

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

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Dunham, Aukamp & Rhodes, PLC
Certified Public Accountants

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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, 2021 and 2020, 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, 2021 and 2020, 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.

Dunham, Aukamp & Rhodes, PLLC

Certified Public Accountants
Chantilly, Virginia

September 21, 2021

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 824,313	\$ 395,589
Unconditional promises to give	36,000	36,000
Total Current Assets	<u>860,313</u>	<u>431,589</u>
Long-Term Unconditional Promises to Give, net	<u>201,262</u>	<u>242,499</u>
Other Assets		
Restricted investments - Note 4	<u>-</u>	<u>118,000</u>
Total Assets	<u>\$ 1,061,575</u>	<u>\$ 792,088</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Without donor restrictions	208,900	140,834
With donor restrictions - by purpose	752,675	551,254
With donor restrictions - in perpetuity	<u>100,000</u>	<u>100,000</u>
Total Net Assets	<u>1,061,575</u>	<u>792,088</u>
Total Liabilities and Net Assets	<u>\$ 1,061,575</u>	<u>\$ 792,088</u>

The accompanying notes are an integral part of these financial statements.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	Total
Revenue and Support				
Gifts, donations and contributions	\$ 165,265	\$ 685,454	\$ -	\$ 850,719
Donated services and support	446,700	-	-	446,700
Interest income	9	1,540	-	1,549
Net assets released from restriction:				
Transferred to Fairfax County Park Authority	485,573	(485,573)	-	-
Total Revenue and Support	<u>1,097,547</u>	<u>201,421</u>	<u>-</u>	<u>1,298,968</u>
Expenses				
Program expenses	527,265	-	-	527,265
Management and general	338,531	-	-	338,531
Fundraising	163,685	-	-	163,685
Total Expenses	<u>1,029,481</u>	<u>-</u>	<u>-</u>	<u>1,029,481</u>
Change in Net Assets	68,066	201,421	-	269,487
Net Assets at Beginning of Year	<u>140,834</u>	<u>551,254</u>	<u>100,000</u>	<u>792,088</u>
Net Assets at End of Year	<u>\$ 208,900</u>	<u>\$ 752,675</u>	<u>\$ 100,000</u>	<u>\$ 1,061,575</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 FUNCTIONAL EXPENSES

For the Year Ended June 30, 2021

	Support Services			Total Support Services	Total
	Program Expenses	Management and General	Fundraising		
Grants	\$ 483,432	\$ -	\$ -	\$ -	\$ 483,432
Personnel salaries and benefits	-	279,547	123,128	402,675	402,675
Direct mailing	-	-	39,351	39,351	39,351
Donated project expenses	33,833	-	-	-	33,833
Events	-	22,199	-	22,199	22,199
Training expense	10,000	704	-	704	10,704
Rent	-	10,192	-	10,192	10,192
Website	-	7,557	-	7,557	7,557
Professional fees	-	5,700	-	5,700	5,700
Software	-	5,055	-	5,055	5,055
Miscellaneous	-	4,217	-	4,217	4,217
Community outreach	-	2,092	-	2,092	2,092
Donor and board cultivation	-	-	1,156	1,156	1,156
Insurance	-	665	-	665	665
Office expense	-	603	-	603	603
Development	-	-	50	50	50
	\$ 527,265	\$ 338,531	\$ 163,685	\$ 502,216	\$ 1,029,481
Total Expenses	\$ 527,265	\$ 338,531	\$ 163,685	\$ 502,216	\$ 1,029,481

