
GIFTED RESOURCE COUNCIL

FINANCIAL STATEMENTS

DECEMBER 31, 2020



Contents

	Page
Independent Accountants' Review Report	1 - 2
 Financial Statements	
Statement Of Assets, Liabilities And Net Assets On The Modified Cash Basis.....	3
Statement Of Support And Revenues, Expenses And Changes In Net Assets On The Modified Cash Basis	4
Statement of Functional Expenses On The Modified Cash Basis	5 - 6
Statement Of Cash Flows On The Modified Cash Basis	7
Notes To Financial Statements.....	8 - 13

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 assets, liabilities and net assets on the modified cash basis as of December 31, 2020 and 2019, and the related statements of support and revenues, expenses and changes in net assets, functional expenses and cash flows, all presented on the modified cash basis, 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 the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

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 American Institute of Certified Public Accountants. 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 the modified cash basis of accounting. 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 the modified cash basis of accounting as described in Note 2.

Basis Of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

RubinBrown LLP

August 30, 2021

GIFTED RESOURCE COUNCIL

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS ON THE MODIFIED CASH BASIS

Assets	December 31,	
	2020	2019
Cash and cash equivalents	\$ 27,533	\$ 55,079
Furniture and equipment (net of accumulated depreciation of \$20,678 in 2020 and \$20,274 in 2019)	404	808
Total Assets	\$ 27,937	\$ 55,887
Liabilities And Net Assets		
Liabilities	\$ —	\$ —
Net Assets		
Without donor restrictions	18,071	46,611
With donor restrictions (Note 4)	9,866	9,276
Total Net Assets	27,937	55,887
Total Liabilities And Net Assets	\$ 27,937	\$ 55,887

GIFTED RESOURCE COUNCIL

STATEMENT OF SUPPORT AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS ON THE MODIFIED CASH BASIS

	For The Years Ended December 31,	
	2020	2019
Changes In Net Assets Without Donor Restrictions		
Support		
Membership dues	\$ 24,309	\$ 10,047
Gifts and grants (Note 5)	39,028	24,298
PPP loan forgiveness (Note 1)	26,400	—
Net assets released from restrictions (Note 4)	3,050	5,000
Total Support	92,787	39,345
Revenues		
Programs	88,214	214,930
Extended day	—	11,047
Sales items	365	1,700
Interest	25	225
Total Revenues	88,604	227,902
Total Support And Revenues	181,391	267,247
Expenses		
Program services	166,865	268,597
Supporting activities:		
General and administrative	37,110	44,639
Development	5,956	9,456
Total Expenses	209,931	322,692
Decrease In Net Assets Without Donor Restrictions	(28,540)	(55,445)
Changes In Net Assets With Donor Restrictions		
Gifts and grants (Note 5)	3,640	9,276
Net assets released from restrictions (Note 4)	(3,050)	(5,000)
Increase In Net Assets With Donor Restrictions	590	4,276
Decrease In Net Assets	(27,950)	(51,169)
Net Assets - Beginning Of Year	55,887	107,056
Net Assets - End Of Year	\$ 27,937	\$ 55,887

GIFTED RESOURCE COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES ON THE MODIFIED CASH BASIS For The Year Ended December 31, 2020

	Program	General And Administrative	Development	Total
Salaries	\$ 119,876	\$ 20,387	\$ 4,077	\$ 144,340
Payroll taxes	9,170	1,560	312	11,042
Payroll fees	—	1,822	—	1,822
Employee benefits	2,045	420	—	2,465
Advertising	—	1,009	—	1,009
Depreciation	—	404	—	404
Information technology	250	—	—	250
Insurance	2,454	503	—	2,957
Miscellaneous	1,519	—	—	1,519
PayPal fees	1,412	74	—	1,486
Postage	787	13	1,100	1,900
Printing	2,481	—	467	2,948
Professional fees	—	8,760	—	8,760
Rent	14,733	1,290	—	16,023
Scholarships	3,175	—	—	3,175
Supplies and equipment	6,989	412	—	7,401
Telephone	1,820	456	—	2,276
Volunteer expenses	154	—	—	154
	\$ 166,865	\$ 37,110	\$ 5,956	\$ 209,931

GIFTED RESOURCE COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES ON THE MODIFIED CASH BASIS For The Year Ended December 31, 2019

