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***BURNS RECOVERED  
SUPPORT GROUP, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019***

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## Independent Auditors' Report

Board of Directors  
Burns Recovered Support Group, Inc.  
St. Louis, Missouri

### Report On The Financial Statements

We have audited the accompanying financial statements of Burns Recovered Support Group, Inc., a not-for-profit organization, which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows, for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility For The Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Burns Recovered Support Group, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

*RubinBrown LLP*

November 18, 2020

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**BURNS RECOVERED SUPPORT GROUP, INC.**

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**STATEMENT OF FINANCIAL POSITION****Assets**

	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 310,377	\$ 325,669
Investments (Note 4)	633,627	614,170
Promises to give (Note 3)	5,000	5,000
Prepaid expenses	1,075	—
<b>Total Current Assets</b>	<b>950,079</b>	<b>944,839</b>
<b>Promises To Give (Note 3)</b>	<b>4,663</b>	<b>4,663</b>
<b>Deposits</b>	<b>1,300</b>	<b>1,300</b>
<b>Equipment, Net Of Accumulated Depreciation Of \$12,383 In 2019 And \$12,282 In 2018</b>	<b>294</b>	<b>395</b>
<b>Total Assets</b>	<b>\$ 956,336</b>	<b>\$ 951,197</b>

**Liabilities And Net Assets**

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 25,333	\$ 18,632
<b>Net Assets</b>		
Without donor restrictions	769,454	707,634
With donor restrictions (Note 5)	161,549	224,931
<b>Total Net Assets</b>	<b>931,003</b>	<b>932,565</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 956,336</b>	<b>\$ 951,197</b>

## BURNS RECOVERED SUPPORT GROUP, INC.

### STATEMENT OF ACTIVITIES

For The Years Ended December 31, 2019 And 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support</b>						
Contributions and grants (Note 7)	\$ 214,204	\$ 83,518	\$ 297,722	\$ 1,412	\$ 271,876	\$ 273,288
In-kind contributions (Note 2)	17,320	—	17,320	13,326	—	13,326
Net assets released from restrictions (Note 5)	146,985	(146,985)	—	202,999	(202,999)	—
	<u>378,509</u>	<u>(63,467)</u>	<u>315,042</u>	<u>217,737</u>	<u>68,877</u>	<u>286,614</u>
Fundraising revenues	39,235	85	39,320	42,567	1,735	44,302
Less: Direct fundraising expenses (Note 2)	12,425	—	12,425	12,370	—	12,370
Net fundraising events	<u>26,810</u>	<u>85</u>	<u>26,895</u>	<u>30,197</u>	<u>1,735</u>	<u>31,932</u>
<b>Total Support</b>	<u>405,319</u>	<u>(63,382)</u>	<u>341,937</u>	<u>247,934</u>	<u>70,612</u>	<u>318,546</u>
<b>Revenues And Gains (Losses)</b>						
Investment income (loss) (Note 4)	106,307	—	106,307	(46,106)	—	(46,106)
Other income	1,408	—	1,408	847	—	847
<b>Total Revenues And Gains (Losses)</b>	<u>107,715</u>	<u>—</u>	<u>107,715</u>	<u>(45,259)</u>	<u>—</u>	<u>(45,259)</u>
<b>Total Support, Revenues And Gains (Losses)</b>	<u>513,034</u>	<u>(63,382)</u>	<u>449,652</u>	<u>202,675</u>	<u>70,612</u>	<u>273,287</u>
<b>Expenses</b>						
Program	234,228	—	234,228	290,392	—	290,392
Management and general	127,235	—	127,235	81,407	—	81,407
Fundraising	89,751	—	89,751	30,633	—	30,633
<b>Total Expenses</b>	<u>451,214</u>	<u>—</u>	<u>451,214</u>	<u>402,432</u>	<u>—</u>	<u>402,432</u>
<b>Increase (Decrease) In Net Assets</b>	61,820	(63,382)	(1,562)	(199,757)	70,612	(129,145)
<b>Net Assets - Beginning Of Year</b>	707,634	224,931	932,565	907,391	154,319	1,061,710
<b>Net Assets - End Of Year</b>	<u>\$ 769,454</u>	<u>\$ 161,549</u>	<u>\$ 931,003</u>	<u>\$ 707,634</u>	<u>\$ 224,931</u>	<u>\$ 932,565</u>

See the notes to financial statements.

