

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018

GOVERNMENT & NON-PROFIT AUDIT GROUP, PLC  
Certified Public Accountants  
Chantilly, Virginia

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

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# Government & Non-Profit Audit Group, PLC

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Fairfax County Park Foundation, Inc.  
Fairfax, Virginia

We have audited the accompanying financial statements of The Fairfax County Park Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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.

### Auditor's 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 of 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 auditor's 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 The Fairfax County Park Foundation, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Government & Non-Profit Audit Group, PLC*

Certified Public Accountants  
Chantilly, Virginia

September 17, 2019

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 319,190	\$ 186,501
Unconditional promises to give	36,000	-
Total Current Assets	<u>355,190</u>	<u>186,501</u>
Long-Term Unconditional Promises to Give, net	<u>272,106</u>	<u>-</u>
Other Assets		
Restricted investments - Note 3	<u>116,019</u>	<u>114,434</u>
Total Assets	<u>\$ 743,315</u>	<u>\$ 300,935</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Without donor restrictions	100,759	46,186
With donor restrictions - by purpose	542,556	154,749
With donor restrictions - in perpetuity	<u>100,000</u>	<u>100,000</u>
Total Net Assets	<u>743,315</u>	<u>300,935</u>
Total Liabilities and Net Assets	<u>\$ 743,315</u>	<u>\$ 300,935</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	Total
Revenue and Support				
Gifts, donations and contributions	\$ 114,118	\$ 896,469	\$ -	\$ 1,010,587
Donated services and support	486,163	-	-	486,163
Interest income	23	1,585	-	1,608
Net assets released from restriction:				
Transferred to Fairfax County Park Authority	472,340	(472,340)	-	-
Satisfaction of project restriction	37,907	(37,907)	-	-
Total Revenue and Support	<u>1,110,551</u>	<u>387,807</u>	<u>-</u>	<u>1,498,358</u>
Expenses				
Program expenses	580,214			580,214
Management and general	335,324			335,324
Fundraising	140,440			140,440
Total Expenses	<u>1,055,978</u>	<u>-</u>	<u>-</u>	<u>1,055,978</u>
Change in Net Assets	54,573	387,807	-	442,380
Net Assets at Beginning of Year	<u>46,186</u>	<u>154,749</u>	<u>100,000</u>	<u>300,935</u>
Net Assets at End of Year	<u>\$ 100,759</u>	<u>\$ 542,556</u>	<u>\$ 100,000</u>	<u>\$ 743,315</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	Total
Revenue and Support				
Gifts, donations and contributions	\$ 97,289	\$ 648,608	\$ -	\$ 745,897
Donated services and support	404,464	-	-	404,464
Interest income	22	1,019	-	1,041
Net assets released from restriction:				
Transferred to Fairfax County Park Authority	765,801	(765,801)	-	-
Satisfaction of project restriction	3,871	(3,871)	-	-
Total Revenue and Support	<u>1,271,447</u>	<u>(120,045)</u>	<u>-</u>	<u>1,151,402</u>
Expenses				
Program expenses	797,936			797,936
Management and general	351,609			351,609
Fundraising	144,131			144,131
Total Expenses	<u>1,293,676</u>	<u>-</u>	<u>-</u>	<u>1,293,676</u>
Change in Net Assets	(22,229)	(120,045)	-	(142,274)
Net Assets at Beginning of Year	<u>68,415</u>	<u>274,794</u>	<u>100,000</u>	<u>443,209</u>
Net Assets at End of Year	<u>\$ 46,186</u>	<u>\$ 154,749</u>	<u>\$ 100,000</u>	<u>\$ 300,935</u>

FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

	Program	Management and General	Fundraising	Total
Grants	\$ 473,631	\$ -	\$ -	\$ 473,631
Personnel salaries and benefits	-	268,880	117,432	386,312
Donated project expenses	68,676	-	-	68,676
Project expenses	37,907	-	-	37,907
Direct mailing	-	-	19,294	19,294
Donated advertising and promotions	-	15,504	-	15,504
Rent	-	9,526	-	9,526
Office expense	-	8,968	-	8,968
Professional fees	-	7,454	-	7,454
Miscellaneous	-	7,221	-	7,221
Events	-	5,257	-	5,257
Website	-	5,187	-	5,187
Software	-	4,979	-	4,979
Donor and board cultivation	-	-	2,531	2,531
Development	-	-	1,183	1,183
Training expense	-	1,044	-	1,044
Printing and reproductions	-	675	-	675
Insurance	-	629	-	629
	<hr/>			
Total Expenses	\$ 580,214	\$ 335,324	\$ 140,440	\$ 1,055,978



FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018

	Program	Management and General	Fundraising	Total
Grants	\$ 769,311	\$ -	\$ -	\$ 769,311
Personnel salaries and benefits	-	245,764	111,804	357,568
Events	-	47,825	-	47,825
Direct mailing	-	-	26,862	26,862
Donated project expenses	24,754	-	-	24,754
Donated advertising and promotions	-	12,199	-	12,199
Miscellaneous	-	10,018	-	10,018
Rent	-	8,922	-	8,922
Software	-	7,175	-	7,175
Website	-	5,823	-	5,823
Professional fees	-	5,500	-	5,500
Development	-	-	4,712	4,712
Project expenses	3,871	-	-	3,871
Training	-	3,522	-	3,522
Office expense	-	3,484	-	3,484
Printing and reproductions	-	753	-	753
Donor and board cultivation	-	-	753	753
Insurance	-	624	-	624
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 797,936</u>	<u>\$ 351,609</u>	<u>\$ 144,131</u>	<u>\$ 1,293,676</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF CASH FLOWS  
For the Years Ended June 30,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 442,380	\$ (142,274)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Changes in operating assets and liabilities:		
Increase in unconditional promises to give	<u>(308,106)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>134,274</u>	<u>(142,274)</u>
Cash flows from investing activities		
Purchases of investments	<u>(1,585)</u>	<u>(1,019)</u>
Net cash used in investing activities	<u>(1,585)</u>	<u>(1,019)</u>
Change in cash and cash equivalents	132,689	(143,293)
Cash and cash equivalents, beginning of year	<u>186,501</u>	<u>329,794</u>
Cash and cash equivalents, end of year	<u>\$ 319,190</u>	<u>\$ 186,501</u>

# THE FAIRFAX COUNTY PARK FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - Organization and Significant Accounting Policies

The Fairfax County Park Foundation, Inc. (the Foundation) is a nonprofit organization incorporated in 2001 in Fairfax, Virginia. The purpose of the Foundation is to raise private donations and to create innovative partnerships between organizations, individuals and corporate neighbors in order to support parks and open space in the Fairfax County community where needs surpass public resources; and to strengthen the connection and commitment of corporate and individual neighbors to their parks. The Foundation's primary sources of funds are from contributions and donated services.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) Basis of Accounting – The Foundation prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.
- (b) Basis of Presentation – The Foundation is required 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. Net assets with donor restrictions are created by contributions with donor-imposed restrictions on their use.

Under these provisions, net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reposted as follows:

**Net Assets without Donor Restrictions** – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires restricted net assets are reclassified to net assets without donor restrictions.

**Net Assets with Donor Restrictions** – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. As of June 30, 2019, and 2018, the Foundation had \$542,556 and \$154,749 in net assets with donor restrictions-purpose and time restrictions, and \$100,000 and \$100,000 in net assets with donor restrictions-perpetual in nature, respectively.

- (c) Cash and Cash Equivalents – For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.
- (d) Support and Revenue – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets.

# THE FAIRFAX COUNTY PARK FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### NOTE 1 – Organization and Significant Accounting Policies (continued)

