

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.
(a nonprofit organization)**

FINANCIAL STATEMENTS

**Year Ended June 30, 2022
with Summarized Comparative Information
for the year ended June 30, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Community Foundation for Northern Virginia, Inc.
Alexandria, Virginia

Opinion

We have audited the accompanying financial statements of The Community Foundation for Northern Virginia, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Foundation as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Contingencies

As stated in Note 11 to the financial statements, economic uncertainties have arisen as a result of the spread of the novel coronavirus which are likely to impact the Foundation's operations. Our opinion is not modified with respect to this matter and no pandemic implications are accounted for in these financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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; 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.

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

Auditors' 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 auditors' 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 on the effectiveness of the Foundation'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 Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, 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.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner and Company, CPA, P.C.

Alexandria, Virginia
November 15, 2022

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2022 (with Comparative Information as of June 30, 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,437,734	\$ 1,015,409
Account receivable	-	480
Grant receivable	10,000	10,000
Prepaid expenses	32,476	37,785
Deposit	<u>16,900</u>	<u>17,160</u>
TOTAL CURRENT ASSETS	<u>1,497,110</u>	<u>1,080,834</u>
PROPERTY AND EQUIPMENT, AT COST, NET	<u>6,847</u>	<u>12,453</u>
OTHER ASSETS		
Investments	77,464,322	86,788,117
Investment - Healthcare Portfolio V DST	<u>1,193,129</u>	<u>1,193,129</u>
TOTAL OTHER ASSETS	<u>78,657,451</u>	<u>87,981,246</u>
TOTAL ASSETS	<u><u>\$ 80,161,408</u></u>	<u><u>\$ 89,074,533</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 26,371	\$ 30,470
Grants payable	10,000	10,000
Accrued expenses	26,772	66,213
Deferred revenue	<u>143,400</u>	<u>95,135</u>
TOTAL CURRENT LIABILITIES	<u>206,543</u>	<u>201,818</u>
NET ASSETS		
Without donor restrictions	75,081,601	82,602,908
With donor restrictions	<u>4,873,264</u>	<u>6,269,807</u>
TOTAL NET ASSETS	<u>79,954,865</u>	<u>88,872,715</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 80,161,408</u></u>	<u><u>\$ 89,074,533</u></u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022 (with Summarized Comparative Information for the year ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Contributions	\$ 10,873,451	\$ 283,486	\$ 11,156,937	\$ 8,777,985
Fee income	851,991	-	851,991	818,886
Other income	37,730	-	37,730	201,748
Investment (loss) income	(11,075,015)	(850,962)	(11,925,977)	16,593,238
Net assets released from restrictions	829,067	(829,067)	-	-
TOTAL REVENUE	1,517,224	(1,396,543)	120,681	26,391,857
EXPENSES				
Program services	7,930,174	-	7,930,174	7,350,621
Support services				
Management and general	559,200	-	559,200	487,257
Fundraising	549,157	-	549,157	464,467
Total support services	1,108,357	-	1,108,357	951,724
TOTAL EXPENSES	9,038,531	-	9,038,531	8,302,345
CHANGE IN NET ASSETS	(7,521,307)	(1,396,543)	(8,917,850)	18,089,512
NET ASSETS, beginning of year	82,602,908	6,269,807	88,872,715	70,783,203
NET ASSETS, end of year	\$ 75,081,601	\$ 4,873,264	\$ 79,954,865	\$ 88,872,715

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022 (with Summarized Comparative Information for the year ended June 30, 2021)

