

**OKIZU FOUNDATION**  
**FINANCIAL STATEMENTS**  
**For the Years Ended**  
**December 31, 2020 and 2019**

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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, 2020 and 2019, 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, 2020 and 2019, 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.

**Independent Auditors' Report (continued)**

**Emphasis of Matter - Casualty Loss and Insurance Recovery**

As described in Note O and Note Q to the financial statements, almost all property located at Camp Okizu was severely damaged or destroyed by a wildfire in 2020. Okizu Foundation's insurance policies covered the losses up to the maximum available under the policy. Our opinion was not modified with respect to this matter.

**Emphasis of Matter - Prior Period Adjustment**

As described in Note P to the financial statements, the financial statements for the year ended December 31, 2019 have been restated for the correction of a material misstatement in the respective period.

*Bregante + Company LLP*

Novato, California

December 21, 2021

**OKIZU FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2020 and 2019**

**ASSETS**

Assets:	<u>2020</u>	Restated <u>2019</u>
Cash	\$ 4,789,444	\$ 332,473
Pledges and grants receivable (Notes D and P)	483,740	474,000
Insurance recovery receivable	7,952,120	-
Certificates of deposit	1,300,000	950,000
Investments	42,909	44,703
Prepaid expenses	5,264	41,490
Inventory	3,942	3,846
Property and equipment, net	1,333,183	5,897,879
Loan fees, net of accumulated amortization of \$0 and \$799	-	6,961
Security deposit	<u>3,609</u>	<u>3,609</u>
Total assets	<u>\$ 15,914,211</u>	<u>\$ 7,754,961</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities:</b>		
Accounts payable	\$ 126,497	\$ 42,515
Accrued payroll	18,702	20,655
Accrued interest	-	146
Payroll Protection Program loan payable	215,047	-
Note payable	<u>-</u>	<u>162,957</u>
Total liabilities	360,246	226,273
<b>Net assets:</b>		
Without donor restrictions:		
Designated - property and equipment, net of related debt	1,333,183	5,734,922
Designated - fire recovery	11,263,667	-
Designated - Preservation Fund	1,790,628	1,212,487
Undesignated	<u>297,899</u>	<u>61,911</u>
Total net assets without donor restrictions	14,685,377	7,009,320
With donor restrictions	<u>868,588</u>	<u>519,368</u>
Total net assets	<u>15,553,965</u>	<u>7,528,688</u>
Total liabilities and net assets	<u>\$ 15,914,211</u>	<u>\$ 7,754,961</u>

See accompanying notes to the financial statements.

**OKIZU FOUNDATION**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For the Years Ended December 31, 2020 and 2019**

	2020			Restated 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Special events revenue	\$ 407,231	\$ -	\$ 407,231	\$ 1,100,756	\$ -	\$ 1,100,756
Direct benefits to donors	(105,886)	-	(105,886)	(511,016)	-	(511,016)
Special events, net	301,345	-	301,345	589,740	-	589,740
Contributions	2,418,854	828,740	3,247,594	1,563,178	480,470	2,043,648
Contributed services	45,136	-	45,136	191,963	-	191,963
Investment income	20,735	(1,794)	18,941	9,888	4,789	14,677
Other income	8,020	-	8,020	2,269	-	2,269
Net assets released from restrictions	477,726	(477,726)	-	387,470	(387,470)	-
Total revenue and support	3,271,816	349,220	3,621,036	2,744,508	97,789	2,842,297
Expenses:						
Program services	1,026,997	-	1,026,997	1,758,777	-	1,758,777
Management and administrative	194,063	-	194,063	222,255	-	222,255
Fundraising	352,635	-	352,635	430,614	-	430,614
Total expenses	1,573,695	-	1,573,695	2,411,646	-	2,411,646
Other Changes:						
Gain on insurance recovery	5,977,936	-	5,977,936	-	-	-
Casualty loss recovery	4,491,611	-	4,491,611	-	-	-
Casualty loss	(4,491,611)	-	(4,491,611)	-	-	-
Total other changes	5,977,936	-	5,977,936	-	-	-
Changes in net assets	7,676,057	349,220	8,025,277	332,862	97,789	430,651
Net assets, beginning of year	6,676,458	185,579	6,862,037	6,676,458	185,579	6,862,037
Prior period adjustments (Note P)	(236,000)	238,000	2,000	-	236,000	236,000
Net assets, beginning of year (restated)	7,009,320	519,368	7,528,688	6,676,458	421,579	7,098,037
Net assets, end of year	\$ 14,685,377	\$ 868,588	\$ 15,553,965	\$ 7,009,320	\$ 519,368	\$ 7,528,688

See accompanying notes to the financial statements.

