

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Fairfax County Park Foundation, Inc. as of June 30, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about The Fairfax County Park Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

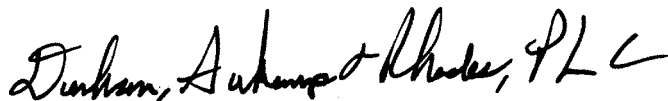
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of The Fairfax County Park Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Fairfax County Park Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Certified Public Accountants
Chantilly, Virginia

September 13, 2022

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 689,115	\$ 542,886
Unconditional promises to give	37,700	36,000
Total Current Assets	<u>726,815</u>	<u>578,886</u>
Other Assets		
Cash and cash equivalents, restricted	339,018	281,427
Long-Term unconditional promises to give, net	165,262	201,262
Total Other Assets	<u>504,280</u>	<u>482,689</u>
 Total Assets	 <u>\$ 1,231,095</u>	 <u>\$ 1,061,575</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Without donor restrictions	253,757	208,900
With donor restrictions - by purpose	877,338	752,675
With donor restrictions - in perpetuity	100,000	100,000
Total Net Assets	<u>1,231,095</u>	<u>1,061,575</u>
 Total Liabilities and Net Assets	 <u>\$ 1,231,095</u>	 <u>\$ 1,061,575</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, 2022

	Without Donor Restrictions	With Donor Restrictions - by Purpose	With Donor Restrictions - in Perpetuity	Total
Revenue and Support				
Gifts, donations and contributions	\$ 120,849	\$ 963,562	\$ -	\$ 1,084,411
Donated services and support	421,264	-	-	421,264
Interest income	9	384	-	393
Net assets released from restriction:				
Transferred to Fairfax County Park Authority	839,283	(839,283)	-	-
Total Revenue and Support	<u>1,381,405</u>	<u>124,663</u>	<u>-</u>	<u>1,506,068</u>
Expenses				
Program expenses	839,464	-	-	839,464
Management and general	347,766	-	-	347,766
Fundraising	149,318	-	-	149,318
Total Expenses	<u>1,336,548</u>	<u>-</u>	<u>-</u>	<u>1,336,548</u>
Change in Net Assets	44,857	124,663	-	169,520
Net Assets at Beginning of Year	<u>208,900</u>	<u>752,675</u>	<u>100,000</u>	<u>1,061,575</u>
Net Assets at End of Year	<u>\$ 253,757</u>	<u>\$ 877,338</u>	<u>\$ 100,000</u>	<u>\$ 1,231,095</u>

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	423,491	-	-	423,491
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>1,074,338</u>	<u>201,421</u>	<u>-</u>	<u>1,275,759</u>
Expenses				
Program expenses	504,056	-	-	504,056
Management and general	338,531	-	-	338,531
Fundraising	163,685	-	-	163,685
Total Expenses	<u>1,006,272</u>	<u>-</u>	<u>-</u>	<u>1,006,272</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 FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Support Services			Total Support Services	Total
	Program Expenses	Management and General	Fundraising		
Grants	\$ 839,464	\$ -	\$ -	\$ -	\$ 839,464
Personnel salaries and benefits	-	284,387	124,251	408,638	408,638
Direct mailing	-	-	21,225	21,225	21,225
Events	-	14,311	-	14,311	14,311
Rent	-	12,626	-	12,626	12,626
Printing and reproductions	-	12,405	-	12,405	12,405
Website	-	6,848	-	6,848	6,848
Software	-	5,879	-	5,879	5,879
Professional fees	-	5,825	-	5,825	5,825
Miscellaneous	-	2,777	-	2,777	2,777
Donor and board cultivation	-	-	2,402	2,402	2,402
Training expense	-	1,579	-	1,579	1,579
Development	-	-	1,440	1,440	1,440
Insurance	-	697	-	697	697
Office expense	-	432	-	432	432
	\$ 839,464	\$ 347,766	\$ 149,318	\$ 497,084	\$ 1,336,548
Total Expenses	\$ 839,464	\$ 347,766	\$ 149,318	\$ 497,084	\$ 1,336,548

