

DYF
(Diabetes Youth Families)

Financial Statements

Years Ended December 31, 2025 and 2024

DYF
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Financial Statements

Years Ended December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Trustees
DYF (Diabetes Youth Families)

Opinion

We have audited the financial statements of DYF (Diabetes Youth Families) (the "Organization"), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

SAX LLP

Parsippany, New Jersey
July 22, 2026

DYF (Diabetes Youth Families)

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 523,670	\$ 2,855,757
Contributions and pledges receivable	180,890	69,614
Investments	2,644,045	299,884
Prepaid expenses	172,832	172,507
Property and equipment, net of accumulated depreciation of \$3,814,799 and \$3,584,428	2,478,787	2,615,849
Right-of-use ("ROU") assets - operating	35,776	64,990
Right-of-use ("ROU") assets - finance, net	11,554	18,758
Security deposit	2,055	2,055
TOTAL ASSETS	\$ 6,049,609	\$ 6,099,414
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 52,370	\$ 52,000
Accrued payroll	13,329	9,442
Accrued vacation pay	60,936	54,296
Deferred revenue from contracts and partnerships	18,625	49,737
Operating lease obligation	36,675	65,730
Finance lease obligation	12,034	19,559
Total liabilities	193,969	250,764
NET ASSETS		
Without donor restrictions	5,546,644	5,718,519
With donor restrictions	308,996	130,131
Total net assets	5,855,640	5,848,650
TOTAL LIABILITIES AND NET ASSETS	\$ 6,049,609	\$ 6,099,414

See accompanying Notes to Financial Statements.

DYF
(Diabetes Youth Families)

Statement of Activities

Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and pledges	\$ 1,333,824	\$ 417,030	\$ 1,750,854
Contributed nonfinancial assets	576,333	-	576,333
Program service fees and charges, net	540,112	-	540,112
Contracts and partnerships	103,939	-	103,939
Net investment income	93,128	-	93,128
Net unrealized/realized gains on investments	229,472	-	229,472
Other	16,567	-	16,567
Net support and revenue	<u>2,893,375</u>	<u>417,030</u>	<u>3,310,405</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	<u>238,165</u>	<u>(238,165)</u>	<u>-</u>
FUNCTIONAL EXPENSES			
Program services	2,232,660	-	2,232,660
Management and general	797,194	-	797,194
Fundraising	273,561	-	273,561
Total functional expenses	<u>3,303,415</u>	<u>-</u>	<u>3,303,415</u>
Change in net assets	(171,875)	178,865	6,990
NET ASSETS, <i>beginning of year</i>	<u>5,718,519</u>	<u>130,131</u>	<u>5,848,650</u>
NET ASSETS, <i>end of year</i>	<u>\$ 5,546,644</u>	<u>\$ 308,996</u>	<u>\$ 5,855,640</u>

See accompanying Notes to Financial Statements.

DYF (Diabetes Youth Families)

Statement of Activities

Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and pledges	\$ 1,268,141	\$ 84,955	\$ 1,353,096
Contributed nonfinancial assets	486,299	-	486,299
Program service fees and charges, net	508,919	-	508,919
Contracts and partnerships	117,065	-	117,065
Net investment income	96,668	-	96,668
Net unrealized/realized gains on investments	80,121	-	80,121
Other	1,664	-	1,664
Net support and revenue	<u>2,558,877</u>	<u>84,955</u>	<u>2,643,832</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of donor restrictions	<u>188,766</u>	<u>(188,766)</u>	<u>-</u>
FUNCTIONAL EXPENSES			
Program services	2,402,623	-	2,402,623
Management and general	643,791	-	643,791
Fundraising	210,462	-	210,462
Total functional expenses	<u>3,256,876</u>	<u>-</u>	<u>3,256,876</u>
Change in net assets	(509,233)	(103,811)	(613,044)
NET ASSETS, <i>beginning of year</i>	<u>6,227,752</u>	<u>233,942</u>	<u>6,461,694</u>
NET ASSETS, <i>end of year</i>	<u>\$ 5,718,519</u>	<u>\$ 130,131</u>	<u>\$ 5,848,650</u>

See accompanying Notes to Financial Statements.