**OKIZU FOUNDATION**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2020 and 2019**

	2020	Restated 2019
Cash flows from operating activities:		
Changes in net assets	\$ 8,025,277	\$ 430,651
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	170,713	238,721
Amortization	6,961	259
Casualty loss, net of insurance recovery received to date	1,853,721	-
Net realized and unrealized (gain) loss on investments	3,829	(3,292)
(Increase) decrease in assets:		
Pledges and grants receivable	(9,740)	(38,000)
Insurance recovery receivable	(7,952,120)	-
Prepaid expenses	36,226	(9,609)
Inventory	(96)	1,044
Increase (decrease) in liabilities:		
Accounts payable	83,982	33,104
Accrued payroll	(1,953)	(5,509)
Accrued interest	(146)	(381)
Total adjustments	(5,808,623)	216,337
Net cash provided by operating activities	2,216,654	646,988
Cash flows from investing activities:		
Purchases of property and equipment	(97,628)	(15,721)
Proceeds from insurance recovery, net of costs	2,637,890	-
Proceeds from redemption of certificates of deposit	1,150,000	575,000
Proceeds from sale of investments	-	2,900
Purchases of certificates of deposit	(1,500,000)	(1,150,000)
Purchases of investments	(2,035)	(1,498)
Net cash provided (used) by investing activities	2,188,227	(589,319)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	215,047	-
Payments on note payable	(162,957)	(401,849)
Net cash provided (used) by financing activities	52,090	(401,849)
Net increase (decrease) in cash	4,456,971	(344,180)
Cash, beginning of year	332,473	676,653
Cash, end of year	\$ 4,789,444	\$ 332,473

See accompanying notes to the financial statements.

**OKIZU FOUNDATION**

**STATEMENTS OF CASH FLOWS (Continued)**

**For the Years Ended December 31, 2020 and 2019**

**Supplemental disclosure of cash flow information:**

Cash paid for interest on note payable was \$1,657 and \$16,879 for the years ended December 31, 2020 and 2019, respectively.

**Supplemental disclosure of noncash investing information:**

During the year ended December 31, 2020, property and equipment with an original cost of \$9,060,085, and a net book value of \$4,491,611, was destroyed in a wildfire. The Foundation collected \$2,637,890 of insurance proceeds, net of \$13,652 of related costs, recognized a receivable from insurance recovery of \$7,952,120, and accrued related costs of \$120,463.

See accompanying notes to the financial statements.



**OKIZU FOUNDATION**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Years Ended December 31, 2020 and 2019**

	2020				2019			
	Program Services	Management and Administrative	Fundraising	Total	Program Services	Management and Administrative	Fundraising	Total
Salaries and benefits	\$ 527,054	\$ 122,652	\$ 291,625	\$ 941,331	\$ 724,371	\$ 64,040	\$ 367,729	\$ 1,156,140
Depreciation and amortization	177,674	-	-	177,674	238,980	-	-	238,980
Insurance	89,247	1,554	4,514	95,315	67,942	2,052	5,977	75,971
Professional services	-	57,862	-	57,862	-	120,031	-	120,031
Utilities	51,403	2,288	3,672	57,363	88,214	4,584	3,570	96,368
Occupancy	34,823	4,176	12,646	51,645	35,510	4,258	12,896	52,664
Repairs and maintenance	47,236	683	2,069	49,988	125,603	17,626	2,769	145,998
Contributed services	45,136	-	-	45,136	191,963	-	-	191,963
Fundraising	-	-	29,348	29,348	-	-	30,324	30,324
Supplies	21,848	968	1,577	24,393	18,182	1,664	5,041	24,887
Office expense	21,943	230	-	22,173	36,269	1,112	-	37,381
Postage	4,558	333	7,184	12,075	6,356	762	2,308	9,426
Recruitment and retention	5,241	358	-	5,599	43,270	-	-	43,270
Miscellaneous	344	2,959	-	3,303	9,402	6,126	-	15,528
Interest	490	-	-	490	16,498	-	-	16,498
Camp food	-	-	-	-	82,822	-	-	82,822
Camper transportation	-	-	-	-	73,395	-	-	73,395
<b>Total expenses</b>	<b>\$ 1,026,997</b>	<b>\$ 194,063</b>	<b>\$ 352,635</b>	<b>\$ 1,573,695</b>	<b>\$ 1,758,777</b>	<b>\$ 222,255</b>	<b>\$ 430,614</b>	<b>\$ 2,411,646</b>
	65%	12%	23%	100%	73%	9%	18%	100%

See accompanying notes to the financial statements.

