



Eddie, Friends Mascot

2020 Annual Report

Dear Friends:

What can we say about 2020, it was a year of twists and turns and challenges at every corner for all of us. We canceled our annual wine event in the spring, but we were able to hold our golf event in the fall.

What we can say about 2020 is that we were blessed to have the support of our caring, compassionate, animal loving community. We raised over \$453,000 which was an increase of \$53,000 over 2019. Our community saw the need and understood that the pets at the Shelter needed us more than ever.

Due to COVID-19 the Fairfax County Animal Shelter had to offer adoptions through new avenues, an online adoption process was created to ensure that the pets could find their new forever homes.

Although surrenders to the Shelter were significantly less for the 2020, the pets at the Shelter still needed the care that we provide.

With your generosity we were able to ensure medical treatment, including emergency life-saving medical care for 37 pets, dental to improve overall health, reduce pain, and help set pets and their adopter up for success for 35 pets, spay/neuter surgeries for 700 community cats and provide the funding for a comprehensive parasite prevention program for 2,205 pets. The Shelter administers flea and tick prevention and deworming to all dogs, cats, and rabbits upon intake. We also provided 532 adopted dogs with leashes, collars and tags and collars with personalized tags to 854 cats.

Through your support we were able to fund a comprehensive audit report and we have included the report along with success stories.

Our all-volunteer board, small staff and volunteers continue to work as a team to increase awareness of the wonderful pets waiting to be adopted at the Shelter. Although we had to curtail in person community outreach and events, we became more creative and held virtual outreach and events to engage our animal loving community. We continued to do community outreach through our newsletters and social media.

We continue to be so grateful for the generosity and support of our community. Your donations have made a huge difference to countless Shelter pets, including our beloved Friends mascot Eddie. Thank you for your continued support.

Warm Regards,

Evelyn C. Grieve

Evelyn C. Grieve
President, Co-Founder

2020 Program Highlights

Since 2006, the Friends of the Fairfax County Animal Shelter has been the 501c3 nonprofit fundraising partner of the Fairfax County Animal Shelter. By funding a myriad of critical programs to support pets, Friends joins in the Shelter's efforts to ensure every Shelter pet is offered the best opportunity to find and remain in a loving forever home. In 2020, with the generous support of our animal-loving community, Friends provided \$160,449 in support:

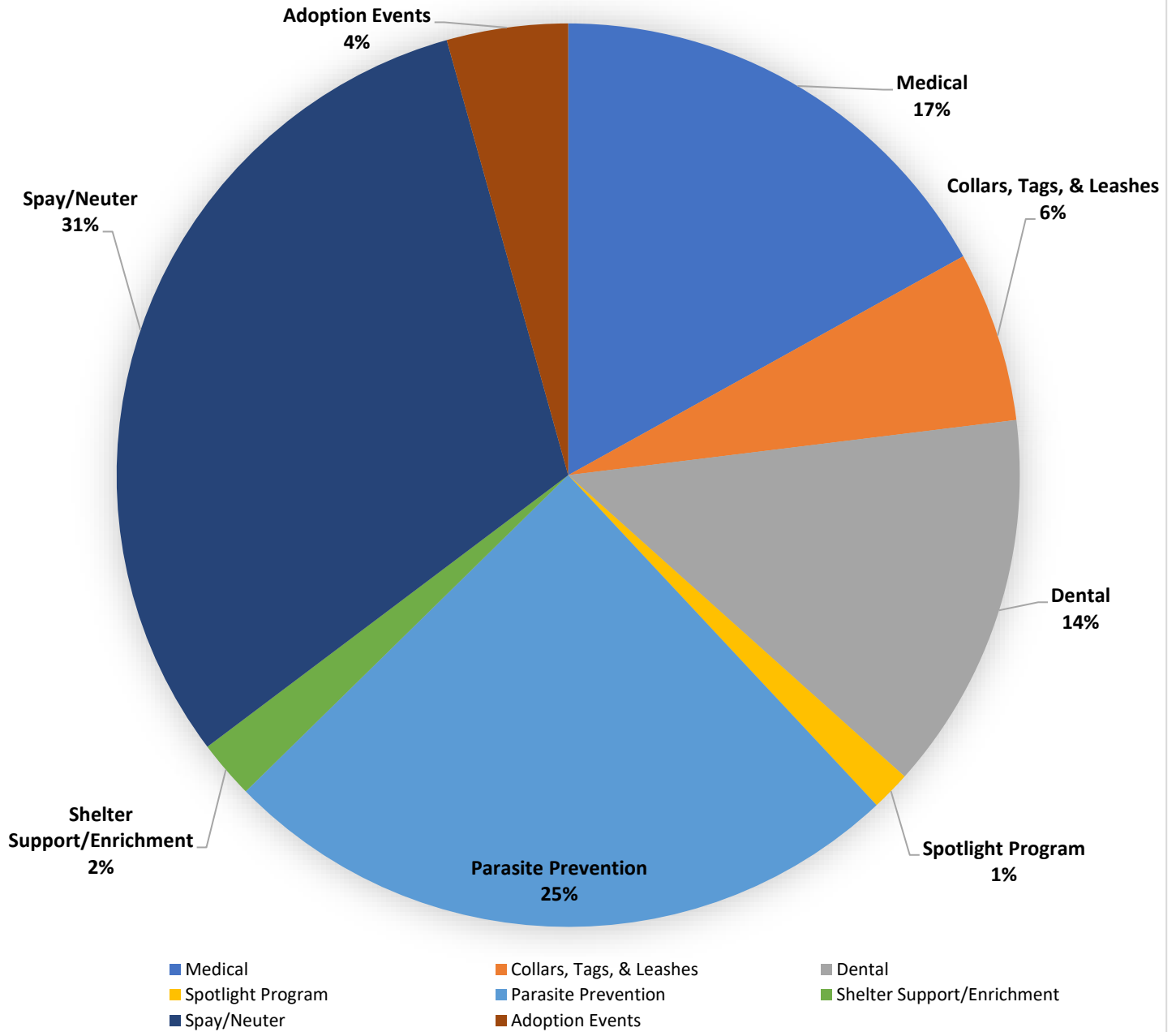
- \$26,382 for medical treatment, including emergency life-saving medical care for 38 pets.
- \$9,497 in leashes for dogs, and collars with personalized tags for adopted dogs and cats.
- \$21,125 toward dental care for a total of 35 pets, to improve overall health, reduce pain, and help set pets and their adopters up for success.
- \$3,232 toward the items for the Shelter's enrichment program.
- \$48,145 to fund spay/neuter surgeries for 700 community cats as part of the Shelter's TNR program.
- \$38,325 of funding for the Shelter's comprehensive parasite prevention program, to administer flea and tick prevention and dewormer to all dogs, cats, and rabbits upon intake. In 2020, the program treated: 1,084 dogs and puppies; 988 cats and kittens; 133 rabbits.
- 22 pets highlighted on social media as part of the FFCAS Spotlight Program.
- \$6,750 in adoption event sponsorships, ranging from one- to four-day free or half-price adoption events throughout the year. During these sponsored events, 62 pets were adopted.



Keep up with Friends of the Fairfax County Animal Shelter!

www.ffcas.org | www.facebook.com/ffcas | www.instagram.com/ffxfriends

Shelter Expenditures of \$160,449 in 2020



Our Success is Their Success



Cora had a rough start to life — she was found with severe injuries including a broken pelvis, broken left femur, and a broken tail. We do not know quite how Cora ended up like this, possibly hit by a car, but we are so glad she found her way to the Fairfax County Animal Shelter.

The caring staff at the Fairfax County Animal Shelter made sure Cora had the care she needed immediately, and Friends stepped in to fund Cora's surgery. After having her pelvis and femur repaired and her tail amputated, Cora was on the road to recovery.

Cora has found her forever home, and it would not have been possible without the help of our compassionate, loving community. Thank you for helping pets like Cora receive the vital care they need so that they may live happy, long lives!

Even our small friends get into tough situations where they need our assistance.

When Frisco first arrived at the Fairfax County Animal Shelter, he had a serious injury to one of his back legs, including old breaks to left pelvis, femur, and tibia. This severe trauma required an amputation to ensure he had a good quality of life as he was still a young bunny. Friends funded his leg amputation, and his awesome foster helped nurse him back to health. Despite having three legs, he got around with no issues and is still an energetic little guy!

Frisco was adopted into a lovely family, and he no longer suffers from pain and discomfort due to the old injuries. Thanks to your support, Frisco is living a healthy and happy life!



Thank you for making our work possible!

**FRIENDS OF THE FAIRFAX COUNTY
ANIMAL SHELTER**

Centreville, Virginia

FINANCIAL REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of the Fairfax County Animal Shelter
Centreville, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Friends of the Fairfax County Animal Shelter, which comprise the statement of financial position as of December 31, 2020, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Fairfax County Animal Shelter as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
September 22, 2021

FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

Statement of Financial Position

December 31, 2020

Assets	
Current Assets,	
cash and cash equivalents	\$ 684,277
Investments	<u>269,546</u>
Total assets	<u>\$ 953,823</u>
 Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 6,732
Paycheck Protection Program	<u>17,035</u>
Total current liabilities	<u>23,767</u>
 Net Assets	
Without donor restrictions	923,776
With donor restrictions	<u>6,280</u>
Total net assets	<u>930,056</u>
Total liabilities and net assets	<u>\$ 953,823</u>

See Notes to Financial Statements.

FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

Statement of Activities

For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 378,456	\$ 6,579	\$ 385,035
Special events, net	45,715	--	45,715
Investment income, net of fees of \$2,337	40,836	--	40,836
Net assets released from restrictions	<u>10,601</u>	<u>(10,601)</u>	<u>--</u>
Total support and revenue	<u>475,608</u>	<u>(4,022)</u>	<u>471,586</u>
 Expenses			
Program services	233,197	--	233,197
Supporting services:			
General and administrative	50,461	--	50,461
Fundraising	<u>14,393</u>	<u>--</u>	<u>14,393</u>
Total expenses	<u>298,051</u>	<u>--</u>	<u>298,051</u>
 Changes in net assets	177,557	(4,022)	173,535
 Net Assets, beginning of year	<u>746,219</u>	<u>10,302</u>	<u>756,521</u>
 Net Assets, end of year	<u>\$ 923,776</u>	<u>\$ 6,280</u>	<u>\$ 930,056</u>

See Notes to Financial Statements.

FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

Statement of Cash Flows

For the Year Ended December 31, 2020

Cash Flows from Operating Activities

Cash received from donors	\$ 430,750
Cash paid to suppliers	(211,444)
Cash paid to employees	<u>(91,492)</u>
Net cash provided by operating activities	<u>127,814</u>

Cash Flows from Investing Activities

Purchase of investments	(67,279)
Proceeds from sale of investments	70,791
Interest and dividends received	<u>6,836</u>
Net cash provided by investing activities	<u>10,348</u>

Cash Flows from Financing Activities,

proceeds from Paycheck Protection Program loan	<u>17,035</u>
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Net increase in cash and cash equivalents 155,197

Cash and Cash Equivalents

Beginning of year	<u>529,080</u>
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End of year	<u>\$ 684,277</u>
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Reconciliation of Change in Net Assets to Net Cash

Provided by Operating Activities

Increase in net assets	\$ 173,535
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized and unrealized gain on investments, net	(43,173)
Changes in assets and liabilities, (decrease) in accounts payable	<u>(2,548)</u>
Net cash provided by operating activities	<u>\$ 127,814</u>

See Notes to Financial Statements.

FRIENDS OF THE FAIRFAX COUNTY ANIMAL SHELTER

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Friends of the Fairfax County Animal Shelter (the Organization), is a not-for-profit charitable organization formed in 2006 in the Commonwealth of Virginia. The Organization supports the Fairfax County Animal Shelter by financing medical and dental care, parasite prevention, spay and neuter for community cats, tags and collars for adopted cats and dogs, leashes for dogs and animal enrichment programs. They also purchase supplies for the shelter and conduct outreach and education efforts to ensure that every shelter pet is offered the best opportunity as they wait for their forever home.

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses recognized during the reporting period. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received at fair value, which is net of estimated uncollectible amounts. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net asset without donor restrictions.

Bequest revenue is recognized when the Organization has an irrevocable right to the gift and the proceeds are readily measurable.

Event income is recognized upon completion of the related event.

Notes to Financial Statements

Donated Securities

Donated securities are reported at their fair value as of the date of donation. Sales are reflected on a trade-date basis.

In-Kind Support

Contributions of donated services that enhance a non-financial asset and contributed services that are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying financial statements. Contributed services represent the value of donated program volunteer and other services, special event professional service, and legal services and are recorded as contributions at their estimated fair market value as of the date of the donation.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Contributions receivable represent unconditional promises to give that are expected to be collected within one year and are reported at their net realizable value. The Organization uses the allowance method for recording bad debt expense. Management periodically reviews the aged receivables and adjusts the allowance to reflect the current estimate of future bad debt expense. At December 31, 2020, the Organization did not have contributions receivable.

Investments

The Organization records investments at fair market value in the statement of financial position. Investment return is reflected in the statement of activities, net of fees. Investment return, net consists of the following for the year ended December 31, 2020:

Interest and dividends	\$	6,836
Realized gain on investments		8,870
Unrealized gain on investments		27,467
Investment fees		<u>(2,337)</u>
Total	\$	<u>40,836</u>

Net Assets

Undesignated net assets without donor restriction are those net assets that are not subject to donor-imposed restrictions or board designations.

Board-designated net assets without donor restriction are those net assets set aside by the Organization's Board of Directors.

Net assets with donor restrictions result from contributions in which the Organization's use is limited by donor-imposed restrictions that either expire with passage of time or by action of the Organization relative to the restriction.

Notes to Financial Statements

Fair Value of Financial Instruments

The carrying amounts for cash and cash equivalents, restricted cash, contributions receivable, prepaid expenses, accounts payable, accrued liabilities, and current maturities of long-term borrowing approximate fair market value because of the short maturity of these instruments. Investments are generally reported at fair value.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs were \$790 for the year ended December 31, 2020.

Tax Exempt Status

The Organization has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended and is classified as other than a private foundation. However, income from certain activities not directly related to the organization's tax-exempt purposes may be subject to taxation as unrelated business income. There was no unrelated business income in 2020.

Management has evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to or disclosure in the financial statements. With few exceptions, federal and state information returns for the year prior to 2017 are no longer subject to examination by tax authorities.

New Accounting Pronouncement

FASB Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. Analysis of various provisions of the standard resulted in no significant changes in the way the Organization recognize revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced with the standard.

In June 2018, FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 for contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the Organization's implementation of ASU 2018-08.

Notes to Financial Statements

Allocation Methodology for the Schedule of Functional Expenses

The costs of providing program and other activities are summarized on a functional basis in the schedule of functional expenses. Certain costs have been allocated among program, management and general and fundraising. Such allocations have been made by management on an equitable basis. The expenses that are allocated included the following:

<u>Expense</u>	<u>Method of Allocation</u>
Adoption event support	Direct Allocation
Advertising	Time and Effort
Bank and credit card fees	Time and Effort
Charitable contributions	Direct Allocation
Collar, tag and leash program	Direct Allocation
Community outreach and education	Time and Effort
Consulting fees	Time and Effort
Dental treatment	Direct Allocation
Dues and subscriptions	Time and Effort
Hospice and senior pet program	Direct Allocation
Insurance	Time and Effort
Professional fees - accounting	Time and Effort
Medical treatment for shelter animals	Direct Allocation
Office supplies and postage	Time and Effort
Other	Time and Effort
Owner assist medical treatment	Direct Allocation
Parasite prevention program	Direct Allocation
Payroll and payroll taxes	Time and Effort
Shelter spay neuter	Direct Allocation
Shelter support	Direct Allocation
Printing and website	Time and Effort
Technology	Time and Effort
Tribute garden	Time and Effort & Direct Allocation

Notes to Financial Statements

Note 2. Liquidity and Availability

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year following December 31, 2020:

Financial assets, at year-end:

Cash and cash equivalents	\$ 684,277
Investments, at fair market value	<u>269,546</u>
Total financial assets	<u>953,823</u>

Less those unavailable for general expenditure within one year, due to:

Board designations	200,000
Donor-imposed restrictions	<u>6,280</u>
Financial assets not available to be used within one year	<u>206,280</u>

Financial assets available to meet cash needs for general expenditures within one year	\$ <u>747,543</u>
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Note 3. Investments

The Organization holds the following investments at December 31, 2020:

	Cost Basis	Unrealized Gain	Fair Value
Fixed income securities	\$ 107,115	\$ 4,626	\$ 111,741
Equity securities	129,824	22,840	152,664
Cash	<u>5,141</u>	<u>- -</u>	<u>5,141</u>
	<u>\$ 242,080</u>	<u>\$ 27,466</u>	<u>\$ 269,546</u>

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are briefly described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Notes to Financial Statements

The fair values of all of the marketable securities as of December 31, 2020 are based on unadjusted, quoted prices in active markets as of the measurement date (often referred to as Level 1 inputs.)

The following table presents the balance of financial assets measured at fair value on a recurring basis as of December 31, 2020:

	Level 1	Level 2	Level 3
Fixed income securities	\$ 111,741	\$ --	\$ --
Equity securities	152,664	--	--
Cash	5,141	--	--
	\$ 269,546	\$ --	\$ --

Note 4. Special Events

Special fundraising events are reflected net of costs in the statement of activities. Gross revenues and expenses for the year ended December 31, 2020, is comprised of the following:

Revenues	\$ 63,423
Expenses	(17,708)
Net	\$ 45,715

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions for the year ended December 31, 2020 is summarized as follows:

	2019	Additions	Releases	2020
Finnegan's Fund for Emergency Medical	\$ 2,763	\$ 3,457	\$ --	\$ 6,220
TNR Program	500	500	1,000	--
Medical	6,513	--	6,513	--
Senior Pet Adoptions (PetSmart)	91	--	91	--
Maddie's Fund	--	2,622	2,562	60
Adoption Events	435	--	435	--
	\$ 10,302	\$ 6,579	\$ 10,601	\$ 6,280

Note 6. Contributed Services

The Organization receives a significant amount of donated services from individuals and public and private organizations. Management estimates that in excess of 2,000 hours are donated each year for various administrative services provided for day-to-day operations and fundraising activities.

Notes to Financial Statements

Note 7. Concentrations of Credit Risk

The Organization's cash account may, at times, exceed the federally insured limits. The Organization has not experienced any losses on such accounts, and it believes it is not exposed to any significant credit risk on cash and cash equivalents.

Note 8. Board Designated Net Assets Without Donor Restrictions

The Board of Directors segregated certain fundraising funds to be spent only for unexpected contingencies and other events so warranted by the Board. As of December 31, 2020, designated net assets totaled \$200,000.

Note 9. Notes Payable

In April 2020, the Foundation received a \$17,035 loan under the Paycheck Protection Program (PPP). Under the terms of the PPP, up to up to 100% of the loan (and any related interest) may be forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. The Foundation applied for loan forgiveness with the lender and received forgiveness on May 21, 2021. The amount of loan forgiveness will be reported as a component of other income in the year ending December 31, 2021.

Note 10. Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Organization for its year ending December 31, 2022. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of Topic 842 will have on its financial statements.

In September 2020, FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. ASU No. 2020-07 is effective for the Organization for its year ending December 31, 2022. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

Notes to Financial Statements

Note 11. Subsequent Events

The Organization has evaluated all subsequent events through September 22, 2021, the date the financial statements were available to be issued.

As noted in Note 9, the Organization applied for and received forgiveness under the Paycheck Protection Program.

The Organization has determined there are no other subsequent events that require recognition or disclosure.

Note 12. Schedule of Functional Expenses

The Organization's schedule of functional expenses is as follows as of December 31, 2020:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Adoption event support	\$ 6,750	\$ --	\$ --	\$ 6,750
Advertising	570	--	220	790
Bank and credit card fees	--	6,056	--	6,056
Charitable contributions	500	--	--	500
Collar, tag and leash program	9,497	--	--	9,497
Community outreach and education	200	63	--	263
Consulting fees	750	--	--	750
Dental treatment	18,033	--	--	18,033
Dues and subscriptions	642	378	--	1,020
Hospice and senior pet program	330	--	--	330
Insurance	--	2,097	--	2,097
Professional fees - accounting	--	22,173	--	22,173
Medical treatment for shelter animals	18,641	--	--	18,641
Office supplies and postage	3,662	761	546	4,969
Other	107	--	--	107
Owner assist medical treatment	4,609	--	--	4,609
Parasite prevention program	40,388	--	--	40,388
Payroll and payroll taxes	62,927	16,385	12,180	91,492
Shelter spay neuter	49,470	--	--	49,470
Shelter support	2,941	--	314	3,255
Printing and website	8,901	--	388	9,289
Technology	1,048	2,548	140	3,736
Tribute garden	3,231	--	605	3,836
Total functional expenses	<u>\$ 233,197</u>	<u>\$ 50,461</u>	<u>\$ 14,393</u>	<u>\$ 298,051</u>