	2022			2021	
	Program Services	General and Administrative	Fundraising	Total	Total
Grants	\$ 6,654,372	\$ -	\$ -	\$ 6,654,372	\$ 6,240,233
Salaries and benefits	337,516	289,299	337,516	964,331	901,118
Bank and investment fees	479,540	5,048	20,191	504,779	433,721
Scholarships	381,299	-	-	381,299	313,856
Contract labor	3,323	45,306	31,396	80,025	49,877
Payroll taxes	24,164	20,712	24,164	69,040	62,092
Rent	-	40,349	-	40,349	39,554
Community partnerships	5,197	7,716	22,934	35,847	12,150
Technology subscriptions	11,682	11,679	11,679	35,040	58,504
Website and network services	1,719	30,943	1,719	34,381	31,102
Office expenses	2,565	25,649	3,691	31,905	29,862
Marketing	-	4,800	26,542	31,342	4,973
Fundraising	-	730	23,795	24,525	-
Accounting	-	24,371	-	24,371	23,320
Printing and postage	6,903	1,151	14,956	23,010	18,813
Program expenses	19,859	-	-	19,859	-
Dues, subscriptions and publications	-	15,327	1,703	17,030	17,621
In-kind expenses:					
Donor cultivation	-	-	13,812	13,812	-
Legal services	-	11,861	-	11,861	4,926
Marketing services	-	-	900	900	4,950
Printing services	-	-	-	-	2,998
Insurance	-	10,518	-	10,518	9,479
Conferences and training	-	6,422	360	6,782	2,843
Entertainment	-	-	5,999	5,999	-
Depreciation	-	5,606	-	5,606	5,700
Payroll services	1,601	1,373	1,601	4,575	3,257
Advertising	-	-	4,347	4,347	316
Consignment	-	-	1,453	1,453	5,339
Other	434	340	399	1,173	25,741
TOTAL EXPENSES	\$ 7,930,174	\$ 559,200	\$ 549,157	\$ 9,038,531	\$ 8,302,345

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2022 (with Comparative Information for the year ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	\$ 5,481,370	\$ 7,809,105
Interest and dividend income	900,296	571,465
	<u>6,381,666</u>	<u>8,380,570</u>
Total cash received from operations		
Cash disbursed by operations		
Payments to employees, grantees, and suppliers	9,044,323	8,298,606
	<u>(2,662,657)</u>	<u>81,964</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(20,792,036)	(17,053,732)
Proceeds from sales of investments	23,877,018	16,959,889
	<u>3,084,982</u>	<u>(93,843)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	<u>422,325</u>	<u>(11,879)</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>1,015,409</u>	<u>1,027,288</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u>\$ 1,437,734</u>	<u>\$ 1,015,409</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
Unrealized loss (gain) in fair value of investments	\$ 22,534,250	\$ (13,091,505)
(Decrease) increase in investment fair value	(22,534,250)	13,091,505
In-kind stock donation	(6,587,460)	(1,923,934)
Increase in investment value	6,587,460	1,923,934
Recognition of forgiveness of Paycheck Protection Program loan	-	131,761
Forgiveness of Paycheck Protection Program loan	-	(131,761)
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2022 (with Comparative Information for the year ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ (8,917,850)</u>	<u>\$ 18,089,512</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Forgiveness of Paycheck Protection Program loan	-	(131,761)
Depreciation	5,606	5,700
Unrealized loss (gain) on investment	22,534,250	(2,930,268)
Realized gain on investment	(9,707,977)	(13,091,505)
Donated stock	<u>(6,587,460)</u>	<u>(1,923,934)</u>
NET ADJUSTMENTS	<u>6,244,419</u>	<u>(18,071,768)</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING (USING) CASH		
ASSETS		
Accounts receivable	480	25,220
Prepaid expenses	5,309	(2,952)
Deposit	<u>260</u>	<u>7,275</u>
	<u>6,049</u>	<u>29,543</u>
LIABILITIES		
Accounts payable	(5,300)	7,534
Grants payable	-	(37,132)
Accrued expenses	(38,240)	10,440
Deferred revenue	<u>48,265</u>	<u>53,835</u>
	<u>4,725</u>	<u>34,677</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>10,774</u>	<u>64,220</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>\$ (2,662,657)</u>	<u>\$ 81,964</u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Community Foundation for Northern Virginia, Inc. (the Foundation) is a nonprofit public charity that was established in 1978 to meet a wide variety of social, educational, cultural and other charitable needs throughout Northern Virginia. The mission of the Foundation is to grow philanthropy to help meet the most critical needs of the region. The Foundation accomplishes its mission in two primary ways: First, it develops donor advised funds (both endowed and pass-through) from which grants are recommended by the donors who establish them. Second, it develops discretionary funds for organizational grant making to help meet the most critical needs of the region. The Foundation performs all administrative aspects of grant making from both donor advised funds and discretionary funds, including due diligence inquiries to the intended grantees, reporting, managing grant and scholarship program, accounting and investments.

