

DEFEAT DIABETES FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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Stapleton, Johnson & McDowell, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To the Board of Directors and
Finance Committee of
Defeat Diabetes Foundation, Inc.
Madeira Beach, Florida

We have audited the accompanying financial statements of Defeat Diabetes Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Defeat Diabetes Foundation, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Stapleton, Johnson & McDowell, P.A.
Certified Public Accountants

June 22, 2018

MEMBER

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

**DEFEAT DIABETES FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS

CURRENT ASSETS		
Cash	\$ 51,189	
Contributions Receivable	47,348	
Inventory	28,933	
Prepaid Expenses	<u>230</u>	
TOTAL CURRENT ASSETS		\$ 127,700
PROPERTY AND EQUIPMENT		
Equipment	14,827	
Land	80,285	
Building	319,083	
Vehicles	6,014	
Less: Accumulated Depreciation	<u>(123,216)</u>	
NET PROPERTY AND EQUIPMENT		296,993
OTHER ASSETS		
Investments	2,915	
Deposits	<u>205</u>	
NET OTHER ASSETS		<u>3,120</u>
OTHER ASSETS		<u>\$ 427,813</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 192,223	
Deferred Officer and Director Compensation	258,330	
Notes Payable - Officers	<u>431,000</u>	
TOTAL CURRENT LIABILITIES		\$ 881,553
LONG-TERM LIABILITIES		<u>0</u>
TOTAL LIABILITIES		881,553
NET DEFICIT		<u>(453,740)</u>
Unrestricted		
TOTAL LIABILITIES AND NET DEFICIT		<u>\$ 427,813</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

DEFEAT DIABETES FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUE:			
DIRECT PUBLIC SUPPORT:			
Contributions	\$ 579,195	\$ 471,434	\$ 1,050,629
Contributions – In Kind	<u>1,498,499</u>	<u>0</u>	<u>1,498,499</u>
Total Direct Public Support	<u>2,077,694</u>	<u>471,434</u>	<u>2,549,128</u>
OTHER REVENUES (LOSSES)			
List Rentals	1,537	0	1,537
Investment Gains (Losses)	<u>410</u>	<u>0</u>	<u>410</u>
Total Other Revenues (Losses)	<u>1,947</u>	<u>0</u>	<u>1,947</u>
TOTAL PUBLIC SUPPORT AND OTHER REVENUES (LOSSES)	2,079,641	471,434	2,551,075
NET ASSETS RELEASED FROM RESTRICTIONS	<u>471,434</u>	<u>(471,434)</u>	<u>0</u>
TOTAL PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS	<u>2,551,075</u>	<u>0</u>	<u>2,551,075</u>
EXPENSES:			
Program Services	1,626,152	0	1,626,152
Management and General	61,865	0	61,865
Fundraising	<u>847,282</u>	<u>0</u>	<u>847,282</u>
TOTAL EXPENSES	<u>2,535,299</u>	<u>0</u>	<u>2,535,299</u>
INCREASE (DECREASE) IN NET ASSETS	15,776	0	15,776
NET DEFICIT BEGINNING OF YEAR	<u>(469,516)</u>	<u>0</u>	<u>(469,516)</u>
NET DEFICIT END OF YEAR	<u>\$ (453,740)</u>	<u>\$ 0</u>	<u>\$ (453,740)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**DEFEAT DIABETES FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Advertising and Promotion	\$ 0	\$ 0	\$ 1,200	\$ 1,200
Automobile Expense	377	0	0	377
Banking and Caging	0	21,470	34,462	55,932
Consulting	36,818	0	40	36,858
Data Processing	0	0	589	589
Depreciation	7,364	818	0	8,182
Insurance	4,915	1,700	0	6,615
Interest	0	11,706	0	11,706
Legal and Professional	0	9,720	0	9,720
Licenses, Taxes and Permits	1,500	5,200	0	6,700
Mailing Lists	1,445	0	9,094	10,539
Medical Supplies	1,474,754	0	0	1,474,754
Office Expenses	10,574	6,256	0	16,830
Office Salaries	17,944	0	0	17,944
Officer Salaries	27,625	2,708	0	30,333
Payroll Taxes	2,544	151	0	2,695
Postage and Delivery	9,007	315	106,652	115,974
Printing and Reproduction	17,123	0	198,897	216,020
Professional Fundraising Services	0	0	496,348	496,348
Telephone and Internet	3,762	1,400	0	5,162
Travel	62	421	0	483
Videography	<u>10,338</u>	<u>0</u>	<u>0</u>	<u>10,338</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,626,152</u>	<u>\$ 61,865</u>	<u>\$ 847,282</u>	<u>\$ 2,535,299</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