- (e) Revenue Recognition – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases the net assets with donor restrictions class. 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 and reported in the statement of activities as net assets released from restrictions.
- (f) Income Tax Matters – The Foundation has been granted tax exempt status under the Internal Revenue Code Section 501(c)(3) on all income other than unrelated business income. The Foundation has been classified as an organization that is not a private foundation.
- (g) Management Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates, including estimates relating to assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.
- (h) Contributions Receivable – The Foundation solicits pledges and grants from individuals, corporations, foundations, and local businesses. Management periodically evaluates the contributions receivable and determines the need for an allowance for doubtful accounts. Management considers the Foundation’s past receivables loss experience, adverse situations that may affect the donor’s ability to pay, and current economic conditions. There are no contributions receivable as of June 30, 2019 and 2018.
- (i) Unconditional Promises to Give – Unconditional promises to give are total pledges of future contributions made by individuals, foundations and/or local businesses. Unconditional promises to give, less an appropriate reserve, are recorded at their estimated fair value. Amounts due more than one year later are recorded at the present value of the estimated future cash flows, discounted at the risk-free rate of 2.08%. Amortization of the discount is credited to contributions and donations income. The expiration of a donor-imposed restriction on a contribution or endowment is recognized in the period in which the restriction expires, and the related resources then are classified as unrestricted net assets. As of June 30, 2018, there were no unconditional promises to give.

Unconditional promises to give consisted of the following as of June 30, 2019:

Unconditional promises expected to be collected in:

Less than one year	\$ 36,000
One year to five years	306,000
Less discount to present value (\$33,894) and allowance for doubtful accounts (\$-0-)	<u>( 33,894)</u>
Total Unconditional Promises to Give, net	\$ 308,106
Less Current Unconditional Promises to Give, net	<u>( 36,000)</u>
Long-Term Unconditional Promises to Give, net	<u>\$ 272,106</u>

# THE FAIRFAX COUNTY PARK FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### NOTE 1 – Organization and Significant Accounting Policies (continued)

- (j) Property and Equipment – Purchased property and equipment are recorded at cost for any item in excess of \$1,000. Contributed property and equipment is recorded at its fair market value on the date of contribution. Expenditures for maintenance and repairs are charged against income as incurred; betterments, which increase the value or materially extend the life of the related assets, are capitalized.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

- (k) Concentration of Credit and Market Risk – The Foundation occasionally maintains deposits in excess of federally insured limits. These items are a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. The Foundation has not experienced any losses in such accounts. The Foundation's investments do not represent significant concentrations of market risk inasmuch as the organization's investment portfolio consists of a certificate of deposit with a local bank.
- (l) Recently Issued Accounting Standards – In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. FCPF adopted the provisions of this new standard in the current year. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 9) and disclosures related to functional allocation of expenses was expanded (Note 5). Adoption of this standard had no effect on the change in net assets by class of net assets or in total.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. FCPF is currently evaluating the impact of their pending adoption of the new standard on its financial statements.

- (m) Uncertain Tax Positions – As of June 30, 2019, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax years subject to examination by the taxing authorities are the years ended June 30, 2016 through 2018.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 1 – Organization and Significant Accounting Policies (concluded)

(n) Advertising Costs – Advertising costs are expensed when incurred.

NOTE 2 – Leases

No formal lease agreement has been written. Fairfax County donates office space on a month-to-month basis to the Foundation. The Foundation expects this relationship to continue.

NOTE 3 – Restricted Investments

The fair values, which are the amounts reported in the statements of financial position, are based on level 1 inputs, quoted market prices in active markets for identical assets. \$100,000 of the restricted investments balance is permanently restricted for the Oakton School House project.

The restricted investments included the following at June 30,:

	2019 Market Value	2019 Cost	2018 Market Value	2018 Cost
Certificates of Deposit	<u>\$116,019</u>	<u>\$116,019</u>	<u>\$114,434</u>	<u>\$114,434</u>

NOTE 4 – Related Parties

The Foundation is related to the Fairfax County Park Authority (FCPA) through common support. For the years ended June 30, 2019 and 2018, the FCPA made in-kind donations of salaries and benefits, rent and office expense to the Foundation of \$395,838 and \$366,490, respectively. The Foundation’s fundraising efforts are directed towards granting funding to support the parks and open space under the management of the FCPA. For the years ended June 30, 2019 and 2018, the Foundation made payments of \$484,398 and \$811,803, respectively, to the FCPA, and the expenses are included under program services and management and general in the Statements of Activities.

During the fiscal year ended June 30, 2019, the Foundation was instrumental in securing donations made directly to FCPA, for Ken Lawrence Park, totaling \$52,590. Because the funds were paid directly to FCPA they are not included in the Statement of Activities.