# BURNS RECOVERED SUPPORT GROUP, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2019

	<b>Program</b>	<b>Management And General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 86,724	\$ 46,543	\$ 54,742	\$ 188,009
Employee benefits	7,600	4,078	4,797	16,475
Payroll taxes	8,420	4,519	5,315	18,254
Total salaries and related costs	102,744	55,140	64,854	222,738
Advertising	1,900	1,088	1,675	4,663
Camp expenses	50,914	1,255	—	52,169
Conferences and education	9,357	1,730	—	11,087
Depreciation	—	101	—	101
Development and volunteer expenses	5,818	906	8,578	15,302
Dues and subscriptions	269	5,458	1,344	7,071
Information technology	360	5,874	—	6,234
Insurance	2,666	4,800	—	7,466
Miscellaneous expenses	11,100	1,230	277	12,607
Occupancy	8,326	4,468	5,256	18,050
Office supplies and printing	11,515	4,194	6,507	22,216
Postage	4,378	942	1,260	6,580
Professional fees	1,000	38,939	—	39,939
Program expenses	8,050	—	—	8,050
Specific assistance to individuals	9,311	—	—	9,311
Telephone	278	1,110	—	1,388
Travel and transportation	5,209	—	—	5,209
Utilities	1,033	—	—	1,033
	\$ 234,228	\$ 127,235	\$ 89,751	\$ 451,214

# BURNS RECOVERED SUPPORT GROUP, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2018

	<b>Program</b>	<b>Management And General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 122,113	\$ 19,199	\$ 8,284	\$ 149,596
Employee benefits	10,048	1,580	686	12,314
Payroll taxes	11,374	1,789	776	13,939
Total salaries and related costs	143,535	22,568	9,746	175,849
Advertising	614	120	475	1,209
Camp expenses	62,164	—	26	62,190
Conferences and education	13,539	—	146	13,685
Depreciation	—	231	—	231
Development and volunteer expenses	4,973	—	9,066	14,039
Dues and subscriptions	1,957	2,133	1,689	5,779
Information technology	1,972	310	135	2,417
Insurance	2,212	4,948	—	7,160
Miscellaneous expenses	4,226	153	324	4,703
Occupancy	13,709	2,156	935	16,800
Office supplies and printing	12,576	1,591	6,373	20,540
Postage	4,270	10	1,718	5,998
Professional fees	341	46,007	—	46,348
Program expenses	4,481	—	—	4,481
Specific assistance to individuals	12,989	—	—	12,989
Telephone	549	1,087	—	1,636
Travel and transportation	5,136	—	—	5,136
Utilities	1,149	93	—	1,242
	\$ 290,392	\$ 81,407	\$ 30,633	\$ 402,432



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**BURNS RECOVERED SUPPORT GROUP, INC.**

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**STATEMENT OF CASH FLOWS**

	<b>For The Years Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Cash Flows From Operating Activities</b>		
Decrease in net assets	\$ (1,562)	\$ (129,145)
Adjustments to reconcile decrease in net assets to net cash from operating activities:		
Depreciation	101	231
Realized gains on sale of investments	(2,916)	(10,745)
Unrealized (gains) losses on investments	(83,470)	79,131
Changes in assets and liabilities:		
Promises to give	—	4,588
Prepaid expenses	(1,075)	—
Accounts payable and accrued expenses	6,701	(1,764)
<b>Net Cash Used In Operating Activities</b>	<b>(82,221)</b>	<b>(57,704)</b>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(30,103)	(196,485)
Proceeds from sale of investments	97,032	141,295
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>66,929</b>	<b>(55,190)</b>
<b>Net Decrease In Cash And Cash Equivalents</b>	<b>(15,292)</b>	<b>(112,894)</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>325,669</b>	<b>438,563</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 310,377</b>	<b>\$ 325,669</b>

# **BURNS RECOVERED SUPPORT GROUP, INC.**

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## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2019 And 2018**

### **1. Organization And Operations**

Burns Recovered Support Group, Inc. (the Organization) was formed in 1983 by a group of burn survivors and members of the burn care team at Mercy Medical Center. The Organization provides support for burn survivors and their families, as well as community outreach to increase burn awareness and prevent burn injuries.

The Organization's goal is to see every burn survivor live life to the fullest: without limitations, fear, or insecurity. Since 1983, the Organization has provided hope and support for thousands of burn survivors and their loved ones through its peer support program, as well as its residential camp, Midwest Children's Burn Camp, for burn injured children.

