

**DYF
(DIABETES YOUTH FAMILIES)**

FINANCIAL STATEMENTS

**For the Year Ended
December 31, 2021**

(With Comparative Totals as of December 31, 2020)

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Independent Auditors' Report

Board of Directors
DYF
(Diabetes Youth Families)

Opinion

We have audited the accompanying financial statements of DYF (Diabetes Youth Families), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DYF (Diabetes Youth Families) as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DYF (Diabetes Youth Families) 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 these 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 DYF (Diabetes Youth Families) ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (continued)

Auditors' Responsibility 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 auditor's 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.

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 DYF (Diabetes Youth Families) 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 DYF (Diabetes Youth Families) 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.

Independent Auditors' Report (continued)

Report on Summarized Comparative Information

We have previously audited the DYF (Diabetes Youth Families) financial statements for the year ended December 31, 2020, and we expressed an unmodified opinion on those audited financial statements in our report dated August 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bregante + Company, LLP

San Francisco, California

July 19, 2022

**DYF
(DIABETES YOUTH FAMILIES)**

STATEMENT OF FINANCIAL POSITION

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 621,611	\$ 593,487
Accounts receivable	8,933	-
Contributions and pledges receivable	42,088	100,555
Employee retention credit receivable	172,081	-
Investments, at fair value	636,614	593,458
Prepaid expenses	120,776	59,755
Property and equipment, net of accumulated depreciation of \$2,877,292 and \$2,666,592	3,034,568	3,267,204
Construction in progress	61,741	-
Security deposit	<u>2,055</u>	<u>6,069</u>
Total assets	<u>\$ 4,700,467</u>	<u>\$ 4,620,528</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	\$ 55,431	\$ 2,384
Accrued payroll	29,817	-
Accrued vacation pay	30,843	31,195
Deferred program service fees and charges	-	63,984
Deferred revenue from contracts and partnerships	<u>75,700</u>	<u>81,700</u>
Total liabilities	191,791	179,263
Net assets:		
Without donor restrictions:		
Undesignated	1,073,779	749,410
Designated	<u>3,050,544</u>	<u>3,283,180</u>
Total net assets without donor restrictions	4,124,323	4,032,590
With donor restrictions	<u>384,353</u>	<u>408,675</u>
Total net assets	<u>4,508,676</u>	<u>4,441,265</u>
Total liabilities and net assets	<u>\$ 4,700,467</u>	<u>\$ 4,620,528</u>

See accompanying notes to the financial statements.

**DYF
(DIABETES YOUTH FAMILIES)**

STATEMENT OF ACTIVITIES

**For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Combined Totals	
			2021	2020
Support and revenues:				
Contributions and pledges	\$ 820,201	\$ 177,954	\$ 998,155	\$ 887,801
Donated goods and services	589,855	-	589,855	-
Program service fees and charges	298,486	-	298,486	-
Employee retention credit	296,398	-	296,398	-
Paycheck Protection Program grant	125,000	-	125,000	113,210
Contracts and partnerships	15,300	-	15,300	-
Net investment income	17,925	-	17,925	21,922
Net unrealized/realized gains on investments	24,170	-	24,170	8,929
Other	17,160	-	17,160	2,031
Net assets released from restrictions	<u>202,276</u>	<u>(202,276)</u>	<u>-</u>	<u>-</u>
Total support and revenues	2,406,771	(24,322)	2,382,449	1,033,893
Expenses:				
Program services	1,608,933	-	1,608,933	739,554
Management and general	210,793	-	210,793	117,930
Fundraising	<u>495,312</u>	<u>-</u>	<u>495,312</u>	<u>411,043</u>
Total expenses	<u>2,315,038</u>	<u>-</u>	<u>2,315,038</u>	<u>1,268,527</u>
Changes in net assets	91,733	(24,322)	67,411	(234,634)
Net assets, beginning of year	<u>4,032,590</u>	<u>408,675</u>	<u>4,441,265</u>	<u>4,675,899</u>
Net assets, end of year	<u>\$ 4,124,323</u>	<u>\$ 384,353</u>	<u>\$ 4,508,676</u>	<u>\$ 4,441,265</u>

See accompanying notes to the financial statements.

