Diabetes Research Institute Foundation, Inc. and Affiliate

Consolidated Financial Statements
Years Ended June 30, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Years Ended June 30, 2024 and 2023

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Independent Auditor's Report

Board of Directors
Diabetes Research Institute Foundation, Inc. and Affiliate
Hollywood, Florida

Opinion

We have audited the consolidated financial statements of Diabetes Research Institute Foundation, Inc. (a nonprofit organization) and Affiliate (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, 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 (GAAS). 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 the 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

BDO USA, P.C.

April 2, 2025

Consolidated Financial Statements

Diabetes Research Institute Foundation, Inc. and Affiliate

Consolidated Statements of Financial Position

June 30,	**2024**	2023
Assets		
Current Assets		
Cash and cash equivalents	**$ 203,664**	$ 724,944
Investments at fair value	**23,671,269**	24,367,249
Pledges receivable, net	**1,255,017**	860,217
Prepaid expenses and other assets	**763,533**	842,342
Total Current Assets	**25,893,483**	26,794,752
Pledges receivable, net, less current portion	**192,926**	879,459
Operating lease right of use assets, net	**218,721**	423,563
Property and equipment, net	**102,024**	85,598
Total Assets	**$ 26,407,154**	$ 28,183,372
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	**$ 886,867**	$ 633,104
Deferred revenue	**106,775**	50,000
Current portion of operating lease liabilities	**128,203**	254,812
Grants payable	**599,088**	57,565
Total Current Liabilities	**1,720,933**	995,481
Operating lease liabilities, net of the current portion	**89,541**	237,739
Total Liabilities	**1,810,474**	1,233,220
Commitments and Contingencies		
Net Assets		
Without donor restrictions	**3,818,294**	3,808,411
With donor restrictions	**20,778,386**	23,141,741
Total Net Assets	**24,596,680**	26,950,152
Total Liabilities and Net Assets	**$ 26,407,154**	$ 28,183,372

See accompanying notes to the consolidated financial statements.

Diabetes Research Institute Foundation, Inc. and Affiliate

Consolidated Statements of Activities

Year ended June 30,	2024			2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:						
Contributions, net	**$ 4,858,112**	**$ 1,090,243**	**$ 5,948,355**	$ 3,390,528	$ 87,992	$ 3,478,520
Special events revenue (net of direct costs of $2,459,573 and $2,226,697, respectively)	**2,788,512**	**-**	**2,788,512**	2,818,999	-	2,818,999
Other income	**100,009**	**-**	**100,009**	104,281	-	104,281
Contributed nonfinancial assets	**118,599**	**-**	**118,599**	98,328	-	98,328
Investment income	**1,439,587**	**1,352,212**	**2,791,799**	1,254,823	854,970	2,109,793
Net assets released from restrictions	**4,805,810**	**(4,805,810)**	**-**	2,130,215	(2,130,215)	-
Total Operating Revenue	**14,110,629**	**(2,363,355)**	**11,747,274**	9,797,174	(1,187,253)	8,609,921
Expenses:						
Program Expenses:						
Research	**8,232,074**	**-**	8,232,074	6,255,837	-	6,255,837
Community Diabetes Education	**956,454**	**-**	956,454	466,489	-	466,489
Total Program Expenses	**9,188,528**	-	9,188,528	6,722,326	-	6,722,326
Support Services:						
Management and general	**1,748,048**	**-**	1,748,048	1,326,638	-	1,326,638
Fundraising	**3,164,170**	**-**	3,164,170	3,591,259	-	3,591,259
Total Support Services	**4,912,218**	-	4,912,218	4,917,897	-	4,917,897
Total Expenses	**14,100,746**	**-**	**14,100,746**	**11,640,223**	-	**11,640,223**
Change in Net Assets	**9,883**	**(2,363,355)**	**(2,353,472)**	(1,843,049)	(1,187,253)	(3,030,302)
Net Assets - beginning of year	**3,808,411**	**23,141,741**	**26,950,152**	5,651,460	24,328,994	29,980,454
Net Assets - end of year	**$ 3,818,294**	**$ 20,778,386**	**$ 24,596,680**	$ 3,808,411	$ 23,141,741	$ 26,950,152

See accompanying notes to the consolidated financial statements.