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Support Services			Total Support Services	Total
	Program Expenses	Management and General	Fundraising		
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>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 269,487	\$ 48,773
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Changes in operating assets and liabilities:		
Decrease in unconditional promises to give	<u>41,237</u>	<u>29,607</u>
Net cash provided by operating activities	<u>310,724</u>	<u>78,380</u>
Cash flows from investing activities		
Proceeds from investments	119,244	-
Purchases of investments	<u>(1,244)</u>	<u>(1,981)</u>
Net cash provided by (used in) investing activities	<u>118,000</u>	<u>(1,981)</u>
Change in cash and cash equivalents	428,724	76,399
Cash and cash equivalents, beginning of year	<u>395,589</u>	<u>319,190</u>
Cash and cash equivalents, end of year	<u><u>\$ 824,313</u></u>	<u><u>\$ 395,589</u></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, 2021 and 2020, the Foundation had \$752,675 and \$551,254 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) 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, 2021 and 2020.
- (g) 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 incremental borrowing rate of 3.25%. 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, 2021:

Unconditional promises expected to be collected in:

Less than one year	\$ 36,000
One year to five years	180,000
Over five years	54,000
Less discount to present value (\$32,738) and allowance for doubtful accounts (\$-0-)	<u>(32,738)</u>
Total Unconditional Promises to Give, net	\$ 237,262
Less Current Unconditional Promises to Give, net	<u>(36,000)</u>
Long-Term Unconditional Promises to Give, net	<u>\$ 201,262</u>

- (h) 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.

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – Organization and Significant Accounting Policies (continued)

- (i) 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.
- (j) 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.
- (k) Uncertain Tax Positions – As of June 30, 2021, 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, 2018 through 2020.
- (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 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.
- (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 – 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 (Continued)

NOTE 4 – 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, 2021.

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>

NOTE 5 – 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 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, 2021 and 2020 net assets with donor restrictions are available for the following activities:

<u>Project</u>	<u>2021</u>	<u>2020</u>
Bench Memorials	\$ 5,743	\$ 3,467
Bren Marr	100	-
Bridge Naming	1,346	-
Bright Futures - Rec PAC	366	123
Burke Lake Park	10,643	6,319
Class Scholarships	4,529	7,203
Clemyjontri	6,953	8,180
Entertainment Series	91,247	84,189
Cub Run Recreation Center	-	2,476
Cub Run Streams Valley	12,425	12,425
Eakin Park	12,200	12,200
Frying Pan Park	7,331	11,331
Green Spring Gardens	16,752	49
Healthy Strides	85	-
Honor Veterans	84	84
Huntley Meadows	40	40
Invasive Plants	784	24
Lake Accotink Park	1,000	1,000
Laurel Hill	10,414	195
Lee District Park Family Recreation Center	119	-
Linway Terrace Park	295	295
Nottoway Park	4,253	4,252
Oak Hill Event	5,092	5,092
Oakton School House	19,311	18,000
Open Space	19,377	1,684
Parks and Communities Together	600	51
Providence Recreation Center	1,000	1,000
Riverbend Park	-	578
Resource Management Department Training	250	350
Resource Management-Lazar Family Fund	414,531	343,365
Royal Lake Park	-	100
Sully Woodland's	72,892	5,000
Trail Fund	25,781	17,682
Tree Memorial	982	-
Turner Farm Park	<u>6,150</u>	<u>4,500</u>
Total	<u>\$752,675</u>	<u>\$551,254</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, 2021 and 2020, 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>2021</u>	<u>2020</u>
Adapted Aquatics	\$ -	\$ 1,952
Archelogy & Collections Branch	200	2,100
Bench Memorials	77,979	49,233
Bren Marr Park	100	-
Bright Futures – Rec PAC	7,124	15,958
Burke Lake Park	-	117,450
Class Scholarships	14,835	16,565
Clemyjontri	23,506	300
Entertainment Series	129,829	66,838
Cub Run Recreation Center	2,476	200
Cultural Resource Protection	27,250	-
EC Lawrence	1,119	1,267
Fairfax County Park Foundation Endowment	-	1,500
Frying Pan Park	48,171	11,743
Golf	98	386
Green Spring Gardens	11,049	835
Healthy Strides	24,771	8,466
Hidden Oaks	10,000	16,200
Huntley Meadows	200	180
Invasive Plants	1,133	19,529
Lake Accotink Park	1,000	552
Lake Fairfax Park	3,100	-
Lee District Park Building	-	6,000
Lee District Park Family Recreation Center	6,049	6,212
Marie Butler Leven Preserve	5,000	-
Move Your Way	-	9,629
Oak Marr Recreation Center	1,000	1,000
Open Space	-	23,948
Parks and Communities Together	2,264	38,524
Pine Ridge Park	11,929	-
Resource Management Department Training	30,987	-
Riverbend Park	38,254	18,312
Royal Lake Park	1,250	-
South Run Recreation Center	-	302
Tennis Courts	623	1,378
Trail Fund	3,937	10,000
Tree Memorial	-	399
Westgrove Off Leash Dog Area	<u>340</u>	<u>-</u>
Total	<u>\$485,573</u>	<u>\$447,058</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 – 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.