# OKIZU FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

### **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 Sutter Medical Center in Sacramento, UCSF Benioff Children's Hospitals in Oakland and San Francisco, Kaiser Permanente Hospitals in Oakland, Roseville and San Francisco, John Muir Medical Center, California Pacific Medical Center in San Francisco and Lucile Salter Packard Children's Hospital at Stanford, 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. In early September of 2020, Camp Okizu was destroyed in a wildfire (Bear Fire).

The Foundation's management and the Board of Directors are actively reviewing options for rebuilding Camp Okizu at the Berry Creek location or moving to a new location while utilizing rented facilities to continue providing camping experience.

### **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, certificates of deposits and pledges and grants receivable. Cash deposits are maintained at four financial institutions. Certificates of deposits are held at one financial institution. Cash and certificates of deposits are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in each financial institution. 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, certificates of deposits and pledges and grants receivable.

**OKIZU FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2020 and 2019**

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

**Certificates of deposit**

Certificates of deposit with an initial maturity exceeding three months are reflected on the Statements of Financial Position at face 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, 2020 and 2019

### **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 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. The Foundation determines whether a contribution is conditional based on whether an agreement includes (a) a barrier that must be overcome and (b) a right of return of assets transferred or release of a promisor's obligation to transfer assets. Donor-restricted contributions are reported as increases in net assets with donor restrictions. 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. Unrestricted donations of securities that are sold nearly immediately are treated as cash contributions and included in cash from operations on the Statements of Cash Flows.

The Foundation doesn't charge any fees for its camping and other programs.

# OKIZU FOUNDATION

## NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2020 and 2019

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

#### **Adoption of new accounting standard**

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation adopted the new standard effective January 1, 2020, using the modified retrospective approach. The adoption of this ASU did not have any impact on the Foundation’s financial statements.

#### **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 is subject to federal income tax on any unrelated business taxable income. The Foundation has designated all current and future insurance recovery proceeds to rebuild or replace camp property destroyed in a wildfire and will evaluate potential tax liability on unrelated business income upon completion. 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, 2020 and 2019**

**NOTE C -- Liquidity and availability**

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

	<u>2020</u>	<u>Restated 2019</u>
Financial assets at year end:		
Cash	\$ 4,789,444	\$ 332,473
Pledges and grants receivable (Notes D and P)	483,740	474,000
Insurance recovery receivable	7,952,120	-
Certificates of deposit	1,300,000	950,000
Investments	<u>42,909</u>	<u>44,703</u>
Total financial assets	14,568,213	1,801,176
Less amounts not available to be used within one year:		
Board designated - insurance recovery receivable	7,952,120	-
Board designated - fire recovery	3,311,547	-
Board designated - Preservation Fund	1,790,628	1,212,487
Cash restricted by donors	341,940	166
Investments	<u>42,909</u>	<u>44,703</u>
Financial assets not available to be used within one year	<u>13,439,144</u>	<u>44,869</u>
Financial assets available to meet general expenditures within one year	\$ <u>1,129,069</u>	\$ <u>1,756,307</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 of Directors designated a portion of the operating surplus to its Preservation Fund (see Note H) and all current and future insurance recoveries for rebuilding or replacement of the camp property lost in the fire (see Note O).

**NOTE D -- Pledges and grants receivable**

Pledges and grants receivable consist of pledges due within one year of \$483,740 and \$474,000 at December 31, 2020 and 2019 (restated), respectively (see Note P).

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 \$125,000 of conditional promises to give at December 31, 2019, 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. The condition for recognition of the \$125,000, pledge was met during 2019.

**OKIZU FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2020 and 2019**

**NOTE E -- Certificates of deposits and investments**

The certificates of deposits held by the Foundation at December 31, 2020 and 2019 exceeded the three month term at issuance and matured at various dates ranging from February to December 2021 and 2020, respectively.