Significant Accounting Policies

Basis of Accounting

The Foundation maintains its records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Classes of Assets

In accordance with U.S. GAAP, the Foundation's net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restriction

The Foundation includes operating net assets which are available for the general operations of the Foundation as net assets without donor restriction, as well as Board-designated net assets set aside for future use.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary Significant Accounting Policies (Continued)

Classes of Assets (Continued)

Net Assets With Donor Restriction

The Foundation reports gifts of cash and other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Investment gains and losses earned with donor restricted funds held by the Foundation are recorded as an increase or decrease in net assets without donor restriction.

Revenue Recognition

The Foundation provides donor investment advisory services and discretionary fund services to donors in the Northern Virginia area for the purpose of furthering its mission.

Disaggregation of Revenue

The Foundation disaggregates revenue according to its major goods and services lines provided to donors. This includes contributions, investment income, and fee income.

Performance Obligations

Fee income is recognized based upon administrative services provided to run donor advised and discretionary funds on behalf of donors. Fee income is established on payment or upon signing of contract, for which the Foundation provides administrative services for the donor advised and discretionary funds. Fee income is recognized as the services are provided. Fee income has variable rates based on amount of funds retained by the Foundation and any special services or circumstances, outlined within a contract. No refunds are provided.

Significant Judgments

The price for fee income is determined by management which accounts for all the expenses to be incurred and includes it in the transaction price.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Endowments

The Foundation's Endowments are accounted for in accordance with the Endowments of Not-for-Profit Organizations accounting guidance, which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The Foundation has made the required disclosures as stated in Note 8. As of June 30, 2022 and 2021, the Foundation does not have any board designated endowment funds.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires that management use assumptions, estimates and judgments that affect the reported amounts and classifications of assets, liabilities, revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation's cash includes cash on hand and cash deposited in banks. For the purpose of reporting on the Statement of Cash Flows, cash includes interest-bearing and non-interest-bearing demand deposit accounts. The Foundation considers wire and stock deposits contained in its investment portfolio to be cash equivalents. Highly liquid money market funds and similar accounts are included within the Foundation's investment portfolios and have been classified as investments in the Statements of Financial Position, given the intent that those funds be used in the routine management of the investment portfolio. The balance of cash equivalents was \$3,115 and \$3,109 for the years ended June 30, 2022 and 2021, respectively.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the Statements of Activities as increases or decreases in the Statement of Activities.

The Foundation invests in various investment instruments which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, changes in the value of investment securities may have occurred subsequent to year end that could materially affect the amounts reported in the Statement of Financial Position.

Property and Equipment

Property and equipment are recorded at cost. All property and equipment acquisitions in excess of \$1,500 are capitalized at cost. Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs such as salaries and benefits, bank and investment fees, contract labor, payroll taxes, community partnerships, technology subscriptions, website and network services, office expenses, printing and postage, payroll services and other have been allocated among the programs and supporting services based on level of effort.

Deferred Revenue

Deferred revenue consists of sponsorships and other monies received in advance for use in future periods. Sponsorships for fundraising events are recognized as revenue when the event is held.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to exempt purpose. This code section enables the Foundation to accept donations that qualify as charitable contributions to the donor. In accordance with U.S. GAAP, the Foundation has concluded there are no uncertain tax positions as of June 30, 2022 and 2021.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated the Foundation's tax position and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of the guidance.

Gifts-in-kind

The Foundation receives donated cultivation, marketing, legal and accounting services. This donated support is recognized as unrestricted support at their estimated fair values and as an expense in the appropriate functional expense category. In-kind contributions are reported in the Statement of Activities as both revenue and expense. If a donated asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. See Note 10 for details of the amount of in-kind contributions provided.

Adoption of New Accounting Standard

The Foundation has adopted the financial statement presentation and disclosure standards contained in the Financial Accounting Standards Board Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, modifying ASC section 958. The change has been applied as of June 30, 2022, with no effect on beginning net assets.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Liquidity and Availability of Assets

The Foundation maintains a liquid cash balance in checking accounts in an amount necessary to meet its anticipated expenditures for the next 30 days. Cash in excess of this amount is invested in short-term investments.

The Foundation reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of the Foundation's monthly financial reporting process.