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
Events	-	22,199	-	22,199	22,199
Training expense	10,000	704	-	704	10,704
Donated project expense	10,624	-	-	-	10,624
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
Donar and board cultivation	-	-	1,156	1,156	1,156
Insurance	-	665	-	665	665
Office expense	-	603	-	603	603
Development	-	-	50	50	50
Total Expenses	<u>\$ 504,056</u>	<u>\$ 338,531</u>	<u>\$ 163,685</u>	<u>\$ 502,216</u>	<u>\$ 1,006,272</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 169,520	\$ 269,487
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>34,300</u>	<u>41,237</u>
Net cash provided by operating activities	<u>203,820</u>	<u>310,724</u>
Change in cash and cash equivalents	203,820	310,724
Cash and cash equivalents, beginning of year	<u>824,313</u>	<u>513,589</u>
Cash and cash equivalents, end of year	<u>\$ 1,028,133</u>	<u>\$ 824,313</u>
Cash and cash equivalents, end of year	689,115	542,886
Cash and cash equivalents (restricted), end of year	<u>339,018</u>	<u>281,427</u>
Cash and cash equivalents, end of year	<u>\$ 1,028,133</u>	<u>\$ 824,313</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, 2022 and 2021, the Foundation had \$877,338 and \$752,675 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) Cash and Cash Equivalents, Restricted – Restricted cash and cash equivalents are held for specific purposes. The restricted cash and cash equivalents balance of \$339,018 as of June 30, 2022, consisted of \$119,371 and \$219,647 for the Oakton School House Fund and the Resource Management-Lazar Family Fund, respectively. The restricted cash and cash equivalents balance of \$281,427 as of June 30, 2021, consisted of \$119,031 and \$162,396 for the Oakton School House Fund and the Resource Management-Lazar Family Fund, respectively.
- (e) 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.
- (f) 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.
- (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, 2022 and 2021.
- (h) 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 4.375%. 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, 2022 and 2021:

Unconditional promises expected to be collected in:

	<u>2022</u>	<u>2021</u>
Less than one year	\$ 37,700	\$ 36,000
One year to five years	180,000	180,000
Over five years	18,000	54,000
Less discount to present value (\$32,738) and allowance for doubtful accounts (\$-0-)	<u>(32,738)</u>	<u>(32,738)</u>
Total Unconditional Promises to Give, net	\$ 202,962	\$ 237,262
Less Current Unconditional Promises to Give, net	<u>(37,700)</u>	<u>(36,000)</u>
Long-Term Unconditional Promises to Give, net	<u>\$ 165,262</u>	<u>\$ 201,262</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 1 – Organization and Significant Accounting Policies (continued)

- (i) 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.
- (j) 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, 2020, 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.
- (k) 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.
- (l) Uncertain Tax Positions – As of June 30, 2022, 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, 2019 through 2021.
- (m) 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.
- (n) 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.
- (o) 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 – 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 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, 2022 and 2021 net assets with donor restrictions are available for the following activities:

<u>Project</u>	<u>2022</u>	<u>2021</u>
Bench Memorials	\$ 3,788	\$ 5,743
Bren Marr	-	100
Burke Lake Park	76	10,643
Class Scholarships	4,172	4,529
Clemyjontri	-	6,953
Entertainment Series	230,155	91,247
Cub Run Streams Valley	12,675	12,425
Eakin Park	12,200	12,200
Frying Pan Park	7,711	7,331
Green Spring Gardens	32,406	16,752
Healthy Strides	-	85
Hidden Pond	3,000	-
Honor Veterans	-	84
Huntley Meadows	40	40
Invasive Plants	50	784
Lake Accotink Park	1,000	1,000
Laurel Hill	10,989	10,414
Laurel Hill Garden Plots	401	-
Lee District Park Family Recreation Center	29	119
Linway Terrace Park	295	295
McLean Central Park Playground	8,150	-
Meaningful Watershed	396	-
Nottoway Park	4,253	4,253
Oak Hill Event	842	5,092
Oak Marr Rec Center	500	-
Oakton School House	19,371	19,311
Open Space	4,935	19,377
Parks and Communities Together	18,115	600
Providence Recreation Center	-	1,000
Riverbend Park	5,000	-
Resource Management Department Training	-	250
Resource Management-Lazar Family Fund	415,406	414,531
Sully Woodland's	17,192	72,892
Trail Fund	64,191	25,781
Tree Memorial	-	982
Turner Farm Park	-	150
Total	<u>\$877,338</u>	<u>\$752,675</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, 2022 and 2021, 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>2022</u>	<u>2021</u>
Adapted Aquatics	\$ 1,480	\$ -
Archelogy & Collections Branch	-	200
Bench Memorials	76,542	77,979
Bren Marr Park	100	100
Bright Futures – Rec PAC	-	7,124
Burke Lake Park	11,808	-
Class Scholarships	12,262	14,835
Clemyjontri	11,953	23,506
Entertainment Series	34,534	129,829
Cub Run Recreation Center	-	2,476
Cultural Resource Protection	-	27,250
EC Lawrence	-	1,119
Frying Pan Park	68,963	48,171
Golf	-	98
Green Spring Gardens	-	11,049
Healthy Strides	84	24,771
Hidden Oaks	12,000	10,000
Honor Veterans	184	-
Huntley Meadows	6,510	200
Invasive Plants	7,952	1,133
Lake Accotink Park	1,000	1,000
Lake Fairfax Park	-	3,100
Lee District Park Family Recreation Center	10,303	6,049
Marie Butler Leven Preserve	-	5,000
Meaningful Watershed	10,489	-
Oak Hill Event	5,000	-
Oak Marr Recreation Center	2,000	1,000
Oakton Day	63	-
Open Space	31,631	-
Parks and Communities Together	15,574	2,264
Pine Ridge Park	-	11,929
Providence Rec Center	1,000	-
Resource Management Department Training	1,124	30,987
Riverbend Park	23,775	38,254
Royal Lake Park	-	1,250
South Run Recreation Center	100	-
Sully Woodlands	274,545	-
Tennis Courts	978	623
Trail Fund	194,494	3,937
Tree Memorial	1,483	-
Turner Farm	11,150	-
Watermine site	10,055	-
Westgrove Off Leash Dog Area	147	40
Total	<u>\$839,283</u>	<u>\$485,573</u>

