

Gifted Resource Council
Financial Statements
For the Years Ended
December 31, 2023 and December 31, 2024



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LEWIS AND ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

8755 BIG BEND BLVD.

ST. LOUIS, MISSOURI 63119-3798

WeCare@FredLewisCPA.com

314-962-1133

FAX 314-962-6130

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, which comprise the statement of assets, liabilities and net assets on the modified cash basis as of December 31, 2023 and 2024, 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; including 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.

Accountant's 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.

We are required to be independent of the Gifted Resource Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our review.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that must 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.

Lewis and Associates, P.C.

St. Louis, Missouri
November 15, 2025

GIFTED RESOURCE COUNCIL

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

	December 31,	
	2023	2024
Assets		
Assets		
Cash and cash equivalents	\$ 135,236	\$ 46,034
Accounts receivable	862	1,298
Prepaid expenses	840	858
Rental deposit	840	840
Investments	76,660	309,970
Endowment Fund		13,102
Furniture and equipment (net of accumulated depreciation of \$21,539 in 2023 and \$21,644 in 2024)	475	370
Total Assets	\$ 214,913	\$ 372,472
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ _____	2,546
Total Liabilities		2,546
Net Assets		
Without donor restrictions	\$ 197,775	\$ 349,499
With donor restrictions:		
Restricted for Scholarships (Note 4)	17,138	7,325
Endowment Fund (Note 5)	_____	13,102
Total Net Assets	214,913	369,926
Total Liabilities and Net Assets	\$ 214,913	\$ 372,472

GIFTED RESOURCE COUNCIL

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

	For the Year Ended December 31,	
	<u>2023</u>	<u>2024</u>
Changes in Net Assets without Donor Restrictions		
Support		
Membership dues	\$ 18,671	\$ 24,332
Gifts and grants (Note 5)	25,587	45,634
Net assets released from restrictions (Note 4)	<u>8,660</u>	<u>10,750</u>
Total Support	52,918	80,716
Revenues		
Programs	\$ 300,727	\$ 366,616
Extended Day	22,312	29,842
Class item sales to students	1,828	2,005
40 th Anniversary	7,186	
Investment income	<u>2,004</u>	<u>13,218</u>
Total Revenues	<u>334,057</u>	<u>411,681</u>
Total Support and Revenues	386,975	492,397
Expenses		
Program services	\$ 249,560	\$ 294,432
Supporting activities:		
General and administrative	37,140	40,271
Development	<u>7,756</u>	<u>9,410</u>
Total Expenses	<u>294,456</u>	<u>344,113</u>
Increase (Decrease) in Net Assets without Donor Restrictions	<u>92,519</u>	<u>148,284</u>
Changes in Net Assets with Donor Restrictions		
Gifts and grants (Note 5)	\$ 11,885	\$ 17,407
Investment income		72
Net assets released from restrictions (Note 4)	<u>(8,660)</u>	<u>(10,750)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>(3,225)</u>	<u>6,729</u>
Increase (Decrease) in Net Assets	\$ 95,744	\$ 155,013
Net Assets – Beginning of Year	<u>119,169</u>	<u>214,913</u>
Net Assets – End of Year	<u>\$ 214,913</u>	<u>\$ 369,926</u>

GIFTED RESOURCE COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES ON THE MODIFIED CASH BASIS

For the Year Ended December 31, 2023

	<u>Program</u>	<u>Administrative</u>	<u>Development</u>	<u>Total</u>
Salaries	\$ 181,021	\$ 18,528	\$ 4,000	\$ 203,549
Payroll taxes	13,848	1,417	306	15,571
Payroll preparation	1,591	326		1,917
Employee benefits	2,730	559		3,289
Advertising		1,195		1,195
Brokerage fees and bank charges		198		198
Class items for student purchase	2,778			2,778
Conference expense		335		335
Depreciation expense		53		53
Dues and subscriptions		247		247
40 th Anniversary expenses		546		546
Honoraria	470			470
Insurance	2,626	537	14	3,177
Laptops for classes	1,200			1,200
Miscellaneous	787			787
Moving expenses	492	3,000		3,492
Office supplies	339	70		409
Postage	212	108	971	1,291
Printing	1,643		2,465	4,108
Professional fees		3,660		3,660
Rent	17,759	1,226		18,985
Scholarships	4,460			4,460
Supplies and equipment	10,546	830		11,376
Telephone	1,992	498		2,490
Tuition collection fees	4,078			4,078
Volunteer appreciation	988			988
Website design and hosting		3,807		3,807
Total	<u>\$ 249,560</u>	<u>\$ 37,140</u>	<u>\$ 7,756</u>	<u>\$ 294,456</u>

GIFTED RESOURCE COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES ON THE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

	<u>Program</u>	<u>Administrative</u>	<u>Development</u>	<u>Total</u>
Salaries	\$ 213,078	\$ 19,844	\$ 4,200	\$ 237,122
Payroll taxes	16,301	1,457	321	18,079
Payroll preparation	450	92		542
Employee benefits	2,866	587		3,453
Advertising	689	1,374		2,063
Class items for student purchase	2,403			2,403
Depreciation expense		106		106
Dues and subscriptions		199		199
Honoraria	550			550
Insurance	2,670	547	69	3,286
Interest expense		128		128
Laptops for classes	6,479			6,479
Miscellaneous	49	169		218
Moving expenses	600			600
Office supplies		952		952
Postage		69	621	690
Printing	907		1,361	2,268
Professional fees			1,750	1,750
Rent	25,020	1,726		26,746
Scholarships	7,750			7,750
Supplies and equipment	7,715	10,160		17,875
Telephone	1,244	311		1,555
Tuition collection fees	5,661	1		5,662
Volunteer appreciation			1,088	1,088
Website design and hosting		2,549		2,549
Total	<u>\$ 294,432</u>	<u>\$ 40,271</u>	<u>\$ 9,410</u>	<u>\$ 344,113</u>