Diabetes Research Institute Foundation, Inc. and Affiliate

Consolidated Statement of Functional Expenses

Year ended June 30, 2024	Program Services			Supporting Services			
	Research	Community Diabetes Education	Total Program services	Management and General	General Fundraising	Total Supporting Services	Total Expenses
Salaries	$ -	$ 391,442	$ 391,442	$ 518,518	$ 1,641,089	$ 2,159,607	$ 2,551,049
Payroll taxes	-	21,881	21,881	47,618	112,407	160,025	181,906
Employee benefits	-	48,853	48,853	90,981	188,657	279,638	328,491
Total Salaries and Related Expenses	-	462,176	462,176	657,117	1,942,153	2,599,270	3,061,446
Professional fees	-	42,236	42,236	211,019	2,544	213,563	255,799
Bad debt expense	-	-	-	63,044	-	63,044	63,044
Conferences, meetings, and seminars	-	6,306	6,306	12,709	223	12,932	19,238
Contractual services	-	217,970	217,970	172,792	293,762	466,554	684,524
Depreciation and amortization	-	17,358	17,358	18,687	5,873	24,560	41,918
Dues and subscriptions	-	4,028	4,028	84,445	19,145	103,590	107,618
Grants to the Diabetes Research Institute	8,232,074	-	8,232,074	-	-	-	8,232,074
Insurance	-	816	816	49,629	-	49,629	50,445
Licenses and other fees	-	238	238	37,635	-	37,635	37,873
Maintenance and repairs	-	-	-	8,574	-	8,574	8,574
Miscellaneous	-	78	78	118,556	54,425	172,981	173,059
Office supplies	-	9,903	9,903	24,907	1,685	26,592	36,495
Printing and publications	-	10,644	10,644	28,154	478,034	506,188	516,832
Marketing	-	158,361	158,361	-	219,852	219,852	378,213
Rent, leases, and equipment	-	9,459	9,459	220,767	94,123	314,890	324,349
Travel and entertainment	-	14,498	14,498	8,105	45,572	53,677	68,175
Utilities	-	2,383	2,383	31,908	6,779	38,687	41,070
Total Expenses per Statement of Activities	$ 8,232,074	$ 956,454	$ 9,188,528	$ 1,748,048	$ 3,164,170	$ 4,912,218	$ 14,100,746

See accompanying notes to the consolidated financial statements.

Diabetes Research Institute Foundation, Inc. and Affiliate

Consolidated Statement of Functional Expenses

Year ended June 30, 2023	Program Services			Supporting Services			
	Research	Community Diabetes Education	Total Program services	Management and General	General Fundraising	Total Supporting Services	Total Expenses
Salaries	$ -	$ 208,458	$ 208,458	$ 645,723	$ 1,473,752	$ 2,119,475	$ 2,327,933
Payroll taxes	-	9,349	9,349	60,959	95,262	156,221	165,570
Employee benefits	-	8,781	8,781	107,179	211,695	318,874	327,655
Total Salaries and Related Expenses	-	226,588	226,588	813,861	1,780,709	2,594,570	2,821,158
Professional fees	-	5,842	5,842	115,029	3,440	118,469	124,311
Conferences, meetings, and seminars	-	150	150	-	1,005	1,005	1,155
Contractual services	-	28,792	28,792	70,727	287,107	357,834	386,626
Depreciation and amortization	-	4,018	4,018	22,997	11,074	34,071	38,089
Dues and subscriptions	-	10,234	10,234	9,832	25,312	35,144	45,378
Grants to the Diabetes Research Institute	6,255,837	-	6,255,837	-	-	-	6,255,837
Insurance	-	-	-	45,925	-	45,925	45,925
Licenses and other fees	-	1,945	1,945	19,786	-	19,786	21,731
Maintenance and repairs	-	-	-	16,871	-	16,871	16,871
Miscellaneous	-	-	-	63,874	112,973	176,847	176,847
Office supplies	-	250	250	6,178	83,589	89,767	90,017
Printing and publications	-	21,636	21,636	41,257	497,116	538,373	560,009
Marketing	-	147,901	147,901	11,670	456,596	468,266	616,167
Rent, leases, and equipment	-	14,015	14,015	54,300	252,770	307,070	321,085
Travel and entertainment	-	3,985	3,985	4,323	72,123	76,446	80,431
Utilities	-	1,133	1,133	30,008	7,446	37,454	38,587
Total Expenses per Statement of Activities	**$ 6,255,837**	**$ 466,489**	**$ 6,722,326**	**$ 1,326,638**	**$ 3,591,259**	**$ 4,917,897**	**$ 11,640,223**

See accompanying notes to the consolidated financial statements.

