

**TIDEWATER FRIENDS OF
FOSTER CARE, INCORPORATED
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021**

Independent Auditor's Report

Members of the Board of Directors
Tidewater Friends of Foster Care, Incorporated
Norfolk, Virginia

Opinion

We have audited the accompanying financial statements of Tidewater Friends of Foster Care, Incorporated (“Friends”), which comprise the statement of net assets – modified cash basis as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends as of December 31, 2022 and 2021, and the changes in its net assets and cash flows for the years then ended in conformity with the modified cash basis of accounting described below.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Friends and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

As discussed in Note 1 of the financial statements, which describes the basis of accounting, the financial statements are prepared using 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 opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends’ ability to continue as a going concern within one year after the date that the financial statements are available to be issued and, if such conditions or events are identified, disclose the details of the same and management’s plans to mitigate their effects.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Friends' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



March 28, 2023

TIDEWATER FRIENDS OF FOSTER CARE, INCORPORATED
STATEMENT OF NET ASSETS
MODIFIED CASH BASIS

	December 31,	
	2022	2021
Assets		
Cash and cash equivalents:		
Operating cash	\$ 375,167	\$ 187,005
Money market account	-	783,830
Restricted cash	<u>115,096</u>	<u>168,401</u>
Total cash and cash equivalents	490,263	1,139,236
Investments	822,875	-
Pledges and grants receivable	40,000	60,000
Property and equipment, net	<u>18,763</u>	<u>22,830</u>
Total assets	<u><u>\$ 1,371,901</u></u>	<u><u>\$ 1,222,066</u></u>
 Liabilities and net assets		
Liabilities:		
Payroll withholding payable	<u>\$ 4,568</u>	<u>\$ 4,019</u>
Total liabilities	<u>4,568</u>	<u>4,019</u>
Net assets:		
Net assets without donor restrictions	1,212,237	989,646
Net assets with donor restrictions	<u>155,096</u>	<u>228,401</u>
Total net assets	<u>1,367,333</u>	<u>1,218,047</u>
Total liabilities and net assets	<u><u>\$ 1,371,901</u></u>	<u><u>\$ 1,222,066</u></u>

The notes to the financial statements are an
integral part of this statement.

TIDEWATER FRIENDS OF FOSTER CARE, INCORPORATED
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS

	Years ended December 31,	
	2022	2021
Changes in net assets without donor restrictions:		
Revenue and support:		
Contributions:		
Contributions and grants	\$ 735,749	\$ 753,808
Contributions – nonfinancial assets:		
Use of facilities	63,957	45,125
Birthday and holiday gifts	154,708	129,556
Other	3,350	481
	<u>957,764</u>	<u>928,970</u>
Investment loss, net	(54,590)	-
Other income	15,812	1,898
Net assets released from restrictions	228,401	118,171
Total revenue and support	<u>1,147,387</u>	<u>1,049,039</u>
Expenses:		
Program services	851,818	607,520
Supporting services	72,978	64,036
Total expenses	<u>924,796</u>	<u>671,556</u>
Change in net assets without donor restrictions	<u>222,591</u>	<u>377,483</u>
Changes in net assets with donor restrictions:		
Contributions and grants	155,096	228,401
Net assets released from restrictions	(228,401)	(118,171)
Change in net assets with donor restrictions	<u>(73,305)</u>	<u>110,230</u>
Total change in net assets	149,286	487,713
Net assets at beginning of year	<u>1,218,047</u>	<u>730,334</u>
Net assets at end of year	<u><u>\$ 1,367,333</u></u>	<u><u>\$ 1,218,047</u></u>

The notes to the financial statements are an
integral part of this statement.