Changes in endowment net assets for the year ended June 30, 2021 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	\$ 3,003	\$361,365	\$100,000	\$464,368
Contributions	3,000	76,175	-	79,175
Recognize discount on pledges				
Receivable payments	-	(5,238)	-	(5,238)
Investment Income:				
Dividends and Interest	<u>9</u>	<u>1,540</u>	<u>-</u>	<u>1,549</u>
Sub-Total	6,012	433,842	100,000	539,854
Appropriation of endowment assets				
For expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Endowment Net Assets	<u>\$ 6,012</u>	<u>\$433,842</u>	<u>\$100,000</u>	<u>\$539,854</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 7 – 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 discount 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>

NOTE 8 – Donated Services and Support

Donated services and materials received during the years ended June 30, 2021 and 2020, 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, 2021 and 2020 consisted of:

	<u>2021</u>	<u>2020</u>
<u>Program Support:</u>		
Colvin Run Mill	\$ 9,109	\$ -
Frying Pan Farm Park	7,500	11,512
Turner Farm	4,800	-
Healthy Strides	1,000	-
Green Spring Garden	800	-
Landscaping and improvements for Clemyjontri Park	<u>-</u>	<u>20,727</u>
Sub-total	<u>23,209</u>	<u>32,239</u>
<u>General Operations Support:</u>		
Donated personnel	\$ 402,675	\$ 415,087
Office expenses	10,624	-
Rent and utilities expense	10,192	10,192
Advertising and promotions	<u>-</u>	<u>10,000</u>
Sub-total	<u>423,491</u>	<u>435,279</u>
Total	\$ <u>446,700</u>	\$ <u>467,518</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (Concluded)

NOTE 9 – Related Parties

The Foundation is related to the Fairfax County Park Authority (FCPA) through common support. For the years ended June 30, 2021 and 2020, the FCPA made in-kind donations of salaries and benefits, rent and office expense to the Foundation of \$412,867 and \$425,279, 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, 2021 and 2020, the Foundation made payments of \$521,867 and \$455,618, respectively, to the FCPA, and the expenses are included under program services and management and general in the Statements of Activities.

During the year ended June 30, 2021, the Foundation was instrumental in securing donations made directly to FCPA, for various county parks, totaling \$48,753. Because the funds were paid directly to FCPA they are not included in the Statement of Activities.

NOTE 10 – Liquidity and Availability of Financial Assets

The Foundation has \$208,900 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. Some of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position date. The unconditional promises to give are subject to implied time restrictions but are expected to be collected within one year. 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 a goal to maintain 60 days of financial assets on hand for normal operating expenses in case of revenue shortfalls. This amount is on average \$94,000. The Foundation has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

Cash and cash equivalents	\$824,313
Unconditional promise to give	237,262
Less net long-term unconditional promises to give, restricted – by purpose	(201,262)
Less remaining net assets with donor restrictions – by purpose	(551,413)
Less net assets with donor restrictions – in perpetuity	<u>(100,000)</u>
Total	<u>\$208,900</u>

NOTE 11 – Uncertainties

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.

NOTE 12 – Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through September 21, 2021, the date which the financial statements were available to be issued.