Diabetes Research Institute Foundation, Inc. and Affiliate

Consolidated Statements of Cash Flows

Year ended June 30,	**2024**	2023
Cash Flows from Operating Activities:		
Change in net assets	**$ (2,353,472)**	$ (3,030,302)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	**41,918**	38,089
Bad debt expense	**63,044**	-
Change in discount on pledge receivable	**(3,817)**	(38,282)
Noncash on operating leases	**204,842**	198,038
Net realized/unrealized gain on investments	**(2,057,008)**	(1,371,853)
Decrease (increase) in assets		
Pledge receivable	**232,506**	1,198,249
Employee retention tax credit receivable	**-**	315,790
Prepaid expenses	**78,809**	(154,314)
Decrease (increase) in liabilities		
Accounts payable and accrued expenses	**253,763**	(39,436)
Deferred revenue	**56,775**	(35,500)
Operating lease liabilities	**(274,807)**	(290,053)
Grants payable	**541,523**	(696,539)
Net Cash Used in Operating Activities	**(3,215,924)**	(3,906,113)
Cash Flows from Investing Activities:		
Purchases of property and equipment	**(58,344)**	(14,346)
Purchases of investments	**(1,075,412)**	(6,844,865)
Proceeds from sale of investment securities	**3,828,400**	10,562,013
Net Cash Provided by Investing Activities	**2,694,644**	3,702,802
Net Decrease in Cash and Cash Equivalents	**(521,280)**	(203,311)
Cash and Cash Equivalents, beginning of year	**724,944**	928,255
Cash and Cash Equivalents, end of year	**$ 203,664**	$ 724,944

See accompanying notes to the consolidated financial statements.

1. Organization

The Diabetes Research Institute Foundation, Inc. (the US Foundation) is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code (IRC). The US Foundation's affiliate, the Diabetes Research Institute Foundation (UK) Limited (the UK Foundation), is a registered charity with the Charity Commission of England and Wales and a not-for-profit organization exempt from income tax under Section 501(c)(3) of the United States IRC. The US Foundation and UK Foundation are collectively termed the "Foundation." The Foundation's main purpose is the support of research in the field of diabetes. The beneficiary of the Foundation's research support is the Diabetes Research Institute at the University of Miami, Miller School of Medicine (the Institute).

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Foundation is presented to assist in understanding the consolidated financial statements.

Basis of Presentation

The consolidated financial statements include the accounts of the US Foundation and the UK Foundation, which are under economic and financial controlling interests. All intercompany balances and transactions have been eliminated in the consolidated financial statements. The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Consolidated Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net assets are as follows:

Net Assets Without Donor Restrictions – This class consists of net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net Assets with Donor Restrictions - This class consists of net assets subject to explicit donor-imposed restrictions such as time or purpose. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments and all interest-bearing accounts with a maturity of three months or less when purchased to be cash equivalents.

Investments at Fair Value

The Foundation's investments are held within a brokerage account at a financial institution. Investments are carried at fair value determined by quoted market values. Investment gains and losses (including gains and losses on investments, interest, and dividends) are included in the consolidated statements of activities. Investment gains (losses) for which the use is restricted by a donor are reported as increases or decreases in donor-restricted net assets unless the restrictions are met (either by passage of time or use). In case the restrictions are met in the reporting period, those investments gains (losses) are reported as increases or decreases in net assets without donor restrictions.

Pledges Receivable, Net

Pledges receivable consist of unconditional promises to give and are recorded when the promises to contribute are made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market interest rate at the time the promises to contribute are made to record at net present value.

The Foundation's allowance for doubtful accounts is based upon management's estimates of current economic conditions and historical information, and, in the opinion of management, is believed to be an amount sufficient to respond to normal business conditions. In estimating the allowance, management analyzes the aging of promises to give, historical bad debts, and other factors. Should business conditions deteriorate or any major donor default on its obligations to the Foundation, this allowance may need to be significantly increased, which would have a negative impact on the Foundation's operations. The Foundation reviews its receivables aging on a regular basis to determine if any of the receivables are past due. Write-offs are recorded against the allowance for doubtful accounts when all collection efforts have been exhausted and potential for recovery is considered remote. During the year ended June 30, 2024, the Foundation recorded bad debt expense of approximately $63,000. The Foundation did not have any bad debt expense during the year ended June 30, 2023.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist primarily of venue deposits and prepaid insurance. These costs are amortized over the period benefited.

Property and Equipment, Net

Property and equipment are recorded at cost at the date of purchase or, if contributed, are recorded at the estimated fair value at the time of the contribution. If the donors stipulate how long the assets must be used, the contributions are recorded as restricted support. The Foundation's policy is to capitalize all individual expenditures for building and improvements, furniture and equipment, and computers that are at least $1,000 and have a useful life greater than one year. Depreciation and amortization are calculated using the straight-line method over the estimated lives of the assets. Repairs and maintenance are expensed as incurred whereas significant improvements which materially increase values or extend useful lives are capitalized and depreciated over the remaining useful lives of the related assets.

The estimated useful lives of the assets are generally as follows:

	Useful Life (Years)
Leasehold improvements	Shorter of estimated useful life or term of the lease
Office equipment	3-10 years

Upon sale or retirement of property and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in the consolidated statements of activities.