### **2. Summary Of Significant Accounting Policies**

#### **Basis Of Accounting**

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

#### **Basis Of Presentation**

Financial statement presentation follows the requirements of the Financial Accounting Standards Board for not-for-profit organizations, which require the Organization 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.

#### **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 And Cash Equivalents**

Cash and cash equivalents include highly liquid short-term investments with original maturities of three months or less.

## **BURNS RECOVERED SUPPORT GROUP, INC.**

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### Notes To Financial Statements *(Continued)*

The Organization maintains cash and cash equivalents at financial institutions with strong credit ratings. At times, such amounts may be in excess of Federal Deposit Insurance Corporation insurance limits of \$250,000 per financial institution.

#### **Investments**

Investments are reported at fair value. The fair values of securities are based on quoted market prices on national exchanges. Investments for which quoted market prices are not available are carried at estimated realizable values as determined by the investment manager and reviewed by management. Gains and losses on sales of investments are determined on the specific cost identification method. Unrealized gains and losses are determined based on year-end fair value fluctuations.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

#### **Promises To Give**

Unconditional promises to give are recognized as support in the period the promises are received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized as support until the conditions upon which they depend are met.

Promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Those balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. Management believes that no valuation allowance is necessary for promises to give at December 31, 2019 or 2018.

Unconditional promises to give due in future periods are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received, which are believed to approximate the market rate of return for similar assets. Amortization of the discounts is included in contributions and grants on the statement of activities.

## **BURNS RECOVERED SUPPORT GROUP, INC.**

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### Notes To Financial Statements (*Continued*)

#### **Equipment**

Equipment is carried at cost if purchased or fair value at date of donation, less accumulated depreciation computed using the straight-line method over estimated useful lives of five to seven years.

#### **Support With And Without Donor Restrictions**

The Organization reports gifts of cash and other assets as support within net assets with donor restrictions 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, 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.

#### **In-Kind Contributions**

Donated materials are recorded at fair value at the date of donation.

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

In-kind contributions for the years ended December 31, 2019 and 2018 were \$17,320 and \$13,326, respectively. In 2019 and 2018, in-kind contributions included \$12,425 and \$12,370, respectively, of donated materials for the Organization's fundraising events and \$4,895 and \$956, respectively, of donated materials for the Organization's programs.

#### **Description Of Program Services And Supporting Activities**

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

**Program Services:** Program services include those expenses for programs such as:

- Midwest Children's Burn Camp (MCBC) - Beginning in 1997, Midwest Children's Burn Camp is a week-long residential summer camp for burn injured children ages 6 to 17. Children enjoy zip lining, kayaking, water tubing, and more. Most importantly, they learn who they are on the inside is more important than the scars they see on the outside.

## **BURNS RECOVERED SUPPORT GROUP, INC.**

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### Notes To Financial Statements (*Continued*)

- **Work and School Re-Entry** - Returning to school or work is often a big adjustment for a burn survivor. The Organization's staff work in partnership with the burn survivor to ease the transition back to school or work by educating classmates, teachers and co-workers about the issues burn survivors face.
- **Individual and Group Peer Support** - Burn survivor peer support volunteers meet individually with burn patients and their family members in the burn unit at Mercy Hospital in St. Louis and University Hospital in Columbia. Individualized peer support provides burn patients with practical solutions to adjust and cope with their injuries, emotional support, as well as easing the transition from the hospital to home and eventually back to work or school. Group peer support is also available through monthly support group meetings held in St. Louis and Columbia, Missouri.
- **Financial Assistance** - The Organization provides assistance to family members who need housing while a loved one is hospitalized for his or her burn injuries as well as provides financial assistance to burn survivors to purchase necessary and costly compression garments. The Organization also provides scholarship programs to burn survivors attending college.
- **Youth Fire Setter Prevention Program** - This program works with children who display a risk for fire-setting and/or fire-play. Upon referral, the child and his/her parent or guardian participate in a risk assessment to help identify a child's level of fire-setting behavior. Based on the unique situation of each child, a customized educational program for the child and his/her parents is created to prevent further experimentation with fire.
- **Education** - The Organization's safety and prevention education programming provides information, strategies and skills to identify and avoid high-risk situations so individuals can prevent burn and fire injuries.

### **Supporting Activities**

**Management And General:** Provides the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Organization's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of the Organization, and manage the financial and budgetary responsibilities of the Organization.

## **BURNS RECOVERED SUPPORT GROUP, INC.**

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### Notes To Financial Statements (*Continued*)

**Fundraising:** Provides the structure necessary to encourage and secure private financial support from individuals, organizations, corporations, and foundations.

