

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

FINANCIAL STATEMENTS

Year Ended June 30, 2021
with Summarized Comparative Information
for the year ended June 30, 2020

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7 - 8
Notes to Financial Statements	9 - 28

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, 2021, 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, 2021, 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 noted in Note 12 to the financial statements, economic uncertainties have arisen as a result of the spread of the novel coronavirus which are likely to negatively 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 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2020. 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 10, 2021

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2021 (with Comparative Information as of June 30, 2020)

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,015,409	\$ 1,027,288
Account receivable	480	25,700
Grant receivable	10,000	-
Prepaid expenses	37,785	34,833
Deposit	<u>17,160</u>	<u>24,436</u>
TOTAL CURRENT ASSETS	<u>1,080,834</u>	<u>1,112,257</u>
PROPERTY AND EQUIPMENT, AT COST, NET	<u>12,453</u>	<u>18,153</u>
OTHER ASSETS		
Investments	86,788,117	69,941,695
Investment - Healthcare Portfolio V DST	<u>1,193,129</u>	<u>-</u>
TOTAL OTHER ASSETS	<u>87,981,246</u>	<u>69,941,695</u>
TOTAL ASSETS	<u><u>\$ 89,074,533</u></u>	<u><u>\$ 71,072,105</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 30,470	\$ 26,809
Grants payable	10,000	37,132
Accrued expenses	66,213	51,900
Deferred revenue	95,135	41,300
Paycheck Protection Program Loan	<u>-</u>	<u>131,761</u>
TOTAL CURRENT LIABILITIES	<u>201,818</u>	<u>288,902</u>
NET ASSETS		
Without donor restrictions	82,602,908	65,293,393
With donor restrictions	<u>6,269,807</u>	<u>5,489,810</u>
TOTAL NET ASSETS	<u>88,872,715</u>	<u>70,783,203</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 89,074,533</u></u>	<u><u>\$ 71,072,105</u></u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021 (with Summarized Comparative Information for the year ended June 30, 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Contributions	\$ 8,068,569	\$ 709,416	\$ 8,777,985	\$ 10,765,766
Investment income	15,439,659	1,153,579	16,593,238	1,876,415
Fee income	818,886	-	818,886	709,080
Other income	201,748	-	201,748	53,014
Net assets released from restrictions	1,082,998	(1,082,998)	-	-
TOTAL REVENUE	25,611,860	779,997	26,391,857	13,404,275
EXPENSES				
Program services	7,350,621	-	7,350,621	13,795,153
Support services				
Management and general	487,257	-	487,257	462,031
Fundraising	464,467	-	464,467	572,834
Total support services	951,724	-	951,724	1,034,865
TOTAL EXPENSES	8,302,345	-	8,302,345	14,830,018
CHANGE IN NET ASSETS	17,309,515	779,997	18,089,512	(1,425,743)
NET ASSETS, beginning of year	65,293,393	5,489,810	70,783,203	72,208,946
NET ASSETS, end of year	\$ 82,602,908	\$ 6,269,807	\$ 88,872,715	\$ 70,783,203

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021 (with Summarized Comparative Information for the year ended June 30, 2020)