TIDEWATER FRIENDS OF FOSTER CARE, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
MODIFIED CASH BASIS

Year ended December 31, 2022

	Program Services					Supporting Services			Total	
	Tutoring and Education	Camp Program	Birthdays and Holidays	Extra- curricular Activities	Outreach and Other	Program Services Total	Administrative	Fund- Raising		Supporting Services Total
Compensation	\$ 95,348	\$ 17,550	\$ 15,356	\$ 15,356	\$ 28,519	\$ 172,129	\$ 2,193	\$ 4,388	\$ 6,581	\$ 178,710
Payroll taxes	7,241	1,216	1,378	1,221	2,211	13,267	231	304	535	13,802
Total compensation	102,589	18,766	16,734	16,577	30,730	185,396	2,424	4,692	7,116	192,512
Activity fees	-	-	-	50,280	-	50,280	-	-	-	50,280
Camp tuition	-	40,889	-	-	-	40,889	-	-	-	40,889
Communications	1,059	327	1,256	398	773	3,813	538	376	914	4,727
Depreciation expense	912	281	1,081	343	666	3,283	460	324	784	4,067
Facilities, primarily rent	11,875	3,664	32,909	4,468	8,664	61,580	5,998	4,215	10,213	71,793
Foster parent recruiting	-	-	-	-	20,500	20,500	-	-	-	20,500
Gifts for foster children	-	-	181,323	-	-	181,323	-	-	-	181,323
Insurance	528	163	626	199	385	1,901	268	187	455	2,356
Office supplies and delivery	957	50	3,360	61	118	4,546	79	58	137	4,683
Professional fees and consulting	-	-	-	-	-	-	35,215	-	35,215	35,215
Promotion and outreach	-	-	-	-	20,201	20,201	750	8,553	9,303	29,504
Software	692	692	692	692	692	3,460	-	-	-	3,460
Tutors and education	261,393	-	-	-	-	261,393	-	-	-	261,393
Utilities	59	18	70	22	43	212	31	21	52	264
Other expenses	2,417	456	552	7,302	2,314	13,041	7,202	1,587	8,789	21,830
Total operating expenses	\$ 382,481	\$ 65,306	\$ 238,603	\$ 80,342	\$ 85,086	\$ 851,818	\$ 52,965	\$ 20,013	\$ 72,978	\$ 924,796

The notes to the financial statements are an
integral part of this statement.

TIDEWATER FRIENDS OF FOSTER CARE, INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
MODIFIED CASH BASIS

Year ended December 31, 2021

	Program Services					Supporting Services			Total	
	Tutoring and Education	Camp Program	Birthdays and Holidays	Extra- curricular Activities	Outreach and Other	Program Services Total	Administrative	Fund- Raising		Supporting Services Total
Compensation	\$ 51,737	\$ 2,698	\$ 16,186	\$ 8,093	\$ 21,581	\$ 100,295	\$ 2,696	\$ 2,698	\$ 5,394	\$ 105,689
Payroll taxes	4,216	-	1,810	905	1,357	8,288	452	-	452	8,740
Total compensation	55,953	2,698	17,996	8,998	22,938	108,583	3,148	2,698	5,846	114,429
Activity fees	-	-	-	19,447	-	19,447	-	-	-	19,447
Camp tuition	-	30,902	-	-	-	30,902	-	-	-	30,902
Communications	881	358	1,197	426	834	3,696	484	326	810	4,506
Depreciation expense	723	294	984	351	685	3,037	397	268	665	3,702
Facilities, primarily rent	9,526	3,877	12,959	4,617	9,026	40,005	5,227	3,524	8,751	48,756
Foster parent recruiting	-	-	-	-	21,405	21,405	-	-	-	21,405
Gifts for foster children	-	-	150,833	-	-	150,833	-	-	-	150,833
Insurance	411	167	559	199	390	1,726	227	152	379	2,105
Office supplies and delivery	61	25	3,538	30	58	3,712	33	23	56	3,768
Professional fees and consulting	-	-	-	-	-	-	2,900	-	2,900	2,900
Promotion and outreach	-	-	-	-	771	771	42	42	84	855
Software	1,168	1,168	1,168	1,168	1,168	5,840	-	-	-	5,840
Tutors and education	196,696	-	-	-	-	196,696	-	-	-	196,696
Utilities	110	45	149	53	104	461	59	41	100	561
Other expenses	1,259	293	3,115	1,217	14,522	20,406	40,153	4,292	44,445	64,851
Total operating expenses	\$ 266,788	\$ 39,827	\$ 192,498	\$ 36,506	\$ 71,901	\$ 607,520	\$ 52,670	\$ 11,366	\$ 64,036	\$ 671,556

The notes to the financial statements are an
integral part of this statement.