The Foundation's financial assets available within one year to meet cash needs for general expenditures through June 30, 2023 are as follows:

Financial Assets	
Cash	\$ 1,437,734
Grants receivable	10,000
Investments	<u>77,464,322</u>
Total Financial assets	78,912,056
Less amounts not available within one year	
Purpose restricted net assets	(4,873,264)
Donor advised funds	<u>(53,347,075)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 20,691,717</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

2. CASH AND CASH EQUIVALENTS

Cash as of June 30, 2022 and 2021 consisted of the following:

	2022	2021
Checking and money market accounts	\$ 1,437,649	\$ 1,015,170
Petty cash	85	239
	<u>\$ 1,437,734</u>	<u>\$ 1,015,409</u>

The Foundation maintains its cash balances at several financial institutions in the United States. As of June 30, 2022 and 2021, cash not insured by the Federal Deposit Insurance Corporation was \$836,288 and \$646,014, respectively. The Foundation maintained no restricted cash balances as of June 30, 2022 and 2021.

3. PROPERTY AND EQUIPMENT

Property and depreciation for the year ended June 30, 2022 and 2021 consisted of the following:

	2022			Estimated
	Cost	Depreciation expense	Accumulated depreciation	useful life (years)
Furniture and equipment	\$ 22,395	\$ 944	\$ 19,589	3-7
Equipment	43,907	470	43,359	7
Leasehold improvements	37,041	4,192	33,548	5
	<u>\$ 103,343</u>	<u>\$ 5,606</u>	<u>\$ 96,496</u>	
	2021			Estimated
	Cost	Depreciation expense	Accumulated depreciation	useful life (years)
Furniture and equipment	\$ 22,395	\$ 1,039	\$ 18,645	3-7
Equipment	43,907	469	42,889	7
Leasehold improvements	37,041	4,192	29,356	5
	<u>\$ 103,343</u>	<u>\$ 5,700</u>	<u>\$ 90,890</u>	

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

4. INVESTMENTS

Investments are recorded at fair value and consist of the following at June 30, 2022 and 2021:

	2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and Cash Equivalents	\$ 12,864,273	\$ 12,864,273	\$ -
Common Stock			
Basic Materials	121,778	127,233	5,455
Communication Services	479,328	648,781	169,453
Consumer Cyclical	1,454,097	1,615,827	161,730
Consumer Defensive	478,016	581,454	103,438
Corporate Governance	2,371	1,749	(622)
Energy	393,093	433,419	40,326
Entertainment	2,795	1,602	(1,193)
Financial Services	1,368,979	2,007,841	638,862
Foreign Large Growth	54,659	46,635	(8,024)
Healthcare	930,263	1,022,501	92,238
Industrial	13,602	13,495	(107)
Industrials	839,984	1,136,271	296,287
Industrials	6,714	8,056	1,342
Intermediate-Term Bond	20,375	36,768	16,393
Large Blend	115,051	155,646	40,595
Large Growth	65,698	81,178	15,480
Large Value	54,447	56,060	1,613
Mid-Cap Growth	152,938	141,479	(11,459)
Real Estate	674,970	1,201,076	526,106
Short-Term Bond	33,542	32,190	(1,352)
Small Growth	23,310	19,235	(4,075)
Technology	1,695,821	2,731,537	1,035,716
Utilities	214,279	319,132	104,853
World Large-Stock Growth	8,965	14,399	5,434
Corporate Bond	4,452,571	4,623,350	170,779
Exchange Traded Funds	5,392,018	4,781,265	(610,753)
Foreign Bond	105,990	105,029	(961)
Hedgefunds	123,717	203,063	79,346