#### **Functional Expense Allocation**

Expenses are charged to program and supporting activities on the basis of management's estimate of how resources are specifically utilized. Expenses that are directly identifiable with a specific function are allocated directly to that function. Certain expenses such as advertising, camp expenses, conferences and education, development and volunteer expenses, dues and subscriptions, insurance, miscellaneous expenses, office supplies and printing, postage, professional fees, telephone and utilities are allocated based on the nature of the expenditure. All remaining expenses that are not directly attributable to a specific function, including salaries, employee benefits, payroll taxes, information technology and occupancy are allocated based on estimates of employees' time and effort.

#### **Advertising**

Advertising costs are expensed in the year incurred and amounted to \$4,663 and \$1,209 for the years ended December 31, 2019 and 2018, respectively.

#### **Tax Status**

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

The Organization's federal tax returns for tax years 2016 and later remain subject to examination by taxing authorities.

#### **New Accounting Pronouncement**

In 2019, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 provides enhanced guidance to assist entities in evaluating whether transactions should be accounted for as contributions or reciprocal transactions. The implementation of ASU No. 2018-08 did not have a material impact on the Organization's financial statements.

## BURNS RECOVERED SUPPORT GROUP, INC.

### Notes To Financial Statements (Continued)

#### 3. Promises To Give

Promises to give are expected to be collected in the future as follows:

	<u>2019</u>	<u>2018</u>
Due in one year	\$ 5,000	\$ 5,000
Due in two to five years	5,000	5,000
	<u>10,000</u>	<u>10,000</u>
Discount on long-term promises to give	(337)	(337)
	<u>\$ 9,663</u>	<u>\$ 9,663</u>

Promises to give were discounted using a 3.5% discount rate.

Promises to give are reflected on the statement of financial position as follows:

	<u>2019</u>	<u>2018</u>
Promises to give - current	\$ 5,000	\$ 5,000
Promises to give - long-term	4,663	4,663
	<u>\$ 9,663</u>	<u>\$ 9,663</u>

#### 4. Investments

Investments consist of the following:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Fixed income	\$ 181,157	\$ 182,764	\$ 236,174	\$ 233,492
Mutual funds	269,823	295,350	271,404	248,860
Exchange-traded funds	111,175	155,513	118,590	131,818
	<u>\$ 562,155</u>	<u>\$ 633,627</u>	<u>\$ 626,168</u>	<u>\$ 614,170</u>

The components of total investment income (loss) are as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 25,863	\$ 28,350
Investment fees	(5,942)	(6,070)
Realized gains on sale of investments	2,916	10,745
Unrealized gains (losses) on investments	83,470	(79,131)
	<u>\$ 106,307</u>	<u>\$ (46,106)</u>

## **BURNS RECOVERED SUPPORT GROUP, INC.**

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### Notes To Financial Statements (*Continued*)

Investment fees are paid to a financial institution where a Board member is employed.

The Organization accounts for investments at fair value as required by generally accepted accounting principles. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- *Market approach* - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- *Cost approach* - Based on the amount that currently would be required to replace the service capacity of an asset.
- *Income approach* - Uses valuation techniques to convert future amounts to a single present amount based on current market expectation about future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

- Level 1*      Quoted prices that are readily available in active markets/exchanges for identical investments
- Level 2*      Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly
- Level 3*      Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment



**BURNS RECOVERED SUPPORT GROUP, INC.**Notes To Financial Statements (*Continued*)

At December 31, 2019, the Organization's investments are categorized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income:				
Certificates of deposit	\$ —	\$ 182,764	\$ —	\$ 182,764
Mutual Funds:				
Real assets	11,534	—	—	11,534
Energy	10,131	—	—	10,131
U.S. large-cap value	38,904	—	—	38,904
U.S. large-cap growth	42,161	—	—	42,161
U.S. mid-cap value	20,271	—	—	20,271
U.S. mid-cap growth	19,158	—	—	19,158
U.S. small-cap value	34,369	—	—	34,369
International large-cap value	32,930	—	—	32,930
International large-cap growth	36,205	—	—	36,205
Emerging markets	49,687	—	—	49,687
Exchange-Traded Funds:				
Real estate	13,278	—	—	13,278
U.S. large-cap value	45,064	—	—	45,064
U.S. large-cap growth	41,170	—	—	41,170
U.S. small-cap growth	21,062	—	—	21,062
International small/mid-cap blend	34,939	—	—	34,939
	<u>\$ 450,863</u>	<u>\$ 182,764</u>	<u>\$ —</u>	<u>\$ 633,627</u>