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Statement of Functional Expenses

Year Ended December 31, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries, payroll taxes and benefits	\$ 744,394	\$ 432,924	\$ 149,887	\$ 1,327,205
Contributed nonfinancial assets	544,177	-	32,156	576,333
Clerical and program	180,257	104,831	36,295	321,383
Depreciation	230,372	-	-	230,372
Outside services	142,213	122,623	17,555	282,391
Transportation and conferences	49,570	28,830	9,982	88,382
Occupancy and maintenance	73,423	42,702	14,784	130,909
Insurance	85,712	23,210	-	108,922
Facility rentals	161,906	1,395	-	163,301
Bank and merchant fees	-	28,678	8,747	37,425
Other organizational expenses	20,636	12,001	4,155	36,792
	<u>\$ 2,232,660</u>	<u>\$ 797,194</u>	<u>\$ 273,561</u>	<u>\$ 3,303,415</u>
Total functional expenses for statement of activities	<u>\$ 2,232,660</u>	<u>\$ 797,194</u>	<u>\$ 273,561</u>	<u>\$ 3,303,415</u>

See accompanying Notes to Financial Statements.

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Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total Expenses
Salaries, payroll taxes and benefits	\$ 872,996	\$ 311,959	\$ 119,012	\$ 1,303,967
Contributed nonfinancial assets	486,299	-	-	486,299
Clerical and program	294,197	105,130	40,107	439,434
Depreciation	240,445	-	-	240,445
Outside services	65,367	107,648	18,800	191,815
Transportation and conferences	76,449	27,318	10,422	114,189
Occupancy and maintenance	98,705	35,272	13,456	147,433
Insurance	96,417	21,600	-	118,017
Facility rentals	154,763	610	120	155,493
Bank and merchant fees	-	28,184	6,230	34,414
Other organizational expenses	16,985	6,070	2,315	25,370
	<u>16,985</u>	<u>6,070</u>	<u>2,315</u>	<u>25,370</u>
Total functional expenses for statement of activities	<u><u>\$ 2,402,623</u></u>	<u><u>\$ 643,791</u></u>	<u><u>\$ 210,462</u></u>	<u><u>\$ 3,256,876</u></u>

See accompanying Notes to Financial Statements.

DYF (Diabetes Youth Families)

Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	\$ 6,990	\$ (613,044)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	230,372	240,445
Net unrealized/realized gains on investments	(229,472)	(80,121)
Amortization of net operating lease - ROU asset	29,214	(60,099)
Amortization of net finance lease - ROU asset	7,974	7,918
(Increase) decrease in assets		
Contributions and pledges receivable	(111,276)	10,598
Prepaid expenses	(325)	(31,595)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	370	(23,495)
Accrued payroll	3,887	(64,445)
Accrued vacation pay	6,640	12,018
Deferred revenue from contracts and partnerships	(31,112)	49,737
Operating lease obligation	(29,055)	60,686
Net cash flows used for operating activities	(115,793)	(491,397)
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Net proceeds from (purchase of) investments	(2,114,689)	3,026,443
Purchase of property and equipment	(93,310)	-
Net cash flows (used for) provided by investing activities	(2,207,999)	3,026,443
CASH FLOWS USED FOR FINANCING ACTIVITIES		
Finance lease obligation	(8,295)	(7,322)
Net cash flows used for financing activities	(8,295)	(7,322)
Net (decrease) increase in cash and cash equivalents	(2,332,087)	2,527,724
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	2,855,757	328,033
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 523,670	\$ 2,855,757
SUPPLEMENTAL CASH FLOW INFORMATION		
No interest or taxes were paid.		

See accompanying Notes to Financial Statements.

DYF

(Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 1 - Description of Organization

a. Nature of Activities

DYF's (Diabetes Youth Families) (the "Organization" or "DYF") 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 Adventure Program series) and through its year-round programs. Support for DYF comes primarily through public donations with program participants paying program fees, receiving subsidized program fees, and attending on scholarships.

b. 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 resident camp programs all summer long with specific sessions for children, teens, families and adults. Camp de los Niños, DYF's second largest program, is also a resident camp program operated at YMCA Camp Loma Mar. Finally, DYF's Adventure Programs throughout California include backpacking programs, a biennial multi-sport adventure program, a biennial Mt. Whitney backpacking trip called Altitude 14,505, and an annual Community Whitewater Rafting program. All summer programs are dedicated to offering exceptional education and enduring support to the type 1 diabetes community.

c. 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.

d. Other Programs

DYF provides education, support and recreational activities in a variety of locations throughout Northern California. These include: Community Activity Programs; and other outdoor recreational and educational programs. In addition, DYF provides in-person and virtual support programs and an online support community for parents of people with type 1 diabetes.