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

4. INVESTMENTS (CONTINUED)

	2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds			
Allocation -- 50% to 70% Equity	\$ 1,691,951	\$ 1,791,038	\$ 99,087
Bank Loan	39,156	36,452	(2,704)
Canada Stock	40,939	49,459	8,520
Commodities Broad Basket	14,870	20,205	5,335
Communication	223,767	225,492	1,725
Consumer Cyclical	310,110	336,836	26,726
Consumer Defensive	130,822	155,242	24,420
Corporate Bond	1,221,630	1,108,479	(113,151)
Diversified Emerging Markets	320,181	299,690	(20,491)
Diversified Emerging Mkts	722,359	571,696	(150,663)
Emerging Markets Bond	941,658	825,341	(116,317)
Energy	1,980	2,074	94
Equity	774,028	624,448	(149,580)
Equity Energy	109,773	154,154	44,381
Equity Precious Metals	23,716	18,653	(5,063)
Europe Stock	136,118	120,979	(15,139)
Financial	236,278	237,592	1,314
Financials	59,967	57,234	(2,733)
Foreign Large Blend	2,107,348	1,895,413	(211,935)
Foreign Large Growth	445,594	409,969	(35,625)
Foreign Large Value	18,000	18,986	986
Global Real Estate	47,960	43,649	(4,311)
Health	1,506,075	1,533,970	27,895
High Yield Bond	1,183,510	1,084,407	(99,103)
Industrials	606,779	626,914	20,135
Inflation-Protected Bond	90,110	88,749	(1,361)
Intermediate Core Bond	269,781	234,853	(34,928)
Intermediate Core-Plus Bond	2,464,773	2,224,271	(240,502)
Intermediate Government	1,378,971	1,294,607	(84,364)
Intermediate-Term Bond	573,303	520,019	(53,284)
Japan Stock	95,673	83,252	(12,421)
Large Blend	1,610,554	2,034,261	423,707
Large Growth	7,281,769	5,613,435	(1,668,334)
Large Value	7,245,959	6,512,493	(733,466)
Long Government	64,169	51,450	(12,719)

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NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

4. INVESTMENTS (CONTINUED)

	2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds (Continued)			
Long-Short Equity	\$ 50,183	\$ 57,887	\$ 7,704
Mid-Cap Blend	48,240	50,838	2,598
Mid-Cap Growth	200,438	182,467	(17,971)
Mid-Cap Value	109,725	137,541	27,816
Miscellaneous Region	40,743	45,786	5,043
Miscellaneous Sector	12,336	12,222	(114)
Multisector Bond	116,503	102,446	(14,057)
Natural Resources	192,671	169,434	(23,237)
Nontraditional Bond	95,691	85,228	(10,463)
Pacific/Asia ex-Japan Stk	34,572	33,441	(1,131)
Preferred Stock	62,774	56,482	(6,292)
Real Estate	937,572	810,820	(126,752)
Short Government	110,270	105,508	(4,762)
Short-Term Bond	937,305	893,445	(43,860)
Small Blend	5,361,052	4,158,724	(1,202,328)
Small Growth	96,725	84,287	(12,438)
Small Value	274,527	296,271	21,744
Systematic Trend	23,443	27,975	4,532
Technology	2,065,581	1,931,687	(133,894)
Ultrashort Bond	155,755	155,238	(517)
Utilities	139,618	139,786	168
World Allocation	37,605	41,745	4,140
World Bond	238,899	213,452	(25,447)
World Bond-USD Hedged	445,073	506,898	61,825
World Large-Stock Growth	24,663	39,599	14,936
World Large-Stock Value	20,253	18,041	(2,212)
Preferred Stock	70,819	63,270	(7,549)
U.S. Government Bond	598,441	544,679	(53,762)
U.S. Government Note	617,356	582,819	(34,537)
	<u>\$ 79,252,108</u>	<u>\$ 77,464,322</u>	<u>\$ (1,787,786)</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

4. INVESTMENTS (CONTINUED)

	2021		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and Cash Equivalents	\$ 9,476,259	\$ 9,913,464	\$ 437,205
Common Stock			
Basic Materials	131,245	158,182	26,937
Communication Services	829,710	1,299,029	469,319
Consumer Cyclical	1,478,103	2,390,189	912,086
Consumer Defensive	377,592	624,097	246,505
Corporate Governance	2,160	2,472	312
Energy	228,514	232,799	4,285
Financial Services	2,130,721	3,582,210	1,451,489
Foreign	223	332	109
Healthcare	835,671	1,271,197	435,526
Industrials	944,313	1,450,456	506,143
Industrials	4,651	7,932	3,281
Intermediate-Term Bond	20,375	45,623	25,248
Long-Short Equity	1,172,250	1,339,809	167,559
Mid-Cap Growth	114,502	138,091	23,589
Real Estate	273,194	971,459	698,265
Short-Term Bond	33,071	33,958	887
Technology	1,798,660	3,952,867	2,154,207
Utilities	179,674	331,749	152,075
Corporate Bond	2,255,188	3,247,875	992,687
Exchange Traded Funds	8,291,395	10,955,250	2,663,855
Foreign Bond	66,737	67,194	457
Hedgefunds	104,793	255,544	150,751
Mutual Funds			
Allocation -- 50% to 70% Equity	1,421,473	1,990,183	568,710
Bank Loan	27,095	26,733	(362)
Canada Stock	40,939	54,486	13,547
Commodities Broad Basket	18,125	27,381	9,256
Communication	297,250	486,645	189,395
Consumer Cyclical	393,724	599,861	206,137
Consumer Defensive	154,431	189,996	35,565
Corporate Bond	2,156,238	2,272,731	116,493

