remove board-designated endowment funds	-	-	-	-
Endowment fund net assets				
End of year	\$ -	\$ 92,886	\$ 1,728,239	\$ 1,821,125





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 3 – Endowments (continued)

Endowment Net Asset Composition by Type of Fund
As of December 31, 2009

	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 55,844	\$ 1,701,176	\$ 1,821,125
Total funds	\$ -	\$ 55,844	\$ 1,701,176	\$ 1,821,125

Changes in Endowment Fund Net Assets
For Fiscal Year Ended December 31, 2009

	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment fund net assets Beginning of year	\$ -	\$ -	\$ 1,523,188	\$ 1,523,188
Investment income:				
Dividends, interest, etc. (net of expense, \$31,746)	-	-	14,914	14,914
Net realized and unrealized gains	-	-	338,131	338,131
	-	-	353,045	353,045
Distributions	-	(50,000)	(69,213)	(119,213)
Transfer of earnings to corpus	-	-	-	-
Appropriation of endowment assets for expenditure	-	105,844	(105,844)	-
Other changes:				
Transfer to remove board-designated endowment funds	-	-	-	-
Endowment fund net assets End of year	\$ -	\$ 55,844	\$ 1,701,176	\$ 1,757,020

Expenses of the trust for the years ended December 31, 2010 and 2009 were as follows:

	2010	2009
Community Trust	\$ 17,795	\$ 18,322
Investment management	10,463	9,278
Trustee	4,200	4,200
Taxes – Foreign withheld	253	(54)
Total expenses	\$ 32,711	\$ 31,746





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 4 – Fair Value Measurement

Effective January 1, 2009, the Corporation adopted FASB ASC 820, formerly SFAS No. 157, *Fair Value Measurements*. ASC 820 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the Corporation. Unobservable inputs reflect management's judgment about the assumptions market participants would use in pricing the asset or liability. The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level 1 inputs are quoted prices in active markets as of the measurement date for identical assets and liabilities that the Corporation has the ability to access. This category includes exchange-traded mutual funds and equity securities.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates or yield curves, that are observable at commonly quoted intervals. This category includes mortgage-backed securities, asset-backed securities, corporate debt securities, certificates of deposit, commercial paper, U.S. agency and municipal debt securities, U.S. Treasury securities and derivative contracts.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The measurements are highly subjective.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total at Fair Value
December 31, 2010				
STIF & money market funds	\$ 87,438	\$ -	\$ -	\$ 87,438
US government & agency bonds	152,761	-	-	152,761
Corporate obligations	312,398	-	-	312,398
Equity securities	1,268,528	-	-	1,268,528
Total	<u>\$ 1,821,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,821,125</u>
December 31, 2009				
STIF & money market funds	\$ 118,784	\$ -	\$ -	\$ 118,784
US government & agency bonds	124,737	-	-	124,737
Corporate obligations	309,967	-	-	309,967
Equity securities	1,203,532	-	-	1,203,532
Investment in Partnership	-	-	690,266	690,266
Total	<u>\$ 1,757,020</u>	<u>\$ -</u>	<u>\$ 690,266</u>	<u>\$ 2,447,286</u>

Note 5 – Accounts receivable contributions

The Corporation records unconditional promises to give as contributions when written evidence is received. The Corporation had contributions receivable of \$33,477 and \$6,768 at December 31, 2010 and 2009, respectively.





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 6 – Investment in partnership

The Corporation is the general partner in Miriam's House Limited Partnership (the "Partnership"). In January 1994, the construction of the transitional residence was completed. The cost of the facility, net of the amounts due to the Partnership, was transferred to the Partnership and recorded as an investment during that year. On December 31, 2010, the limited partner in the Partnership contributed, to the Corporation, their Partnership interest of 36.47% valued at \$337,831. The Partnership was then dissolved with the building and land solely owned by the Corporation.

Changes in the Corporation's investment in the Partnership are as follows:

Investment in Partnership at beginning of year	\$	690,266
1% share of net loss of the Partnership in 2010		(5,492)
Contribution of 36.47% interest		337,831
Dissolution of partnership		<u>(1,022,605)</u>
Investment in Partnership at end of year	\$	<u> -</u>

Note 7 - Income taxes

The Corporation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code.

The Partnership is a limited partnership which is required to file an annual return and any profits/losses are passed through to each of its partners.

In June 2006, the Financial Accounting Standards Board issued ASC 740-10, formerly FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Corporation adopted ASC 740-10 as of January 1, 2009. The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Corporation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Corporation's financial condition, results of operations or cash flows. Accordingly, the Corporation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2010 and 2009. Fiscal years ending on or after December 31, 2007 remain subject to examination by federal and state tax authorities.