NOTE 5 – Functional Allocation of Expenses

FCPF’s operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated on either a personnel-cost or square-footage basis, whichever is more reasonable for the expenditure.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 6 – Net Assets With Donor Restrictions-Purpose Restricted

Net assets with donor restrictions-purpose restricted include donor restricted funds which are available for various purposes. As of June 30, 2019 and 2018 net assets with donor restrictions are available for the following activities:

<u>Project</u>	<u>2019</u>	<u>2018</u>
Bench Memorials	\$ 5,125	\$ 7,498
Braddock Dogs	-	4,326
Bright Futures - Rec PAC	2,057	3,476
Burke Lake Park	94,988	66,973
Class Scholarships	3,525	7,352
Clemyjontri	6,359	11,911
Entertainment Series	23,418	231
Cub Run Recreation Center	200	-
Cub Run Streams Valley	9,500	6,500
EC Lawrence	1,050	-
Fairfax Park Foundation Endowment	1,500	-
Frying Pan Park	823	5,000
Golf	-	100
Green Spring Gardens	-	101
Hidden Oaks Park	450	-
Honor Veterans	49	526
Huntley Meadows	20	20
Lake Accotink Park	500	500
Lake Fairfax Park	-	8,500
Lee District Park Family Recreation Center	4,545	2,057
Linway Terrace Park	295	-
Nottoway Park	4,252	-
Oak Marr Recreation Center	-	24
Oakton School House	16,019	14,434
Open Space	14,209	3,536
Parks and Communities Together	6,225	-
Riverbend Park	1,000	-
Resource Management Department Training	250	5,481
Resource Management-Lazar Family Fund	336,335	-
Healthy Strides - Take12	-	2
Trail Fund	9,362	6,152
Turner Farm Park	<u>500</u>	<u>49</u>
Total	<u>\$542,556</u>	<u>\$154,749</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 6 – Net Assets With Donor Restrictions-Purpose Restricted (continued)

Net assets for the years ended June 30, 2019 and 2018, were transferred to the FCPA administer or released from donor restrictions, by incurring expenses and/or satisfying the purpose or time restrictions specified by donors as follows:

<u>Project</u>	<u>2019</u>	<u>2018</u>
Adapted Aquatics	\$ 148	\$ 5,431
Bren Marr Park	-	1,000
Bench Memorials	42,018	33,900
Braddock Dog	4,326	-
Bright Futures – Rec PAC	37,245	50,941
Burke Lake Park	8,018	75,000
Class Scholarships	16,816	46,046
Clemyjontri	27,647	29,027
Entertainment Series	194,459	187,103
Cub Run Recreation Center	-	709
EC Lawrence	294	-
Frying Pan Park	36,531	51,708
Golf	1,178	100
Green Spring Gardens	1,982	97
Healthy Strides - Take 12	8,004	4,119
Hidden Oaks	3,432	1,500
Hidden Pond	-	4,100
Honor Veterans	526	-
Huntley Meadows	689	1,337
Invasive Plants	21,823	19,979
Lake Accotink Park	500	4,217
Lake Fairfax Park	14,200	3,000
Laurel Hill Equestrian Center	-	260
Lee District Park Building	6,097	9,080
Lee District Park Family Recreation Center	729	77,913
Mason District Park	1,000	-
Meaningful Watershed	10,000	14,122
Nottoway Park	-	22,700
Oak Hill Event	-	500
Oak Marr Recreation Center	524	-
Open Space	2,734	34,270
Parks and Communities Together	44,163	33,821
Parktakes Marketing	-	3,160
Pinecrest Golf District	100	-
Reston Herndon Little League	-	10,000
Riverbend Park	12,790	31,023
Resource Management Department Training	5,481	146
Scotts Run Park	100	-
Springfest	-	1,500
Spring Hill Recreation Center	1,200	1,210



THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 6 – Net Assets With Donor Restrictions-Purpose Restricted (concluded)

