

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.  
WASHINGTON, D.C.

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FINANCIAL REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2011 AND 2010

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# REGARDIE, BROOKS & LEWIS

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## INDEPENDENT AUDITOR'S REPORT

August 5, 2012

To the Board of Directors  
Diabetes Research and Wellness Foundation, Inc.  
Washington, D.C.

We have audited the accompanying statements of financial position of Diabetes Research and Wellness Foundation, Inc. (the Foundation) (a non-profit Organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diabetes Research and Wellness Foundation, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of functional expenses on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Certified Public Accountants

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.  
WASHINGTON, D.C.

STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2011</u>	<u>2010</u>
<u>A S S E T S</u>		
<u>Current assets:</u>		
Cash	\$ 516,504	\$ 910,083
<u>Receivables:</u>		
Contributions receivable	347,496	471,372
Accounts receivable - DRWF Sweden (note 14)	67,941	724,271
Other	30,738	3,990
Total receivables	<u>446,175</u>	<u>1,199,633</u>
Prepaid supplies and other expenses	<u>178,782</u>	<u>116,296</u>
Total current assets	1,141,461	2,226,012
<u>Investments (note 3)</u>	69,460	75,968
<u>Accounts receivable long-term- Association Pour La Diabete (note 14)</u>	916,995	900,406
<u>Property and equipment (note 4)</u>	<u>1,657</u>	<u>1,172</u>
Total assets	<u>\$ 2,129,573</u>	<u>\$ 3,203,558</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable and accrued expenses	\$ 552,280	\$ 1,356,889
Other payables (note 7)	75,204	38,412
Deferred revenues (note 5)	-	5,995
Total current liabilities	627,484	1,401,296
<u>Long-term liabilities:</u>		
Gift annuities payable (note 6)	<u>27,669</u>	<u>28,915</u>
Total liabilities	<u>655,153</u>	<u>1,430,211</u>
<u>Net assets:</u>		
Unrestricted	1,292,730	1,644,878
Temporarily restricted (note 9)	<u>181,690</u>	<u>128,469</u>
Total net assets	<u>1,474,420</u>	<u>1,773,347</u>
Total liabilities and net assets	<u>\$ 2,129,573</u>	<u>\$ 3,203,558</u>

See the accompanying independent auditor's report.  
The accompanying notes are an integral part of these financial statements.

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.  
WASHINGTON, D.C.

STATEMENTS OF ACTIVITIES

	<u>Year ended December 31, 2011</u>			<u>Year ended December 31, 2010</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, gains, and other support:</u>						
Contributions of medical supplies (note 8)	\$ 6,563,758	\$ -	\$ 6,563,758	\$ 4,946,570	\$ -	\$ 4,946,570
Contributions	3,374,131	181,690	3,555,821	4,252,082	128,469	4,380,551
Fees - technical and material assistance	1,579,744	-	1,579,744	889,257	-	889,257
Program event revenue	36,514	-	36,514	76,550	-	76,550
List rental income	7,898	-	7,898	21,403	-	21,403
Subscriptions	7,607	-	7,607	68,824	-	68,824
Rental and other income	2,774	-	2,774	2,673	-	2,673
Change in value of gift annuities payable	(3,626)	-	(3,626)	(4,562)	-	(4,562)
Net assets released from restrictions	128,469	(128,469)	-	444,254	(444,254)	-
Total revenues, gains, and other support	<u>11,697,269</u>	<u>53,221</u>	<u>11,750,490</u>	<u>10,697,051</u>	<u>(315,785)</u>	<u>10,381,266</u>
<u>Expenses:</u>						
<u>Program services:</u>						
Direct medical services (note 8)	6,686,534	-	6,686,534	5,046,499	-	5,046,499
Diabetes identification and guidance	2,309,685	-	2,309,685	2,392,759	-	2,392,759
Global outreach assistance	1,576,365	-	1,576,365	886,516	-	886,516
Medical research grants	552,000	-	552,000	1,111,000	-	1,111,000
Diabetes self-management research and services	233,954	-	233,954	225,858	-	225,858
Educational events	147,225	-	147,225	167,133	-	167,133
Total program services	<u>11,505,763</u>	<u>-</u>	<u>11,505,763</u>	<u>9,829,765</u>	<u>-</u>	<u>9,829,765</u>
<u>Supporting services:</u>						
Management and general	50,418	-	50,418	40,234	-	40,234
Fundraising	492,158	-	492,158	546,181	-	546,181
Total supporting services	<u>542,576</u>	<u>-</u>	<u>542,576</u>	<u>586,415</u>	<u>-</u>	<u>586,415</u>
Total expenses	<u>12,048,339</u>	<u>-</u>	<u>12,048,339</u>	<u>10,416,180</u>	<u>-</u>	<u>10,416,180</u>
Change in net assets from operations	(351,070)	53,221	(297,849)	280,871	(315,785)	(34,914)
<u>Other changes:</u>						
Unrealized (depreciation) appreciation in value of investments	(1,078)	-	(1,078)	4,731	-	4,731
Change in net assets	(352,148)	53,221	(298,927)	285,602	(315,785)	(30,183)
Net assets beginning of year	<u>1,644,878</u>	<u>128,469</u>	<u>1,773,347</u>	<u>1,359,276</u>	<u>444,254</u>	<u>1,803,530</u>
Net assets at end of year	<u>\$ 1,292,730</u>	<u>\$ 181,690</u>	<u>\$ 1,474,420</u>	<u>\$ 1,644,878</u>	<u>\$ 128,469</u>	<u>\$ 1,773,347</u>