Note 8 – Endowment cost basis

The reported fair values and costs of investments held in the endowment at December 31, 2010 and 2009 were as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>2010</u>			
Cash and cash equivalents	\$ 87,438	\$ 87,438	\$ -
Equities	1,425,868	1,580,926	155,058
Bonds	<u>152,971</u>	<u>152,761</u>	<u>(210)</u>
	<u>\$ 1,666,277</u>	<u>\$ 1,821,125</u>	<u>\$ 154,848</u>
<u>2009</u>			
Cash and cash equivalents	\$ 118,784	\$ 118,784	\$ -
Equities	1,336,810	1,513,499	176,689
Bonds	<u>118,811</u>	<u>124,737</u>	<u>5,926</u>
	<u>\$ 1,574,405</u>	<u>\$ 1,757,020</u>	<u>\$ 182,615</u>





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Notes 9 – Property and equipment

Accumulated depreciation at December 31, 2010 and 2009 and depreciation expenses for the years ended December 31, 2010 and 2009 were as follows:

	<u>Accumulated Depreciation</u>	<u>Depreciation Expense</u>
<u>2010</u>		
Building and improvements	\$ 1,007	\$ 1,007
Leasehold improvements	52,601	10,934
Furniture	<u>120,903</u>	<u>5,517</u>
	<u>\$ 174,511</u>	<u>\$ 17,458</u>
<u>2009</u>		
Leasehold improvements	\$ 41,667	\$ 10,934
Furniture	<u>115,386</u>	<u>9,408</u>
	<u>\$ 157,053</u>	<u>\$ 20,342</u>

Depreciation expense for programs services was \$17,458 and \$20,342 for the years ended December 31, 2010 and 2009, respectively.

Note 10 – Retirement plan

The Corporation has a defined contribution retirement plan under the name of Miriam's House, Inc. All employees age 21 who have completed one year of service are eligible to participate in the plan. Under the plan, the Corporation is required to contribute 5% of the participant's gross compensation. The corporation's contributions to the plan totaled \$6,083 (\$5,600 in cash and \$483 in forfeitures) and \$9,306 (\$6,760 in cash and \$2,546 in forfeitures) for the years ended December 31, 2010 and 2009, respectively. The plan provides for 100% vesting after three years of participation. Benefits are payable to beneficiaries at age 65, or earlier in the event of death or early retirement as defined in the plan agreement.

Note 11 – Related-party transactions

Miriam's House, Inc. is the general partner in Miriam's House Limited Partnership until December 31, 2010 at which time the partnership was dissolved. The Corporation leases the building from Miriam's House Limited Partnership for \$10,000 per year or \$833 per month. During 2010 and 2009, rents of \$10,000 were credited against the amounts owed to the Corporation by the Partnership. The Corporation was owed \$- and \$60,674 from the Partnership at December 31, 2010 and 2009, respectively.

A board member of the Corporation is a principal at the investment management firm of the endowment. Fees paid to the investment management firm during 2010 and 2009 were \$10,463 and \$9,278, respectively.

Note 12 – Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.





MIRIAM'S HOUSE, INC.
Notes to Financial Statements
December 31, 2010 and 2009

Note 12 – In-Kind Contributions

During the years ended December 31, 2010 and 2009, the Corporation recognized in-kind contributions as summarized below:

	<u>2010</u>	<u>2009</u>
Food and dairy products	\$ 827	\$ 1,011
Limited Partnership interest of 36.47%	<u>337,831</u>	<u>-</u>
	<u>\$ 338,658</u>	<u>\$ 1,011</u>

Note 13 – Summary of Grants

Grant revenue for the years ended December 31, 2010 and 2009 is summarized as followed:

	<u>2010</u>	<u>2009</u>
HUD	\$ 108,609	\$ 102,179
State Shelter Grant	36,983	28,742
Community Development Block Grant Program	29,857	6,692
Contract Partnership Grant	24,951	46,898
The Easley Foundation	20,000	-
Lynchburg City Schools – Student Services	15,054	-
Greater Lynchburg Community Trust	11,000	15,000
United Way	10,000	-
Other – One-time grants from various community Corporations	8,450	8,997
Wachovia	6,000	-
FEMA	1,930	-
Centra Health	-	5,000
Emergency Shelter Grant	-	14,669
The Harvest Corporation	-	5,000
Verizon	<u>-</u>	<u>5,000</u>
Total	<u>\$ 272,834</u>	<u>\$ 238,177</u>

Note 14 - Subsequent Events

The Corporation has evaluated subsequent events through May 24, 2011, the date the financial statements were available to be issued. No events requiring disclosure were noted.