**DYF
(DIABETES YOUTH FAMILIES)**

STATEMENT OF CASH FLOWS

**For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)**

	2021	2020
Cash flows from operating activities:		
Changes in net assets	\$ 67,411	\$ (234,634)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	232,636	231,661
Net unrealized and realized gain on investments	(24,170)	(8,929)
Gain on sale of property and equipment	(4,000)	-
Receipt of donated goods capitalized	(44,529)	-
(Increase) decrease in assets:		
Accounts receivable	(8,933)	4,030
Contributions and pledges receivable	58,467	83,331
Employee retention credit receivable	(172,081)	-
Prepaid expenses	(61,021)	(39,095)
Security deposit	4,014	-
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	53,047	300
Accrued payroll	29,817	-
Accrued vacation pay	(352)	(8,488)
Deferred program services fees and charges	(63,984)	63,984
Deferred revenue from contracts and partnerships	(6,000)	35,300
Total adjustments	(7,089)	362,094
Net cash provided by operating activities	60,322	127,460
Cash flows from investing activities:		
Purchases of property and equipment	(17,212)	-
Proceeds from sale of property and equipment	4,000	-
Net change in investments	(18,986)	(3,358)
Net cash used in investing activities	(32,198)	(3,358)
Net increase in cash	28,124	124,102
Cash, beginning of year	593,487	469,385
Cash, end of year	\$ 621,611	\$ 593,487

Supplemental disclosures of noncash investing activities:

DYF disposed of property and equipment with an original cost basis of \$21,936 and accumulated depreciation of \$21,936 during the year ended December 31, 2021. DYF capitalized donated goods valued at \$44,529 as construction in progress during the year ended December 31, 2021.

See accompanying notes to the financial statements.

**DYF
(DIABETES YOUTH FAMILIES)**

STATEMENT OF FUNCTIONAL EXPENSES

**For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
				<u>2021</u>	<u>2020</u>
Salaries, payroll taxes and benefits	\$ 636,361	\$ 50,360	\$ 228,907	\$ 915,628	\$ 687,524
Donated goods and services	379,002	29,993	136,331	545,326	-
Depreciation	231,964	672	-	232,636	231,661
Clerical and program	120,472	9,534	43,335	173,341	41,591
Occupancy and maintenance	70,840	5,606	25,482	101,928	103,002
Accounting services	-	101,152	-	101,152	21,280
Transportation and conferences	70,130	5,549	25,227	100,906	10,207
Outside services and organizational expenses	54,486	4,313	19,599	78,398	123,075
Insurance	<u>45,678</u>	<u>3,614</u>	<u>16,431</u>	<u>65,723</u>	<u>50,187</u>
Total expenses	<u>\$ 1,608,933</u>	<u>\$ 210,793</u>	<u>\$ 495,312</u>	<u>\$ 2,315,038</u>	<u>\$ 1,268,527</u>
	70%	9%	21%	100%	

See accompanying notes to the financial statements.

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

NOTE A -- Description of organization

Nature of activities

DYF's (Diabetes Youth Families) mission is to improve the quality of life for children, teens, families and adults affected by diabetes. DYF offers exceptional resident and day programs that allow participants to build the courage, confidence and competence to thrive with type 1 diabetes. DYF provides services to children, teens, families and adults through its summer camp programs (Bearskin Meadow Camp, Camp de los Niños and the biennial DYF Takes Mount Whitney Altitude 14,505 Program) and through its year round programs. Support for DYF comes primarily through public donations with program participants paying program fees and attending on scholarships.

Summer camp programs

During the summer, DYF operates resident camp programs for children, teens, families and adults affected by type 1 diabetes. Bearskin Meadow Camp, DYF's largest program, is located on public land within the Sequoia National Forest, Giant Sequoia National Monument, under the supervision of the U.S. Forest Service. This camp provides programs all summer long with specific sessions for children, teens, families and adults. Camp de los Niños, DYF's second largest program, operates at YMCA's Camp Loma Mar site. All summer resident programs are dedicated to offering exceptional education and enduring support to the type 1 diabetes community.