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

4. INVESTMENTS (CONTINUED)

	2021		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds (Continued)			
Diversified Emerging Mkts	\$ 198,115	\$ 315,569	\$ 117,454
Emerging Markets Bond	985,878	1,201,103	215,225
Equity Energy	147,316	152,770	5,454
Equity Precious Metals	22,137	18,588	(3,549)
Europe Stock	172,167	204,409	32,242
Financial	277,498	321,350	43,852
Financials	90,241	95,249	5,008
Foreign Large Blend	2,091,647	2,488,077	396,430
Foreign Large Growth	757,269	996,953	239,684
Foreign Large Value	18,965	26,081	7,116
Global Real Estate	37,598	54,705	17,107
Health	607,951	790,106	182,155
High Yield Bond	648,932	683,686	34,754
High Yield Muni	39	39	-
Industrials	808,604	999,667	191,063
Inflation-Protected Bond	1,145,458	1,271,709	126,251
Intermediate Core Bond	1,730,263	1,791,380	61,117
Intermediate Core-Plus Bond	1,835,640	1,811,879	(23,761)
Intermediate Government	1,162,452	1,179,927	17,475
Intermediate-Term Bond	853,934	879,383	25,449
Japan Stock	64,995	72,759	7,764
Large Blend	3,349,504	5,780,291	2,430,787
Large Growth	713,770	1,228,973	515,203
Large Value	604,854	842,968	238,114
Long Government	74,589	74,818	229
Long-Short Equity	60,290	62,813	2,523
Mid-Cap Blend	1,357,253	2,101,988	744,735
Mid-Cap Growth	255,881	530,602	274,721
Mid-Cap Value	153,023	225,671	72,648
Miscellaneous Region	101,322	124,037	22,715
Miscellaneous Sector	11,546	17,014	5,468
Multisector Bond	307,243	307,322	79
Multistrategy	853,194	861,391	8,197
Natural Resources	82,229	111,940	29,711
Nontraditional Bond	92,333	98,468	6,135

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

4. INVESTMENTS (CONTINUED)

	2021		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds (Continued)			
Options Trading	\$ 1,033,183	\$ 1,280,869	\$ 247,686
Pacific/Asia ex-Japan Stk	35,089	42,926	7,837
Preferred Stock	491,509	514,712	23,203
Real Estate	345,883	465,226	119,343
Short Government	110,687	110,770	83
Short-Term Bond	625,419	641,874	16,455
Small Blend	631,734	914,435	282,701
Small Growth	103,956	179,721	75,765
Small Value	691,492	1,273,709	582,217
Systematic Trend	27,688	29,902	2,214
Technology	648,495	1,173,481	524,986
Ultrashort Bond	118,947	118,877	(70)
Utilities	107,794	113,116	5,322
World Allocation	39,204	50,596	11,392
World Bond	226,398	223,914	(2,484)
World Bond-USD Hedged	380,138	391,853	11,715
World Large-Stock Growth	42,222	121,516	79,294
World Large-Stock Value	16,715	20,148	3,433
Diversified Emerging Markets	1,917,536	2,524,127	606,591
Foreign Small/Mid Blend	49,141	66,151	17,010
Consumer Directory	523	1,190	667
Preferred Stocks	71,767	75,509	3,742
U.S. Government Bond	380,126	399,362	19,236
U.S. Government Note	391,739	410,654	18,915
Grand Total	<u>\$ 65,419,791</u>	<u>\$ 86,788,117</u>	<u>\$ 21,368,326</u>

Investment income consisted of the following for the year ended June 30, 2022 and 2021:

	2022	2021
Interest and dividends	\$ 1,754,655	\$ 1,390,351
Realized and unrealized (loss) gain on investments	(12,826,273)	16,021,773
Investment fees	(854,359)	(818,886)
	<u>\$ (11,925,977)</u>	<u>\$ 16,593,238</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

5. FAIR VALUE MEASUREMENTS

The Foundation's classification of fair value for investments is based on the framework established by U.S. GAAP. The framework is based on the inputs used in valuation and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in GAAP include a hierarchy based on whether significant valuation inputs are observable. The three levels of the hierarchy are as follows:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets the Foundation has the ability to access.