TIDEWATER FRIENDS OF FOSTER CARE, INCORPORATED
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS

	Years ended December 31,	
	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 149,286	\$ 487,713
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized loss on investments, net	68,609	-
Depreciation expense	4,067	3,702
Change in pledges and grants receivable	20,000	44,950
Change in other assets	-	5,270
Change in payroll withholding payable	549	1,188
Net cash provided by operating activities	<u>242,511</u>	<u>542,823</u>
 Cash flows from investing activities		
Purchases of investments	(1,031,484)	-
Sales and maturities of investments	140,000	-
Purchase of property and equipment	-	(5,986)
Net cash used for investing activities	<u>(891,484)</u>	<u>(5,986)</u>
 Net change in cash and cash equivalents	(648,973)	536,837
Cash and cash equivalents, beginning of year	<u>1,139,236</u>	<u>602,399</u>
Cash and cash equivalents, end of year	<u><u>\$ 490,263</u></u>	<u><u>\$ 1,139,236</u></u>
 Cash and cash equivalents are classified as follows in the accompanying statement of net assets:		
Operating cash	\$ 375,167	\$ 187,005
Money Market account	-	783,830
Restricted cash	115,096	168,401
	<u><u>\$ 490,263</u></u>	<u><u>\$ 1,139,236</u></u>

The notes to the financial statements are an integral part of this statement.

TIDEWATER FRIENDS OF FOSTER CARE, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
MODIFIED CASH BASIS

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Tidewater Friends of Foster Care, Incorporated (“Friends”) was incorporated in the Commonwealth of Virginia in 2016 and is a publicly supported nonprofit organization exempt from taxes under Internal Revenue Code Section 501(c)(3). Friends is committed to enriching the lives of foster children in the communities it serves, primarily in the Tidewater region of Virginia. Friends addresses such identified issues through targeted outreach to increase the number of available family foster homes, thereby reducing the need for group-home placements, and by providing funding for enrichment programs that help bridge the gap between what is available from public services and those elements that are essential to a healthy and happy childhood.

Presentation

Friends’ accounts are maintained, and the financial statements are presented, on the modified cash basis of accounting, modified from the cash basis of accounting primarily to record investments, property and equipment, pledges and grants receivable and donated assets in accordance with accounting principles generally accepted in the United States (GAAP). Consequently, the financial statements are not intended to present financial position and results of operations in conformity with GAAP. The major differences between the modified cash basis of accounting used by Friends and U.S. generally accepted accounting principles is that operating expenses are recognized when paid rather than when the related obligations are incurred.

With the exception of the above, Friends prepares its financial statements using nonprofit guidelines established by GAAP. GAAP affects the manner by which Friends accounts for certain contributions and requires Friends to present in its financial statements certain basic information that focuses on the entity as a whole rather than on individual funds. GAAP also requires a financial statement presentation based on net assets classified by the existence or absence of externally imposed donor restrictions.

Cash and cash equivalents

Friends considers all demand deposits and highly liquid securities purchased with an original maturity of three months or less to be cash and cash equivalents.

Investments

Investments in marketable securities are reported at fair value in the statement of net assets. Realized and unrealized gains and losses on investments are included net in the accompanying statement of activities and changes in net assets – modified cash basis.

Pledges and grants receivable

Pledges and grants receivable represent the outstanding balance of unconditional donor pledges and grants and are recorded at net realizable value. An allowance for uncollectible pledges and grants receivable is provided based upon management’s judgment. Management considers all pledges and grants receivable to be collectible and, accordingly, has not provided an allowance for uncollectible pledges and grants receivable. Conditional pledges and grants receivable are recognized as support in the period in which the conditions are substantially met.

