

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019, 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, 2020 and 2019, 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, PLLC*

Certified Public Accountants  
Chantilly, Virginia

September 15, 2020

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 395,589	\$ 319,190
Unconditional promises to give	36,000	36,000
Total Current Assets	<u>431,589</u>	<u>355,190</u>
Long-Term Unconditional Promises to Give, net	<u>242,499</u>	<u>272,106</u>
Other Assets		
Restricted investments - Note 3	<u>118,000</u>	<u>116,019</u>
Total Assets	<u>\$ 792,088</u>	<u>\$ 743,315</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Without donor restrictions	140,834	100,759
With donor restrictions - by purpose	551,254	542,556
With donor restrictions - in perpetuity	<u>100,000</u>	<u>100,000</u>
Total Net Assets	<u>792,088</u>	<u>743,315</u>
Total Liabilities and Net Assets	<u>\$ 792,088</u>	<u>\$ 743,315</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	Total
Revenue and Support				
Gifts, donations and contributions	\$ 116,007	\$ 453,724	\$ -	\$ 569,731
Donated services and support	467,518	-	-	467,518
Interest income	10	2,032	-	2,042
Net assets released from restriction:				
Transferred to Fairfax County Park Authority	434,862	(434,862)	-	-
Satisfaction of project restriction	12,196	(12,196)	-	-
Total Revenue and Support	<u>1,030,593</u>	<u>8,698</u>	<u>-</u>	<u>1,039,291</u>
Expenses				
Program expenses	478,603	-	-	478,603
Management and general	352,570	-	-	352,570
Fundraising	159,345	-	-	159,345
Total Expenses	<u>990,518</u>	<u>-</u>	<u>-</u>	<u>990,518</u>
Change in Net Assets	40,075	8,698	-	48,773
Net Assets at Beginning of Year	<u>100,759</u>	<u>542,556</u>	<u>100,000</u>	<u>743,315</u>
Net Assets at End of Year	<u>\$ 140,834</u>	<u>\$ 551,254</u>	<u>\$ 100,000</u>	<u>\$ 792,088</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 FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Support Services				Total
	Program Expenses	Management and General	Fundraising	Total Support Services	
Grants	\$ 435,118	\$ -	\$ -	\$ -	\$ 435,118
Personnel salaries and benefits	-	288,111	126,976	415,087	415,087
Donated project expenses	32,239	-	-	-	32,239
Direct mailing	-	-	26,298	26,298	26,298
Events	-	18,929	-	18,929	18,929
Project expenses	10,696	-	-	-	10,696
Rent	-	10,192	-	10,192	10,192
Donated advertising and promotions	-	10,000	-	10,000	10,000
Website	-	6,092	-	6,092	6,092
Professional fees	-	5,700	-	5,700	5,700
Miscellaneous	-	4,371	-	4,371	4,371
Development	-	-	4,297	4,297	4,297
Software	-	4,107	-	4,107	4,107
Training expense	550	1,607	-	1,607	2,157
Office expense	-	2,150	-	2,150	2,150
Donor and board cultivation	-	-	1,774	1,774	1,774
Printing and reproductions	-	675	-	675	675
Insurance	-	636	-	636	636
	<u>\$ 478,603</u>	<u>\$ 352,570</u>	<u>\$ 159,345</u>	<u>\$ 511,915</u>	<u>\$ 990,518</u>
Total Expenses	<u>\$ 478,603</u>	<u>\$ 352,570</u>	<u>\$ 159,345</u>	<u>\$ 511,915</u>	<u>\$ 990,518</u>



THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

	Support Services			Total Support Services	Total
	Program Expenses	Management and General	Fundraising		
Grants	\$ 473,631	\$ -	\$ -	\$ -	\$ 473,631
Personnel salaries and benefits	-	268,880	117,432	386,312	386,312
Donated project expenses	68,676	-	-	-	68,676
Project expenses	37,907	-	-	-	37,907
Direct mailing	-	-	19,294	19,294	19,294
Donated advertising and promotions	-	15,504	-	15,504	15,504
Rent	-	9,526	-	9,526	9,526
Office expense	-	8,968	-	8,968	8,968
Professional fees	-	7,454	-	7,454	7,454
Miscellaneous	-	7,221	-	7,221	7,221
Events	-	5,257	-	5,257	5,257
Website	-	5,187	-	5,187	5,187
Software	-	4,979	-	4,979	4,979
Donor and board cultivation	-	-	2,531	2,531	2,531
Development	-	-	1,183	1,183	1,183
Training expense	-	1,044	-	1,044	1,044
Printing and reproductions	-	675	-	675	675
Insurance	-	629	-	629	629
Total Expenses	<u>\$ 580,214</u>	<u>\$ 335,324</u>	<u>\$ 140,440</u>	<u>\$ 475,764</u>	<u>\$ 1,055,978</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF CASH FLOWS  
For the Years Ended June 30,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 48,773	\$ 442,380
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Changes in operating assets and liabilities:		
Decrease (Increase) in unconditional promises to give	<u>29,607</u>	<u>(308,106)</u>
Net cash provided by operating activities	<u>78,380</u>	<u>134,274</u>
Cash flows from investing activities		
Purchases of investments	<u>(1,981)</u>	<u>(1,585)</u>
Net cash used in investing activities	<u>(1,981)</u>	<u>(1,585)</u>
Change in cash and cash equivalents	76,399	132,689
Cash and cash equivalents, beginning of year	<u>319,190</u>	<u>186,501</u>
Cash and cash equivalents, end of year	<u>\$ 395,589</u>	<u>\$ 319,190</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, 2020 and 2019, the Foundation had \$551,254 and \$542,556 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.