Year round overnight programs

DYF provides weekend education programs at multiple locations throughout the Bay Area including Livermore, La Honda, Occidental and more. Year round overnight programs include: Family Retreat Weekends; a Kids Camp operated in conjunction with Kaiser Permanente; and Campamento Familiar, for Spanish-language families, operated in partnership with UCSF Benioff Children's Hospital. The weekend programs are designed to provide families with an intense educational and recreational experience resulting in gained skills and knowledge in the areas of diabetes management and family functioning.

Other programs

DYF provides education, support and recreational activities in a variety of locations throughout Northern California. These include: The Bay Area Diabetes Summit; Kids and Teen Beach Day; and other outdoor recreational and educational programs. In addition, DYF provides other virtual recreational programs.

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

NOTE B -- Summary of significant accounting policies

Basis of accounting

The financial statements are presented using the accrual basis of accounting in accordance with generally accepted accounting principles.

Net assets

DYF reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions include the portion of net assets that is neither temporarily restricted nor permanently restricted by donor imposed stipulations. A portion of these net assets may be designated by DYF's Board of Directors (the Board) for specific purposes.

Net assets with donor restrictions include the portion of net assets whose use by DYF is limited by donor imposed stipulations that either will be fulfilled or expire by passage of time or that the net assets are held in perpetuity and its income be used for the stipulated purposes.

Investments

Investments in equity securities and bond funds with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Endowment funds

In accordance with the *Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, DYF considers endowment to mean all of an organization's endowment funds, including both donor-restricted endowment funds and those designated by the Board.

The portion of an endowment that must be maintained permanently - not used, expended, or otherwise exhausted - is classified as with donor restrictions in perpetuity. The portion of an endowment that must be maintained for a specified term is classified as with donor restrictions until met. Funds specified by the Board to be invested to provide income for an undesignated period are classified as net assets without donor restrictions that have been designated for endowment by the Board.

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

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

Cash and cash equivalents

Cash and cash equivalents are defined as short-term highly liquid investments with original maturities of three months or less. There were no cash equivalents held by DYF at December 31, 2021.

Accounts receivable

Accounts receivable are recorded net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's estimate of uncollectible camp registration receivables. It is DYF's policy to increase the allowance for doubtful accounts and record a bad debt expense when management determines the receivable will not be collected. DYF's management believes that all receivables at December 31, 2021 are fully collectible and thus no allowance for doubtful accounts has been recorded.

Contributions and pledges receivable

Contributions and pledges receivable represent unconditional commitments primarily from institutional sources and estates. Contributions, including unconditional promises (pledges) to give, are recognized as revenues in the period committed. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Pledges to be received over more than one fiscal year are analyzed annually to determine if there should be a present value allocation, and, if appropriate, are recorded at the present value of the contribution using a rate determined by management. Contributions and pledges receivable at December 31, 2021 are to be received within one year and have not been discounted to present value.

Property and equipment

Property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, DYF reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. DYF reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over useful lives of five to twenty-five years. DYF generally capitalizes all expenditures for property and equipment in excess of \$5,000 and a useful life exceeding one year.

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

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

Contributions and pledges

DYF recognizes donor contributions and pledges upon the earlier of receipt of a contribution payment or pledge or when an agreement has been executed. Contributions and pledges without donor-imposed restrictions and contributions and grants with donor-imposed restrictions are reported accordingly. Contributions and pledges to be received more than one year after year-end are recorded at the present value of the contribution using the risk-free rate of return as determined by management. DYF received one conditional promise to give during the year ended December 31, 2021. DYF did not have any outstanding conditional promises to give at December 31, 2021.

Donated goods and services

Donated goods and specialized services are recorded as in-kind donations at their estimated value on the date of receipt. Such donations are reported as revenue and support without donor restrictions unless the donor has restricted the donated asset to a specific purpose or time period. Assets donated with explicit restrictions regarding their use are reported as revenue and support with donor restrictions.