Property and equipment

Friends capitalizes purchases of property and equipment that cost greater than \$1,000 and have an estimated useful life greater than one year. Purchases of property and equipment are recorded at cost and donated property and equipment are stated at fair value at the date of the gift. Depreciation is computed using the straight line method over the estimated useful lives of the assets which are as follows:

Furniture, fixtures and equipment	5 to 10 years
Software	3 to 7 years

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

Risks and Uncertainties

Financial instruments that potentially subject Friends to various risks, such as interest, market, and credit risks primarily consists of investments, cash and cash equivalents, and pledges receivable. To mitigate such risks, Friends' cash and investments are placed with high credit quality financial institutions. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of net assets – modified cash basis.

Contributions

Contributions are presented as increases to net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of donor-imposed restrictions. As permitted by GAAP, contributions received with donor-imposed restrictions whose restrictions are satisfied within the same accounting period are presented as increases to net assets without donor restrictions in the statement of activities and changes in net assets – modified cash basis.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets – modified cash basis as net assets released from restrictions.

Donated assets and services

In-kind contributions of gifts and use of facilities (office space) are recorded as revenue in the period received at their estimated fair value upon receipt. Such assets are expensed in the period of use.

Donated services that create or enhance assets or that require specialized skills, that are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their estimated fair values in the period received.

Members of the Board of Directors and management, including the President, provide services that further the mission of Friends without receiving any compensation. In addition, a substantial number of volunteers have donated significant amounts of their time to further the mission of Friends. The value of these services is not reflected in the accompanying statement of activities and changes in net assets – modified cash basis.

Functional allocation of expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities and changes in net assets – modified cash basis. In presenting Friends’ natural classification of expenses on a functional basis, direct expenses are aggregated by function and indirect expenses have been allocated among the programs and services benefited based on percentages determined by management based on time and effort. Supporting services includes general and administrative as well as fundraising.

Income taxes

Friends is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Friends annually files a return for exempt organizations with the Internal Revenue Service (IRS) and such returns are generally subject to examination by authorities for a period of three years from the date they are filed and, accordingly, the returns for calendar years ended December 31, 2021, 2020 and 2019 remain subject to examination by the IRS.

Subsequent events

Friends evaluated subsequent events through March 28, 2023, the date the financial statements were available to be issued, for purposes of determining whether such events required recordation or disclosure in the accompanying financial statements.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation. Such reclassifications did not affect the previously recorded net assets or change in net assets.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Friends prepares an annual budget that is reviewed and approved by the Board of Directors in advance of the upcoming year. Management and the Board of Directors routinely review actual operating results compared to budget to ensure cash on hand is sufficient to meet upcoming budgeted operating expenses. Friends does not commit to expenditures if financial resources are not available to pay the expenditures.

Friends’ financial assets available to meet anticipated cash needs for general expenditures within one year of the balance sheet date consisted of the following at December 31:

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 490,263	\$1,139,236
Investments	822,875	-
Pledges receivable	<u>40,000</u>	<u>60,000</u>
	1,353,138	1,199,236
Less amounts unavailable for general expenditures:		
Cash and cash equivalents with donor restrictions	115,096	168,401
Pledges receivable unavailable for general expenditures within one year	<u>40,000</u>	<u>60,000</u>
	<u>\$1,198,042</u>	<u>\$ 970,835</u>

NOTE 3 – INVESTMENTS AND INVESTMENT INCOME

Investments

Investments are carried at fair value and consist of the following at December 31:

	2022	2021
Cash and cash equivalents	\$ 19,614	\$ -
Equity securities and funds	485,726	-
Fixed income funds	25,954	-
Corporate bonds	208,732	-
Municipal bonds	34,827	-
U.S. Treasury notes	<u>48,022</u>	<u>-</u>
Total investments	<u>\$ 822,875</u>	<u>\$ -</u>

Investment activity

A summary of the activity in Friends' investments for the years ended December 31, are as follows:

	2022	2021
Balance at beginning of year	\$ -	\$ -
Transfers in	1,012,078	-
Investment loss, net	(54,590)	-
Contributions	5,387	-
Distributions	<u>(140,000)</u>	<u>-</u>
Balance at end of year	<u>\$ 822,875</u>	<u>\$ -</u>

Investment income (loss)

Investment loss, net for the years ended December 31, consists of the following:

	2022	2021
Interest and dividends	\$ 14,019	\$ -
Realized and unrealized loss, net	(65,885)	-
Investment fees	<u>(2,724)</u>	<u>-</u>
Total investment loss, net	<u>\$ (54,590)</u>	<u>\$ -</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

GAAP defines fair value 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. GAAP also establishes a three-level fair value hierarchy and describes the inputs that are used to measure assets and liabilities as follows:

Level 1: The asset and liability fair values are based on quoted prices in active markets for identical assets or liabilities.