Leases

The Foundation entered into lease arrangements as a lessee for office facilities in Florida and New York. At the inception of a lease, the Foundation determines whether an arrangement is or contains a lease. A lease exists when a contract conveys to the tenant the right to control the use of identified property or equipment for a period of time in exchange for consideration. The definition of a lease embodies two conditions: (i) there is an identified asset in the contract that is land or a depreciable asset (i.e., property and equipment), and (ii) the tenant has the right to control the use of the identified asset. The Foundation recognizes a right-of-use (ROU) asset and lease liability on the consolidated statements of financial position for all leases with a term longer than 12 months, including renewal options reasonably certain to be exercised. ROU assets represent the Foundation's right to use an underlying asset for the lease term.

Lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are classified and recognized at the commencement date. ROU lease liabilities are measured based on the present value of fixed lease payments over the lease term, discounted at the appropriate rate. The Foundation has made an accounting policy to apply a risk-free rate as the discount rate used to measure lease liabilities and ROU assets at commencement of a lease. ROU assets consist of (i) initial measurement of the lease liability; (ii) lease payments made to the lessor at or before the commencement date less any lease incentives received; and (iii) initial direct costs incurred by the Foundation.

Variable lease payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are included in the measurement of ROU assets and lease liabilities using the index or rate at the commencement date. Variable lease payments that do not depend on an index or a rate are excluded from the measurement of ROU assets and lease liabilities and are recognized

in the period in which the event, activity, or circumstance in the lease agreement on which those payments are assessed occur.

Variable lease payments related to the Foundation's operating leases include costs such as property taxes, insurance, and common area maintenance and are recognized in the captions "rent, leases, and equipment" in the consolidated statements of functional expenses in the period in which the obligation for those payments is incurred. As of June 30, 2024 and 2023, there was approximately $39,000 and $73,000 respectively of variable lease costs incurred by the Foundation.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Key estimates and judgments included in the initial measurement of ROU assets and liabilities include (i) the discount rate used to discount the unpaid lease payments to present value, (ii) lease term and (iii) lease payments.

I. The risk-free discount rate for a lease determined using a period comparable with that of a lease term.

II. The lease term for leases includes the noncancelable period of the lease plus any additional periods covered by either a lessee option to extend (or not to terminate) the lease that the lessee is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

III. Lease payments included in the measurement of the lease asset or liability comprise the following: (i) fixed payments (including in-substance fixed payments), (ii) variable payments that depend on index or rate based on the index or rate at lease commencement, (iii) the exercise price of a lessee option to purchase the underlying asset if the lessee is reasonably certain to exercise, (iv) payments for penalties for terminating the lease if the lessee is reasonably certain to exercise, and (v) amounts probable of being owed under residual value guarantees.

The Foundation monitors events or changes in circumstances that require a reassessment of a lease. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in the captions "rent, lease, and equipment" in the consolidated statements of functional expenses.

Upon the adoption of Accounting Standards Codification (ASC) 842, *Leases,* the Foundation elected to apply the package of practical expedients permitted under the transition guidance that allows the Foundation not to reassess (1) whether any expired or existing contracts contain leases under the new definition of a lease; (2) the lease classification for any expired or existing leases; and (3) whether previously capitalized initial direct costs would qualify for capitalization under ASC 842. The Foundation has also elected the following practical expedients: as an accounting policy election, to apply the short-term lease exception, which does not require capitalization of lease with terms of 12 months or less.

Impairment of Long-Lived Assets

The carrying value of long-lived assets are reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows, or material adverse changes in the business climate, indicate that they may be impaired. The Foundation performs its review by comparing the carrying amounts of long-lived assets to the estimated undiscounted cash flows relating to such assets. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment. There was no impairment loss during the years ended June 30, 2024 and 2023.

Revenue Recognition

Contributions

The Foundation records unconditional promises to give as contribution revenue when cash, securities, other assets, or an unconditional promise to give is received. Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Assets received before the barrier is overcome are accounted for as refundable advances. There were no conditional contributions or promises to give at June 30, 2024 and 2023. The Foundation recognizes grant and contract revenue when the allowable costs, as defined by the individual grant or contracts, are incurred and/or unit of service has been performed.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period they are received are reported as net assets without donor restrictions.

Special Events Revenue

Special events revenue may be part contribution and part exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred. The portion of a special event payment that is a contribution is recognized as revenue when received if the contribution is not conditioned on the event taking place. If the contribution of the special event payment is conditioned upon the event taking place, the contribution is conditional, and recognition of the contribution should be deferred. Accordingly, the receipt of any cash payments should normally be recorded as a liability (refundable advance) instead of a contribution revenue. However, the contribution may be recognized as revenue if the donor explicitly waives the requirement that the event take place as a condition for the contribution.

