

OKIZU FOUNDATION
FINANCIAL STATEMENTS
For the Years Ended
December 31, 2021 and 2020

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Independent Auditors' Report

Board of Directors
Okizu Foundation

Opinion

We have audited the accompanying financial statements of Okizu Foundation, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Okizu Foundation as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Okizu Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Okizu Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Okizu Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter - Casualty Loss and Insurance Recovery

As described in Notes O and P 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.

Bregante + Company, LLP

Novato, California

October 24, 2022

OKIZU FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents	\$ 5,332,104	\$ 4,789,444
Pledges and grants receivable	545,197	483,740
Insurance recovery receivable	-	7,952,120
Certificates of deposit	5,883,138	1,300,000
Investments, net	4,774,111	42,909
Prepaid expenses	20,216	5,264
Inventory	3,612	3,942
Property and equipment, net	2,014,666	1,333,183
Security deposit	<u>3,609</u>	<u>3,609</u>
Total assets	<u>\$ 18,576,653</u>	<u>\$ 15,914,211</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 7,029	\$ 126,497
Accrued payroll	19,724	18,702
Payroll Protection Program loan payable	<u>-</u>	<u>215,047</u>
Total liabilities	26,753	360,246
Net assets:		
Without donor restrictions:		
Designated - property and equipment	2,014,666	1,333,183
Designated - fire recovery	11,977,358	11,263,667
Designated - Preservation Fund	2,408,784	1,790,628
Undesignated	<u>1,061,224</u>	<u>297,899</u>
Total net assets without donor restrictions	17,462,032	14,685,377
With donor restrictions	<u>1,087,868</u>	<u>868,588</u>
Total net assets	<u>18,549,900</u>	<u>15,553,965</u>
Total liabilities and net assets	<u>\$ 18,576,653</u>	<u>\$ 15,914,211</u>

See accompanying notes to the financial statements.

OKIZU FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Special events revenue	\$ 674,530	\$ 67,000	\$ 741,530	\$ 407,231	\$ -	\$ 407,231
Direct benefits to donors	(90,371)	-	(90,371)	(105,886)	-	(105,886)
Special events, net	584,159	67,000	651,159	301,345	-	301,345
Contributions	1,644,674	632,684	2,277,358	2,418,854	828,740	3,247,594
Contributed services	739,446	-	739,446	45,136	-	45,136
Payroll Protection Program loan forgiven	215,047	-	215,047	-	-	-
Investment income (loss)	(62,060)	4,336	(57,724)	20,735	(1,794)	18,941
Other income	-	-	-	8,020	-	8,020
Net assets released from restrictions	484,740	(484,740)	-	477,726	(477,726)	-
Total revenue and support	3,606,006	219,280	3,825,286	3,271,816	349,220	3,621,036
Expenses:						
Program services	538,359	-	538,359	1,026,997	-	1,026,997
Management and administrative	78,454	-	78,454	194,063	-	194,063
Fundraising	332,931	-	332,931	352,635	-	352,635
Total expenses	949,744	-	949,744	1,573,695	-	1,573,695
Other Changes:						
Gain on insurance recovery	120,393	-	120,393	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	120,393	-	120,393	5,977,936	-	5,977,936
Changes in net assets	2,776,655	219,280	2,995,935	7,676,057	349,220	8,025,277
Net assets, beginning of year	14,685,377	868,588	15,553,965	7,009,320	519,368	7,528,688
Net assets, end of year	<u>\$ 17,462,032</u>	<u>\$ 1,087,868</u>	<u>\$ 18,549,900</u>	<u>\$ 14,685,377</u>	<u>\$ 868,588</u>	<u>\$ 15,553,965</u>

See accompanying notes to the financial statements.