Level 2: The asset and liability fair values are based on observable inputs that include quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable and can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets include debt securities with quoted prices that are traded less frequently than exchange traded instruments.

Level 3: The asset and liability fair values are based on unobservable inputs that are supported by little or no market activity. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following table presents Friends' assets that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Investment securities				
Cash and cash equivalents	\$ 19,614	\$ -	\$ -	\$ 19,614
Equity securities and funds	485,726	-	-	485,726
Fixed income funds	25,954	-	-	25,954
Corporate and municipal bonds	-	243,559	-	243,559
U.S. Treasury notes	<u>-</u>	<u>48,022</u>	<u>-</u>	<u>48,022</u>
Total investments	<u>\$ 531,294</u>	<u>\$ 291,581</u>	<u>\$ -</u>	<u>\$ 822,875</u>
December 31, 2021				
Investment securities				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Equity securities and funds	-	-	-	-
Fixed income funds	-	-	-	-
Corporate and municipal bonds	-	-	-	-
U.S. Treasury notes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – PLEDGES RECEIVABLE

Pledges and grants receivable consist of the outstanding balances on donor pledges and grants awarded through December 31, 2022 and 2021. No allowance for uncollectible pledges and grants receivable at December 31, 2022 and 2021 has been recorded as management expects all pledges and grants receivable to be collected. At December 31, 2022 and 2021, all outstanding pledges and grants were receivable in less than one year.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2022	2021
Furniture and fixtures	\$ 12,245	\$ 12,245
Software	14,820	14,820
Equipment	<u>7,763</u>	<u>7,763</u>
	34,828	34,828
Less: Accumulated depreciation	<u>(16,065)</u>	<u>(11,998)</u>
	<u>\$ 18,763</u>	<u>\$ 22,830</u>

Depreciation expense for the year ended December 31, 2022 and 2021 was \$4,067 and \$3,702, respectively.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Restricted net assets include cash and cash equivalents and pledges receivable that have been contributed to Friends with either time restrictions or specific purpose restrictions placed on the use of such funds by the donors. At December 31 such net assets are restricted as follows:

	2022	2021
Pledges and grants receivable:		
Grant receivable – tutoring program	\$ 40,000	\$ 60,000
Cash and cash equivalents:		
Time restricted	85,875	130,000
Tutoring program	29,221	15,623
Virginia Beach foster care youth	-	16,778
Extracurricular program	-	6,000
Camp program	-	-
Birthday and holiday gift program	-	-
	<u>\$ 155,096</u>	<u>\$ 228,401</u>

Net assets released from restrictions due to satisfaction of donor-imposed stipulations with respect to timing or purpose were as follows for the years ended December 31:

	2022	2021
Time restricted	\$ 130,000	\$ 44,950
Tutoring program	75,623	60,000
Virginia Beach foster care youth	16,778	-
Extracurricular program	6,000	-
Camp program	-	12,899
Birthday and holiday gift program	-	322
	<u>\$ 228,401</u>	<u>\$ 118,171</u>

NOTE 8 – OFFICE LICENSE AGREEMENT

Friends has a license agreement for office space located in Norfolk, Virginia through October 31, 2023. The agreement can be terminated by either party with 30 days notice and provides Friends with the use of office space with no base rent or license fee. The estimated donative value of this contribution is included in contributions – nonfinancial assets and facilities expense in the accompanying statement of activities and changes in net assets – modified cash basis.

NOTE 9 – CONCENTRATIONS

At various times during the years presented, Friends may have had on deposit with a single financial institution more than \$250,000, which is the limit currently insured by the Federal Deposit Insurance Corporation (FDIC).

Contributions and grants are geographically concentrated as most of Friends' support is received from local organizations and individuals in the Hampton Roads area.