Donated services include services of medical staff at in-person programs that DYF would purchase if not for the donations. In addition, for those individuals who have been trained by DYF and are volunteers, their donated services are reflected in the financial statements. Other individuals volunteer their time to perform a variety of tasks not requiring specialized skills. No provision is included in the financial statements for the donated services of these individuals. Donated goods include medical supplies used for in-person programs donated from pharmaceutical companies that DYF would have to purchase if not for the donation.

Program service fees and charges

Program service fees and charges are reported at established rates, net of scholarships provided to campers in the statement of activities and changes in net assets as net assets released from restriction. Program service fees and charges are recognized at the beginning of each program. DYF determines the transaction price on standard charges for goods and services provided, reduced by scholarships provided to campers. Program service fees and charges at the time of enrollment. Program service fees and charges is considered to be one performance obligation and is satisfied once the program has commenced.

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

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

Contracts and partnerships

DYF receives substantially all revenue from contracts and partnerships from contract agreements with outside parties in the Bay Area to operate summer camp programs. DYF recognizes revenue from contracts and partnerships in the period performance obligations are met at the start of summer camp programs.

Deferred revenue from contracts and partnerships represents cash deposits received prior to meeting the performance obligations. DYF is entitled to 25% of the total fee agreed upon in the agreement if canceled.

Functional allocation of expenses

The costs of providing the program services and supporting activities of DYF are shown on the statement of functional expenses and broken into the following categories: (a) program services (b) management and general, and (c) fundraising. Expenses that can be directly identified with a specific function are allocated directly to that function. Indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on time, effort and usage estimates made by DYF management.

Income taxes

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

DYF recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. DYF does not believe its financial statements include any uncertain tax positions. DYF's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Concentration of credit risk

Cash in bank accounts may, at times, exceed federally insured limits. Cash and cash equivalents consist of cash funds in various accounts. DYF maintains its cash at three financial institutions. DYF has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

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

Concentration of credit risk (continued)

DYF invests its endowment and board designated funds in financial instruments which present some investment risk. Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. Management believes DYF's investment strategy and ability to hold investments for the long term minimize this risk.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted to the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Summarized information for prior year

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the DYF financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Reclassification of financial statements

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

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 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	\$ 621,611	\$ 593,487
Accounts receivable	8,933	-
Contributions and pledges receivable	42,088	100,555
Employee retention credit receivable	172,081	-
Investments, at fair value	<u>636,614</u>	<u>593,458</u>
Total financial assets	1,481,327	1,287,500
Less amounts not available to be used within one year:		
Investments held for endowment	(130,131)	(130,131)
Contributions and pledges receivable - for restricted gifts	(40,000)	(47,709)
Board designated funds	(15,976)	(15,976)
Financial assets with donor restrictions - programs and scholarships	(174,492)	(175,914)
Financial assets with donor restrictions - facility improvements for Bearskin Meadow Camp	<u>(39,729)</u>	<u>(54,921)</u>
Financial assets not available to be used within one year	<u>(400,328)</u>	<u>(424,651)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,080,999</u>	<u>\$ 862,849</u>

DYF receives contributions with donor restrictions to be used in accordance with the associated restriction purpose. DYF also holds a permanently restricted endowment comprised of the Mary B. Olney Endowment Fund and East Bay Foundation for Diabetic Children (Note I).

DYF receives significant support without donor restrictions. The remainder is funded by gifts with donor restrictions and any income as a result of investment activities.

Annual operations are defined as activities occurring during DYF's fiscal year. DYF manages its cash available to meet general expenditures following three guiding principles:

- Prioritize financial soundness and stability to ensure long-term health and success;
- Maintain adequate liquid assets; and,
- Build and maintain sufficient reserves to provide reasonable assurance that long-term commitments and obligations will continue to be met, and protecting the organization against any unexpected events, ensuring the sustainability of DYF.