OKIZU FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Changes in net assets	\$ 2,995,935	\$ 8,025,277
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	18,517	177,674
Noncash contribution of land improvements	(700,000)	-
Casualty loss, net of insurance recovery	-	1,853,721
Net realized and unrealized loss on investments	87,302	3,829
Paycheck Protection Program loan forgiven	(215,047)	-
(Increase) decrease in assets:		
Pledges and grants receivable	(61,457)	(9,740)
Insurance recovery receivable	6,098,399	(7,952,120)
Prepaid expenses	(14,952)	336,226
Inventory	330	(96)
Increase (decrease) in liabilities:		
Accounts payable	(119,468)	83,982
Accrued payroll	1,022	(1,953)
Accrued interest	-	(146)
	5,094,646	(5,508,623)
Total adjustments		
Net cash provided by operating activities	8,090,581	2,216,654
Cash flows from investing activities:		
Purchases of property and equipment	-	(97,628)
Proceeds from insurance recovery, net of costs	1,853,721	2,637,890
Proceeds from redemption of certificates of deposit	1,550,000	1,150,000
Purchases of certificates of deposit	(6,150,000)	(1,500,000)
Purchases of investments	(4,801,642)	(2,035)
	(7,547,921)	2,188,227
Net cash (used) provided by investing activities		
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	-	215,047
Payments on note payable	-	(162,957)
	-	52,090
Net cash provided by financing activities		
Net increase in cash and cash equivalents	542,660	4,456,971
Cash and cash equivalents, beginning of year	4,789,444	332,473
Cash and cash equivalents, end of year	\$ 5,332,104	\$ 4,789,444

See accompanying notes to the financial statements.

OKIZU FOUNDATION

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended December 31, 2021 and 2020

Supplemental disclosure of cash flow information:

Cash paid for interest on note payable was \$0 and \$1,657 for the years ended December 31, 2021 and 2020, 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. During the year ended December 31, 2021, Butte County Office of Emergency Management provided approximately \$700,000 of land improvement services for hazardous debris removal from the site, as estimated by management. The Foundation collected \$1,853,721 and \$2,637,890 of insurance proceeds during the years ended December 31, 2021 and 2020, respectively. (See Note O)

Supplemental disclosure of noncash financing information:

The Foundation's Payroll Protection Program loan of \$215,047 received in April 2020, was fully forgiven on March 12, 2021.

See accompanying notes to the financial statements.

OKIZU FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2021 and 2020

	2021				2020			
	Program Services	Management and Administrative	Fundraising	Total	Program Services	Management and Administrative	Fundraising	Total
Salaries and benefits	\$ 351,697	\$ 14,188	\$ 262,494	\$ 628,379	\$ 527,054	\$ 122,652	\$ 291,625	\$ 941,331
Occupancy	28,122	1,362	22,252	51,736	34,823	4,176	12,646	51,645
Professional services	-	47,182	-	47,182	-	57,862	-	57,862
Contributed services	39,446	-	-	39,446	45,136	-	-	45,136
Office expense	38,603	265	-	38,868	21,943	230	-	22,173
Recruitment and retention	25,574	-	-	25,574	5,241	358	-	5,599
Fundraising	-	-	23,284	23,284	-	-	29,348	29,348
Utilities	15,950	406	6,641	22,997	56,843	2,288	3,672	62,803
Supplies	9,568	3,973	4,821	18,362	16,408	968	1,577	18,953
Insurance	4,036	6,894	6,601	17,531	89,247	1,554	4,514	95,315
Postage	11,129	176	2,883	14,188	4,558	333	7,184	12,075
Miscellaneous	9,235	3,766	-	13,001	344	2,959	-	3,303
Repairs and maintenance	4,999	242	3,955	9,196	47,236	683	2,069	49,988
Depreciation and amortization	-	-	-	-	177,674	-	-	177,674
Interest	-	-	-	-	490	-	-	490
Total expenses	\$ 538,359	\$ 78,454	\$ 332,931	\$ 949,744	\$ 1,026,997	\$ 194,063	\$ 352,635	\$ 1,573,695
	57%	8%	35%	100%	65%	12%	23%	100%

See accompanying notes to the financial statements.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

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 had 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 currently in the process of looking for a new physical location while utilizing rented facilities to continue providing a 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.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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

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 five financial institutions. Certificates of deposits are held at various banks with maximum deposits not exceeding \$250,000 per bank. 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.

Investment securities exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the values of investment securities, it is possible that the value of the Foundation's investments and total net assets balance could fluctuate significantly.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash and certificates of deposit. The Foundation considers certificates of deposits 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 estimated market value. The market value of certificate of deposits is affected by changes in interest rates and time to maturity. 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.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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

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. Corporate and municipal bonds and other fixed income securities are priced by the holder of securities using a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value. 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.

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 various purposes. (See Note H)

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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

Net assets (continued)

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.