<u>Project</u>	<u>2019</u>	<u>2018</u>
Sully Historic Site	250	-
Tennis Courts	1,194	1,513
Trail Fund	-	5,000
Tree Memorial	-	3,400
Turner Farm Park	4,049	-
Wakefield Stream	-	700
Westgrove Off Leash Dog Area	<u>-</u>	<u>40</u>
Total	<u>\$510,247</u>	<u>\$769,672</u>

NOTE 7 – Endowment Funds

The Foundation’s endowment consists of two (2) donor-restricted endowment funds. The Oakton School House Fund was established for the maintenance and operation of the Oakton School House. The Lazar Family Endowment Fund was established for the purpose of creating and endowing a fund intended to provide financial support for the ongoing management and protection of the Fairfax County Park Authority’s various natural resources. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation’s board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Foundation to appropriate for expenditure or accumulate as much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of a donor expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund are net assets with donor restrictions until appropriated for expenditure by the Foundation.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation’s investment policies.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the program supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Foundation Board, the endowment assets are invested in a manner that is intended to preserve the fair value of the gift and provide investment return through current yield (interest) to meet the short-term operational needs of the program.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 7 – Endowment Funds (continued)

Changes in endowment net assets for the years ended June 30, 2019 and 2018 were as follows:

	<u>2019</u>		<u>2018</u>	
	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity
Beginning Endowment Net Assets	\$ 14,434	\$100,000	\$ 13,415	\$100,000
Investment Income:				
Dividends and Interest	<u>1,585</u>	<u>-</u>	<u>1,019</u>	<u>-</u>
Sub-Total	<u>16,019</u>	<u>100,000</u>	<u>14,434</u>	<u>100,000</u>
Unconditional promises to give	308,106	-	-	-
Appropriation of endowment assets For expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Endowment Net Assets	<u>\$ 324,125</u>	<u>\$100,000</u>	<u>\$ 14,434</u>	<u>\$100,000</u>

NOTE 8 – Donated Services and Support

Donated services and materials received during the years ended June 30, 2019 and 2018, were recognized in the accompanying financial statements as in-kind support and are offset by like amounts included in expenses or assets.

Donated services and materials received for the years ended June 30, 2019 and 2018 consisted of:

	<u>2019</u>	<u>2018</u>
<u>Program Support:</u>		
Landscaping and improvements for Clemyjontri Park	\$ 17,681	\$ 8,500
Aquatics	17,050	-
4-H Fair	8,168	6,095
Frying Pan Park	6,700	349
Cub Run Recent	5,357	-
RecPac	4,000	-
Golf	3,320	3,870
Take 12	2,000	2,526
Turner Farm	1,200	-
Riverbend	1,000	-
Sully Historic Site	1,000	-
Green Spring Garden	800	-
Concert Series	400	-
Discovery Trails	-	1,500
Bright Futures – Rec Pac	-	1,400
Stars/P.R.A.I.S.E.	-	225
Burke Lake Park	-	214
Springfest	-	<u>75</u>
Sub-total	<u>68,676</u>	<u>24,754</u>

# THE FAIRFAX COUNTY PARK FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS (Concluded)

### NOTE 8 – Donated Services and Support (continued)

	<u>2019</u>	<u>2018</u>
<u>General Operations Support:</u>		
Donated personnel	\$386,312	\$ 357,568
Advertising and promotions	15,504	12,199
Rent and utilities expense	9,526	8,922
Office expenses	<u>6,145</u>	<u>1,021</u>
Sub-total	<u>417,487</u>	<u>379,710</u>
Total	<u>\$486,163</u>	<u>\$404,464</u>

### NOTE 9 – Liquidity and Availability of Financial Assets

FCPF monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. FCPF has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets available within one year and free of donor restrictions:

Cash and cash equivalents \$319,190

### NOTE 10 – Net Assets With Donor Restrictions-Perpetual in Nature

Net assets with donor restrictions-perpetual in nature consisted of a grant received from Chevy Chase Bank for \$100,000 for the Oakton School House. The Foundation can only use the earnings generated by the original contribution for the operations of the Oakton School House and the original corpus must remain intact in perpetuity.

### NOTE 11 – Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through September 17, 2019, the date which the financial statements were available to be issued.