	2021			2020	
	Program Services	General and Administrative	Fundraising	Total	Total
Grants	\$ 6,240,233	\$ -	\$ -	\$ 6,240,233	\$ 12,705,888
Salaries and benefits	315,391	270,336	315,391	901,118	788,485
Bank and investment fees	412,034	4,337	17,349	433,720	410,090
Scholarships	313,856	-	-	313,856	354,040
Payroll taxes	21,732	18,628	21,732	62,092	54,086
Technology subscriptions	19,506	19,499	19,499	58,504	46,234
Contract labor	3,000	7,600	39,277	49,877	57,000
Rent	-	39,554	-	39,554	33,780
Website and network services	1,555	27,991	1,555	31,101	52,254
Office expenses	2,389	23,890	3,584	29,863	38,952
Other	9,524	7,464	8,752	25,740	42,468
Accounting	-	23,320	-	23,320	22,226
Printing and postage	5,644	941	12,228	18,813	28,771
Dues, subscriptions and publications	-	15,859	1,762	17,621	18,199
Community partnerships	4,617	2,917	4,617	12,151	8,496
Insurance	-	9,479	-	9,479	9,501
Depreciation	-	5,700	-	5,700	6,500
Consignment	-	-	5,339	5,339	11,733
Marketing	-	995	3,978	4,973	15,007
Entertainment	-	-	-	-	100,758
In-kind expenses:					
Marketing services	-	-	4,950	4,950	4,455
Legal services	-	4,926	-	4,926	593
Printing services	-	-	2,998	2,998	4,805
Donor cultivation	-	-	-	-	4,900
Payroll services	1,140	978	1,140	3,258	3,003
Conferences and training	-	2,843	-	2,843	2,277
Advertising	-	-	316	316	5,517
TOTAL EXPENSES	\$ 7,350,621	\$ 487,257	\$ 464,467	\$ 8,302,345	\$ 14,830,018

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2021 (with Comparative Information for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	\$ 7,809,105	\$ 14,757,106
Interest and dividend income	571,465	1,071,764
	<u>8,380,570</u>	<u>15,828,870</u>
Total cash received from operations		
Cash disbursed by operations		
Payments to employees, grantees, and suppliers	8,298,606	14,779,562
	<u>81,964</u>	<u>1,049,308</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(17,053,732)	(27,877,170)
Proceeds from sales of investments	16,959,889	26,429,940
	<u>(93,843)</u>	<u>(1,447,230)</u>
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	131,761
	<u>(11,879)</u>	<u>(266,161)</u>
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>1,027,288</u>	<u>1,293,449</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u>\$ 1,015,409</u>	<u>\$ 1,027,288</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
Unrealized (gain) loss in fair value of investments	\$ (13,091,505)	\$ 743,829
Increase (decrease) in investment fair value	13,091,505	(743,829)
In-kind stock donation	(1,923,934)	(3,366,877)
Increase in investment value	1,923,934	3,366,877
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, 2021 (with Comparative Information for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ 18,089,512</u>	<u>\$ (1,425,743)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Forgiveness of Paycheck Protection Program loan	(131,761)	-
Depreciation	5,700	6,500
Unrealized (gain) loss on investment	(2,930,268)	743,829
Realized gain on investment	(13,091,505)	(1,548,480)
Donated stock	<u>(1,923,934)</u>	<u>3,366,877</u>
NET ADJUSTMENTS	<u>(18,071,768)</u>	<u>2,568,726</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS (USING) PROVIDING CASH		
ASSETS		
Accounts receivable	25,220	(11,700)
Prepaid expenses	(2,952)	17,573
Deposit	<u>7,275</u>	<u>(7,248)</u>
	<u>29,543</u>	<u>(1,375)</u>
LIABILITIES		
Accounts payable	7,534	16,146
Grants payable	(37,132)	1,632
Accrued expenses	10,440	1,100
Deferred revenue	<u>53,835</u>	<u>(111,178)</u>
	<u>34,677</u>	<u>(92,300)</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>64,220</u>	<u>(93,675)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 81,964</u></u>	<u><u>\$ 1,049,308</u></u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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 Association 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, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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, 2021 and 2020, 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.

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 2014-09, Revenue from Contracts with Customers modifying ASC section 606. The change has been applied as of June 30, 2021, with no effect on beginning net assets without donor restrictions.

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 \$3,109 and \$2,930 for the years ended June 30, 2021 and 2020, respectively.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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, payroll taxes, technology subscriptions, contract labor, website and network services, office expenses, other, printing and postage, dues, subscriptions and publications, community partnerships, marketing, and payroll services 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, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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, 2021 and 2020.