DEFEAT DIABETES FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets		\$ 15,776
Adjustments to Reconcile Changes in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation	\$ 8,182	
Unrealized (Gain) Loss on Investments	(410)	
Changes in Contributions Receivable	(988)	
Changes in Inventory	(23,077)	
Changes in Prepaid Expenses	(80)	
Deferred Officer and Director Compensation	7,954	
Changes in Accounts Payable and Accrued Expenses	<u>(43,548)</u>	
		<u>(51,967)</u>
NET CASH USED BY OPERATING ACTIVITIES		(36,191)
CASH FLOWS FROM INVESTING ACTIVITIES		<u>0</u>
NET CASH USED BY INVESTING ACTIVITIES		0
CASH FLOWS FROM FINANCING ACTIVITIES		<u>0</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>0</u>
NET INCREASE IN CASH		(36,191)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR		<u>87,380</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR		<u>\$ 51,189</u>

SUPPLEMENTAL DISCLOSURES

INTEREST PAID	<u>\$ 0</u>
INCOME TAXES PAID	<u>\$ 0</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 – ORGANIZATION OF THE FOUNDATION

Defeat Diabetes Foundation, Inc. (the "Foundation") was incorporated November 21, 1991 under the laws of the State of Florida as a non-profit corporation and solicits contributions through professional fund raisers, direct mail campaigns on a national basis, co-ventures, through its web-site and personal contacts.

The mission of the Foundation is to inform, educate and alert the general public, diabetics, pre-diabetics and elected officials about the disease, its prevention and the consequences of undiagnosed and/or poorly managed diabetes and to provide accurate, up to date and practical information on the treatment and self management of the disease. The Foundation's evolving activities are literary, educational and may encompass any activities which fall within the meaning of Section 501(c) (3) of the Internal Revenue Code.

The Foundation is located in Madeira Beach, Florida, is supported by concerned individuals and is operated by contracted, salaried and volunteer services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies follows:

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash flow is expressed in terms of "cash and cash equivalents". Cash equivalents include short-term highly liquid investments such as bank and money market accounts, together with certificates of deposit with original maturities of three months or less.

Contributions Receivable

The Foundation uses the reserve method of accounting for bad debts, and management is of the opinion that all receivables are collectible and that no allowance for bad debts is required at December 31, 2017. All receivables are expected to be received in less than one year.

Inventory

The Foundation's inventory is comprised of program related medical supplies, equipment, and printed materials and supplies held for program distribution. Donated items are recorded at estimated fair value and purchased items are recorded at cost. Management has determined that no allowances are required to the original valuations in order for these balances to report inventory at the lower cost or market, as determined by the first-in first-out method.

DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Property and Equipment

The Foundation capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line methods over estimated useful lives ranging from five to thirty-nine years.

Investments

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operation.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or our actions and/or the passage of time.

The Foundation reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by our actions. The restrictions stipulate that resources be maintained permanently but permit us to expend the income generated in accordance with the provisions of the agreements.

DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance, if any, is based on prior years' experience and managements analysis of specific promises made.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restriction. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

No amounts have been reflected in the financial statements for donated services. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation in its program and fundraising mission, but these services do not meet the criteria for recognition as contributed services. Management is not able to estimate the amount of hours contributed by these volunteers.

Advertising

The Foundation expenses advertising costs as they are incurred and advertising communication costs the first time the advertising takes place.

Income Taxes

The Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation owes no taxes to the Federal Government or any State Government for the year ended December 31, 2017. The Foundation's tax returns are subject to examination by the Internal Revenue Service, generally for a three year period from the date they were filed.

**DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Functional Expenses

The Foundation allocates its expenses on a functional basis among its various programs and services. Expenses that can be identified with a specific revenue and support service are allocated directly according to their natural expenditure classification. The Foundation's principal program activities comprise:

The KIDD™ Project

- Defeat Diabetes® Screening Test Brochures are provided free of charge to schools and other civic organizations for children, faculty and staff and their families throughout the United States.

Social Media

- Series of forty (40) exercise videos designed for use at home and office; offered at no charge to users on You Tube.
- Twitter

Public Service Announcements

- D.A.N. Project (Diabetes Awareness Now) is a Defeat Diabetes® Awareness Project and is a Public Service Announcement campaign about the dangers of undiagnosed diabetes.

Defeat Diabetes Foundation Website

- The Foundation maintains the website – (www.DefeatDiabetes.org).
- Defeat Diabetes Foundation provides a free online monthly newsletter, E-Lerts™, featuring important information for diabetics, their families and the general public.

Other Activities

- Public Awareness - Defeat Diabetes Foundation provides information to the general public including the Defeat Diabetes® Screening Test Brochures, emphasizing Diabetes Risk factors, Warning Signs and Harsh Realities.
- Advocacy Program - Mr. Diabetes® testifies before all levels of elected officials and Civic Organizations to bring awareness of the diabetic condition to governments and their health agencies. He has also acted as Goodwill Ambassador for the U.S. State Department in Kuwait and Eritrea for their conferences on diabetes.

DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Functional Expenses-continued

- Mr. Diabetes® meets with leaders of the medical community as well as hospitals, Diabetes Support Groups and Senior Citizen Groups, Schools, Camps, and other venues.
- Medical Supplies – this program distributes donated medical supplies to individuals and organizations worldwide.

April is Defeat Diabetes ® month, which includes a calendar of daily events during the month of April, emphasizing fitness and nutritional activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Account Groupings

Certain prior year account groupings have been modified to conform with the current year presentation.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Foundation reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

**DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 3 – FAIR VALUE MEASUREMENTS-CONTINUED

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, cash equivalents, and listed derivatives.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies. Assets in this level include debt securities and partnerships that hold Level 1 assets, provided that the Foundation has the ability to redeem the investment in the near term, and real estate held for investment if measured by a current appraisal.

Level 3 – Unobservable inputs that reflect management’s assumptions and best estimates based on available data. Assets in this level include alternative investments, real estate held for investment if measured using management estimates, investments in partnerships and limited liability companies, and beneficial interests in charitable remainder trust.

NOTE 4 – INVENTORY

During the year the Foundation received in-kind contributions of program-related books with an estimated fair market value of \$26,154, based on the donor/authors advertised price per unit as of the date of the donation. As of the end of the year \$25,337 of the books and \$884 of purchased program-related printed materials and supplies were included in the statement of financial position.

During the year the Foundation received in-kind contributions of program-related diabetic testing supplies with estimated fair market value of \$17,014 based on internet advertised quotes for similar items at the date of the donation. As of the end of the year \$2,712 of program-related medical supplies and equipment were included in the statement of financial position.

