
GIFTED RESOURCE COUNCIL

FINANCIAL STATEMENTS

DECEMBER 31, 2021



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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 assets, liabilities and net assets on the modified cash basis as of December 31, 2021 and 2020, 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 the Council's 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

September 6, 2022

GIFTED RESOURCE COUNCIL

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

| | December 31, | |
|--|------------------|------------------|
| | 2021 | 2020 |
| Assets | | |
| Cash and cash equivalents | \$ 91,953 | \$ 27,533 |
| Furniture and equipment (net of accumulated depreciation of \$21,486 in 2021 and \$21,082 in 2020) | — | 404 |
| Total Assets | \$ 91,953 | \$ 27,937 |

Liabilities And Net Assets

| | | |
|---|------------------|------------------|
| Liabilities | \$ — | \$ — |
| Net Assets | | |
| Without donor restrictions | 75,806 | 18,071 |
| With donor restrictions (Note 4) | 16,147 | 9,866 |
| Total Net Assets | 91,953 | 27,937 |
| Total Liabilities And Net Assets | \$ 91,953 | \$ 27,937 |

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, | |
|---|-------------------------------------|------------------|
| | 2021 | 2020 |
| Changes In Net Assets Without Donor Restrictions | | |
| Support | | |
| Membership dues | \$ 21,349 | \$ 24,309 |
| Gifts and grants (Note 5) | 29,916 | 39,028 |
| PPP loan forgiveness (Note 1) | 47,885 | 26,400 |
| Net assets released from restrictions (Note 4) | 6,845 | 3,050 |
| Total Support | 105,995 | 92,787 |
| Revenues | | |
| Programs | 166,161 | 88,214 |
| Extended day | 5,459 | — |
| Sales items | 384 | 365 |
| Miscellaneous | 157 | — |
| Interest | — | 25 |
| Total Revenues | 172,161 | 88,604 |
| Total Support And Revenues | 278,156 | 181,391 |
| Expenses | | |
| Program services | 181,572 | 166,865 |
| Supporting activities: | | |
| General and administrative | 31,458 | 37,110 |
| Development | 7,391 | 5,956 |
| Total Expenses | 220,421 | 209,931 |
| Increase (Decrease) In Net Assets Without Donor Restrictions | 57,735 | (28,540) |
| Changes In Net Assets With Donor Restrictions | | |
| Gifts and grants (Note 5) | 13,126 | 3,640 |
| Net assets released from restrictions (Note 4) | (6,845) | (3,050) |
| Increase In Net Assets With Donor Restrictions | 6,281 | 590 |
| Increase (Decrease) In Net Assets | 64,016 | (27,950) |
| Net Assets - Beginning Of Year | 27,937 | 55,887 |
| Net Assets - End Of Year | \$ 91,953 | \$ 27,937 |

GIFTED RESOURCE COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES ON THE MODIFIED CASH BASIS For The Year Ended December 31, 2021

| | Program | General And Administrative | Development | Total |
|-----------------------------------|-------------------|---------------------------------------|--------------------|-------------------|
| Salaries | \$ 137,215 | \$ 15,218 | \$ 5,076 | \$ 157,509 |
| Payroll taxes | 10,609 | 1,164 | 389 | 12,162 |
| Payroll fees | 1,457 | — | — | 1,457 |
| Employee benefits | 3,284 | 673 | — | 3,957 |
| Advertising | — | 693 | — | 693 |
| Conferences | — | 416 | — | 416 |
| Depreciation | — | 404 | — | 404 |
| Dues and subscriptions | — | 30 | — | 30 |
| Equipment purchases and rental | 613 | 126 | — | 739 |
| Extended day | 1,795 | — | — | 1,795 |
| Insurance | 2,059 | 422 | — | 2,481 |
| Miscellaneous | 364 | — | — | 364 |
| PayPal fees | 1,176 | 155 | — | 1,331 |
| Postage | — | 86 | 805 | 891 |
| Printing | 306 | — | 467 | 773 |
| Professional fees | — | 10,211 | — | 10,211 |
| Rent | 8,270 | 1,190 | — | 9,460 |
| Scholarships | 6,845 | — | — | 6,845 |
| Supplies and equipment | 5,775 | 199 | 654 | 6,628 |
| Telephone | 1,943 | 471 | — | 2,414 |
| Trips and events | (203) | — | — | (203) |
| Volunteer expenses | 64 | — | — | 64 |
| | \$ 181,572 | \$ 31,458 | \$ 7,391 | \$ 220,421 |

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 CASH FLOWS ON THE MODIFIED CASH BASIS

| | For The Years | |
|---|---------------------------|------------------|
| | Ended December 31, | |
| | <u>2021</u> | <u>2020</u> |
| Cash Flows From Operating Activities | | |
| Increase (decrease) in net assets | \$ 64,016 | \$ (27,950) |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | 404 | 404 |
| Net Cash Provided By (Used In) Operating Activities | 64,420 | (27,546) |
| Cash And Cash Equivalents - Beginning Of Year | 27,533 | 55,079 |
| Cash And Cash Equivalents - End Of Year | \$ 91,953 | \$ 27,533 |

GIFTED RESOURCE COUNCIL

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 And 2020

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. In February 2021, the Council received a second PPP loan in the amount of \$47,885. The entire amount of the loan was forgiven in September 2021.

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.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

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.

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 changes 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.

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.

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.

Due to Covid related issues, the Academic Challenge Cup was not offered in 2021 and attendance at the Winter Learning Lab was very small. Attendance at the Summer Academies (Space Academy, Ancient Academy, Academy Americana, Junior Science Searchers, and Math, Marvels and More) were impacted by classroom availability and lack of instructors and this led to smaller than normal attendance. Fall Learning Lab took place with 132 students.

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 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.

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

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 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 2018 and later remain subject to examination by taxing authorities.

Subsequent Events

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

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>2021</u> | <u>2020</u> |
|----------------------------------|------------------|------------------|
| Cash and cash equivalents | \$ 91,953 | \$ 27,533 |
| Less: Donor-imposed restrictions | <u>(16,147)</u> | <u>(9,866)</u> |
| | <u>\$ 75,806</u> | <u>\$ 17,667</u> |

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

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, 2021 and 2020, net assets with donor restrictions are restricted for scholarships.

Net assets with donor restrictions of \$6,845 were released from restrictions during 2021 for scholarships. During 2020, net assets of \$3,050 were released from restrictions for scholarships.

5. Gifts And Grants

Gifts and grants consist of:

| | <u>2021</u> | <u>2020</u> |
|-------------------------|------------------|------------------|
| Cash contributions | \$ 37,442 | \$ 37,668 |
| Professional services | 5,600 | 4,200 |
| Other in-kind donations | — | 800 |
| | <u>\$ 43,042</u> | <u>\$ 42,668</u> |

GIFTED RESOURCE COUNCIL

Notes To Financial Statements (*Continued*)

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 \$3,679 in 2021 and \$2,465 in 2020, 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 increased to \$550 monthly starting April 2020. Rent expense related to the office lease was \$6,600 and \$6,450 in 2021 and 2020, respectively.