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.

Donated Services and Materials

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. See Note 11 for details of the amount of in-kind contributions provided.

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, 2020, from which the summarized information was derived.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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

Summary of Significant Accounting Policies (Continued)

Liquidity

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, 2022 are as follows:

Financial Assets		
Cash	\$	1,015,409
Accounts receivable		480
Grants receivable		10,000
Investments		86,788,117
Total Financial assets		<u>87,814,006</u>
Less amounts not available within one year		
Purpose restricted net assets		(6,269,807)
Donor advised funds		<u>(62,006,543)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	\$	<u><u>19,537,656</u></u>

2. CASH AND CASH EQUIVALENTS

Cash as of June 30, 2021 and 2020 consisted of the following:

	2021	2020
Checking and money market accounts	\$ 1,015,170	\$ 1,027,020
Petty cash	239	268
	<u>\$ 1,015,409</u>	<u>\$ 1,027,288</u>

The Foundation maintains its cash balances at several financial institutions in the United States. As of June 30, 2021 and 2020, cash not insured by the Federal Deposit Insurance Corporation was \$646,014 and \$1,608,477, respectively. The Foundation maintained no restricted cash balances as of June 30, 2021 and 2020.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

3. PROPERTY AND EQUIPMENT

Property and depreciation for the year ended June 30, 2021 and 2020 consisted of the following:

	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>	
	2020			Estimated
	Cost	Depreciation expense	Accumulated depreciation	useful life (years)
Furniture and equipment	\$ 22,395	\$ 1,047	\$ 17,606	3-7
Equipment	43,907	1,261	42,420	7
Leasehold improvements	37,041	4,192	25,164	5
	<u>\$ 103,343</u>	<u>\$ 6,500</u>	<u>\$ 85,190</u>	

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

4. INVESTMENTS

Investments are recorded at fair value and consist of the following at June 30, 2021 and 2020:

	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, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

4. INVESTMENTS (CONTINUED)

	2020		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 8,819,739	\$ 8,819,739	\$ -
Common stock			
Basic Materials	91,872	105,192	13,320
Communication Services	699,122	893,624	194,502
Consumer Cyclical	988,865	1,445,107	456,242
Consumer Defensive	637,153	797,040	159,887
Consumer Discretionary	24,519	92,060	67,541
Energy	156,834	109,031	(47,803)
Financial	1,460,759	1,826,194	365,435
Health Care	981,984	1,178,311	196,327
Industrials	610,684	758,614	147,930
Real Estate	234,459	755,684	521,225
Technology	1,624,792	2,914,437	1,289,645
Utilities	229,269	279,131	49,862
Corporate Bond	2,865,787	3,243,191	377,404
Exchange Traded Funds	4,932,721	5,320,778	388,057
Foreign Bond	29,982	30,979	997
Government Bond	344,015	357,208	13,193
Hedgefunds	104,793	101,278	(3,515)
Mutual funds			
Allocation	1,493,593	1,724,709	231,116
Bank Loan	23,494	21,696	(1,798)
Commodities Broad Basket	48,950	42,016	(6,934)
Communications	449,032	508,683	59,651
Consumer Cyclical	405,049	486,301	81,252
Consumer Defensive	257,215	267,457	10,242
Corporate Bond	1,837,479	2,037,798	200,319
Diversified Emerging Markets	2,383,584	2,358,041	(25,543)
Emerging Markets	409,810	403,078	(6,732)
Energy Limited Partnership	403,124	355,889	(47,235)
Equity Energy	117,587	80,100	(37,487)
Europe Stock	40,083	38,167	(1,916)
Financial	380,589	341,942	(38,647)
Foreign Large Blend	3,800,910	3,598,785	(202,125)
Foreign Large Growth	631,899	705,617	73,718

