

**FOSTERCLUB, INC.**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**



**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**FOSTERCLUB, INC.**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-13

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
FosterClub, Inc.  
Seaside, Oregon

We have audited the accompanying financial statements of FosterClub, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 FosterClub, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Report on Summarized Comparative Information***

We have previously audited FosterClub, Inc.'s 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated October 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon  
June 15, 2021

**FOSTERCLUB, INC.**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2020**

(With Comparative Totals as of December 31, 2019)

**ASSETS**

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 977,899	\$ 348,560
Contracts receivable	41,430	26,155
Grants and contributions receivable	205,000	125,000
Prepaid expenses and deposit	15,292	12,059
Inventory	96,582	59,475
Investments	640,551	627,025
<b>Total assets</b>	<b>\$ 1,976,754</b>	<b>\$ 1,198,274</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 25,340	\$ 21,666
Accrued payroll	10,719	23,450
Deferred revenue	-	28,000
Refundable advance- Paycheck Protection Program	140,732	-
<b>Total liabilities</b>	<b>176,791</b>	<b>73,116</b>
<b>Net assets</b>		
Without donor restrictions		
Available for operations	594,297	208,421
Board designated endowment	640,551	627,025
Board designated reserve	130,115	100,712
Total without donor restrictions	1,364,963	936,158
With donor restrictions	435,000	189,000
<b>Total net assets</b>	<b>1,799,963</b>	<b>1,125,158</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,976,754</b>	<b>\$ 1,198,274</b>

See notes to financial statements.

**FOSTERCLUB, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2020**

(With Comparative Totals as of December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
<b>Revenues and other support</b>				
Grants and foundation support	\$ 233,096	\$ 1,271,049	\$ 1,504,145	\$ 1,575,808
Sponsorships	143,500	-	143,500	154,000
Individual and corporate contributions	38,460	-	38,460	27,725
Online training	40,983	-	40,983	44,948
Training events	134,214	-	134,214	73,229
Publications and curriculum	79,103	-	79,103	70,750
Interest	1,138	-	1,138	2,336
Merchandise	10,053	-	10,053	23,599
Miscellaneous and other income	11,477	-	11,477	11,198
	<u>692,024</u>	<u>1,271,049</u>	<u>1,963,073</u>	<u>1,983,593</u>
Net assets released from restriction	<u>1,025,049</u>	<u>(1,025,049)</u>	<u>-</u>	<u>-</u>
<b>Total revenues and other support</b>	<b><u>1,717,073</u></b>	<b><u>246,000</u></b>	<b><u>1,963,073</u></b>	<b><u>1,983,593</u></b>
<b>Expenses</b>				
Program services	1,113,460	-	1,113,460	1,106,932
Supporting services				
Management and general	174,781	-	174,781	177,729
Fundraising	42,677	-	42,677	39,496
<b>Total expenses</b>	<b><u>1,330,918</u></b>	<b><u>-</u></b>	<b><u>1,330,918</u></b>	<b><u>1,324,157</u></b>
<b>Change in net assets before changes in investments</b>	<b>386,155</b>	<b>246,000</b>	<b>632,155</b>	<b>659,436</b>
Net investment income	<u>42,650</u>	<u>-</u>	<u>42,650</u>	<u>27,025</u>
<b>Change in net assets</b>	<b>428,805</b>	<b>246,000</b>	<b>674,805</b>	<b>686,461</b>
Net assets - beginning of year	<u>936,158</u>	<u>189,000</u>	<u>1,125,158</u>	<u>438,697</u>
<b>Net assets - end of year</b>	<b><u>\$ 1,364,963</u></b>	<b><u>\$ 435,000</u></b>	<b><u>\$ 1,799,963</u></b>	<b><u>\$ 1,125,158</u></b>

See notes to financial statements.

**FOSTERCLUB, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2020**

(With Comparative Totals as of December 31, 2019)