THE FAIRFAX COUNTY PARK FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

Changes in endowment net assets for the year ended June 30, 2022 were as follows:

	Board Designated			
	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions	Total Endowment
	<u>Restrictions</u>	<u>- by Purpose</u>	<u>- in Perpetuity</u>	<u>Net Assets</u>
Beginning Endowment Net Assets	\$ 6,012	\$433,842	\$100,000	\$539,854
Contributions	-	551	-	551
Investment Income:				
Dividends and Interest	<u>9</u>	<u>384</u>	<u>-</u>	<u>393</u>
Sub-Total	6,021	434,777	100,000	540,798
Appropriation of endowment assets				
For expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Endowment Net Assets	<u>\$ 6,021</u>	<u>\$434,777</u>	<u>\$100,000</u>	<u>\$540,798</u>

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, 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>

NOTE 6– Donated Services and Support

Donated services and materials received during the years ended June 30, 2022 and 2021, 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, 2022 and 2021 consisted of:

	<u>2022</u>	<u>2021</u>
<u>General Operations Support:</u>		
Donated personnel	\$ 408,638	\$ 402,675
Office expenses	-	10,624
Rent and utilities expense	<u>12,626</u>	<u>10,192</u>
Total	\$ <u>421,264</u>	\$ <u>423,491</u>

NOTE 7 – 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 8 – Related Parties

The Foundation is related to the Fairfax County Park Authority (FCPA) through common support. For the years ended June 30, 2022 and 2021, the FCPA made in-kind donations of salaries and benefits, rent and office expense to the Foundation of \$421,264 and \$412,867, 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, 2022 and 2021, the Foundation made payments of \$840,055 and \$521,867, 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, 2022, the Foundation was instrumental in securing financial donations made directly to FCPA, for various county parks, totaling \$132,750, as well as in-kind donations of goods and services totaling \$222,955. Because the funds were paid directly to FCPA and the goods and service were received directly by the parks within FCPA, they are not included in the Statement of Activities.

NOTE 9 – Liquidity and Availability of Financial Assets

The Foundation has \$248,485 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 \$152,000. 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:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$1,028,133	\$824,313
Unconditional promise to give	202,962	237,262
Less net long-term unconditional promises to give, restricted – by purpose	(165,262)	(201,262)
Less remaining net assets with donor restrictions – by purpose	(714,168)	(551,413)
Less net assets with donor restrictions – in perpetuity	<u>(100,000)</u>	<u>(100,000)</u>
Total	<u>\$ 251,665</u>	<u>\$208,908</u>

NOTE 10 – Statement Reclassifications

Certain reclassifications may have been made in the prior year's amounts to conform with the current year presentation.

NOTE 11 – Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through September 13, 2022, the date which the financial statements were available to be issued.