See the accompanying independent auditor's report.

The accompanying notes are an integral part of these financial statements.

REGARDIE, BROOKS & LEWIS

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CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.  
WASHINGTON, D.C.

STATEMENTS OF CASH FLOWS

	Years ended December 31,	
	2011	2010
<u>Cash flows from operating activities:</u>		
Change in net assets - Exhibit "B"	\$ (298,927)	\$ (30,183)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized losses on sales of investments	485	353
Unrealized depreciation (appreciation) on investments	1,078	(4,731)
Depreciation and loss on disposal of assets	752	628
Changes in:		
Contributions receivable	123,876	274,839
Other receivables	612,993	(826,620)
Prepaid supplies and other expenses	(62,486)	81,616
Accounts payable, accrued expenses, and other	(767,817)	682,746
Deferred revenues	<u>(7,241)</u>	<u>(68,404)</u>
Net cash (used in) provided by operating activities	<u>(397,287)</u>	<u>110,244</u>
<u>Cash flows from investing activities:</u>		
Proceeds from sales of investments	8,877	11,767
Purchases of investments	(3,932)	(6,581)
Acquisition of property and equipment	<u>(1,237)</u>	<u>-</u>
Net cash provided by investing activities	<u>3,708</u>	<u>5,186</u>
Net (decrease) increase in cash	(393,579)	115,430
Cash at beginning of year	<u>910,083</u>	<u>794,653</u>
Cash at end of year	<u>\$ 516,504</u>	<u>\$ 910,083</u>

Supplemental disclosures of cash flow information:

There was no cash paid for interest or income taxes during the years ended December 31, 2011 and 2010.

Supplemental disclosure of non-cash transactions:

See notes 8A and 8B.

See the accompanying independent auditor's report.

The accompanying notes are an integral part of these financial statements.

*REGARDIE, BROOKS & LEWIS*

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CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

1 - Organization and business.

The Diabetes Research and Wellness Foundation, Inc. (DRWF) was incorporated in Maryland in 1993. The Foundation was formed for the purpose of enhancing the quality of life for all people in the world suffering from or vulnerable to diabetes or other diseases. DRWF provides funds, medicines, informational items, and other medical needs to institutions and to others engaged in medical research and study on finding cures for diabetes and related diseases, and increasing public awareness of the effects of diabetes. The Foundation maintains an office in Washington, D.C. The Washington, D.C. office is provided free of charge by another entity owned by officers of the Foundation.

Program services.

Direct medical services.

Direct medical services and donations of diabetic and other medical supplies to various countries as part of humanitarian relief efforts.

Diabetes identification and guidance.

Efforts aimed through identification and guidance at raising awareness to diabetes and diabetes related illnesses.

Global outreach assistance.

DRWF works closely with the worldwide Diabetes Wellness Network™ that consists of: The Diabetes Research & Wellness Foundation, Inc. (United States), the Diabetes Research Wellness Foundation (United Kingdom), Diabetes Research & Wellness Foundation (Sweden), the Association Pour La Diabete (France), and the Insamlingsstifelsen Deutschalnad (DHFD) (Germany). While all of the members of the network are independent, autonomous charities working for the benefit of people within their specific countries and throughout the world, we share the same goals and don't lose sight of the bigger picture - *Diabetes knows no borders* - enabling us to take advantage of our international dimension for the benefit of the charity and our beneficiaries.

Medical research grants.

Grants to agencies and institutions engaged in medical research and clinical studies to find cures for diabetes and related illnesses.

Diabetes self-management research and services.

Dissemination of information through a monthly newsletter with up-to-date information on diabetes and related health issues.

Educational events.