Level 2 inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Investments in alternative investments are typically valued, as a practical expedient, utilizing the net asset valuation provided by the underlying private investment companies and their administrators, without adjustment, when the net asset valuations of the investments are calculated in a manner consistent with U.S. GAAP for investment companies. The Foundation applies the practical expedient to its investments in alternative investments, unless it is different from the net asset valuation. If it is probable that the Foundation will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Foundation considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

Investments in alternative investments are included in Level 3 of the fair value hierarchy. In determining the level, the Foundation considers the length of the time until the investment is redeemable, including notice and lock-up periods or any other restriction on the disposition of the investment. The Foundation also considers the nature of the portfolio of the underlying private investment companies and their ability to liquidate their underlying investments.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

Pooled investment funds are valued at the Net Asset Value (NAV) provided by the underlying investment managers based on the shares held by the Plan at year end. Valuations provided by investment managers including estimates, appraisals, assumptions, and methods are reviewed by management. When necessary, the Plan adjusts NAV for contributions, distributions, or general market conditions subsequent to the latest NAV valuation date when calculating fair value. Because the Plan uses NAV as a practical expedient for fair value for its pooled funds, these investments are excluded from the fair value hierarchy.

The Foundation recognizes transfers between levels of the fair value hierarchy at the end of the period in which events occur impacting the availability of inputs to the fair value methodology. There were no transfers between fair value hierarchy levels for the years ended June 30, 2022 and 2021.

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2022 and 2021:

	2022			
	Fair Value	Level 1	Level 2	NAV
Cash and Cash Equivalents	\$ 12,716,851	\$ 12,716,851	\$ -	\$ -
Common Stock	12,401,510	12,401,510	-	-
Corporate Bond	2,626,142	-	843,187	1,782,955
Foreign Bond	105,029	-	105,029	-
Hedge Funds	203,063	-	-	203,063
Mutual Funds	42,808,411	39,468,580	-	3,339,831
Preferred Stock	63,270	-	63,270	-
US Government Bond	1,175,962	-	408,732	767,230
US Government Note	582,819	-	582,819	-
Exchange Traded Funds	4,781,265	4,742,533	-	38,732
	<u>\$ 77,464,322</u>	<u>\$ 69,329,474</u>	<u>\$ 2,003,037</u>	<u>\$ 6,131,811</u>

Subsequent to the fiscal year end, the value of the investments within the Foundation's investment portfolio declined by 2.37% as a result of market fluctuation; however, the Foundation does not consider these investments to be other-than-temporarily impaired.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

	2021			
	Fair Value	Level 1	Level 2	NAV
Cash and Cash Equivalents	\$ 8,819,738	\$ 9,896,363	\$ 17,101	\$ -
Common Stock	11,154,425	17,832,449	-	-
Corporate Bond	3,243,191	-	1,111,949	2,135,926
Exchange Traded Funds	5,320,778	-	67,194	-
Foreign Bond	30,979	-	-	255,544
Government Bond	357,208	36,920,808	-	6,710,009
Hedgefunds	101,278	-	75,509	-
Mutual Funds	40,155,289	-	399,362	-
Preferred Stocks	66,686	-	410,654	-
U.S. Bonds	692,123	2,668,895	-	8,286,354
	<u>\$ 69,941,695</u>	<u>\$ 67,318,515</u>	<u>\$ 2,081,769</u>	<u>\$ 17,387,833</u>

6. INVESTMENT - HEALTHCARE PORTFOLIO V DST

In 2022, the Foundation received a contribution of a 1.9926% beneficial interest in the Healthcare Portfolio V DST to the Community Foundation of Nova-Reston Scholarship Fund. For the year ended June 30, 2022, the investment was recognized at a cost basis valuation of \$1,193,129.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

7. NET ASSETS WITH DONOR RESTRICTION

A summary of activity in net assets with donor restriction for the year ended June 30, 2022 and 2021 is as follows:

	2022			Balance at June 30, 2022
	Balance at June 30, 2021	Investment Revenue and Support	Released	
Education Programs	\$ 2,795,762	\$ (372,575)	\$ (175,876)	\$ 2,247,311
Health Programs	3,207,213	(478,387)	(152,239)	2,576,587
COVID Response Fund	17,593	15,735	(33,148)	180
Community Specific Programs	249,239	267,751	(467,804)	49,186
Total	\$ 6,269,807	\$ (567,476)	\$ (829,067)	\$ 4,873,264

	2021			Balance at June 30, 2021
	Balance at June 30, 2020	Revenue and Support	Released	
Education Programs	\$ 2,434,048	\$ 522,443	\$ (160,729)	\$ 2,795,762
Health Programs	2,714,515	631,136	(138,438)	3,207,213
COVID Response Fund	29,294	518,896	(530,597)	17,593
Community Specific Programs	311,953	190,520	(253,234)	249,239
Total	\$ 5,489,810	\$ 1,862,995	\$ (1,082,998)	\$ 6,269,807

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

8. ENDOWMENT FUNDS

At June 30, 2022, The Foundation's endowment consists of 4 donor restricted funds established for educational and health purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. The donor-restricted endowment fund is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. 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 the fund, (2) the purposes of the donor-restricted endowment fund, (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.

For the years ended June 30, 2022 and 2021, the endowment funds had the following activity:

	2022	2021
Net assets, beginning of year	\$ 2,843,390	\$ 2,399,196
Interest and dividends	108,228	83,824
Contributions	9,051	-
Change in fair value of investments	(546,013)	465,558
Authorized expenditures	<u>(119,869)</u>	<u>(105,188)</u>
Net assets, end of year	<u>\$ 2,294,787</u>	<u>\$ 2,843,390</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor restricted endowment fund may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2022 and 2021.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 (with Comparative Information as of and for the year ended June 30, 2021)

8. ENDOWMENT FUNDS (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. However, in some instances the investment or spending policies may be superseded by specific requirements or donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested so as to achieve a reasonable rate of return relative to the board equity and fixed income markets across the full business cycle.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield.

Spending Policy and Investment Objectives

The goal of the Foundation's spending policy is to provide a reasonable, predictable, and sustainable structure that supports the intentions of the original endowment. The policy is designed to ensure that the Foundation remains a perpetual and meaningful provider of funds and services to the community by seeking preservation of its endowment assets. Expenditure requests from endowment funds are submitted to the Foundation for approval, and are released for payment upon approval. Expenditures are awarded in accordance with donor stipulations.

9. CONCENTRATIONS

For the years ended June 30, 2022 and 2021, the Foundation recognized support of \$4,213,876 and \$3,293,185 from four major donors, respectively.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

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10. DONATED SERVICES

The Foundation receives in-kind contributions from members of the Board of Directors and other companies. These donated professional services have been recorded in the financial statements at their estimated fair value under the statement of activities. Due to the nature of these nonfinancial assets, the services were utilized in the period they were received and there were no donor restrictions imposed on them. Inputs used to measure the initial recognition of donated services consist of current market rates for services received. The following table outlines the activity for the years ended June 30, 2022 and 2021, respectively:

	<u>2022</u>	<u>2021</u>
Marketing	\$ 13,812	\$ 4,926
Legal and accounting	11,861	-
Printing	900	2,998
Donor cultivation	-	4,950
	<u>\$ 26,573</u>	<u>\$ 12,874</u>

11. COMMITMENTS AND CONTINGENCIES

Office Leases

The Foundation entered into a three-year lease agreement for office space which expired April 30, 2017 and was renewed for an additional 84 months through April 30, 2023. Rental expense for the year ended June 30, 2022 and 2021 was \$40,349 and \$39,554, respectively. As of June 30, 2022, future minimum lease payment for the year ended June 30, 2023 is \$33,288.

Future Meeting Sites

The Foundation entered into several agreements for future meeting sites with various hotels. In the event of the cancellation of these agreements on June 30, 2022, the maximum cancellation penalty would be \$57,600. Subsequent to the fiscal year end, the Foundation satisfied the terms of some of these contracts and, therefore, was not liable for cancellation fees in the amount of \$30,000.

COVID-19 Coronavirus

Citizens and economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. While it is premature to accurately predict how the coronavirus will ultimately affect the Foundation's operations because the disease's severity and duration are uncertain, we expect 2022 financial results may be significantly impacted. No pandemic implications are accounted for in these financial statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

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12. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 15, 2022, the date the financial statements were available to be issued.