
GIFTED RESOURCE COUNCIL

FINANCIAL STATEMENTS

DECEMBER 31, 2018



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Independent Accountants' Review Report

Board of Directors
Gifted Resource Council
St. Louis, Missouri

We have reviewed the accompanying financial statements of Gifted Resource Council (the Council), a not-for-profit organization, consisting of the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses (2018 only) and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Council management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

RubinBrown LLP

September 13, 2019

GIFTED RESOURCE COUNCIL
STATEMENT OF FINANCIAL POSITION

Assets

	December 31,	
	2018	2017
Cash and cash equivalents	\$ 105,844	\$ 97,633
Furniture and equipment (net of accumulated depreciation of \$20,274 in 2018 and \$19,870 in 2017)	1,212	—
Total Assets	\$ 107,056	\$ 97,633

Liabilities And Net Assets

Liabilities	\$ —	\$ —
Net Assets		
Without Donor Restrictions	102,056	92,633
With Donor Restrictions (Note 4)	5,000	5,000
Total Net Assets	107,056	97,633
Total Liabilities And Net Assets	\$ 107,056	\$ 97,633

GIFTED RESOURCE COUNCIL

STATEMENT OF ACTIVITIES

	For The Years	
	Ended December 31,	
	2018	2017
Changes In Net Assets Without Donor Restrictions		
Public Support		
Membership dues	\$ 18,424	\$ 20,770
Gifts and grants (Note 5)	38,666	33,746
Net assets released from restrictions (Note 4)	5,000	9,000
Total Public Support	62,090	63,516
Revenues		
Programs	217,272	193,716
Extended day	14,402	12,489
Sales items (net of expenses of \$1,050 in 2018 and \$423 in 2017)	1,050	1,677
Interest	300	202
Other	47	128
Total Revenues	233,071	208,212
Total Support And Revenues	295,161	271,728
Expenses		
Program services	241,079	249,395
Supporting activities:		
General and administrative	26,777	32,577
Development	17,882	7,426
Total Expenses	285,738	289,398
Increase (Decrease) In Net Assets Without Donor Restrictions	9,423	(17,670)
Changes In Net Assets With Donor Restrictions		
Gifts and grants (Note 5)	5,000	5,000
Net assets released from restrictions (Note 4)	(5,000)	(9,000)
Decrease In Net Assets With Donor Restrictions	—	(4,000)
Increase (Decrease) In Net Assets	9,423	(21,670)
Net Assets - Beginning Of Year	97,633	119,303
Net Assets - End Of Year	\$ 107,056	\$ 97,633

GIFTED RESOURCE COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES

	For The Year Ended December 31,				
	2018				2017
	Program	General And Administrative	Development	Total	Total
Salaries	\$ 167,635	\$ 13,413	\$ 13,272	\$ 194,320	\$ 194,722
Payroll taxes	12,944	1,015	1,012	14,971	15,025
Employee benefits	2,444	501	—	2,945	3,115
Advertising	—	1,116	—	1,116	1,076
Conferences	—	25	—	25	25
Depreciation	—	404	—	404	—
Dues and subscriptions	—	30	—	30	149
Equipment purchases and rental	249	51	—	300	1,649
Extended day	3,246	—	—	3,246	2,263
Insurance	3,736	765	—	4,501	4,471
Miscellaneous	—	48	—	48	48
Newsletter	360	—	240	600	600
PayPal fees	731	—	—	731	—
Postage	3,991	82	1,607	5,680	5,461
Printing	4,077	—	1,751	5,828	6,426
Professional fees	1,420	7,250	—	8,670	8,250
Rent	19,557	1,200	—	20,757	21,496
Scholarships	5,835	—	—	5,835	2,700
Supplies and equipment	11,836	453	—	12,289	10,480
Telephone	1,695	424	—	2,119	2,233
Trips and events	893	—	—	893	3,053
Volunteer expenses	430	—	—	430	503
	\$ 241,079	\$ 26,777	\$ 17,882	\$ 285,738	\$ 289,398

GIFTED RESOURCE COUNCIL

STATEMENT OF CASH FLOWS

	For The Years	
	Ended December 31,	
	2018	2017
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 9,423	\$ (21,670)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	404	—
Net Cash Provided By (Used In) Operating Activities	9,827	(21,670)
Net Cash Used In Investing Activities		
Payments for office equipment	(1,616)	—
Net Increase (Decrease) In Cash And Cash Equivalents	8,211	(21,670)
Cash And Cash Equivalents - Beginning Of Year	97,633	119,303
Cash And Cash Equivalents - End Of Year	\$ 105,844	\$ 97,633

GIFTED RESOURCE COUNCIL

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 And 2017

1. Operations

The Gifted Resource Council (the Council) is a not-for-profit educational agency serving the greater St. Louis metropolitan area. Its purpose is to bring together the resources of the community, schools, and parents to help gifted and talented children achieve their potential.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting.