Public education about the causes, prevention, and treatment of diabetes and its complications.

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

2 - Significant accounting policies.

A. Accounting method.

The Foundation presents its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

B. Basis of presentation.

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

Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met by the passage of time.

C. Contributions receivable.

The Foundation estimates and records support from pledges in the year in which the pledges are made. All pledges are expected to be received within one year.

Contributions and associated expenses resulting from direct mail efforts are recognized in the period that the mailing took place. These amounts are recorded at the estimated realizable amount.

D. Accounts receivable.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management believes the amounts are fully collectible.

E. Property and equipment.

Property and equipment are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years. Total depreciation was \$752 and \$628 for the years ended December 31, 2011 and 2010, respectively. It is the Foundation's policy to capitalize purchases of property and equipment of \$1,000 or greater.

F. Revenues and expenses.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets by the passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

G. Contributions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.



DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

2 - Significant accounting policies (continued).

H. Investments.

Investments are composed of mutual funds investing in equity securities and are reported at their fair values in the statements of financial position. The differences between the total fair value and total cost basis at December 31, 2011 and 2010 are reflected in the statements of activities (Exhibit "B") as unrealized (depreciation) appreciation in value of investments.

I. Functional allocation of expenses.

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

J. Estimates.

The presentation 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 the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

K. Allocation of joint costs.

In 2011, the Foundation incurred joint costs of \$2,189,106 for informational materials and activities that included fund-raising appeals. Of these costs, \$377,640 was allocated to fund-raising expenses, and \$1,811,466 was allocated to program services.

In 2010, the Foundation incurred joint costs of \$2,142,883 for informational materials and activities that included fund-raising appeals. Of these costs, \$403,538 was allocated to fund-raising expenses, and \$1,739,345 was allocated to program services.

L. Cash.

For purposes of the statements of cash flows, the Foundation defines cash as operating cash and excludes cash and cash equivalents that are considered investments.

3 - Investments.

A summary of investments held is as follows:

	December 31,			
	2011		2010	
	Cost	Fair value	Cost	Fair value
Cash and mutual funds	\$ 68,023	\$ 69,460	\$ 73,033	\$ 75,968

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

3 - Investments (continued).

Investment return consists of the following for the years ended December 31:

	<u>2011</u>	<u>2010</u>
Operations:		
Investment income:		
Dividends, interest, and capital gain distributions	\$ 3,679	\$ 3,635
Realized losses	(485)	(353)
Investment fees	<u>(502)</u>	<u>(610)</u>
Investment gains	2,692	2,672
Non-operations:		
Unrealized (depreciation) appreciation in value of investments	<u>(1,078)</u>	<u>4,731</u>
Investment return	<u>\$ 1,614</u>	<u>\$ 7,403</u>

4 - Property and equipment.

The following is an analysis of property and equipment.

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
Equipment and furniture	\$ 44,004	\$ 42,766
Less: Accumulated depreciation	<u>(42,347)</u>	<u>(41,594)</u>
Cost less accumulated depreciation	<u>\$ 1,657</u>	<u>\$ 1,172</u>

5 - Deferred revenues.

Subscription revenues are recognized ratably over the life of the subscription. Deferred revenues consist of the unexpired portion of those subscriptions. Deferred subscription revenues amounted to \$5,995 at December 31, 2010. There were no deferred subscription revenues at December 31, 2011.

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

6 - Gift annuities payable.

The Foundation administers several charitable gift annuities. Under these agreements, the donor contributes assets to the Foundation in exchange for a promise by the Foundation to pay the designated beneficiary a fixed annual amount for their lifetime.

The present value of estimated future payments is calculated using a discount rate and applicable mortality tables. The liability for estimated future payments amounted to \$27,669 and \$28,915 at December 31, 2011 and 2010, respectively.

7 - Related party transactions.

The Foundation conducts business with entities owned and operated by officers of the Foundation. The Foundation saves money through these transactions. Listed below is a summary of those transactions.

The Foundation received list rental revenues of \$7,898 for 2011 and \$21,403 for 2010. The Foundation also rented lists, at cost, totaling \$91,916 in 2011 and \$73,026 in 2010.

The Foundation has a balance due to these other entities of \$75,204 and \$38,412 for costs and revenues advanced to the Foundation at December 31, 2011 and 2010, respectively. These amounts are included in other payables.

No commissions or fees for services rendered, or markup of product cost were charged by entities owned and operated by officers of the Foundation in connection with list rental operations and product purchases, respectively.

8 - Non-cash contributions.