The portion of a special event payment that is an exchange transaction is recognized after the special event takes place (that is, after the benefits are provided to the donor). If the special event has not taken place before the end of the reporting period, the exchange portion of the payment is classified as a liability in the consolidated statements of financial position.

June 30,	**2024**	2023
Exchange revenue	**$ 2,459,573**	$ 2,226,697
Contribution revenue	**2,788,512**	2,818,999
Gross Special Events Revenues	**$ 5,248,085**	$ 5,045,696

The Foundation records deferred revenue when payments for exchange transactions are collected in advance of the completing the performance obligation.

Contributed Nonfinancial Assets

Contributed services and the related expenses are recognized at their fair value in the period of use. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and (c) would otherwise have been purchased. Such support is only recognized when the underlying value of the services can be determined on a measurable and objective basis. Many individuals have donated time and services to the Foundation. The value of these services has not been recorded in the accompanying consolidated financial statements because it does not meet the criteria to be recorded in the consolidated financial statements under U.S. GAAP. Contributed assets are recognized as revenue at its fair value on the date of the contribution. During the years ended June 30, 2024 and 2023, the Foundation received donated goods and services valued at approximately $119,000 and $98,000, respectively, which included items primarily related to contributed marketing services and are included within the caption “contributed nonfinancial assets” in the consolidated statements of activities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Personnel expenses are allocated on the basis of estimated time and effort. Other expenses such as depreciation, utilities, insurance are allocated between program and supporting services based on square footage.

Concentrations of Credit and Market Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist principally of cash and cash equivalents, investments, and pledges receivable. The majority of the Foundation’s cash balance is in non-interest-bearing accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times cash balances may temporarily exceed the FDIC coverage insurance limit. The Foundation has not experienced any losses in such accounts.

The UK Foundation maintains its cash in accounts at financial institutions that are protected by the Financial Services Compensation Scheme (FSCS). Balances are insured by the FSCS up to £75,000 per depositor at each financial institution.

Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. The Foundation invests in a variety of publicly traded investment vehicles, including common stocks, government funds, and money market funds. Management seeks to mitigate risks inherent in the Foundation's investment portfolio by investing primarily in highly rated financial instruments and through regular monitoring of the Foundation's investment portfolio.

Concentrations of credit risk with respect to pledges receivable are limited due to the Foundation's large number of donors. The following table below illustrates a concentration of pledges receivable from donors:

June 30,	**2024**	2023
Donor A	**31%**	*
Donor B	**25%**	31%
Donor C	**	12%

* These donors did not have pledges in excess of 10%.

Income Taxes

The U.S. Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the IRC and from state income taxes under similar provisions of the Florida Statues. The UK Foundation is a registered charity that is exempt from corporation tax. As such, the Foundation has made no provision for income taxes in the accompanying consolidated financial statements as the Foundation had no significant net unrelated business income.

The Foundation recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances, and information available as of the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The Foundation does not believe it has taken any material uncertain tax positions and accordingly, it has not recorded any liability for unrecognized tax benefits. The Foundation did not incur any tax expenses during the years ended June 30, 2024 and 2023.

The U.S. federal jurisdiction, Florida, and the UK are the major tax jurisdictions where the Foundation files income tax returns. Additionally, the Foundation has filed Internal Revenue Service Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. The Foundation is generally no longer subject U.S. federal or state examinations by tax authorities for fiscal years before 2021.

3. Liquidity Management and Availability of Resources

The Foundation maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due. In managing its liquidity needs, the Foundation monitors and maintains a cash float to cover general operating expenditures as well as establish a strict budget. The Foundation's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

June 30,	**2024**	2023
Cash and cash equivalents	**$ 203,664**	$ 724,944
Investments, at fair value	**23,671,269**	24,367,249
Pledges receivable, net	**1,255,017**	860,217
Total Financial Assets Available for General Expenditures	**25,129,950**	25,952,410
Less amounts unavailable to management:		
Net assets with donor restrictions	**20,778,386**	23,141,741
Total Financial Assets Available to Management Within One Year	**$ 4,351,564**	$ 2,810,669

4. Investments, at Fair Value

The Foundation adopted the Financial Accounting Standards Board accounting standard on fair value measurements. The accounting standard establishes a framework for measuring fair value, expands disclosures about fair value measurements, and provides new income recognition criteria for certain derivative contracts. U.S. GAAP requires that a fair value measurement reflect assumptions market participants would use in pricing an asset or liability.

U.S. GAAP defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market, or, if none exists, the most advantageous market, for the specific asset or liability at the measurement date (referred to as an exit price).

The accounting standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under the accounting standard are:

Level 1 – This level consists of quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.