Recent Accounting Pronouncements

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Council adopted ASU 2016-14 effective January 1, 2018 and applied its provisions to the financial statements for the year ended December 31, 2018. In accordance with the ASU, the statement of financial position presents two classes of net assets, rather than the previously required three classes. The two classes are “Net assets without donor restrictions” (previously “Unrestricted” net assets) and “Net assets with donor restrictions” (previously “Temporarily” and “Permanently” restricted net assets.) The ASU also requires information concerning liquidity and presentation of expenses by both functional and natural classification.

Basis Of Presentation

The Council follows accounting standards set by the FASB. As a result, the Council is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Brief explanations of the net asset categories are presented below:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those whose use is not restricted by donors. All contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*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. Actual results could differ from those estimates.

Cash Equivalents

The Council considers all temporary cash investments with original maturities of three months or less to be cash equivalents.

Furniture And Equipment

Furniture and equipment are carried at cost if purchased or fair value at the date of donation if donated, less accumulated depreciation. Depreciation is computed using the straight-line method over periods ranging from three to seven years.

Donated Services

Various services have been donated to the Council. Those donated services that meet the criteria for recognition are recorded at fair value at the date of donation. A substantial number of other volunteers have also donated a significant amount of their time to the Council. However, such donated services have not been recorded because they do not meet the criteria for recognition.

Revenues And Public Support

The Council reports gifts of cash and other assets as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction is met in the same reporting period as receipt of the contribution.

All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a donor restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

Program

Includes expenditures used to assist the Council in helping gifted and talented children achieve their potential. The classes offered to children include Fall and Winter Learning Labs; Space Academy; Ancient Academy; Academy Americana; Junior Science Searchers; Math, Marvels and More; and ECO Academy. Academic Challenge Cup is held annually. The Council also offers parenting classes throughout the year.

General And Administrative

Includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Council's program strategy, secure proper administrative functioning of the Board of Directors, and manage the financial and budgetary responsibilities of the Council.

Development

Includes expenditures used to develop and maintain corporate interest and support for current programs and to identify needs for future programs.

Expense Allocation

The statement of functional expenses presents expenses by functional and natural classification. Expenses directly attributed to a specific functional area of the Council are reported as specific to that functional area. Expenses that benefit multiple functional or program areas such as payroll and related expenses have been allocated across programs and other supporting services based on time studies for the Council's employees. Expenses related to telephone are allocated based on estimated usage and expenses related to space are allocated based on square footage estimates.

Tax Status

The Council constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes on related exempt income.

The Council's federal tax returns for tax years 2015 and later remain subject to examination by taxing authorities.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available for issue, which is the date of the Independent Accountants' Review Report.

3. Liquidity And Available Resources

As of December 31, 2018, assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$	105,844
Less: Donor-imposed restrictions		<u>(5,000)</u>
	\$	<u><u>100,844</u></u>

The Council regularly monitors liquidity required to meet its operating needs. The Council's sources of liquidity at its disposal include cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Council considers all expenditures related to its ongoing programs as well as the conduct of services undertaken to support those programs to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Council anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

4. Net Assets

At December 31, 2018 and 2017, net assets with donor restrictions are restricted for the Academic Challenge Cup.

Net assets with donor restrictions of \$5,000 at December 31, 2017 were released from restrictions during 2018 for the 2018 Academic Challenge Cup. During 2017, net assets of \$9,000 were released from restrictions for the 2017 Academic Challenge Cup.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

5. Gifts And Grants

Gifts and grants consist of:

	<u>2018</u>	<u>2017</u>
Cash contributions	\$ 39,766	\$ 34,286
Volunteer services	600	600
Professional services	3,300	3,100
Other in-kind donations	—	760
	<u>\$ 43,666</u>	<u>\$ 38,746</u>

6. Retirement Plan

The Council has a defined contribution plan which covers eligible employees. Contributions under this plan are applied to individual annuities issued to each participant by Teachers Insurance and Annuity Association (TIAA) and/or College Retirement Equities Fund (CREF). All annuity contracts issued under this plan are solely the property of the individual participant; therefore, benefits are not subject to, or covered by, federal plan termination insurance. The Council's contributions to the plan amounted to \$2,945 in 2018 and \$3,115 in 2017, which represent 3% of eligible employees' compensation.

7. Commitment

The Council rents its office space at a monthly rental of \$500 under a lease that auto-renews annually on August 1. Rent expense related to the office lease was \$6,000 in both 2018 and 2017.