DYF

(Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies

a. Basis of Presentation

The financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions:

- Operating - represent resources available for support for the Organization's operations which are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions:

- Net assets with donor restrictions represent assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. 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 statements of activities as net assets released from restrictions.

b. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. Included within cash and cash equivalents are money market funds of \$186,115 and \$2,536,466, respectively, as of December 31, 2025 and 2024.

c. Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income or loss includes DYF's gains and losses on investments bought and sold as well as held during the year.

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(Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

d. Fair Value Measurements

The Organization applies Topic 820, *Fair Value Measurement*, of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), which defines fair value, establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Topic 820 of FASB ASC are described below:

- Level 1 - Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Organization has the ability to access at the measurement date;
- Level 2 - Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 - Significant unobservable prices or inputs (including the Organization's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

e. 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. Receivables are analyzed by the Organization for collectability. Receivables are evaluated for collectability based on the creditworthiness of the donor, the Organization's collection history, and the aging of outstanding balances. DYF did not record an allowance for bad debts as of December 31, 2025 and 2024. 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, 2025 and 2024, are to be received within one year and have not been discounted to present value.

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

f. 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 which have a useful life exceeding one year.

g. Revenue and Support Recognition

Contributions and Pledges

Contributions received are generally available without donor-restricted use unless specifically restricted by the donor. All donor-restricted support is reported as net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to without donor restriction and reported in the statements of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as an increase in net assets without donor restrictions.

In accordance with ASC subtopic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution or a promise is conditional or unconditional. The contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier such as a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and such revenues should be reported as conditional grant advance liabilities until such conditions are met.

Program Service Fees and Charges

Under ASC Topic 606, Program service fees and charges are reported at established rates, net of scholarships provided to campers. Program service fees are charged at the time of enrollment. Program service fees and charges are considered to be one performance obligation and are satisfied once the program has commenced.

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(Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

g. Revenue and Support Recognition - 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. Contracts and partnership revenue is recognized in accordance with ASC Topic 606, where revenue is recognized in the period performance obligations are met at the start of the contracted program. Deferred revenue from contracts and partnerships represents cash deposits received prior to meeting the performance obligations.

h. Contributed Nonfinancial Assets

DYF receives donated services of medical staff and donated medical supplies from pharmaceutical companies. These contributed services and goods have been valued at the standard market rates that would have been incurred by DYF to obtain them and are reported as both revenue and expense in the accompanying financial statements because they meet the criteria as prescribed by U.S. GAAP.

i. Functional Allocation of Expenses

The costs of providing the program services and supporting activities of DYF are shown on the statements 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.

j. Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

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Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

j. Leases - Continued

The Organization recognizes most leases on its statements of financial position as a right-of-use ("ROU") asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statement of activities.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

k. 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.

l. 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.

m. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in 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.

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

n. Evaluation of Subsequent Events

DYF evaluated subsequent events for potential recognition or disclosure through July 22, 2026, the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability

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

	December 31,	
	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 523,670	\$ 2,855,757
Contributions and pledges receivable within one year	180,890	69,614
Investments	2,644,045	299,884
Total financial assets	3,348,605	3,225,255
Less amounts not available to be used within one year:		
Investments held for endowment	(130,131)	(130,131)
Financial assets with donor restrictions - programs and scholarships	(178,865)	-
Financial assets not available to be used within one year	(308,996)	(130,131)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,039,609</u>	<u>\$ 3,095,124</u>

Annual operations are defined as activities occurring during DYF's fiscal year. DYF manages its cash available to meet general expenditures following the 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 protect the organization against any unexpected events, ensuring the sustainability of DYF.

DYF strives to maintain a healthy capital reserve of at least six months in order to properly manage its operations.