The following table presents inventory measured at fair value on a nonrecurring basis, except those measured at cost as identified below, at year-end:

<u>Assets</u>	<u>Fair Value Measurements at Report Date Using</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets Level (1)</u>	<u>Significant Other Observable Inputs Level (2)</u>	<u>Significant Unobservable Inputs Level (3)</u>
Printed Materials & Supplies	\$ 26,221	\$ -	\$ -	\$ 25,337
Medical Supplies & Equipment	<u>2,712</u>	<u>-</u>	<u>-</u>	<u>2,712</u>
	<u>\$ 28,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,337</u>

**DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 5 - INVESTMENTS

The Foundation's investments consisted of a single donated publicly traded stock that management intends to hold. The investment is reported at Level 1 fair market value as follows:

Value at original donation/purchase	\$ 4,000
Accumulated unrealized loss in fair market value	<u>(1,085)</u>
Fair market value of investment	<u>\$ 2,915</u>

Current year investment gains (losses) are comprised of the following:

Appreciation (Depreciation) in fair market value	\$ <u>410</u>
Investment gains (losses)	<u>\$ 410</u>

NOTE 6 – DEFERRED OFFICER AND DIRECTOR COMPENSATION

Deferred officer and director compensation represents amounts the Foundation owes to its officers and directors for agreed upon salaries which have not been paid. The amounts are due on demand and non-interest bearing.

NOTE 7 – NOTES PAYABLE – OFFICERS

The Foundation Officers have loaned the Foundation \$431,000. The loans earn interest at rates that range from 1.36% to 3.18%. Interest expense for Officers loans was \$11,706 during 2017. Accounts payable and accrued expenses include \$118,553 of accrued interest to officers at year end.

On March 23, 2009 the Organization executed a mortgage deed securing the current and future officer loans with all of the Organization's assets. The security agreement applies to all existing and future loan advances up to a total of \$500,000, made within twenty (20) years of the date of the agreement.

NOTE 8 - IN-KIND CONTRIBUTIONS

During the year the Foundation arranged for the in-kind contribution, acquisition and distribution of diabetic pharmaceuticals and medical supplies with estimated fair market values of \$1,455,331 and \$1,455,331 respectively.

DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 - IN-KIND CONTRIBUTIONS-CONTINUED

The fair market value of the pharmaceuticals was estimated based on an average of multiple unit data points, as available. The data points utilized included the following:

- 1) Red Book Average Wholesale Price (AWP)
- 2) Red Book Wholesale Acquisition Cost (WAC) *
- 3) Federal Upper Limit (FUL)
- 4) National Average Drug Acquisition Cost (NADAC)

* When the Red Book does not publish a WAC value, the AWP value was reduced by 30-31% to serve as the WAC value.

NOTE 9 – ALLOCATION OF JOINT COSTS

During the year, the Foundation incurred joint costs of \$224,639 for informational materials and activities that included fund-raising appeals. Of those costs, \$175,409 was allocated to fund-raising expense, \$27,869 was allocated to Program Services and \$21,361 was allocated to management and general expense.

Joint costs are allocated amongst the following functional expense categories:

Bank Charges and Caging	\$ 21,361
Mailing Lists	10,539
Postage and Delivery	61,375
Printing and Stationery	120,465
Professional Services	<u>10,899</u>
	<u>\$ 224,639</u>

NOTE 10 – RELATED PARTY TRANSACTIONS

Deferred officer compensation is further discussed in Note 6. Notes payable to officers is further discussed in Note 7. Accounts payable and accrued expenses include unreimbursed travel and operating expenses of \$4,360 due to officers.

A member of the Board of Directors provided \$9,172 of consulting services to the Foundation and \$958 in costs for these services are included in accounts payable and accrued expenses.

A child of a member of the Board of Directors provided \$1,706 of consulting services to the Foundation during the year.

**DEFEAT DIABETES FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 11 – CONCENTRATIONS

Approximately 96% of the direct public support and 98% of total receivables for the year ended December 31, 2017 resulted from program, fundraising and management and general activities with three professional fundraisers.

NOTE 12 - DATE OF MANAGERMENTS' REVIEW

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through June 22, 2018, the date the financial statements were available to be issued.