Level 2 - This level consists of inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - This level consists of prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The accounting standard requires the Foundation to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Determination of Fair Value

In determining fair value, the Foundation uses market prices of the same or similar instruments whenever such prices are available, even in situations where trading volume may be low when compared with prior periods. A fair value measurement assumes that an asset or liability is exchanged in an orderly transaction between market participants, and accordingly, fair value is not determined based upon a forced liquidation or distressed sale.

The following sections describe the valuation methodologies used by the Foundation to measure classes of financial instruments at fair value and specify the level in the fair value hierarchy where various financial instruments are generally classified. Valuation models, significant inputs to those models, and any significant assumptions are included where appropriate. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments. These instruments include cash and cash equivalents, receivables, accounts payable, and accrued expenses. The carrying amount of long-term debt, bonds, and finance lease obligations approximates fair value because the variable interest rates are based on current rates offered for debt and lease liabilities with similar terms and maturities.

Money Market Funds – These are reported at their fair value-based closing prices reported by the funds.

Equity Securities - Fair value is based on the closing price reported in the active market in which the equity securities are traded.

Fixed Income - Fair value of bonds/fixed income securities is based on quoted prices in active markets.

Alternative Equities – Fair value is based on the closing price reported in the active market in which the alternative assets are traded.

Items Measured at Fair Value on a Recurring Basis

The following tables represent the Foundation's financial instruments measured at fair value on a recurring basis for each of the fair value hierarchy levels:

June 30, 2024

	Total	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 266,710	$ 266,710	$ -	$ -
Equity securities	14,064,458	14,064,458	-	-
Fixed income	8,088,244	8,088,244	-	-
Alternative equities	1,251,857	1,251,857	-	-
Total Investments, at fair value	$ 23,671,269	$ 23,671,269	$ -	$ -

June 30, 2023

	Total	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 158,758	$ 158,758	$ -	$ -
Equity securities	14,256,332	14,256,332	-	-
Fixed income	8,355,550	8,355,550	-	-
Alternative equities	1,596,609	1,596,609	-	-
Total Investments, at fair value	$ 24,367,249	$ 24,367,249	$ -	$ -

The following schedule summarizes the investment return:

Year ended June 30,	**2024**	2023
Interest and dividend income	**$ 734,791**	$ 737,940
Net realized and unrealized gains	**2,230,469**	1,558,008
Fees	**(173,461)**	(186,155)
	$ 2,791,799	$ 2,109,793

5. Property and Equipment, Net

The following schedule summarizes property and equipment, net:

June 30,	**2024**	2023
Office equipment	**$ 634,513**	$ 576,169
Leasehold improvements	**112,131**	112,131
Total	**746,644**	688,300
Less: accumulated depreciation	**(644,620)**	(602,702)
Property and Equipment, Net	**$ 102,024**	$ 85,598

Depreciation and amortization expense was approximately $42,000 and $38,000 for the years ended June 30, 2024 and 2023, respectively.

6. Operating Lease Right-of-Use Assets, Net and Operating Lease Liabilities

The US Foundation has non-cancelable operating leases to rent office facilities in Florida and New York. These leases expire at various dates through January 2026 and provide for annual increases in rental payments for certain operating expenses, as defined in the leases. The Foundation's operating leases are discounted at various rates based on the risk-free rate, which range from 0.47% to 0.89%. The interest rates were determined at the date adoption using the daily treasury par yield curve rates for a period that is comparable to the lease terms. The Foundation's operating lease for its office facilities in Florida contains an option to renew and extend the lease for an additional three years, which management does not expect to exercise.

The components of operating lease expenses that are included in the captions "rent, lease, and equipment" in the consolidated statements of functional expenses were as follows:

Years ended June 30,	**2024**	2023
Fixed lease cost	**$ 258,523**	$ 202,033
Variable lease cost	**39,372**	72,599
Total Lease Cost	**$ 297,895**	$ 274,632

The following summarizes the supplemental information related to operating leases:

Years ended June 30,	**2024**	2023
Operating cash flows from operating leases	**$ 297,895**	$ 367,597
Weighted-average remaining lease term - operating leases	**1.50 years**	2.10 years
Weighted-average discount rate - operating leases	**0.89%**	0.78%

The maturities of operating lease liabilities as of June 30, 2024 are as follows:

Year ending June 30,	2024
2025	$ 149,600
2026	89,741
Total Minimum Operating Lease Payments	239,341
Less: amount representing interest	(21,597)
Present Value of Future Minimum Operating Lease Payments	217,744
Less: current portion	(128,203)
Long-Term Operating Lease Liabilities	$ 89,541

7. Pledges Receivable, Net

Unconditional promises to give are as follows:

June 30,	**2024**	2023
Less than one year	**$ 1,255,017**	$ 860,217
One to five years	**376,733**	1,067,083
	1,631,750	1,927,300
Less:		
Discount for future pledges	**(33,807)**	(37,624)
Allowance for doubtful accounts	**(150,000)**	(150,000)
Pledge Receivables, Net	**$ 1,447,943**	$ 1,739,676

Pledges to be received after one year were discounted using interest rates ranging from 0.27% to 4.86% and 0.19% to 3.40% for the years ended June 30, 2024 and 2023, respectively.

Payments due on pledges receivable as of June 30, 2024 are as follows:

Year ending June 30,	Amount
2025	$ 1,255,017
2026	325,850
2027	50,100
2028	783
	$ 1,631,750

8. Accounts Payable and Accrued Expenses

The Foundation's accounts payable and accrued expenses consist of the following:

June 30,	**2024**	2023
Accounts payable	**$ 350,624**	$ 260,539
Accrued compensation	**146,131**	85,348
Other accrued liabilities	**390,112**	287,217
	$ 886,867	$ 633,104

9. Notes Payable

Line of Credit

On August 2nd, 2019, the Foundation executed an unsecured revolving line of credit (LOC) agreement from a financial institution for $500,000. The LOC bears interest at a variable rate that is equal to the Wall Street Journal Prime Rate. The LOC was not utilized during the years ended June 30, 2024 and 2023, and thus, there was no balance outstanding on the LOC as of June 30, 2024 and 2023. The loan is secured by all of the Foundation's assets. The LOC was subsequently renewed and the interest rate was changed to Prime Rate plus 0.50%. The LOC is due on demand and is in force until the parties agree in writing to terminate the agreement.

10. Related Party Transactions

Transactions with Diabetes Research Institute at the University of Miami, Miller School of Medicine (the Institute)

As described in Note 1, the Foundation's main purpose is the support of research in the field of Diabetes. The beneficiary of the Foundation's research support is the Institute. The Institute is governed by the Board of Directors at the University of Miami and does not share any common board members with the Foundation. During the years ended June 30, 2024, and 2023, the Foundation granted $8,232,000 and $6,256,000, respectively, to the Institute. As of June 30, 2024 and 2023, the amount outstanding to the Institute was approximately $599,000 and $58,000, respectively.

Additionally, on April 24, 2023, the Foundation entered into an agreement to fund a research grant in the amount of approximately $47,485,000 through June 30, 2029 to the Institute. The Foundation has not recorded this agreement as a liability on the consolidated financial statements, as management has made the determination that the agreement is conditional. The grant to the Institute is cost-reimbursement based, and the Foundation pays the Institute after review and approval of expenditures. Further, the agreement provides the Foundation the right to discontinue making payments on the remaining unpaid portion. The Foundation is recording related expenses and obligations as the Foundation is invoiced.

Transactions with Board Members

As of June 30, 2024 and 2023, the Foundation had pledges receivable from members of the Board of Directors amounting to $150,000 and $250,000, respectively.

11. Endowment Funds

At June 30, 2024 and 2023, the Foundation's endowment consists of individual funds established for Fellowships and direct research. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). The Foundation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds that are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund.
2) The purposes of the Foundation and the donor-restricted endowment fund.
3) General economic conditions.
4) The possible effect of inflation and deflation.
5) The expected total return from income and the appreciation of investments.
6) Other resources of the Foundation.
7) The investment policies of the Foundation.

For the years ended June 30, 2024 and 2023, the Foundation has elected not to add appreciation for cost of living or other spending policies to its donor-restricted endowment for inflation and other economic conditions.

A summary of endowment net assets is as follows:

June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Perpetual endowment funds	$ -	$ 1,000,000	$ 1,000,000
Accumulated earnings on perpetual endowment funds	-	1,636,324	1,636,324
Time- and purpose-restricted endowment funds	-	6,422,889	6,422,889
Total Endowment Net Assets	$ -	$ 9,059,213	$ 9,059,213

June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Perpetual endowment funds	$ -	$ 1,000,000	$ 1,000,000
Accumulated earnings on perpetual endowment funds	-	1,358,783	1,358,783
Time- and purpose-restricted endowment funds	-	8,047,503	8,047,503
Total Endowment Net Assets	$ -	$ 10,406,286	$ 10,406,286

Changes in endowment net assets are as follows:

June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Asset Balance, July 1, 2023	$ -	$ 10,406,286	$ 10,406,286
Investment income, net	-	1,221,720	1,221,720
Amounts appropriated for expenditure	-	(2,568,793)	(2,568,793)
Endowment Net Asset Balance, June 30, 2024	$ -	$ 9,059,213	$ 9,059,213

June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Asset Balance, July 1, 2022	$ -	$ 10,019,240	$ 10,019,240
Investment income, net	-	774,031	774,031
Amounts appropriated for expenditure	-	(386,985)	(386,985)
Endowment Net Asset Balance, June 30, 2023	$ -	$ 10,406,286	$ 10,406,286

Return Objectives and Risk Parameters

The Foundation has adopted investment policies for endowment assets with its primary objective to provide for long-term growth of principal and income within reasonable risk tolerances enabling the Foundation to make grants on a continuing and consistent basis. The focus is on reasonable and consistent long-term capital appreciation. Primary emphasis is placed on maintaining real growth of assets net of inflation and fees.