	<u>SUPPORTING SERVICES</u>						<u>Total</u>	
	<u>Youth Support</u>	<u>System Change</u>	<u>Total</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>2020</u>	<u>2019</u>	
Salaries and wages	\$ 230,212	\$ 230,212	\$ 460,424	\$ 86,330	\$ 28,777	\$ 575,531	\$ 614,895	
Payroll taxes	21,672	21,672	43,344	8,127	2,709	54,180	59,196	
Employee benefits	29,549	29,549	59,098	11,081	3,694	73,873	40,585	
Contract services	36,901	49,024	85,925	26,695	775	113,395	81,569	
Payments to partner agencies	-	50,000	50,000	-	-	50,000	-	
Travel - staff	1,211	1,232	2,443	147	-	2,590	36,162	
Occupancy	53,715	48,171	101,886	8,512	2,837	113,235	89,452	
Direct support to youth	109,866	98,244	208,110	-	-	208,110	252,920	
Conferences, conventions and meetings	386	351	737	176	-	913	11,059	
Publications	47,029	-	47,029	-	-	47,029	41,776	
Working meetings	28	12	40	208	-	248	4,599	
Supplies	17,234	5,038	22,272	1,825	608	24,705	32,864	
Postage and shipping	9,867	2,099	11,966	767	260	12,993	8,098	
Insurance	-	-	-	9,968	-	9,968	9,771	
Advertising	1,759	3,532	5,291	622	583	6,496	3,638	
Banking fees	2,427	229	2,656	72	24	2,752	3,044	
Website and technology	5,671	4,916	10,587	1,440	480	12,507	11,374	
Legal and professional	-	-	-	11,100	-	11,100	9,900	
Taxes and licenses	-	-	-	887	-	887	658	
Board expenses	-	-	-	1,801	-	1,801	5,872	
Dues and subscriptions	-	-	-	3,360	1,930	5,290	2,007	
Printing and publications	1,646	6	1,652	-	-	1,652	2,359	
Depreciation	-	-	-	-	-	-	1,587	
Miscellaneous	-	-	-	1,663	-	1,663	772	
	<u>\$ 569,173</u>	<u>\$ 544,287</u>	<u>\$ 1,113,460</u>	<u>\$ 174,781</u>	<u>\$ 42,677</u>	<u>\$ 1,330,918</u>	<u>\$ 1,324,157</u>	

See notes to financial statements.

**FOSTERCLUB, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2020**

(With Comparative Totals as of December 31, 2019)

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 674,805	\$ 686,461
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	1,587
Net (gain) loss on investments	(24,610)	-
Changes in assets and liabilities:		
Contracts receivable	(15,275)	-
Grants and contributions receivable	(80,000)	110,714
Prepaid expenses	(3,233)	(5,756)
Inventory	(37,107)	(28,238)
Accounts payable	3,674	1,714
Accrued payroll	(12,731)	(1,872)
Deferred revenue	(28,000)	(14,000)
Refundable advance- Paycheck Protection Program	140,732	-
<b>Net cash provided by (used in) operating activities</b>	<b>618,255</b>	<b>750,610</b>
<b>Cash flows from investing activities:</b>		
Net (purchase) sales of investments	11,084	(600,000)
Investment earnings retained in investment account	-	(27,025)
<b>Net cash provided by (used in) investing activities</b>	<b>11,084</b>	<b>75,433</b>
<b>Net change in cash</b>	<b>629,339</b>	<b>123,585</b>
Cash and cash equivalents, beginning of year	348,560	224,975
<b>Cash and cash equivalents, end of year</b>	<b>\$ 977,899</b>	<b>\$ 348,560</b>

See notes to financial statements.

## FOSTERCLUB, INC.

### NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### NOTE A – DESCRIPTION OF ORGANIZATION

FosterClub, Inc. (the Organization) is the national network for young people in foster care. While foster care provides a critical safety net in our society for children and youth, we know that being in foster care is generally a very difficult experience for a young person. This is why FosterClub exists: to improve life in foster care. We do two distinct things:

- Provide direct support to young people who experience foster care, and
- Drive change in the foster care system that is informed by their lived expertise.

Our theory of change: When young people have the support they need and opportunity to drive change in their life, they become self-determined and do better. We also believe when the child welfare system listens to young people, it does better.

- **Youth Support Program Area:** FosterClub provides direct support to young people who experience foster care. Activities include:

- Conduct outreach and engage young people who experience foster care.
- Develop curriculum for young people that promotes growth across SPARK domains and conduct training.
- Connect young people to resources.
- Create and hold space for young people to connect with each other for peer support and find supportive adult mentors.
- Facilitate opportunities for young people with lived experience in foster care to lead the above activities.

- **System Change Program Area:** Drives change in the child welfare system informed by lived expertise. Activities include:

- Educate and build capacity of adult stakeholders to engage and support young people, including child welfare caseworkers, administrators, foster parents and other caregivers, court staff and others involved in child welfare or adjacent systems.
- Inform public policy with the collective experience of young people.
- Assist young people and youth leadership groups organize to achieve system change.
- Undertake public awareness efforts and campaigns.
- Facilitate opportunities for young people with lived experience in foster care to lead the above activities.