A. Medical supplies.

The Foundation solicited medical supplies from another charitable organization, which were subsequently distributed as humanitarian relief efforts. The fair value of these medical supplies amounted to \$6,563,758 and \$4,946,570 for the years ended December 31, 2011 and 2010, respectively.

B. Other.

Many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific program assistance, fund-raising efforts, and general administrative tasks. The financial statements do not reflect the value of these contributed services because, although clearly substantial, no reliable basis exists for determining an appropriate amount.

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

9 - Temporarily restricted net assets.

The following is an analysis of temporarily restricted net assets:

	December 31,	
	<u>2011</u>	<u>2010</u>
Temporarily restricted net assets:		
Contributions receivable - America's Charities	<u>\$ 181,690</u>	<u>\$ 128,469</u>

The following is an analysis of restricted net assets:

	Years ended December 31,	
	<u>2011</u>	<u>2010</u>
Passage of time - collection on receivables	<u>\$ 128,469</u>	<u>\$ 444,254</u>

10 - Income taxes.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for income taxes on unrelated business income. There were no unrelated business income activities in 2011 or 2010. In addition, the Foundation qualifies for the charitable contribution deduction under IRS Code Section 170 and has been classified as an organization other than a private foundation.

11 - Retirement plan.

The Foundation sponsors a Profit Sharing 401(k) Plan (the Plan). All employees who have attained age twenty-one and have completed three months of service are eligible to participate in the Plan. The Foundation contributes an amount equal to 50% of the employee's deferrals which do not exceed 6% of compensation. Contributions to the Profit Sharing Plan are discretionary.

The Foundation's contributions to the Plan were \$20,425 and \$18,833 for the years ended December 31, 2011 and 2010, respectively.

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

12 - Concentration of credit risk.

Financial instruments which potentially subject the Foundation to concentration of credit risk consist of temporary cash deposits which the Foundation maintains at several banks. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, the cash balance exceeded the FDIC limit. The Foundation believes the risk of loss is minimal.

13 - Concentration.

During the years ended December 31, 2011 and 2010, 56% and 48%, respectively, of the Foundation's total support was received in the form of non-cash contributions.

14 - Diabetes Wellness Network.

The Foundation has an agreement with other independent non-profit organizations to which they provide program oversight and support, technical and material assistance, and the use of the Foundation's intellectual property, all at no profit. The Foundation and these organizations serve a common purpose to help find a cure for diabetes and, until that goal is achieved, to provide the care needed to combat the detrimental and life-threatening complications of this terrible disease. The Foundation is reimbursed for the cost of administrative and accounting services it performs on behalf of these other organizations.

The Foundation and these organizations have made an unrestricted conditional cumulative total grant of \$6.2 million to Spring Point Project. As of December 31, 2011, there was no remaining obligation. As of December 31, 2010, the remaining obligation was \$1.2 million. The grant was subject to an annual progress report to the satisfaction of the directors of the Foundation that the work continues to advance the purposes of the Foundation and that adequate funds are available within the organization.

15 - Fair value.

Fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1 - inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

15 - Fair value (continued).

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of December 31, 2011 and 2010.

	Fair Value Measurements Using			Total
	(Level 1)	(Level 2)	(Level 3)	
As of December 31, 2011				
Assets:				
Cash and mutual funds	\$ 69,460	\$ -	\$ -	\$ 69,460
Liabilities:				
Gift annuities	\$ -	\$ -	\$ 27,669	\$ 27,669
As of December 31, 2010				
Assets:				
Cash and mutual funds	\$ 75,968	\$ -	\$ -	\$ 75,968
Liabilities:				
Gift annuities	\$ -	\$ -	\$ 28,915	\$ 28,915

The following table shows the movement in fair values of the Foundation's assets and liabilities using significant unobservable inputs as of December 31, 2011 and 2010.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	For the years ending December 31, 2011	2010
Beginning balance	\$ 28,915	\$ 29,463
Amounts paid	(4,872)	(5,110)
Investment return	3,626	4,562
Ending balance	\$ 27,669	\$ 28,915
Total gains for the year		
included in net assets attributable to the change in unrealized gains relating to liabilities still held at reporting date	\$ 3,626	\$ 4,562

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

16 - Tax positions.

The Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. The Foundation has filed for and received an income tax exemption in the District of Columbia. The Foundation files Form 990 in the U.S. federal jurisdiction. With few exceptions, the Foundation is no longer subject to U.S. federal, state, and local, or non-U.S. income tax examinations by taxing authorities for years before 2008. Management of the Foundation believes it has no material uncertain tax positions, and accordingly, it will not recognize any liability for unrecognized tax obligations.

17 - Subsequent events.

Subsequent events have been evaluated through August 5, 2012 which is the date the financial statements were available to be issued.

DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.  
WASHINGTON, D.C.SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Direct medical services	Diabetes identification and guidance	Global outreach assistance	Medical research grants	Diabetes self- management research and services	Educational events	Management and general	Fundraising	Total
Medical supplies	\$ 6,563,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,563,758
Mailing charges	-	1,795,961	-	-	91,674	-	13,016	393,145	2,293,796
Cost of materials	-	-	1,576,365	-	-	-	-	-	1,576,365
Medical research grants	-	-	-	552,000	-	-	-	-	552,000
Salaries and related costs	52,788	191,041	11,098	-	85,732	115,396	39,389	22,259	517,703
Professional services	-	188,507	-	-	-	-	50,997	11,286	250,790
List rental	-	67,831	-	-	1,559	-	-	22,526	91,916
Contributions	69,988	-	-	-	-	-	-	-	69,988
Bank charges	-	37,720	-	-	13	-	2,324	6,962	47,019
Editorial services	-	-	-	-	43,306	-	-	-	43,306
Special events	-	-	-	-	-	5,560	-	35,980	41,540
Website	-	9,746	-	-	9,747	-	9,746	-	29,239
Travel and health events	-	-	-	-	-	26,269	557	-	26,826
Miscellaneous and other expenses	-	3,115	-	-	1,566	-	10,997	-	15,678
Insurance	-	-	-	-	-	-	14,370	-	14,370
Licenses and registration	-	4,943	-	-	-	-	4,350	-	9,293
Identification jewelry	-	8,426	-	-	-	-	-	-	8,426
Telephone	-	2,395	-	-	357	-	822	-	3,574
Depreciation	-	-	-	-	-	-	752	-	752
Reimbursed expenses	-	-	(11,098)	-	-	-	(96,902)	-	(108,000)
	<u>\$ 6,686,534</u>	<u>\$ 2,309,685</u>	<u>\$ 1,576,365</u>	<u>\$ 552,000</u>	<u>\$ 233,954</u>	<u>\$ 147,225</u>	<u>\$ 50,418</u>	<u>\$ 492,158</u>	<u>\$ 12,048,339</u>

Supplementary information.  
See the accompanying independent auditor's report.  
REGARDIE, BROOKS & LEWIS  
CHARTERED  
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS



DIABETES RESEARCH AND WELLNESS FOUNDATION, INC.  
WASHINGTON, D.C.

SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Direct medical services	Diabetes identification and guidance	Global outreach assistance	Medical research grants	Diabetes self- management research and services	Educational events	Management and general	Fundraising	Total
Medical supplies	\$ 4,946,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,946,570
Mailing charges	-	1,881,016	-	-	84,458	-	7,583	444,807	2,417,864
Medical research grants	-	-	-	1,111,000	-	-	-	-	1,111,000
Cost of materials	-	-	886,516	-	-	-	-	-	886,516
Salaries and related costs	50,839	179,469	13,473	-	85,306	114,760	51,836	21,597	517,280
Professional services	-	171,905	-	-	-	-	30,299	10,018	212,222
List rental	-	52,124	-	-	-	-	-	20,902	73,026
Special events	-	-	-	-	-	37,317	-	36,081	73,398
Bank charges	-	55,857	-	-	-	-	828	12,776	69,461
Contributions	49,090	-	-	-	-	-	-	-	49,090
Editorial services	-	-	-	-	44,197	-	-	-	44,197
Website	-	11,488	-	-	11,489	-	11,488	-	34,465
Book expense	-	26,000	-	-	-	-	-	-	26,000
Miscellaneous and other expenses	-	-	-	-	-	-	14,201	-	14,201
Travel and health events	-	-	-	-	-	15,056	85	-	15,141
Insurance	-	-	-	-	-	-	12,896	-	12,896
Licenses and registration	-	6,057	-	-	-	-	3,980	-	10,037
Identification jewelry	-	6,112	-	-	-	-	-	-	6,112
Telephone	-	2,731	-	-	408	-	937	-	4,076
Depreciation	-	-	-	-	-	-	628	-	628
Reimbursed expenses	-	-	(13,473)	-	-	-	(94,527)	-	(108,000)
	<u>\$ 5,046,499</u>	<u>\$ 2,392,759</u>	<u>\$ 886,516</u>	<u>\$ 1,111,000</u>	<u>\$ 225,858</u>	<u>\$ 167,133</u>	<u>\$ 40,234</u>	<u>\$ 546,181</u>	<u>\$ 10,416,180</u>

Supplementary information.  
See the accompanying independent auditor's report.

REGARDIE, BROOKS & LEWIS  
CHARTERED  
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS