

OKIZU FOUNDATION
FINANCIAL STATEMENTS
For the Years Ended
December 31, 2018 and 2017

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Independent Auditors' Report

Board of Directors
Okizu Foundation

We have audited the accompanying financial statements of Okizu Foundation, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Okizu Foundation as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Novato, California
August 26, 2019

Bregante + Company LLP

OKIZU FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Assets:		
Cash and cash equivalents	\$ 676,653	\$ 384,264
Pledges and grants receivable	200,000	526,120
Certificates of deposit	375,000	-
Investments	42,813	46,154
Prepaid expenses	31,881	29,155
Inventory	4,890	2,786
Property and equipment, net	6,120,879	6,265,740
Loan fees, net of accumulated amortization of \$540 and \$281	7,220	7,479
Security deposit	<u>3,609</u>	<u>3,609</u>
Total assets	<u>\$ 7,462,945</u>	<u>\$ 7,265,307</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 9,411	\$ 6,997
Accrued payroll	26,164	23,473
Accrued interest	527	1,300
Note payable	<u>564,806</u>	<u>1,043,256</u>
Total liabilities	600,908	1,075,026
Net assets:		
Without donor restrictions:		
Designated - property and equipment, net of related debt	5,556,073	5,222,484
Designated - Preservation Fund	915,043	340,950
Undesignated	<u>205,342</u>	<u>47,572</u>
Total net assets without donor restrictions	6,676,458	5,611,006
With donor restrictions	<u>185,579</u>	<u>579,275</u>
Total net assets	<u>6,862,037</u>	<u>6,190,281</u>
Total liabilities and net assets	<u>\$ 7,462,945</u>	<u>\$ 7,265,307</u>

See accompanying notes to the financial statements.

OKIZU FOUNDATION

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Special events revenue	\$ 1,197,071	\$ -	\$ 1,197,071	\$ 1,052,990	\$ -	\$ 1,052,990
Direct benefits to donors	<u>(509,769)</u>	<u>-</u>	<u>(509,769)</u>	<u>(523,174)</u>	<u>-</u>	<u>(523,174)</u>
Special events, net	687,302	-	687,302	529,816	-	529,816
Contributions	1,945,134	23,600	1,968,734	1,441,398	129,056	1,570,454
Contributed goods and services	153,886	-	153,886	74,744	-	74,744
Investment income	2,624	124	2,748	78	4,381	4,459
Other income	3,399	-	3,399	4,854	-	4,854
Net assets released from restrictions	<u>417,420</u>	<u>(417,420)</u>	<u>-</u>	<u>284,470</u>	<u>(284,470)</u>	<u>-</u>
Total revenue and support	3,209,765	(393,696)	2,816,069	2,335,360	(151,033)	2,184,327
Expenses:						
Program services	1,729,432	-	1,729,432	1,604,855	-	1,604,855
Management and administrative	125,990	-	125,990	114,150	-	114,150
Fundraising	<u>288,891</u>	<u>-</u>	<u>288,891</u>	<u>373,578</u>	<u>-</u>	<u>373,578</u>
Total expenses	<u>2,144,313</u>	<u>-</u>	<u>2,144,313</u>	<u>2,092,583</u>	<u>-</u>	<u>2,092,583</u>
Changes in net assets	1,065,452	(393,696)	671,756	242,777	(151,033)	91,744
Net assets, beginning of year	<u>5,611,006</u>	<u>579,275</u>	<u>6,190,281</u>	<u>5,368,229</u>	<u>730,308</u>	<u>6,098,537</u>
Net assets, end of year	<u>\$ 6,676,458</u>	<u>\$ 185,579</u>	<u>\$ 6,862,037</u>	<u>\$ 5,611,006</u>	<u>\$ 579,275</u>	<u>\$ 6,190,281</u>

See accompanying notes to the financial statements.

OKIZU FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Changes in net assets	\$ 671,756	\$ 91,744
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	238,048	237,687
Amortization of loan fees	259	259
Net realized and unrealized gain on investments	2,231	(72)
(Increase) decrease in assets:		
Pledges and grants receivable	326,120	158,880
Prepaid expenses	(2,726)	36,481
Inventory	(2,104)	2,053
Security deposit	-	(109)
Increase (decrease) in liabilities:		
Accounts payable	2,414	(1,206)
Accrued payroll	2,691	5,180
Accrued interest	<u>(773)</u>	<u>(92)</u>
Total adjustments	<u>566,160</u>	<u>439,061</u>
Net cash provided by operating activities	<u>1,237,916</u>	<u>530,805</u>
Cash flows from investing activities:		
Purchases of property and equipment	(93,187)	(29,919)
Proceeds from redemption of certificate of deposit	250,000	-
Proceeds from sale of investments	3,400	3,600
Purchases of certificates of deposit	(625,000)	-
Purchases of investments	<u>(2,290)</u>	<u>(4,375)</u>
Net cash used by investing activities	<u>(467,077)</u>	<u>(30,694)</u>
Cash flows from financing activities:		
Payments on note payable	<u>(478,450)</u>	<u>(367,878)</u>
Net cash used by financing activities	<u>(478,450)</u>	<u>(367,878)</u>
Net increase in cash	292,389	132,233
Cash, beginning of year	<u>384,264</u>	<u>252,031</u>
Cash, end of year	<u>\$ 676,653</u>	<u>\$ 384,264</u>

Supplemental disclosure of cash flow information:

Cash paid for interest was \$41,169 and \$54,283 for the years ended December 31, 2018 and 2017, respectively.

See accompanying notes to the financial statements.

OKIZU FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2018 and 2017

	2018				2017			
	Program Services	Management and Administrative	Fundraising	Total	Program Services	Management and Administrative	Fundraising	Total
Salaries and benefits	\$ 740,629	\$ 70,709	\$ 226,840	\$ 1,038,178	\$ 639,614	\$ 62,990	\$ 283,447	\$ 986,051
Depreciation and amortization	238,307	-	-	238,307	237,946	-	-	237,946
Contributed services	153,886	-	-	153,886	74,744	-	-	74,744
Repairs and maintenance	99,669	857	2,596	103,122	151,272	903	2,735	154,910
Camp food	99,525	-	-	99,525	88,330	-	-	88,330
Utilities	79,968	1,207	3,656	84,831	70,738	1,120	3,392	75,250
Camper transportation	74,402	-	-	74,402	72,448	-	-	72,448
Insurance	57,675	2,056	5,948	65,679	64,841	2,179	7,770	74,790
Occupancy	32,179	3,859	11,686	47,724	37,031	4,440	13,448	54,919
Recruitment and retention	40,791	-	-	40,791	27,109	-	-	27,109
Interest	40,396	-	-	40,396	54,191	-	-	54,191
Office expense	33,642	4,759	-	38,401	43,062	121	-	43,183
Professional services	-	35,809	-	35,809	-	35,549	-	35,549
Fundraising	-	-	32,526	32,526	-	-	56,077	56,077
Supplies	23,539	1,299	3,934	28,772	25,320	1,637	4,957	31,914
Miscellaneous	10,128	4,872	-	15,000	9,883	4,633	-	14,516
Postage	4,696	563	1,705	6,964	8,326	578	1,752	10,656
Total expenses	<u>\$ 1,729,432</u>	<u>\$ 125,990</u>	<u>\$ 288,891</u>	<u>\$ 2,144,313</u>	<u>\$ 1,604,855</u>	<u>\$ 114,150</u>	<u>\$ 373,578</u>	<u>\$ 2,092,583</u>
	81%	6%	13%	100%	77%	5%	18%	100%

See accompanying notes to the financial statements.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A -- Description of organization

Okizu Foundation (the Foundation) is a nonprofit corporation. It is the mission of the Foundation to provide recreational, respite and peer support programs to meet the needs of all members of families affected by childhood cancer.

The diagnosis of a chronic or life-threatening illness in a family threatens the very nature of the family structure. Children need positive nurturing and support in order to grow and lead fulfilling, productive lives. The family's normal emotional and social environment is greatly disrupted by a diagnosis of childhood cancer. Many children become dysfunctional because of the emotional and physical stress of treatment, and other family members have little support to cope with the stresses they are facing.

The Foundation has established long-term relationships with many of the pediatric oncology units in Northern California including Lucile Salter Packard Children's Hospital at Stanford, Kaiser Hospitals in Oakland, Roseville and San Francisco, Oakland Children's Hospital, John Muir Medical Center, David Grant Hospital at Travis Air Force Base, UC Davis, UC San Francisco and California Pacific Medical Center, which provide assistance to the Foundation so it can carry out its mission.

The purpose of the Foundation is to operate peer support programs for all family members, including families whose child has passed away. There is never a charge for participation in the Foundation's programs because of the emotional, financial and physical burdens placed on the families by this disease.

The Foundation purchased the former Berry Creek Ranch in Butte County, California in 1998. The property has been substantially renovated to house Camp Okizu, a permanent site for summer camps hosting children and families affected by childhood cancer.

NOTE B -- Summary of significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Concentration of credit risk

Financial instruments that potentially subject the Foundation to a concentration of credit risk consist principally of cash and certificates of deposits and pledges and grants receivable. Cash deposits are maintained at four financial institutions. The balances at times may exceed federally insured limits. The Foundation has not experienced any losses with respect to these deposits. Management believes that the Foundation is not exposed to any significant credit risk with respect to cash deposits and pledges and grants receivable.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE B -- Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash, money market funds, and certificates of deposit. The Foundation considers investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Certificates of deposit

Certificates of deposit with an initial maturity exceeding three months are reflected on the Statements of Financial Position at fair value with interest income included in the Statements of Activities. Interest income is accrued when earned.

Pledges and grants receivable

Unconditional pledges and grants receivable are reported at realizable value, net of estimated uncollectible amounts. The Foundation evaluates the amounts expected to be realized on a regular basis. Any changes in the amounts expected to be received are recorded as increases or decreases in contributions.

Unconditional pledges and grants receivable, expected to be collected later than one year, are reported at fair value, which is determined using the discounted present value of estimated future cash flows. The resulting discount is amortized ratably and is reported as contributions revenue.

Inventory

Inventory is stated at the lower of cost or market where cost is determined using the first-in, first-out method. Inventory consists primarily of logo merchandise held for resale.

Investments

Investments in all debt and equity securities are stated at fair value and are considered available for sale. Fair value is determined based on quoted market prices. Realized and unrealized gains or losses on investments are recorded in the Statements of Activities in the period that such investments are sold or fluctuations occur.

The Foundation categorizes all investment assets on an individual security basis according to the fair value hierarchy as: Level 1, investment assets with observable inputs that are derived from quoted prices for identical assets or liabilities in an active market; Level 2, quoted prices in non-active markets or in active markets for similar assets or liabilities, inputs other than quoted prices that are observable, and inputs that are not directly observable, but are corroborated by observable market data; or Level 3, unobservable inputs, which cannot be corroborated by external market data.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE B -- Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed primarily on a straight-line basis over their estimated useful lives ranging from five to thirty-nine years. The Foundation generally capitalizes property and equipment with an original cost in excess of \$4,000.

Net assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

With donor restrictions: Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and support recognition

The Foundation records contributions when the donor makes an unconditional promise to give. Donor-restricted contributions are reported as increases in net assets with donor restrictions. Conditional contributions are recognized when conditions are substantially met. Donor-restricted contributions that are received and their restrictions met in the same fiscal year are reported as unrestricted contributions. Revenue from donated auction items is recognized when sold and sales proceeds are included in special events revenue.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE B -- Summary of significant accounting policies (continued)

Income taxes

The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and under Section 23701d of the California Revenue and Taxation Code. Therefore, no provision for federal or California income tax is reflected in the financial statements.

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Foundation does not believe its financial statements include any uncertain tax positions.

The Foundation's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Functional allocation of expenses

The costs of providing the program services and supporting activities of the Foundation are reported on the Statements of Functional Expenses. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated among the program services and supporting activities based on allocation methods and estimates made by the Foundation's management and approved by the Board of Directors.

Contributed goods and services

Contributions of goods and donated use of facilities are recognized at fair value when received. Contributions of services are recognized at fair value when received if such services create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE C -- Liquidity and availability

Liquidity and availability of financial assets for general expenditures within one year at December 31 are as follows:

	<u>2018</u>	<u>2017</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 676,653	\$ 384,264
Pledges and grants receivable	200,000	526,120
Certificates of deposit	375,000	-
Investments	<u>42,813</u>	<u>46,154</u>
Total financial assets	1,294,466	956,538
Less amounts not available to be used within one year:		
Cash and cash equivalents	165	-
Pledges and grants receivable	-	235,000
Certificates of deposit	-	-
Investments	<u>42,813</u>	<u>46,154</u>
Financial assets not available to be used within one year	<u>42,978</u>	<u>281,154</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,251,488</u>	<u>\$ 675,384</u>

The Foundation invests cash in excess of short term operating requirements in certificates of deposit and money market funds as part of its liquidity management plan. The Board designated a portion of the operating surplus to its Preservation Fund (see Note I), which was \$915,043 and \$340,950 as of December 31, 2018 and 2017, respectively.

NOTE D -- Pledges and grants receivable

Pledges and grants receivable consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Due within one year	\$ 200,000	\$ 291,120
Due in one to five years	<u>-</u>	<u>235,000</u>
Pledges and grants receivable	<u>\$ 200,000</u>	<u>\$ 526,120</u>

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE D -- Pledges and grants receivable (continued)

The Foundation's management believes that all pledges and grants receivable are collectible and, accordingly, no allowance for uncollectible pledges and grants has been provided.

The Foundation had \$225,000 of conditional promises at December 31, 2018 and 2017, representing a challenge pledge that would pay off the Foundation's debt if other support is raised to pay down the debt to the level of the challenge pledge.

NOTE E -- Investments

The Foundation has categorized all investment assets on an individual security basis according to the fair value hierarchy as Level 1.

Investments consist of mutual funds stated at fair value of \$42,813 and \$46,154 at December 31, 2018 and 2017, respectively.

NOTE F -- Property and equipment

Property and equipment consist of the following at December 31:

	2018	2017
Buildings and improvements	\$ 8,306,773	\$ 8,217,509
Land	1,083,600	1,083,600
Boat house	760,153	760,153
Furniture and fixtures	163,961	150,038
Transportation equipment	104,561	104,561
Equipment	96,538	96,538
Construction in progress	-	10,000
	10,515,586	10,422,399
Less accumulated depreciation	(4,394,707)	(4,156,659)
Property and equipment, net	<u>\$ 6,120,879</u>	<u>\$ 6,265,740</u>

Depreciation expense for the years ended December 31, 2018 and 2017, was \$238,048 and \$237,687, respectively.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE G -- Line of credit

The Foundation has a \$300,000 variable rate revolving line of credit established with Presidio Bank, expiring on November 23, 2021. The interest on borrowings is computed at the bank's prime lending rate of 3.50% at December 31, 2018 and 2017. Interest is payable monthly and the principal is due at maturity unless renewed. The balance outstanding on this line of credit was \$0 at December 31, 2018 and 2017. The line is secured by a deed of trust and is guaranteed by two board members.

NOTE H -- Note payable

Notes payable consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Variable rate note payable with Presidio Bank with final payment due on November 23, 2026. The note bears interest at a fixed rate of 4.13% per annum with a fixed monthly payment of \$6,912, which includes interest and principal. Beginning in December 2021, monthly payments will be calculated using an adjusted rate published at that time.	\$ <u>564,806</u>	\$ <u>1,043,256</u>

Future maturities of note payable are as follows:

<u>Years Ending December 31,</u>	
2019	\$ 61,253
2020	63,339
2021	66,005
2022	72,346
2023	75,873
Thereafter	<u>225,990</u>
	\$ <u>564,806</u>

From time to time, the Foundation may make additional principal payments as approved by the Board of Directors.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE I -- Net Assets without donor restrictions - designated

The following net assets without donor restrictions have been designated by the Board of Directors for investments in property and equipment and operating reserve for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Property and equipment, net (Note F)	\$ 6,120,879	\$ 6,265,740
Less related borrowings (Note H)	<u>(564,806)</u>	<u>(1,043,256)</u>
Designated - property and equipment, net of related debt	5,556,073	5,222,484
Designated - Preservation Fund	<u>915,043</u>	<u>340,950</u>
Total net assets without donor restrictions - designated	\$ <u>6,471,116</u>	\$ <u>5,563,434</u>

The Preservation Fund's purpose is to provide funds for Board approved special projects and maintenance of Camp Okizu. The Foundation has initiated plans to complete a reserve study as a long term capital budget planning tool to prepare for ongoing upkeep of the camp buildings and to guide the Board in decisions related to camp maintenance and preservation.

NOTE J -- Special events revenue, net

Revenue from special events consisted of the following for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Art Inspiring Hope Gala	\$ 896,297	\$ 784,278
Sacramento dinner	128,485	149,508
Lobsterfest dinner	72,334	-
Okizu Crush	74,710	75,093
Other special events	<u>25,245</u>	<u>44,111</u>
	1,197,071	1,052,990
Less costs of direct benefits to donors	<u>(509,769)</u>	<u>(523,174)</u>
Special events revenue, net	\$ <u>687,302</u>	\$ <u>529,816</u>

Revenue from special events includes amounts for tickets sold, contributions raised during the event and proceeds from the sale of donated auction items. Revenue from the Art Inspiring Hope Gala, net of event costs directly benefiting donors, comprised 15% and 14% of total revenue and support, respectively, for the years ended December 31, 2018 and 2017.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE K -- Contributed goods and services

Contributed medical services valued at \$153,886 and \$74,744 were recorded for the years ended December 31, 2018 and 2017, respectively. The Foundation also recognized \$35,601 and \$33,645 for donated use of facilities and professional services for the Art Inspiring Hope Gala for the years ended December 31, 2018 and 2017, respectively.

Notable volunteer time adds considerably to the services provided by the Foundation. In addition to the volunteer time that requires recognition in the financial statements, approximately 80,000 and 76,000 hours were contributed by more than 700 volunteers conducting 22 peer support and other programs at Camp Okizu during the years ended December 31, 2018 and 2017, respectively. These were lifeguards, ropes course helpers, archery and fishing instructors, arts and craft directors, dishwashers and kitchen workers, counselors, unit leaders and administrative assistants.

NOTE L -- Lease obligations

The Foundation leased an office space in Novato, California under a noncancelable lease agreement that expired on March 31, 2017. On May 1, 2017, the Foundation moved into a new office space in Novato under a noncancelable lease agreement expiring on April 30, 2020, with an option to extend the lease for an additional three year term with rent payment renegotiated to be at fair market value at the time. The new lease provides for monthly payments of \$3,609 plus share of common expenses.

Future minimum rental payments are as follows:

<u>Years Ending December 31,</u>	
2019	\$ 43,308
2020	<u>14,436</u>
	<u>\$ 57,744</u>

The Foundation also rented a storage space on a month-to-month basis during 2018 and 2017. Total rent expense was \$47,724 and \$54,919 for the years ended December 31, 2018 and 2017, respectively.

NOTE M -- Retirement plan

The Foundation maintains a defined contribution 403(b) retirement plan for all employees. Employees are eligible to make elective contributions following the date of hire up to the maximum allowed by the Internal Revenue Code. The Foundation does not contribute to the plan.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018 and 2017

NOTE N -- Subsequent events

The date to which events occurring after December 31, 2018 have been evaluated for possible adjustments to the financial statements or disclosure is August 26, 2019, which is the date on which the financial statements were available to be issued.