Beginning in March 2020, an outbreak of a coronavirus necessitated that employees work from home. The safety mandates implemented by local and state jurisdictions, as well as the Organization's concern for the safety and welfare of staff and clients, directly impacted the ability to deliver in-person training programs and events. Staff shifted to a remote, "virtual" model for delivery of training and educational content and made significant changes to the typical program service model.

Shifting programming to virtual (online) models created the need to reallocate expenses to program participant materials and shipping costs to deliver hands-on learning and support supplies. An increase in subscriptions to online learning tools and web-based delivery and communication methods allowed us to continue to provide much needed services.

**FOSTERCLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)**

Staff time was shifted in applying for support services funding, retention services funding, including rent assistance and eviction prevention funding and/or other emergency funding for program participants. The need for those services and financial support increased significantly as many youth were impacted by COVID in ways that included loss of jobs and associated income, the inability to stay in on-campus housing, or the need to leave school or employment to care for themselves or others impacted by COVID.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting; consequently, certain revenues are reflected in the accounts in the period in which they are considered earned, rather than received, and expenses are recorded when incurred, rather than when paid. Assets and liabilities are presented on the basis of historical cost rather than estimated current values and amounts.

**Contributions Revenue**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

**FOSTERCLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Revenue streams applicable to the Organization that qualify as exchange transactions with customers (primarily service fees) are recognized at a single point upon receipt when all risks and rewards transfer. Amounts received from customers in advance, such as deposits for reserved future services and events, are recorded as deferred revenue until the Organization's performance obligations are satisfied.

**Contracts Receivable**

Contracts receivable are uncollateralized and are recorded monthly as the related services are provided and billed. Management periodically assesses the need for an allowance for doubtful accounts based on historical experience and existing conditions affecting probable collection. Receivables are considered impaired if unpaid balances are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management has determined that an allowance for doubtful accounts was not necessary as of December 31, 2020. There were no contracts receivable older than 90 days as of December 31, 2020.

**Inventory**

Inventory consists of an assortment of publications/curriculum, pins and other items or merchandise that are resources to foster youth and those who serve them. Inventory is valued at the lower of cost or market.

**Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been summarized in the statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort and square-footage usage estimates.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables.

The Organization places its cash with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured. At December 31, 2020, the Organization held \$243,896 in excess of FDIC insurance.

**FOSTERCLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

For purposes of these financial statements, all short-term, highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

**Income Taxes**

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

**Property and Equipment**

Acquisitions of property and equipment in excess of \$1,000 are capitalized at cost if purchased or at fair market value at the date received as a donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Expenditures for maintenance and repairs are charged to expense as incurred.

**Investments and Fair Value Measurements**

Investments are the only assets measured at fair value on a recurring basis. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

- **Level 1** – Quoted prices in active markets for identical assets.
- **Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.
- **Level 3** – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

Investments in equities and fixed income mutual funds are carried at fair value based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. The Organization has no assets measured under Level 2 or Level 3.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

**FOSTERCLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**NOTE C – RELATED PARTY TRANSACTIONS**

The Organization rented a duplex facility on a month-to-month basis from a Board member who is also related to the Executive Director for use in its residence program. Total rent paid for the year ended December 31, 2020 was \$26,400. This arrangement concluded in 2020.

A member of FosterClub, Inc.'s board is also an employee of one of the Organization's major funders. This board member's service concluded in 2020.

**NOTE D – INVESTMENTS**

Investments are carried at fair market value as determined by quoted market price (all Level 1 measurements) and consist of the following as of December 31, 2020:

Insured deposit accounts	\$ 55,095
Mutual funds	16,162
Stocks	20,934
Investment grade bonds	213,751
FDIC insured certificates of deposit	<u>334,609</u>
	<u>\$ 640,551</u>

**NOTE E – REFUNDABLE ADVANCE (PAYCHECK PROTECTION PROGRAM)**

In response to the global economic impact caused by the coronavirus pandemic, the US Small Business Administration (SBA) created the Paycheck Protection Program (PPP) "forgivable loan" to assist nonprofit organizations and for-profit enterprises with eligible payroll and certain specified operating costs. The loans are funded by the SBA through participating banks and are subject to specific conditions, which if met, will result in forgiveness of all or part of the loan. The Organization qualified for and received a PPP loan for \$140,732 on April 23, 2020.