The Foundation has categorized investment assets held at brokerage account on an individual security basis according to the fair value hierarchy as Level 1. Investments consist of mutual funds stated at fair value of \$42,909 and \$44,703 at December 31, 2020 and 2019, respectively.

**NOTE F -- Property and equipment**

Property and equipment consist of the following at December 31:

	2020	2019
Buildings and improvements	\$ 289,000	\$ 8,306,773
Land	1,083,600	1,083,600
Boat house	-	760,153
Furniture and fixtures	4,312	163,961
Transportation equipment	41,716	104,561
Equipment	150,222	112,259
	1,568,850	10,531,307
Less accumulated depreciation	(235,667)	(4,633,428)
Property and equipment, net	\$ 1,333,183	\$ 5,897,879

A wildfire destroyed almost all of the tangible assets of the Foundation located at Camp Okizu at Berry Creek in early September of 2020 (see Note O). Depreciation expense for the years ended December 31, 2020 and 2019, was \$170,713 and \$238,721, respectively.

**NOTE G -- Note payable**

Note payable consists of the following at December 31:

	2020	2019
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.	\$ -	\$ 162,957

Note was paid off on June 1, 2020.

**OKIZU FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2020 and 2019**

**NOTE H -- 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:

	2020	2019
Property and equipment, net (Note F)	\$ 1,333,183	\$ 5,897,879
Less related borrowings (Note G)	-	(162,957)
Designated - property and equipment, net of related debt	1,333,183	5,734,922
Designated - fire recovery	3,311,547	-
Designated - insurance recovery receivable	7,952,120	-
Designated - Preservation Fund	1,790,628	1,212,487
Total net assets without donor restrictions - designated	\$ 14,387,478	\$ 6,947,409

The Preservation Fund's purpose is to provide a reserve to support the operations of the Foundation and to use as approved by the Board of Directors to support operations and specific projects. The fire recovery funds and insurance recovery receivable are designated for the rebuilding or replacement of the camp property lost in the fire.

**NOTE I -- Net assets with donor restrictions**

Net assets with donor restrictions consists of the following for the years ended December 31:

	2020	2019
Timing restrictions	\$ 483,740	\$ 474,000
Camp rebuilding	250,000	-
Naming rights	90,000	-
Camp maintenance	43,074	44,868
Other	1,774	500
Total net assets with donor restrictions	\$ 868,588	\$ 519,368

**NOTE J -- Special events revenue, net**

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 6% and 13% of total revenue and support, respectively, for the years ended December 31, 2020 and 2019.



**OKIZU FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2020 and 2019**

**NOTE J -- Special events revenue, net (continued)**

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

	<u>2020</u>	<u>2019</u>
Art Inspiring Hope Gala	\$ 312,285	\$ 852,446
Sacramento dinner	30,081	141,651
Lobsterfest dinner	10,000	58,541
Okizu Crush	7,000	250
Other special events	<u>47,865</u>	<u>47,868</u>
	407,231	1,100,756
Less costs of direct benefits to donors	<u>(105,886)</u>	<u>(511,016)</u>
Special events revenue, net	<u>\$ 301,345</u>	<u>\$ 589,740</u>

**NOTE K -- Contributed services**

Contributed medical services valued at \$45,136 and \$191,963 were recorded for the years ended December 31, 2020 and 2019, respectively. The Foundation also recognized \$26,459 and \$43,663 for donated use of facilities and professional services for the Art Inspiring Hope Gala for the years ended December 31, 2020 and 2019, 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 hours were contributed by more than 700 volunteers conducting 22 peer support and other programs at Camp Okizu during the year ended December 31, 2019. These were lifeguards, ropes course helpers, archery and fishing instructors, arts and craft directors, dishwashers and kitchen workers, counselors, unit leaders and administrative assistants.

During the year ended December 31, 2020, participation of volunteers was significantly reduced due to COVID-19 restrictions.

**NOTE L -- Lease obligations**

The Foundation leases office space in Novato, California under a noncancelable lease that expired on April 30, 2020. During 2019, the lease was extended for an additional three-year term expiring April 30, 2023 with renegotiated rent payment adjusted to fair market value. The extended lease provides for monthly payments of \$3,824 and a share of common expenses.