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

4. INVESTMENTS (CONTINUED)

	2020		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds (Continued)			
Foreign Large Value	\$ 172,837	\$ 146,561	\$ (26,276)
Foreign Small/Mid Blend	35,358	34,263	(1,095)
Global Real Estate	251,988	226,751	(25,237)
Health	660,508	721,133	60,625
High Yield Bond	1,082,889	1,025,784	(57,105)
High Yield Muni	37	35	(2)
Industrials	330,617	343,305	12,688
Inflation-Protected Bond	1,035,359	1,125,208	89,849
Intermediate Core Bond	1,745,575	1,895,462	149,887
Intermediate Core-Plus Bond	1,942,529	1,970,973	28,444
Intermediate Governemnt	713,741	751,950	38,209
Intermediate Term Bond	626,423	672,887	46,464
Large Blend	1,697,749	2,506,465	808,716
Large Growth	1,129,086	1,906,477	777,391
Large Value	1,306,693	1,594,039	287,346
Long Government	174,180	203,227	29,047
Long-Short Equity	1,245,204	1,104,961	(140,243)
Mid Value	205,031	199,500	(5,531)
Mid-Cap Blend	1,246,049	1,343,734	97,685
Mid-Cap Growth	261,927	274,100	12,173
Mid-Cap Value	163,907	180,145	16,238
Miscellaneous Sector	73,202	65,624	(7,578)
Multialternative	1,108,029	1,045,903	(62,126)
Multisector Bond	172,862	171,079	(1,783)
Natural Resources	52,846	56,350	3,504
Nontraditional Bond	92,732	92,688	(44)
Options-based	1,022,987	1,085,631	62,644
Preferred Stock	458,640	441,251	(17,389)
Real Estate	691,159	729,786	38,627
Short Government	88,834	88,986	152
Short-Term Bond	543,609	661,944	118,335
Small Blend	397,047	440,432	43,385
Small Cap Value	107,347	96,249	(11,098)
Small Growth	419,410	588,715	169,305

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

4. INVESTMENTS (CONTINUED)

	2020		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds (Continued)			
Small Value	\$ 547,086	\$ 668,133	\$ 121,047
Technology	817,439	1,103,713	286,274
Ultrashort Bond	921,417	919,302	(2,115)
Utilities	57,545	56,446	(1,099)
World Allocation	40,874	41,682	808
World Bond-USD Hedged	469,571	486,214	16,643
World Large Stock	64,150	117,921	53,771
Preferred stock	68,398	66,686	(1,712)
U.S. bonds	603,012	692,123	89,111
Total	<u>\$ 62,365,630</u>	<u>\$ 69,941,695</u>	<u>\$ 7,576,065</u>

Investment income consisted of the following for the year ended June 30, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 1,390,351	\$ 1,776,331
Realized and unrealized gain on investments	16,021,773	804,651
Investment fees	(818,886)	(704,567)
	<u>\$ 16,593,238</u>	<u>\$ 1,876,415</u>

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.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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, 2021.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2021 and 2020:

	2021			
	Fair Value	Level 1	Level 2	NAV
Cash and Cash Equivalents	\$ 9,913,464	\$ 9,896,363	\$ 17,101	\$ -
Common Stock	17,832,449	17,832,449	-	-
Corporate Bond	3,247,875	-	1,111,949	2,135,926
Foreign Bond	67,194	-	67,194	-
Hedge Funds	255,544	-	-	255,544
Mutual Funds	43,630,816	36,920,808	-	6,710,009
Preferred Stock	75,509	-	75,509	-
US Government Bond	399,362	-	399,362	-
US Government Note	410,654	-	410,654	-
Exchange Traded Funds	10,955,250	2,668,895	-	8,286,354
	<u>\$ 86,788,117</u>	<u>\$ 67,318,515</u>	<u>\$ 2,081,769</u>	<u>\$ 17,387,833</u>

	2020			
	Fair Value	Level 1	Level 2	NAV
Cash and Cash Equivalents	\$ 8,819,738	\$ 8,575,814	\$ 243,924	\$ -
Common Stock	11,154,425	11,154,425	-	-
Corporate Bond	3,243,191	-	2,101,051	1,142,140
Exchange Traded Funds	5,320,778	4,760,387	-	560,391
Foreign Bond	30,979	-	30,979	-
Government Bond	357,208	-	357,208	-
Hedgefunds	101,278	-	-	101,278
Mutual Funds	40,155,289	20,658,008	-	19,497,281
Preferred Stocks	66,686	-	66,686	-
U.S. Bonds	692,123	-	540,506	151,617
	<u>\$ 69,941,695</u>	<u>\$ 45,148,634</u>	<u>\$ 3,340,354</u>	<u>\$ 21,452,707</u>

Subsequent to the fiscal year end, the value of certain investments within the Foundation's portfolio declined; however, the Foundation does not consider these investments to be other-than-temporarily impaired.

6. INVESTMENT - HEALTHCARE PORTFOLIO V DST

In 2021, 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, 2021, 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, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

7. NET ASSETS WITH DONOR RESTRICTION

A summary of activity in net assets with donor restriction for the year ended June 30, 2021 and 2020 is as follows:

	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	<u>\$ 5,489,810</u>	<u>\$ 1,862,995</u>	<u>\$ (1,082,998)</u>	<u>\$ 6,269,807</u>
	2020			
	Balance at June 30, 2019	Revenue and Support	Released	Balance at June 30, 2020
Education Programs	\$ 2,517,417	\$ 70,171	\$ (153,540)	\$ 2,434,048
Health Programs	2,773,078	91,770	(150,333)	2,714,515
COVID Response Fund	-	1,924,296	(1,895,002)	29,294
Community Specific Programs	262,279	91,979	(42,305)	311,953
Total	<u>\$ 5,552,774</u>	<u>\$ 2,178,216</u>	<u>\$ (2,241,180)</u>	<u>\$ 5,489,810</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

8. ENDOWMENT FUNDS

At June 30, 2021, 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, 2021 and 2020, the endowment funds had the following activity:

	2021	2020
Net assets, beginning of year	\$ 2,399,196	\$ 2,406,539
Interest and dividends	83,824	50,431
Change in fair value of investments	465,558	45,135
Authorized expenditures	<u>(105,188)</u>	<u>(102,909)</u>
Net assets, end of year	<u>\$ 2,843,390</u>	<u>\$ 2,399,196</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, 2021 and 2020.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

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. PAYCHECK PROTECTION PROGRAM LOAN

The Foundation received loan proceeds in the amount of \$131,761 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral of payments for the first six months. The Foundation applied for and received forgiveness of the loan in full during the fiscal year.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

10. CONCENTRATIONS

For the years ended June 30, 2021 and 2020, the Foundation recognized support of \$3,293,185 from four major donors and \$5,773,688 from eight major donors, respectively.

11. DONATED SERVICES

The Foundation receives in-kind contributions from members of the Board of Directors and other companies. The fair value of the services received for the year ended June 30, 2021 and 2020 were as follows:

	2021	2020
Donor cultivation	\$ 4,950	\$ 4,900
Marketing	4,926	4,455
Legal and accounting	2,998	593
Printing	-	4,805
	<u>\$ 12,874</u>	<u>\$ 14,753</u>

12. 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, 2021 and 2020 was \$38,523 and \$32,768, respectively.

As of June 30, 2021, future minimum lease payments are as follows:

2022	\$ 42,622
2023	29,960
	<u>\$ 72,582</u>

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, 2021, the maximum cancellation penalty would be \$55,200.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 (with Comparative Information as of and for the year ended June 30, 2020)

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Novel 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, 2022 results of operations may be significantly impacted. No pandemic implications are accounted for in these financial statements.

13. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 10, 2021, the date the financial statements were available to be issued.