Although the legal form of the PPP was a loan, the SBA forgave the loan on February 11, 2021. Accordingly, the PPP loan represents, in substance, a conditional grant and has therefore been recorded as a refundable advance under the accounting guidance of ASC 958-605.

**NOTE F – DONOR RESTRICTED NET ASSETS**

**Donor Restricted Net Assets** – The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions as of December 31, 2020:

Family First	\$ 80,000
2021 Operations	205,000
COVID Relief	<u>150,000</u>
Total net assets with donor restrictions	<u>\$ 435,000</u>

**FOSTERCLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**NOTE G – BOARD DESIGNATED NET ASSETS**

The Board of Directors of FosterClub Organization has several standing board policies that affect the presentation of board designations on net assets without donor restrictions. Major gifts and bequests without donor restrictions are designated for long-term investment (quasi-endowment). The quasi-endowment fund balance totaled \$640,551 at December 31, 2020. Additionally, the Board of Directors has established an operating reserve with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The board reserve balance totaled \$130,115 at December 31, 2020.

The quasi-endowment asset composition and changes endowment net assets as of December 31, 2020 are as follows:

Balance at December 31, 2019	\$	627,025
Appropriation for expenditure		(29,124)
Interest and dividends		15,039
Increase in fair market value		<u>27,611</u>
Balance at December 31, 2020	\$	<u><u>640,551</u></u>

**NOTE H – OPERATING LEASE COMMITMENTS**

The Organization maintains a lease for Oregon office space at \$3,075 per month through May 2023. Additional workspace or program housing is leased for employees and for program use in Washington, DC and surrounding areas on an as-needed basis.

Approximate minimum rental commitments are as follows:

Year Ending December 31,	Oregon Office Building	Other Locations
2021	\$ 36,900	\$ 14,555
2022	36,900	-
2023	<u>15,375</u>	<u>-</u>
	<u>\$ 89,175</u>	<u>\$ 14,555</u>

**FOSTERCLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**NOTE I – EMPLOYEE LEASING AGREEMENT AND RETIREMENT PLAN**

Effective in August 2020, the Organization contracted with a Professional Employer Organization (PEO) for its labor force through an employee leasing agreement. While the Organization retains essential management control over the work performed by the employees, the PEO assumes responsibility for paying wages, benefits, and employment taxes. Additionally, the PEO sponsors a tax-deferred annuity plan under Section 401(k) of the Internal Revenue Code for the benefit of the employees. The Organization makes no discretionary or matching contributions to the plan. Employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code.

**NOTE J – LIQUIDITY**

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2020:

Financial assets at year-end	
Cash and cash equivalents	\$ 977,899
Contracts receivable	41,430
Grants receivable	205,000
Investments	640,551
	<u>1,864,880</u>
Less those unavailable for general expenditure within one year due to:	
Board-designated endowment	(640,551)
Board-designated reserve	<u>(130,115)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,094,214</u>

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**NOTE K – UNCERTAINTY**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of convening venues. While the disruption was initially expected to be temporary, there are many closures that have yet to be lifted entirely. Closures and other Coronavirus-related changes, such as travel restrictions and vaccinations that are still not fully available to all, have continued to impact the ability of the Organization to conduct some training or other events that were typically held in-person. However, technology has allowed and will continue to allow for "virtual" events to be held, and has generally been successful to date in providing other avenues to create connections with and between youth.

**FOSTERCLUB, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**NOTE K – UNCERTAINTY (CONTINUED)**

The continuing pandemic has made it necessary for Organization staff members to continue work largely from home, as well as incur expenses related to the technology necessary to continue to deliver high-quality services, including training and youth events, in a virtual fashion. Staff shifted to a virtual model for classroom content and made innovative changes to the way that training activities could be conducted remotely.

The Organization is continuing to provide training and support virtually and has expanded training events as well as materials that can be accessed remotely. Expenses for program participant materials and costs to ship the materials as well as subscriptions to web-based applications continue while pandemic-related restrictions or concerns for in-person gatherings continue. Staff time shifted to helping youth navigate support services funding sources and included locating or providing direct assistance for rent, transportation and household expenses. The need for those services and financial support increased significantly as many current or former foster youth were disproportionately affected by the pandemic.

The effects of these events may continue for some time, including disruptions to or restrictions on employees' ability to work and on the ability of donors, sponsors, and members to fully participate in programs or continue their current level of financial support to the organization. At the present time, the ultimate future effects of these issues are unknown.

**NOTE L – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 15, 2021, which is the date the financial statements were available to be issued.