**OKIZU FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2020 and 2019**

**NOTE L -- Lease obligations (continued)**

Future minimum rental payments are as follows:

<u>Years Ending December 31,</u>	
2021	\$ 45,886
2022	46,807
2023	<u>15,754</u>
	\$ <u>108,447</u>

The Foundation also rented a storage space on a month-to-month basis during 2020 and 2019. Total rent expense was \$51,645 and \$52,664 for the years ended December 31, 2020 and 2019, 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.

**NOTE N -- Paycheck Protection Program loan**

In April of 2020, the Foundation received a loan in the amount of \$215,047 through the Small Business Administration's Paycheck Protection Program (SBA PPP) to minimize adverse effects of the pandemic. The loan proceeds are intended to be used for specified purposes, primarily payroll, employee benefits and rent, and are eligible for partial or complete forgiveness if various criteria established by the SBA PPP are met (see Note Q).

**NOTE O -- Casualty loss and insurance recovery**

In early September 2020, Camp Okizu was destroyed by a wildfire. All buildings, structures and vehicles that were inspected and confirmed by insurance inspectors as lost were written off. The Foundation engaged a qualified contractor to complete partial cleanup of the site in December 2020, including removal and sale of the fire damaged timber. The Foundation estimated and accrued the cost of cleanup and timber removal on two parcels, net of proceeds from timber sale, which is expected to be completed in 2021. The Foundation applied for government assistance to remove structural debris from the site with the Butte County Office of Emergency Management (see Note Q).

The Foundation received \$2,651,542 of partial insurance recovery in December 2020. The Foundation recorded a receivable for an additional \$7,952,120 insurance recovery, which was received in the first six months of 2021. The Foundation expects to receive up to \$350,000 for lost personal property and damaged infrastructure after the evaluation is completed, the maximum available coverage under the policy. The Foundation has not recorded the receivable for this amount because evaluation of the loss is under review by the insurance company. The Foundation's insurance policy provides \$25,000 coverage for structural debris removal, which is expected to be paid to the Butte County Office of Emergency Management (see Note Q).

**OKIZU FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2020 and 2019**

**NOTE O -- Casualty loss and insurance recovery (continued)**

All current and future recoveries of insurance proceeds are designated by the Board of Directors for rebuilding or replacement of the camp property lost in the fire (see Note H).

**NOTE P -- Prior period adjustments**

During the year ending December 31, 2020, the Foundation's management became aware that matching pledges related to the Shindig event (an annual private event organized and held by the Foundation's supporters) were not recorded as pledges receivable at December 31, 2019 and 2018. To correct that, the Foundation has restated beginning net assets for the years ending December 31, 2020 and 2019 from \$7,290,688 to \$7,528,688 and from 6,862,037 to \$7,098,037, respectively, to recognize additional pledges receivable.

The details of the adjustments are as follows as of January 1:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of the year as previously reported	\$ 7,009,320	\$ 281,368	\$ 7,290,688
Pledges and grants receivable	(236,000)	238,000	2,000
Net assets, beginning of year (restated)	\$ 6,773,320	\$ 519,368	\$ 7,292,688
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of the year as previously reported	\$ 6,676,648	\$ 185,579	\$ 6,862,227
Pledges and grants receivable	-	236,000	236,000
Net assets, beginning of year (restated)	\$ 6,676,648	\$ 421,579	\$ 7,098,227

**OKIZU FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**December 31, 2020 and 2019**

**NOTE Q -- Subsequent events**

**Wildfire damage to Camp Okizu**

In September of 2020, Camp Okizu was destroyed by a wildfire. In July of 2021, the California Office of Emergency Services approved the Foundation's application with the Butte County Office of Emergency Management to remove structural debris from Camp Okizu (see Note O).

**COVID-19 pandemic**

The ongoing effects of the pandemic have adversely affected the Foundation's ability to provide in-person camping experience. Management continuously monitors and reviews medical guidance with regard to the precautions and constrains of in-person programs, while providing its programs in virtual format. The Foundation is exploring the possibilities to provide in-person programs in 2022, but can't reasonably estimate when in-person camping programs will resume.

The Foundation received full forgiveness of the SBA PPP loan in March of 2021.

The date to which events occurring after December 31, 2020 have been evaluated for possible adjustments to the financial statements or disclosure is December 21, 2021, which is the date on which the financial statements were available to be issued.