Strategies Employed for Achieving Objectives

To satisfy its investment objectives, the Foundation has adopted an investment strategy emphasizing broad diversification. Diversification helps to reduce portfolio volatility (variability of returns) and maximizes investment returns at appropriate levels of risk over time. Diversification of assets is achieved by holding assets within multiple asset classes.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The amounts distributed for spending from the endowment funds in accordance with the donor agreements and shall be as described in a plan approved by the Foundation adopted for such specific purpose, and to further the Foundation's mission. The Foundation may, on an annual basis, appropriate and expend net appreciation of the endowment fund for the purposes stated.

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12. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 consist of the following balances:

	July 1, 2023	Additions/ Investment Gains	Releases	**June 30, 2024**
Subject to Expenditure for a Specific Purpose				
Diabetes research	$ 12,465,254	$ 1,220,735	$ (2,237,017)	$ 11,448,972
Equipment to support research	270,201	-	-	270,201
Total Purpose-Restricted Net Assets	12,735,455	1,220,735	(2,237,017)	11,719,173
Amount Restricted by Time and Purpose				
Perpetual endowments	1,000,000	-	-	1,000,000
Accumulated earnings on perpetual endowment funds	1,358,783	277,541	-	1,636,324
Time- and purpose-restricted endowments	8,047,503	944,179	(2,568,793)	6,422,889
Total Amount Restricted by Time and Purpose	10,406,286	1,221,720	(2,568,793)	9,059,213
Total Net Assets with Donor Restrictions	$ 23,141,741	$ 2,442,455	$ (4,805,810)	$ 20,778,386

	July 1, 2022	Additions/ Investment Gains	Releases	**June 30, 2023**
Subject to Expenditure for a Specific Purpose				
Diabetes research	$ 13,733,161	$ 168,931	$ (1,436,838)	$ 12,465,254
Equipment to support research	270,201	-	-	270,201
COVID-19 research	306,392	-	(306,392)	-
Total Purpose-Restricted Net Assets	14,309,754	168,931	(1,743,230)	12,735,455
Amount Restricted by Time and Purpose				
Perpetual endowments	1,000,000	-	-	1,000,000
Accumulated earnings on perpetual endowment funds	1,186,580	172,203	-	1,358,783
Time- and purpose-restricted endowments	7,832,660	601,828	(386,985)	8,047,503
Total Amount Restricted by Time and Purpose	10019,240	774,031	(386,985)	10,406,286
Total Net Assets with Donor Restrictions	$ 24,328,994	$ 942,962	$ (2,130,215)	$ 23,141,741

13. Employee Benefit Plan

The Foundation has a 403(b) Thrift Plan (the Plan) covering substantially all employees who work more than 20 hours a week. Effective January 1, 2021, the Plan was restated to become a Safe Harbor plan. Eligible participants must have reached the age of 21. The Plan allows eligible participants to defer a portion of their current compensation and have these amounts contributed to the Plan on their behalf. The Foundation provides 100% matching of employee contributions up to a maximum of 6% of the employee's gross earnings for eligible participants. The Foundation contributed approximately $127,000 and $105,000 to the Plan during the years ended June 30, 2024 and 2023, respectively.

14. Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	Revenue Recognized			
Nonfinancial Asset	**June 30, 2024**	June 30, 2023	Utilization in Programs/Activities	Valuation Techniques/Inputs
Advertising	**$ 118,599**	$ 92,767	Utilized to provide online advertisements to support hosted events.	The Foundation estimated the fair value of advertising costs, based upon market rates for similar services.
Auction items	**-**	5,561	Utilized in fundraising activities.	Auction items are valued based on published prices, appraisals, and online sources. When the values are difficult to determine, the Foundation has elected to use the practical expedient allowed by the standard to value auction items and experiences when the item is subsequently sold.

15. Commitments and Contingencies

Litigation

The Foundation can be exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, there were no open matters that will have a material effect on the Foundation's financial position or the results of its operations.

16. Subsequent Events

The Foundation has evaluated subsequent events through April 2, 2025, which is the date the consolidated financial statements were available to be issued.