DEFEAT DIABETES FOUNDATION, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2018
DEFEAT DIABETES FOUNDATION, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2018

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT 1
STATEMENT OF FINANCIAL POSITION 2
STATEMENT OF ACTIVITIES 3
STATEMENT OF FUNCTIONAL EXPENSES 4
STATEMENT OF CASH FLOWS 5
NOTES TO FINANCIAL STATEMENTS 6-12
Stapleton, Johnson & McDowell, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
915 Meadowlawn Drive North
St. Petersburg, FL 33702
Phone: (727) 381-1699 • Fax: (727) 384-0723

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, 2018, 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, 2018, 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

May 31, 2019

MEMBER
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
The U.S. Virgin Islands Board of Public Accountancy
DEFEAT DIABETES FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS
Cash $ 38,097
Contributions Receivable 61,303
Inventory 26,998
Prepaid Expenses 240

TOTAL CURRENT ASSETS $ 126,638

PROPERTY AND EQUIPMENT
Equipment 12,500
Land 80,285
Building 319,083
Vehicles 6,014
Less: Accumulated Depreciation (129,070)

NET PROPERTY AND EQUIPMENT 288,812

OTHER ASSETS
Investments 3,550
Deposits 205

NET OTHER ASSETS 3,755

OTHER ASSETS $ 419,205

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES
Accounts Payable and Accrued Expenses $ 218,886
Deferred Officer and Director Compensation 258,330
Notes Payable - Officers 415,423

TOTAL CURRENT LIABILITIES $ 892,639

LONG-TERM LIABILITIES 0

TOTAL LIABILITIES 892,639

NET ASSETS (DEFICIT)
Without Donor Restrictions
Undesignated (355,005)
Invested in Property and Equipment, Net of Related Debt (118,429)

(473,434)

TOTAL LIABILITIES AND NET DEFICIT $ 419,205

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS
DEFEAT DIABETES FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>WITHOUT DONOR RESTRICTIONS</th>
<th>WITH DONOR RESTRICTIONS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC SUPPORT AND REVENUE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DIRECT PUBLIC SUPPORT:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$262,720</td>
<td>$493,706</td>
<td>$756,426</td>
</tr>
<tr>
<td>Contributions – In Kind</td>
<td>445</td>
<td>0</td>
<td>445</td>
</tr>
<tr>
<td>Total Direct Public Support</td>
<td>263,165</td>
<td>493,706</td>
<td>756,871</td>
</tr>
<tr>
<td>OTHER REVENUES (LOSSES)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>List Rentals</td>
<td>1,399</td>
<td>0</td>
<td>1,399</td>
</tr>
<tr>
<td>Investment Gains (Losses)</td>
<td>636</td>
<td>0</td>
<td>636</td>
</tr>
<tr>
<td>Total Other Revenues (Losses)</td>
<td>2,035</td>
<td>0</td>
<td>2,035</td>
</tr>
<tr>
<td>TOTAL PUBLIC SUPPORT AND OTHER REVENUES (LOSSES)</td>
<td>265,200</td>
<td>493,706</td>
<td>758,906</td>
</tr>
</tbody>
</table>

| NET ASSETS RELEASED FROM RESTRICTIONS | 493,706 | (493,706) | 0 |
| TOTAL PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS | 758,906 | 0 | 758,906 |

| EXPENSES:                        |                            |                         |       |
| Program Services                 | 153,614                    | 0                       | 153,614 |
| Management and General           | 62,289                     | 0                       | 62,289 |
| Fundraising                      | 562,697                    | 0                       | 562,697 |
| TOTAL EXPENSES                   | 778,600                    | 0                       | 778,600 |