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 4 - Investments

Investment securities are stated at fair value and are summarized as follows:

	December 31, 2025		
	Cost	Fair Value	Unrealized Gain
Exchange traded funds	\$ 1,272,772	\$ 1,512,281	\$ 239,509
Fixed income			
Government securities	\$ 298,285	301,691	3,406
Mutual funds	815,584	830,073	14,489
Total	\$ 2,386,641	\$ 2,644,045	\$ 257,404

	December 31, 2024		
	Cost	Fair Value	Unrealized Gain
Exchange traded funds	\$ 135,863	\$ 207,820	\$ 71,957
Mutual funds	90,631	92,064	1,433
Total	\$ 226,494	\$ 299,884	\$ 73,390

Note 5 - Fair Value Measurements

Fair value of assets measured on a recurring basis at December 31, 2025 and 2024 consists of the following:

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Exchange traded funds	\$ 1,512,281	\$ 1,512,281	\$ -	\$ -
Fixed income				
Government securities	301,691	301,691	-	-
Mutual funds	830,073	830,073	-	-
Total	\$ 2,644,045	\$ 2,644,045	\$ -	\$ -

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 5 - Fair Value Measurements - Continued

	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<u>Assets</u>				
Exchange traded funds	\$ 207,820	\$ 207,820	\$ -	\$ -
Mutual funds	92,064	92,064	-	-
Total	<u>\$ 299,884</u>	<u>\$ 299,884</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6 - Property and Equipment, Net

Property and equipment is comprised of the following at December 31, 2025:

	Cost	Accumulated Depreciation	Net
Buildings and improvements	\$ 5,715,764	\$ (3,338,300)	\$ 2,377,464
Equipment	327,745	(235,476)	92,269
Vehicles	250,077	(241,023)	9,054
Total	<u>\$ 6,293,586</u>	<u>\$ (3,814,799)</u>	<u>\$ 2,478,787</u>

Property and equipment is comprised of the following at December 31, 2024:

	Cost	Accumulated Depreciation	Net
Buildings and improvements	\$ 5,705,659	\$ (3,121,354)	\$ 2,584,305
Equipment	244,541	(227,462)	17,079
Vehicles	250,077	(235,612)	14,465
Total	<u>\$ 6,200,277</u>	<u>\$ (3,584,428)</u>	<u>\$ 2,615,849</u>

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 7 - Net Assets With Donor Restrictions

Purpose restricted net assets at December 31, 2025 and 2024 are as follows:

	December 31,	
	2025	2024
Bearskin Meadow Camp	\$ 178,865	\$ -
Total	<u>\$ 178,865</u>	<u>\$ -</u>

Donor-restricted net assets that are perpetual in nature at December 31, 2025 and 2024 are as follows:

	December 31,	
	2025	2024
Bearskin Meadow Camp	\$ 130,131	\$ 130,131
Total	<u>\$ 130,131</u>	<u>\$ 130,131</u>

Note 8 - Endowments

DYF reports net assets associated with endowment funds based on the existence or absence of donor-imposed restrictions. DYF classifies as net assets with donor restrictions the original value of gifts donated to the endowments and the original value of subsequent gifts to the endowments. Investment returns on these endowments are considered restricted until used for the donor's intended program. At the end of each fiscal year, at the board's discretion, the board can authorize 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.

Interpretation of Relevant Law

The Board of Trustees of DYF has interpreted the Uniform Prudent Management of Institutional Funds ("UPMIFA") 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, DYF classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not considered a permanent endowment is classified as unrestricted.

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 8 - Endowments - Continued

In accordance with UPMIFA, DYF considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. General investment objectives.
2. Permitted and prohibited investments.
3. Acceptable levels of risk.
4. Asset allocation and diversification.
5. Procedures for monitoring investment performance.
6. Scope and terms of delegation of investment management functions.
7. The investment manager's accountability.
8. Procedures for selecting and evaluating external agents.
9. Processes for reviewing investment policies and strategies.

Spending Policy and How the Investment Objectives Related to Spending Policy

DYF's investment policy aims to provide a predictable stream of funding to sufficiently support designated needs and preserve or enhance the real value of DYF. Under this policy, investment assets, which include endowment fund assets, are invested in a manner that is expected to achieve a positive rate of return over the long-term.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires DYF to retain as a fund of perpetual duration. Deficiencies of this nature reported in net assets without donor restrictions were \$-0- as of December 31, 2025 and 2024.