**DYF
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NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

NOTE D -- Contributions and pledges receivable

Contributions and pledges receivable consist of unconditional and conditional promises to give from multiple donors. The balances at December 31 consist of the following:

	2021	2020
Foundations	\$ 40,000	\$ 67,529
Individual donors	2,088	33,026
Total	\$ 42,088	\$ 100,555

The present value discount is recognized in income as a contribution over the period from the date the promise is made to the earlier of the date of collection or the date it is due. All contributions and pledges receivable at December 31, 2021 are to be collected within one year and no present value discount has been calculated.

NOTE E -- Property and equipment

Property and equipment is comprised of the following at December 31, 2021:

	Cost	Accumulated Depreciation	Net
Buildings and improvements	\$ 5,462,135	\$ (2,476,742)	\$ 2,985,393
Equipment	226,704	(210,938)	15,766
Vehicles	223,021	(189,612)	33,409
Total	\$ 5,911,860	\$ (2,877,292)	\$ 3,034,568

Property and equipment is comprised of the following at December 31, 2020:

	Cost	Accumulated Depreciation	Net
Buildings and improvements	\$ 5,462,135	\$ (2,262,365)	\$ 3,199,770
Equipment	229,535	(207,207)	22,328
Vehicles	242,126	(197,020)	45,106
Total	\$ 5,933,796	\$ (2,666,592)	\$ 3,267,204

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

NOTE F -- Net assets without donor restrictions - designated

DYF's governing board has designated the net book value of property and equipment and a portion of its unrestricted resources for facility improvements at its Bearskin Meadow Camp facility. At December 31, the amounts that were designated for these specific purposes by the Board are as follows:

	2021	2020
Net book value of property and equipment	\$ 3,034,568	\$ 3,267,204
Bearskin Meadow Camp facility improvements	15,976	15,976
Total	\$ 3,050,544	\$ 3,283,180

NOTE G -- Net assets with donor restrictions and net assets released from restriction

Net assets with donor restrictions available at December 31, are as follows:

	2021	2020
Program and scholarships	\$ 214,493	\$ 223,623
Facility improvements for Bearskin Meadow Camp	39,729	54,921
Permanent endowment	130,131	130,131
Total net assets with donor restrictions	\$ 384,353	\$ 408,675

Net assets with donor restrictions were released from the donor restrictions during the years ended December 31, 2021 and 2020, by incurring expenses satisfying the restricted purposes as follows:

	2021	2020
Program and scholarships	\$ 105,377	\$ 80,572
Facility improvements for Bearskin Meadow Camp	35,192	20,089
General fund for all programs	61,707	3,770
Total	\$ 202,276	\$ 104,431

**DYF
(DIABETES YOUTH FAMILIES)**

NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

NOTE H -- COVID-19 pandemic support

The Small Business Administration's Paycheck Protection Program (SBA PPP), established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provided for conditional promises to give, in the form of forgivable loans, to qualifying organizations for amounts up to 2.5 times the organization's average monthly payroll expenses. Under SBA guidance, the loan and related accrued interest are forgivable if the borrower uses the loan proceeds for qualified expenses designated by the SBA during a specific eight to twenty-four week period, with the duration of the period elected by the borrower. In February 2021, DYF received \$125,000 in a conditional promise to give from the SBA. DYF met the SBA's requirements during 2021 and received full forgiveness of the SBA PPP loan plus accrued interest in September 2021. Having met the conditions to receive full forgiveness, DYF recorded the pledge received from the SBA as support and revenue on the statement of activities for the year ended December 31, 2021.

The Employee Retention Credit (ERC), originally part of the CARES Act, was modified by the Consolidated Appropriations Act (CAA) to allow previously excluded employers, who received SBA PPP funding, to be eligible for a refundable federal payroll tax credit subject to certain criteria. Eligible employers are allowed to apply for ERC retroactively for 2020. During 2021, DYF filed all necessary forms to receive refunds of \$243,915 and \$52,483 for 2021 and 2020, respectively.