	Program	General And Administrative	Development	Total
Salaries	\$ 191,120	\$ 26,217	\$ 5,837	\$ 223,174
Payroll taxes	14,803	2,006	446	17,255
Payroll fees	—	1,685	—	1,685
Employee benefits	3,093	634	—	3,727
Advertising	—	2,222	—	2,222
Conferences	—	184	—	184
Depreciation	—	404	—	404
Dues and subscriptions	—	60	—	60
Equipment purchases and rental	3,050	—	—	3,050
Extended day	2,368	—	—	2,368
Information technology	250	—	—	250
Insurance	4,214	863	—	5,077
Miscellaneous	223	—	—	223
Newsletter	360	—	240	600
PayPal fees	1,517	55	—	1,572
Postage	2,633	62	1,125	3,820
Printing	3,445	—	1,729	5,174
Professional fees	—	8,189	—	8,189
Rent	19,132	1,200	—	20,332
Scholarships	6,275	—	—	6,275
Supplies and equipment	12,405	366	79	12,850
Telephone	1,871	468	—	2,339
Trips and events	1,382	—	—	1,382
Volunteer expenses	456	24	—	480
	\$ 268,597	\$ 44,639	\$ 9,456	\$ 322,692

GIFTED RESOURCE COUNCIL

STATEMENT OF CASH FLOWS ON THE MODIFIED CASH BASIS

	For The Years	
	Ended December 31,	
	2020	2019
Cash Flows From Operating Activities		
Decrease in net assets	\$ (27,950)	\$ (51,169)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	404	404
Net Cash Used In Operating Activities	(27,546)	(50,765)
Cash And Cash Equivalents - Beginning Of Year	55,079	105,844
Cash And Cash Equivalents - End Of Year	\$ 27,533	\$ 55,079

GIFTED RESOURCE COUNCIL

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 And 2019

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.

In January 2020, a novel strain of coronavirus (COVID-19) spread worldwide including the United States. In March 2020, the World Health Organization characterized COVID-19 as a pandemic, and the President declared the COVID-19 outbreak in the United States as a national emergency. In compliance with government mandates, the Council's employees worked remotely and canceled or modified program activities. In May 2020, the Council received a loan under the Paycheck Protection Program (PPP) that was signed into law as part of Coronavirus Aid, Relief, and Economic Security (CARES) Act in the amount of \$26,400. The entire amount of the loan was forgiven in December 2020.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The Council uses a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements include only those transactions for which amounts have been collected or disbursed, except as discussed below for furniture and equipment.

Net Assets

The Council reports 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*)

Revenues And Public Support

Membership dues, gifts and grants, and program revenues are recognized as revenue when they are received.

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 support and revenues, expenses and change in net assets on the modified cash basis as net assets are released from restrictions.

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.

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.

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.

In 2020, Winter Learning Labs and the Academic Challenge Cup occurred as planned prior to the pandemic. However, other programs later in the year were impacted by the pandemic. Summer Academies (Space Academy, Ancient Academy, Academy Americana, Junior Science Searchers, and Math, Marvels and More) had approximately 30% of normal attendance. Fall Learning Labs were held in alternate, smaller locations and had approximately 25% of normal attendance. A reduced line-up of parenting classes was offered virtually instead of in-person.

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.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

Expense Allocation

The statement of functional expenses on modified cash basis 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, such as rent and depreciation, are allocated based on square footage estimates. All other expenses are allocated based on actual usage.

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 2017 and later remain subject to examination by taxing authorities.

3. Liquidity And Available Resources

As of December 31, assets available within one year of the statement of assets, liabilities and net assets on the modified cash basis date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 27,533	\$ 55,079
Less: Donor-imposed restrictions	<u>(9,866)</u>	<u>(9,276)</u>
	<u>\$ 17,667</u>	<u>\$ 45,803</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.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

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, 2020 and 2019, net assets with donor restrictions are restricted for scholarships.

Net assets with donor restrictions of \$3,050 at December 31, 2019 were released from restrictions during 2020 for 2020 scholarships. During 2019, net assets of \$5,000 were released from restrictions for the 2019 Academic Challenge Cup.

5. Gifts And Grants

Gifts and grants consist of:

	<u>2020</u>	<u>2019</u>
Cash contributions	\$ 37,668	\$ 29,284
Volunteer services	—	600
Professional services	4,200	3,400
Other in-kind donations	800	290
	<u>\$ 42,668</u>	<u>\$ 33,574</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 \$2,465 in 2020 and \$3,727 in 2019, which represent 3% of eligible employees' compensation.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

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 increased to \$550 monthly starting April 2020. Rent expense related to the office lease was \$6,450 and \$6,000 in 2020 and 2019, respectively.

8. Subsequent Events

In February 2021, the Council received an additional loan in the amount of \$47,885 under the PPP. This loan has a five-year term at an interest rate of 1% and may also be eligible for tax free forgiveness up to 100% of the loan value if certain criteria are met.

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