| INCREASE (DECREASE) IN NET ASSETS | (19,694) | 0 | (19,694) |

| NET ASSET (DEFICIT) BEGINNING OF YEAR | (453,740) | 0 | (453,740) |
| NET ASSET (DEFICIT) END OF YEAR      | $(473,434) | 0 | $(473,434) |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS
<table>
<thead>
<tr>
<th>Program Services</th>
<th>Management &amp; General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and Promotion</td>
<td>$160</td>
<td>$0</td>
<td>$1,200</td>
</tr>
<tr>
<td>Automobile Expense</td>
<td>468</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td>Banking and Caging</td>
<td>60</td>
<td>21,929</td>
<td>27,235</td>
</tr>
<tr>
<td>Consulting</td>
<td>58,756</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7,364</td>
<td>817</td>
<td>0</td>
</tr>
<tr>
<td>Insurance</td>
<td>5,531</td>
<td>2,812</td>
<td>0</td>
</tr>
<tr>
<td>Interest</td>
<td>0</td>
<td>11,488</td>
<td>0</td>
</tr>
<tr>
<td>Legal and Professional</td>
<td>0</td>
<td>9,720</td>
<td>0</td>
</tr>
<tr>
<td>Licenses, Taxes and Permits</td>
<td>47</td>
<td>4,509</td>
<td>0</td>
</tr>
<tr>
<td>Mailing Lists</td>
<td>2,465</td>
<td>0</td>
<td>12,404</td>
</tr>
<tr>
<td>Medical Supplies</td>
<td>2,224</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>11,190</td>
<td>5,898</td>
<td>0</td>
</tr>
<tr>
<td>Office Salaries</td>
<td>17,527</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Officer Salaries</td>
<td>5,983</td>
<td>2,704</td>
<td>0</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>1,810</td>
<td>209</td>
<td>0</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>11,146</td>
<td>259</td>
<td>106,338</td>
</tr>
<tr>
<td>Printing and Reproduction</td>
<td>20,479</td>
<td>0</td>
<td>190,631</td>
</tr>
<tr>
<td>Professional Fundraising Services</td>
<td>0</td>
<td>0</td>
<td>224,889</td>
</tr>
<tr>
<td>Telephone and Internet</td>
<td>3,490</td>
<td>1,381</td>
<td>0</td>
</tr>
<tr>
<td>Travel</td>
<td>4,934</td>
<td>534</td>
<td>0</td>
</tr>
</tbody>
</table>

TOTAL FUNCTIONAL EXPENSES

$153,614 | $62,289 | $562,697 | $778,600

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

4
CASH FLOWS FROM OPERATING ACTIVITIES
Changes in Net Assets $ (19,694)

Adjustments to Reconcile Changes in Net Assets to
Net Cash Used by Operating Activities:
Depreciation $ 8,181
Unrealized (Gain) Loss on Investments (635)
Changes in Contributions Receivable (13,955)
Changes in Inventory 1,935
Changes in Prepaid Expenses (10)
Changes in Accounts Payable and Accrued Expenses 26,663

NET CASH USED BY OPERATING ACTIVITIES 2,485

CASH FLOWS FROM INVESTING ACTIVITIES

NET CASH USED BY INVESTING ACTIVITIES 0

CASH FLOWS FROM FINANCING ACTIVITIES
Repayment of Notes Payable – Officers (15,577)

NET CASH PROVIDED BY FINANCING ACTIVITIES (15,577)

NET INCREASE IN CASH (13,092)

CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR 51,189

CASH AND CASH EQUIVALENTS, AT END OF YEAR $ 38,097

SUPPLEMENTAL DISCLOSURES
INTEREST PAID $ 0
INCOME TAXES PAID $ 0

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS
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 Foundation is located in Madeira Beach, Florida, is supported by concerned individuals and is operated by contracted, salaried and volunteer services. The Foundation is committed to conscious and sustainable solutions that help prevent, identify and manage the global epidemic of Type 2 Diabetes. 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.

We fulfill our mission by focusing our efforts in two primary inter-related areas focused on public awareness:

Public Awareness: Bring diabetes awareness to individuals, civic organizations, government officials, schools, medical representatives and research institutions, in the United States and around the world. Focus is on diabetes prevention, integrated diabetes management and the connection diabetes has to the health of the planet.