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.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

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

Income taxes (continued)

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's management believes the financial statements do not 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.

Reclassifications

Certain reclassifications have been made to the financial statements for the year ended December 31, 2020, to conform to the year ended December 31, 2021 financial statements presentation. Such reclassifications have no effect on net assets as previously reported.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE C -- Liquidity and availability

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

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 5,332,104	\$ 4,789,444
Pledges and grants receivable (Notes D and O)	545,197	483,740
Insurance recovery receivable	-	7,952,120
Certificates of deposit	5,883,138	1,300,000
Investments	<u>4,726,111</u>	<u>42,909</u>
Total financial assets	16,486,550	14,568,213
Less amounts not available to be used within one year:		
Board designated - fire recovery	11,977,358	11,263,667
Board designated - Preservation Fund	2,408,784	1,790,628
Cash restricted by donors	495,426	341,940
Investments restricted by donors	<u>47,245</u>	<u>42,909</u>
Financial assets not available to be used within one year	<u>14,928,813</u>	<u>13,439,144</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,557,737</u>	<u>\$ 1,129,069</u>

The Foundation invests cash in excess of short-term operating requirements in certificates of deposit, corporate bonds, US Treasury bonds 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 insurance recoveries received 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 \$545,197 and \$483,740 at December 31, 2021 and 2020, respectively.

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.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE E -- Certificates of deposits

The certificates of deposits held by the Foundation at December 31, 2021 and 2020 exceed the three month term at issuance and mature at various dates ranging from March 2022 to October 2024 and February to December 2021, respectively.

NOTE F -- Investments

The Foundation invests in investment grade domestic corporate and government bonds and mutual funds. The fair value of bonds issued by US Treasury are based on quoted market prices in active markets and are included in the Level 1 fair value hierarchy. Bonds issued by the corporations are priced by independent pricing services or non-binding quotes from broker-dealers. As the significant inputs used to price corporate bonds are observable market inputs, the fair values of corporate bonds are included in the Level 2 fair value hierarchy.

Investments measured at fair value on a recurring basis at December 31 are composed of the following:

	2021		
	Level 1	Level 2	Total
Mutual funds - equity	\$ 47,245	\$ -	\$ 47,245
Corporate bonds	-	2,114,460	2,114,460
U.S. Treasury bonds	2,612,406	-	2,612,406
	\$ 2,659,651	\$ 2,114,460	\$ 4,774,111
	2020		
	Level 1	Level 2	Total
Mutual funds - equity	\$ 42,909	\$ -	\$ 42,909
	\$ 42,909	\$ 42,909	\$ 42,909

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE G -- Property and equipment

Property and equipment consist of the following at December 31:

	2021	2020
Buildings and improvements	\$ 289,000	\$ 289,000
Land and improvements	1,783,600	1,083,600
Equipment and furniture	196,250	196,250
	2,268,850	1,568,850
Less accumulated depreciation	(254,184)	(235,667)
Property and equipment, net	\$ 2,014,666	\$ 1,333,183

A wildfire destroyed almost all of the tangible assets of the Foundation located at Camp Okizu at Berry Creek in early September of 2020. The Foundation recognized \$700,000 of land improvement services for hazardous debris removal from Camp Okizu, provided by Butte County Office of Emergency Management, as estimated by management, for the year ending December 31, 2021 (see Note K and O). Camp Okizu assets that were not damaged or partially damaged were not used in operations during 2021. Accordingly, depreciation expense for Camp Okizu assets during repairs and clean up period was classified as other changes in net assets and was not included in the Statement of Activities for the year ended December 31, 2021. Depreciation expense for the years ended December 31, 2021 and 2020, was \$18,517 and \$170,713, respectively.

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, equipment, fire recovery and operating reserve for the years ended December 31:

	2021	2020
Designated - property and equipment	\$ 2,014,666	\$ 1,333,183
Designated - fire recovery	11,977,358	3,311,547
Designated - insurance recovery receivable	-	7,952,120
Designated - Preservation Fund	2,408,784	1,790,628
Total net assets without donor restrictions - designated	\$ 16,400,808	\$ 14,387,478

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 fund and insurance recovery receivable are designated for the rebuilding or replacement of the camp property lost in the fire.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE I -- Net assets with donor restrictions

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

	2021	2020
Timing restrictions	\$ 545,197	\$ 483,740
Camp rebuilding	404,486	250,000
Naming rights	90,000	90,000
Camp maintenance	47,411	43,074
Other	774	1,774
 Total net assets with donor restrictions	 \$ 1,087,868	 \$ 868,588

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 15% and 6% of total revenue and support, respectively, for the years ended December 31, 2021 and 2020.