At December 31, 2018, the Organization's investments were categorized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income:				
Municipal bonds	\$ —	\$ 9,934	\$ —	\$ 9,934
Certificates of deposit	—	223,558	—	223,558
Mutual Funds:				
Real assets	10,274	—	—	10,274
Energy	9,594	—	—	9,594
U.S. large-cap value	34,697	—	—	34,697
U.S. large-cap growth	35,254	—	—	35,254
U.S. mid-cap value	16,852	—	—	16,852
U.S. mid-cap growth	14,543	—	—	14,543
U.S. small-cap value	17,350	—	—	17,350
International large-cap value	28,381	—	—	28,381
International large-cap growth	28,077	—	—	28,077
International small/mid-cap value	10,609	—	—	10,609
Emerging markets	43,229	—	—	43,229
Exchange-Traded Funds:				
Real estate	11,261	—	—	11,261
U.S. large-cap value	36,829	—	—	36,829
U.S. large-cap growth	34,523	—	—	34,523
U.S. small-cap growth	18,372	—	—	18,372
International small/mid-cap blend	30,833	—	—	30,833
	<u>\$ 380,678</u>	<u>\$ 233,492</u>	<u>\$ —</u>	<u>\$ 614,170</u>

## **BURNS RECOVERED SUPPORT GROUP, INC.**

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### Notes To Financial Statements *(Continued)*

At December 31, 2019 and 2018, the Level 2 assets utilize the following valuation techniques and inputs:

*Municipal Bonds:* The fair value of municipal bonds is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

*Certificates of Deposit:* Certificates of deposit are valued at amortized cost.

During 2019 and 2018, there were no changes in the methods and/or assumptions utilized to derive the fair value of the Organization's assets.

## **5. Net Assets With Donor Restrictions**

Net assets with donor restrictions are subject to the following donor-imposed time and purpose restrictions:

	<u>2019</u>	<u>2018</u>
Midwest Children's Burn Camp	\$ 161,549	\$ 224,931

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets were released for the following purposes:

	<u>2019</u>	<u>2018</u>
Midwest Children's Burn Camp	\$ 116,532	\$ 150,358
Youth Fire Setter Prevention Program	—	441
Prevention and educational programming	10,152	14,359
Other programming	20,301	37,841
	<u>\$ 146,985</u>	<u>\$ 202,999</u>

## **6. Lease Commitments**

The Organization has a multi-year operating lease for office space in St. Louis, Missouri expiring on October 15, 2022.

## BURNS RECOVERED SUPPORT GROUP, INC.

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### Notes To Financial Statements (Continued)

At December 31, 2019, future minimum lease payments under the noncancellable operating lease are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 17,400
2021	17,525
2022	14,250
	<u>\$ 49,175</u>

Rent expense, including common area maintenance fees, was \$16,925 and \$16,800 for the years ended December 31, 2019 and 2018, respectively, which is included in occupancy expenses on the statement of functional expenses.

## 7. Concentrations

As of December 31, 2019 and 2018, approximately 22% and 24% of total support was from one donor.

## 8. Liquidity And Availability Of Financial Assets

At December 31, 2019 and 2018, the Organization's assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 310,377	\$ 325,669
Investments	633,627	614,170
Promises to give	9,663	9,663
Total financial assets	<u>953,667</u>	<u>949,502</u>
Less: Amounts with donor restrictions	<u>(161,549)</u>	<u>(224,931)</u>
	<u>\$ 787,455</u>	<u>\$ 719,908</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

## **9. Subsequent Events**

In January 2020, a novel strain of coronavirus (COVID-19) spread through China as well as other countries 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, since March 2020, the Organization has had to modify its operations and programming, which could affect the Organization's support and revenue. The continued outbreak of the COVID-19 virus is also likely to have a further negative impact in 2021 on the economy, which in the future, might impact the Organization's ability to fundraise. All of these factors could have a significant impact on the Organization's financial results in 2021 and beyond. Given the dynamic nature of this outbreak, the extent to which the COVID-19 virus will impact the Organization's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

In April 2020, the Organization received \$38,400 under the Paycheck Protection Program that was signed into law as part of the CARES Act during the COVID-19 outbreak. This loan has a two-year term at an interest rate of 1% and may also be eligible for 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 Auditors' Report.