GIFTED RESOURCE COUNCIL

STATEMENT OF CASH FLOWS ON THE MODIFIED CASH BASIS

	For the Year Ended December 31,	
	<u>2023</u>	<u>2024</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 95,744	\$ 155,013
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	53	106
Decrease (increase) in accounts receivable	11,406	(436)
Increase (decrease) in accounts payable		<u>2,545</u>
Net Cash Provided by (Used in) Operating Activities	<u>107,203</u>	<u>157,228</u>
Cash Flows from Investing Activities		
Investment in equities portfolio	\$(76,660)	\$(233,310)
Increase (decrease) in Endowment Fund		(13,102)
Purchase of fixed assets	(528)	
Decrease (increase) in prepaid expenses	(840)	(18)
Decrease (increase) in rental deposit	<u>(840)</u>	<u></u>
Net Cash Provided by (Used in) Investing Activities	<u>(78,868)</u>	<u>(246,430)</u>
Cash and Cash Equivalents – Beginning of Year	<u>106,901</u>	<u>135,236</u>
Cash and Cash Equivalents – End of Year	<u>\$ 135,236</u>	<u>\$ 46,034</u>

GIFTED RESOURCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2024

1. Operations

The Gifted Resource Council (the Council) is a not-for-profit educational organization 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 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 assets 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 are 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 classifies gifts received of cash and other assets into two categories: gifts without donor restrictions and gifts with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Gifts received that are restricted by donors are reported as an increase in net assets with donor restrictions.

When donor restrictions are accomplished, the corresponding net assets with donor restriction are reclassified to net assets without donor restrictions. They are reported in the statement of support and revenues, expenses, and changes in net assets on the modified cash basis as net assets 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 at fair-market value as of 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

A substantial number of volunteers donated significant time to the Council, but their donated services have not been recorded because they do not meet the AICPA 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.

Description of Program Services and Supporting Activities

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

Program

Program expenses include 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; Academy Americana; Ancient Academy; Animal Academy; ECO Academy; Junior Science Searchers; Math, Marvels, and More; Novel Engineering; Space Academy; and Stop-Motion Animation. An Academic Challenge Cup is held annually. The Council also offers parenting classes throughout the year.

General and Administrative

General and administrative expenses include expenditures for 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

Development expenses include 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 a 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 2022 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 for general expenditures within one year of the date of the statement of assets, liabilities, and net assets on the modified cash basis are as follows (excluding assets in the Endowment Fund):

	<u>Dec 31, 2023</u>	<u>Dec 31, 2024</u>
Cash and cash equivalents (excluding Endowment Fund)	\$ 135,236	\$ 46,034
Less: Donor-imposed restrictions	(17,138)	(20,427)
Accounts receivable	<u>862</u>	<u>1,298</u>
Assets available for general expenditures within one year (excluding Endowment Fund)	<u>\$ 118,960</u>	<u>\$ 26,905</u>

The Council regularly monitors the liquidity required to meet its operating needs. The Council's sources of liquidity at its disposal include cash and cash equivalents. The Council collected the accounts receivable balance as of December 31, 2023 in full in January 2024. The Council collected the accounts receivable balance as of December 31, 2024 in full in January 2025.

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

As of December 31, 2023, net assets with donor restrictions are restricted for scholarships. As of December 31, 2024, net assets with donor restrictions are restricted for scholarships and for the Council's Endowment Fund, which was established in 2024.

During 2023, net assets with donor restrictions of \$4,460 were released from restrictions for scholarships, \$1,200 were released to purchase laptop computers for classrooms, and \$3,000 were released for expenses to move the Council's office location. During 2024, net assets of \$7,750 were released from restrictions for scholarships and \$3,000 for the purchase of laptop computers for classrooms.

In 2024 the Council established an Endowment Fund, for which all donor grants and gifts received are treated as restricted. Income earned from the investment of gifts and grants to the Endowment Fund is also deemed restricted. Net assets restricted for the Endowment Fund may only be released from restriction by an authorizing vote from a majority of the Board of Directors of the Council. During 2024 no assets restricted for the Endowment Fund were released from restrictions.

5. Gifts and Grants

Gifts and grants (excluding those to the Endowment Fund) consist of:

	<u>2023</u>	<u>2024</u>
Cash and cash equivalents without donor restrictions	\$ 25,587	\$ 45,634
Cash and cash equivalents restricted by donors for:		
Scholarships	7,685	1,377
Laptops for classrooms	1,200	3,000
Office moving expenses	3,000	
Endowment Fund		<u>13,030</u>
Total gifts and grants received	<u>\$ 37,472</u>	<u>\$ 50,049</u>

Investment income of the Endowment Fund is also treated as an addition to restricted net assets.

	<u>2024</u>
Endowment Fund investment income	\$ <u>72</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 participants; therefore, benefits are not subject to, or covered by, federal plan termination insurance. The Council's contributions to the plan amounted to \$3,289 in 2023 and \$3,454 in 2024, equal to 3% of eligible employees' compensation.

7. Commitment

The Council rents its office space under a lease that renews annually on September 1. The monthly rent from September 2021 through August 2023 was \$550. The monthly rent increased to \$840 beginning September 2023 and to \$857.50 beginning September 2024. Rent expense related to the office lease was \$7,210 in 2023 (7 months at \$550 and 4 months @ \$840) and \$10,150 in 2024 (8 months @ \$840 and 4 months @ \$857.50).