# THE FAIRFAX COUNTY PARK FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

(Continued)

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

- (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.
- (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) 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.
- (g) 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, 2020 and 2019.
- (h) Recently Issued Accounting Standards – 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, 2021, 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.
- (i) 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.
- (j) Uncertain Tax Positions – As of June 30, 2020, 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, 2017 through 2019.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 1 – Organization and Significant Accounting Policies (continued)

- (k) 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.

Unconditional promises to give consisted of the following as of June 30, 2020:

Unconditional promises expected to be collected in:

Less than one year	\$ 36,000
One year to five years	180,000
Over five years	90,000
Less discount to present value (\$27,501) and allowance for doubtful accounts (\$-0-)	<u>( 27,501)</u>
Total Unconditional Promises to Give, net	\$ 278,499
Less Current Unconditional Promises to Give, net	<u>( 36,000)</u>
Long-Term Unconditional Promises to Give, net	<u>\$ 242,499</u>

- (l) 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.

- (m) 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.
- (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.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 3 – Restricted Investments

The Foundation applies Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used during the year ended June 30, 2020.

The underlying investments in marketable securities and domestic equities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain securities, and the level of uncertainty related to changes in the value of the marketable securities and domestic equities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and the statement of activities.

\$100,000 of the investments balance is permanently restricted for the Oakton School House project.

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Foundation’s financial statements at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit	<u>\$118,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$118,000</u>

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Foundation’s financial statements at fair value as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit	<u>\$116,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$116,019</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 4 – 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, 2020 and 2019 net assets with donor restrictions are available for the following activities:

<u>Project</u>	<u>2020</u>	<u>2019</u>
Bench Memorials	\$ 3,467	\$ 5,125
Bright Futures - Rec PAC	123	2,057
Burke Lake Park	6,319	94,988
Class Scholarships	7,203	3,525
Clemyjontri	8,180	6,359
Entertainment Series	84,189	23,418
Cub Run Recreation Center	2,476	200
Cub Run Streams Valley	12,425	9,500
Eakin Park	12,200	-
EC Lawrence	-	1,050
Fairfax County Park Foundation Endowment	-	1,500
Frying Pan Park	11,331	823
Green Spring Gardens	49	-
Hidden Oaks Park	-	450
Honor Veterans	84	49
Huntley Meadows	40	20
Invasive Plants	24	-
Lake Accotink Park	1,000	500
Laurel Hill	195	-
Lee District Park Family Recreation Center	-	4,545
Linway Terrace Park	295	295
Nottoway Park	4,252	4,252
Oak Hill Event	5,092	-
Oakton School House	18,000	16,019
Open Space	1,684	14,209
Parks and Communities Together	51	6,225
Providence Recreation Center	1,000	-
Riverbend Park	578	1,000
Resource Management Department Training	350	250
Resource Management-Lazar Family Fund	343,365	336,335
Royal Lake Park	100	-
Sully Woodland's	5,000	-
Trail Fund	17,682	9,362
Turner Farm Park	<u>4,500</u>	<u>500</u>
Total	\$ <u>551,254</u>	\$ <u>542,556</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 4 – Net Assets With Donor Restrictions-Purpose Restricted (continued)

Net assets for the years ended June 30, 2020 and 2019, were transferred to the FCPA administrator 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>2020</u>	<u>2019</u>
Adapted Aquatics	\$ 1,952	\$ 148
Archelogy & Collections Branch	2,100	-
Bench Memorials	49,233	42,018
Braddock Dog	-	4,326
Bright Futures – Rec PAC	15,958	37,245
Burke Lake Park	117,450	8,018
Class Scholarships	16,565	16,816
Clemyjontri	300	27,647
Entertainment Series	66,838	194,459
Cub Run Recreation Center	200	-
EC Lawrence	1,267	294
Fairfax County Park Foundation Endowment	1,500	-
Frying Pan Park	11,743	36,531
Golf	386	1,178
Green Spring Gardens	835	1,982
Healthy Strides - Take 12	8,466	8,004
Hidden Oaks	16,200	3,432
Honor Veterans	-	526
Huntley Meadows	180	689
Invasive Plants	19,529	21,823
Lake Accotink Park	552	500
Lake Fairfax Park	-	14,200
Lee District Park Building	6,000	6,097
Lee District Park Family Recreation Center	6,212	729
Mason District Park	-	1,000
Meaningful Watershed	-	10,000
Move Your Way	9,629	-
Oak Marr Recreation Center	1,000	524
Open Space	23,948	2,734
Parks and Communities Together	38,524	44,163
Parktakes Marketing	-	-
Pinecrest Golf District	-	100
Riverbend Park	18,312	12,790
Resource Management Department Training	100	5,481
Scotts Run Park	-	100
South Run Recreation Center	302	-
Spring Hill Recreation Center	-	1,200



THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 4 – Net Assets With Donor Restrictions-Purpose Restricted (concluded)

<u>Project</u>	<u>2020</u>	<u>2019</u>
Sully Historic Site	-	250
Tennis Courts	1,378	1,194
Trail Fund	10,000	-
Tree Memorial	399	-
Turner Farm Park	<u>-</u>	<u>4,049</u>
Total	<u>\$447,058</u>	<u>\$510,247</u>

NOTE 5 – Endowment Funds

The Foundation’s endowment consists of two (2) donor-restricted endowment funds and one board designated fund. 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. The board designated Fairfax Park Foundation Endowment Fund represents unrestricted contributions received, to be held as corpus, with the related income generated from the corpus to be used for future special projects identified by the board of directors. 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 5 – Endowment Funds (continued)

Changes in endowment net assets for the year ended June 30, 2020 were as follows:

	Board Designated Without Donor Restrictions	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	Total Endowment Net Assets
Beginning Endowment Net Assets	\$ -	\$352,354	\$ 100,000	\$452,354
Contributions	3,000	586	-	3,586
Recognize discounts on pledges receivable payments	-	6,393	-	6,393
Investment Income:				
Dividends and Interest	<u>3</u>	<u>2,032</u>	<u>-</u>	<u>2,035</u>
Sub-Total	3,003	361,365	100,000	464,368
Appropriation of endowment assets For expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Endowment Net Assets	<u>\$ 3,003</u>	<u>\$361,365</u>	<u>\$ 100,000</u>	<u>\$464,368</u>

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

	Board Designated Without Donor Restrictions	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	Total Endowment Net Assets
Beginning Endowment Net Assets	\$ -	\$ 14,434	\$ 100,000	\$114,434
Contributions	-	28,229	-	28,229
Investment Income:				
Dividends and Interest	<u>-</u>	<u>1,585</u>	<u>-</u>	<u>1,585</u>
Sub-Total	-	44,248	100,000	144,248
Unconditional promises to give-net	-	308,106	-	308,106
Appropriation of endowment assets for expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Endowment Net Assets	<u>\$ -</u>	<u>\$352,354</u>	<u>\$ 100,000</u>	<u>\$452,354</u>

NOTE 6 – 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.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 7– Donated Services and Support

Donated services and materials received during the years ended June 30, 2020 and 2019, 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, 2020 and 2019 consisted of:

	<u>2020</u>	<u>2019</u>
<u>Program Support:</u>		
Landscaping and improvements for Clemyjontri Park	\$ 20,727	\$ 17,681
Frying Pan Park fencing	11,512	6,700
Aquatics	-	17,050
4-H Fair	-	8,168
Cub Run Recent	-	5,357
RecPac	-	4,000
Golf	-	3,320
Healthy Strides - Take 12	-	2,000
Turner Farm	-	1,200
Riverbend	-	1,000
Sully Historic Site	-	1,000
Green Spring Garden	-	800
Concert Series	-	<u>400</u>
Sub-total	<u>32,239</u>	<u>68,676</u>
<u>General Operations Support:</u>		
Donated personnel	\$ 415,087	\$ 386,312
Advertising and promotions	10,000	15,504
Rent and utilities expense	10,192	9,526
Office expenses	-	<u>6,145</u>
Sub-total	<u>435,279</u>	<u>417,487</u>
Total	<u>\$ 467,518</u>	<u>\$ 486,163</u>

NOTE 8 – Functional Allocation of Expenses

The Foundation’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 (Concluded)

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

The Foundation 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. The Foundation 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	<u>\$395,589</u>
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### NOTE 10 – Related Parties

The Foundation is related to the Fairfax County Park Authority (FCPA) through common support. For the years ended June 30, 2020 and 2019, the FCPA made in-kind donations of salaries and benefits, rent and office expense to the Foundation of \$425,279 and \$395,838, 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, 2020 and 2019, the Foundation made payments of \$455,618 and \$484,398, respectively, to the FCPA, and the expenses are included under program services and management and general in the Statements of Activities.

### NOTE 11 – Evaluation of Subsequent Events

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact the Foundation's contributions and net income. Other financial impact could occur though such potential impact is unknown at this time.

The Foundation has evaluated subsequent events through September 15, 2020, the date which the financial statements were available to be issued.