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 8 - Endowments - Continued

Net changes in endowment funds were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, <i>at January 1, 2024</i>	\$ 57,741	\$ 130,131	\$ 187,872
Investment income	4,609	-	4,609
Net unrealized and realized gains	26,719	-	26,719
Appropriations for expenditure	-	-	-
Endowment net assets, <i>at December 31, 2024</i>	89,069	130,131	219,200
Investment income	4,868	-	4,868
Net unrealized and realized gains	30,332	-	30,332
Appropriations for expenditure	-	-	-
Endowment net assets, <i>at December 31, 2025</i>	<u>\$ 124,269</u>	<u>\$ 130,131</u>	<u>\$ 254,400</u>

Note 9 - 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 years ended December 31, 2025 and 2024.

Note 10 - Leases

The Organization leases real estate under an operating lease agreement that has an initial term of three years. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The Organization also leases certain equipment under finance lease agreements with terms of five years and interest rates ranging from 2.79% to 3.81%. The Organization's finance leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term.

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Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 10 - Leases - Continued

The components of lease expense are as follows for the years ended December 31, 2025 and 2024:

	Years Ended December 31,	
	2025	2024
Operating lease cost	\$ 30,348	\$ 30,127
Finance lease cost - amortization of ROU assets	3,792	10,919
Finance lease cost - interest on lease liabilities	428	640
Short-term rental cost	163,301	155,493
Total lease cost	<u>\$ 197,869</u>	<u>\$ 197,179</u>

Short-term lease costs are included within facility rentals on the statements of functional expenses. Operating lease costs are included within occupancy and maintenance on the statements of functional expenses. Finance lease costs are included within clerical and program on the statements of functional expenses.

Supplemental statement of financial position information related to leases was as follows:

	December 31,	
	2025	2024
Operating leases		
Operating lease ROU assets	<u>\$ 35,776</u>	<u>\$ 64,990</u>
Operating lease liabilities, current	\$ 32,296	\$ 28,036
Operating lease liabilities, non-current	4,379	37,694
Total operating lease liabilities	<u>\$ 36,675</u>	<u>\$ 65,730</u>
Finance leases		
Copier and office equipment	\$ 39,396	\$ 38,626
Accumulated amortization	27,842	19,868
Finance lease ROU assets, net	<u>\$ 11,554</u>	<u>\$ 18,758</u>
Current maturities of finance lease liabilities	\$ 7,713	\$ 7,049
Finance lease liabilities, non-current	4,321	12,510
Total financing lease liabilities	<u>\$ 12,034</u>	<u>\$ 19,559</u>

DYF (Diabetes Youth Families)

Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 10 - Leases - Continued

Supplemental cash flow information related to leases was as follows:

	Years Ended December 31,	
	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows - payments on operating leases	\$ 30,190	\$ 29,516
Operating cash outflows - payments on finance leases	\$ 349	\$ 535
Financing cash outflows - payments on finance leases	\$ 7,364	\$ 7,178
ROU assets obtained in exchange for new lease obligations		
Operating leases	\$ -	\$ 90,681

Average lease term and discount rate as of December 31, 2025 and 2024 were as follows:

	December 31,	
	2025	2024
Weighted-average remaining lease term		
Operating leases	1.16 years	2.16 years
Finance leases	1.55 years	2.51 years
Weighted-average discount rate		
Operating leases	0.27%	0.27%
Finance leases	3.03%	3.00%

The aggregate future lease payments for operating and finance leases as of December 31, 2025 were as follows:

	Operating Leases	Finance Leases
Future lease payments		
2026	\$ 32,296	\$ 7,713
2027	5,398	2,789
2028	-	2,113
Total lease payments	37,694	12,615
Less imputed interest	(1,019)	(581)
Total present value of lease liabilities	\$ 36,675	\$ 12,034

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Notes to Financial Statements

Years Ended December 31, 2025 and 2024

Note 10 - Leases - Continued

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 11 - Contributed Nonfinancial Assets

For the years ended December 31, 2025 and 2024, contributed nonfinancial assets were as follows:

	Years Ended December 31,	
	2025	2024
Medical supplies	\$ 192,209	\$ 228,309
Professional services	384,124	257,990
Total	<u>\$ 576,333</u>	<u>\$ 486,299</u>

Contributed medical supplies were donated by pharmaceutical companies and DYF utilized medical supplies for in-person programs during the year.

In valuing medical supplies, DYF estimated the fair value based on retail values that would be received for buying similar products in the United States.

Recognized contributed services are from several medical professionals for running various in-person programs during the year. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.