NOTE I -- Investments and endowments

As required by professional accounting standards, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

At December 31, 2021, permanent net assets with donor restrictions of \$130,131 are comprised of the Mary B. Olney Endowment Fund and a donation from the East Bay Foundation for Diabetic Children and other sources. The original amounts of these gifts are held in perpetuity and the related income is used to support the operation of Bearskin Meadow Camp, as designated by the donors.

At the end of each fiscal year, the Board authorizes that any net increase in assets (investment returns for the year) of the Mary B. Olney Fund be released to provide funding for general programs and services.

**DYF
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NOTES TO FINANCIAL STATEMENTS (Continued)

**December 31, 2021
(With Comparative Totals as of December 31, 2020)**

NOTE I -- Investments and endowments (continued)

DYF's investment goals for endowment funds focus on capital preservation. Investment choices are generally limited to cash, money market accounts, mutual funds and equity securities.

Net changes in endowment funds were as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, at January 1, 2020	\$ 29,058	\$ 130,131	\$ 159,189
Investment income	3,898	-	3,898
Net unrealized and realized losses	(2,049)	-	(2,049)
Appropriations for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, at December 31, 2020	30,907	130,131	161,038
Investment income	4,212	-	4,212
Net unrealized and realized gains	23,589	-	23,589
Appropriations for expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, at December 31, 2021	<u>\$ 58,708</u>	<u>\$ 130,131</u>	<u>\$ 188,839</u>

Investments consist principally of mutual funds and equity securities, which are currently held at and managed by Charles Schwab. These investments include both net assets with donor restrictions and net assets without donor restrictions.

In accordance with *Fair Value Measurement*, DYF has categorized all investment assets on an individual security basis according to the fair value hierarchy as Level 1 investment assets (traded in an active market) with observable inputs that are derived from quoted prices for identical assets or liabilities in an active market.

NOTE J -- Retirement plan

DYF maintains a 403(b) Employer Contributory Tax Deferred Annuity Plan (the Plan) for all eligible employees who have met certain service requirements. All Plan contributions are 100% vested. No employer contributions to the Plan were made for the year ended December 31, 2021.

DYF
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NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2021
(With Comparative Totals as of December 31, 2020)

NOTE K -- Lease commitments

DYF is liable under long-term operating lease agreements for office space and equipment. The office space lease was to expire on February 28, 2021 and was renewed for three years for a smaller space under substantially the same terms and conditions on February 20, 2021. The renewed lease expires on February 28, 2024. DYF had two office equipment lease agreements during the year, one of which expires on August 31, 2022, management is planning on renewing it for another term. The other office equipment lease agreement expires October 15, 2023. Total rent expense for the years ended December 31, 2021 and 2020, was \$44,776 and \$55,370, respectively. Office rent is included in occupancy and maintenance expenses and office equipment rent in clerical and program expenses on the statement of functional expenses.

The minimum future annual rental payments are as follows:

<u>Years Ending December 31,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Total</u>
2022	\$ 28,930	\$ 4,852	\$ 33,782
2023	29,676	3,590	33,266
2024	<u>4,966</u>	<u>-</u>	<u>4,966</u>
	<u>\$ 63,572</u>	<u>\$ 8,442</u>	<u>\$ 72,014</u>

DYF holds a special use permit from the U. S. Department of Agriculture Forest Service for the use of 17 acres of land in the Sequoia National Forest, Giant Sequoia National Monument, upon which it operates the Bearskin Meadow Camp. The majority of DYF's property and equipment are located at this location. The permit expires on December 31, 2031 and a nominal annual fee is required, along with other covenants listed in the permit agreement.

NOTE L -- Subsequent events

Subsequent to year end, DYF has planned to offer all outdoor programs offered in 2019 plus four brand-new outdoor programs as well as continuing two adventure programs that were started in 2021. Registration for outdoor programs is off to a strong start.

The date to which events and transactions occurring after December 31, 2021, have been evaluated by DYF's management for possible adjustment to the financial statements or disclosure is July 19, 2022, which is the date on which the financial statements were available to be issued.