DefeatDiabetes.org: Website providing up-to-date evidence-based original content, programs and support groups. Content focused on diabetes risk factors, complications and ways to sustainably prevent and manage diabetes.

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

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. Management is of the opinion that all receivables are collectible and that no allowance for bad debts is required at December 31, 2018. All contributions receivable are expected to be received in less than one year.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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.

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 on the date of the donation. 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 or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve or board-designated fund.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions – Volunteers contribute time to our program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received.

Advertising

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

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2018. 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.

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.
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Recent Accounting Guidance

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958)—Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$38,067</td>
</tr>
<tr>
<td>Contributions Receivable</td>
<td>$61,303</td>
</tr>
</tbody>
</table>

$99,360

NOTE 4 – 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 between market participants at the measurement date under current market conditions, regardless of whether the 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:

**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.
NOTE 4 – FAIR VALUE MEASUREMENTS-CONTINUED

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 5 – INVENTORY

During 2017 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 $25,197 of the books and $782 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 $445 based on internet advertised quotes for similar items at the date of the donation. As of the end of the year $1,019 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:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Quoted Prices in Active Markets for Identical Assets</th>
<th>Significant Other Observable Inputs</th>
<th>Significant Unobservable Inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Level (1)</td>
<td>Level (2)</td>
<td>Level (3)</td>
</tr>
<tr>
<td>Printed Materials &amp; Supplies</td>
<td>$25,979</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Medical Supplies &amp; Equipment</td>
<td>$1,019</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td>$26,998</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

10
NOTE 6 - 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value at original donation/purchase</td>
<td>$4,000</td>
</tr>
<tr>
<td>Accumulated unrealized loss in fair market value</td>
<td>(450)</td>
</tr>
<tr>
<td>Fair market value of investment</td>
<td>$3,550</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appreciation (Depreciation) in fair market value</td>
<td>$635</td>
</tr>
<tr>
<td>Interest income</td>
<td>1</td>
</tr>
<tr>
<td>Investment gains (losses)</td>
<td>$636</td>
</tr>
</tbody>
</table>

NOTE 7 - 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 8 - NOTES PAYABLE – OFFICERS

The Foundation Officers have loaned the Foundation $415,423. The loans earn interest at rates that range from 1.36% to 3.18%. Interest expense for Officers loans was $11,486 during 2018. Accounts payable and accrued expenses include $130,041 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 9 – ALLOCATION OF JOINT COSTS

During the year, the Foundation incurred joint costs of $235,672 for informational materials and activities that included fund-raising appeals. Of those costs, $178,481 was allocated to fund-raising expense, $35,464 was allocated to Program Services and $21,727 was allocated to management and general expense.
NOTE 9 – ALLOCATION OF JOINT COSTS-CONTINUED

Joint costs are allocated amongst the following functional expense categories:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Charges and Caging</td>
<td>$21,727</td>
</tr>
<tr>
<td>Mailing Lists</td>
<td>14,869</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>65,990</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>122,001</td>
</tr>
<tr>
<td>Professional Services</td>
<td>11,085</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$235,672</strong></td>
</tr>
</tbody>
</table>

NOTE 10 – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

NOTE 11 – RELATED PARTY TRANSACTIONS

Deferred officer compensation is further discussed in Note 7. Notes payable to officers is further discussed in Note 8. Accounts payable and accrued expenses include unreimbursed operating expenses of $3,980 due to officers.

A child of a member of the Board of Directors provided $31,765 of consulting services to the Foundation during the year and $6,825 is included in accounts payable and accrued expenses at year-end.

NOTE 12 – CONCENTRATIONS

Approximately 94% of the direct public support and 93% of total receivables for the year ended December 31, 2018 resulted from program, fundraising and management and general activities with three professional fundraisers.

NOTE 13 - DATE OF MANagements’ REVIEW

In preparing the financial statements, Management has evaluated events and transactions for potential recognition or disclosure through May 31, 2019, the date the financial statements were available to be issued.