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

	2021	2020
Art Inspiring Hope Gala	\$ 544,941	\$ 312,285
Sacramento dinner	111,037	30,081
Lobsterfest dinner	-	10,000
Okizu Crush	-	7,000
Other special events	85,552	47,865
Special events income subtotal	741,530	407,231
 Less costs of direct benefits to donors	 (90,371)	 (105,886)
Special events revenue, net	\$ 651,159	\$ 301,345

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE K -- Contributed services

Contributed medical services valued at \$39,446 and \$45,136 were recorded for the years ended December 31, 2021 and 2020, respectively. The Foundation recognized \$700,000 of land improvement services for hazardous debris removal from Camp Okizu, provided by Butte County Office of Emergency Management, as estimated by management, for the year ended December 31, 2021. The Foundation also recognized \$0 and \$26,459 for donated use of facilities and professional services for the Art Inspiring Hope Gala for the years ended December 31, 2021 and 2020, respectively.

Notable volunteer time adds considerably to the services provided by the Foundation. During the years ended December 31, 2021 and 2020, participation of volunteers was significantly reduced due to COVID-19 restrictions and inability to conduct in person camp programs due to pandemic restrictions.

NOTE L -- Lease obligations

The Foundation leases office space in Novato, California under a noncancelable lease expiring April 30, 2023. The lease provides for monthly payments of \$3,824 and a share of common expenses.

Future minimum rental payments are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 46,807
2023	<u>15,754</u>
	\$ <u><u>62,561</u></u>

The Foundation also rented a storage space on a month-to-month basis during 2021 and 2020. Total rent expense was \$51,736 and \$51,645 for the years ended December 31, 2021 and 2020, 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 2020, the Foundation received loan proceeds in the amount of \$215,047 through the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provided for the loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses. 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.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE N -- Paycheck Protection Program loan (continued)

The Foundation met the SBA's requirements during 2021 and received full forgiveness of the SBA PPP loan on March 12, 2021. Accordingly, the Foundation recognized this income as revenue and support in the Statement of Activities and Changes in Net Assets.

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 was completed in 2021. In September 2020, the Foundation applied for government assistance to remove structural debris from the site with the Butte County Office of Emergency Management and the application was approved in July 2021.

The Foundation received \$7,952,120 and \$2,651,542 of insurance recovery proceeds for the years ended December 31, 2021 and 2020, respectively. The Foundation received \$215,259 for lost personal property and damaged infrastructure for the year ended December 31, 2021. The Foundation's insurance policy provided \$25,000 coverage for structural debris removal, which was paid to the Butte County Office of Emergency Management during the year ended December 31, 2021. The Foundation recognized the value of contributed services for hazardous debris removal from Camp Okizu, provided by Butte County Office of Emergency Management, as estimated by management (see Note K) for the year ending December 31, 2021. The Foundation also incurred certain expenses related to Camp Okizu clean up, including on-site security personnel, repairs to the fire-damaged assets and related depreciation, which are included in other changes in net assets since they were part of recovery from casualty event.

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

NOTE P -- Subsequent events

Camp Okizu

Camp Okizu site clean up was completed in April of 2022, which allowed for the completion of inspections of assets lost in the fire. The Foundation received \$100,000 and \$531 of additional insurance proceeds in March and August of 2022, respectively. The Foundation is currently in the process of evaluating options for a new location of Camp Okizu, including the purchase of new suitable camp property or rebuilding at the Berry Creek location.

OKIZU FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021 and 2020

NOTE P -- Subsequent events (continued)

Camping program

The Foundation started conducting in person camp activities in June of 2022 at rented facilities, in addition to continuing virtual camping activities. There were five regular week-long camps provided by the Foundation during summer of 2022.

The date to which events occurring after December 31, 2021 have been evaluated for possible adjustments to the financial statements or disclosure is October 24, 2022, which is the date on which the financial statements were available to be issued.