



**AMERICAN DIABETES ASSOCIATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTARY INFORMATION**

**December 31, 2008**

**(with Independent Auditors' Report Thereon)**

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**States and Certain Markets**



KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

## Independent Auditors' Report

The Board of Directors  
American Diabetes Association:

We have audited the accompanying consolidated balance sheet of the American Diabetes Association (the Association) as of December 31, 2008, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Association's 2007 financial statements and, in our report dated June 30, 2008, we expressed an unqualified opinion on those statements.

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 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 Association'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 our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the American Diabetes Association as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 11 to the consolidated financial statements, the Association adopted the provisions of FASB Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*, as of January 1, 2008.

As discussed in Note 4 to the consolidated financial statements, the Association adopted the provisions of Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, as of January 1, 2008.



Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information included in schedules 1 and 2 for the year ended December 31, 2008, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

June 19, 2009

**AMERICAN DIABETES ASSOCIATION  
CONSOLIDATED BALANCE SHEETS**

**December 31, 2008**

**(with comparative information as of December 31, 2007)**

**(in thousands of dollars)**

<b>ASSETS</b>	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 3,729	\$ 7,294
Investments	36,949	38,096
Accounts receivable, net	7,404	9,657
Inventory and supplies, net	3,886	3,206
Prepaid expenses and other assets	5,225	5,110
Contributions receivable, net	45,045	43,635
Fixed assets, net	7,995	9,316
Interest in perpetual trusts	2,945	2,212
Total assets	<u>\$ 113,178</u>	<u>\$ 118,526</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 18,459	\$ 19,229
Line of credit	1,560	-
Research grants payable	12,208	9,678
Deferred revenues	13,434	14,176
Total liabilities	<u>45,661</u>	<u>43,083</u>
Net assets:		
Unrestricted	13,186	31,988
Temporarily restricted	47,081	36,859
Permanently restricted	7,250	6,596
Total net assets	<u>67,517</u>	<u>75,443</u>
Total liabilities and net assets	<u>\$ 113,178</u>	<u>\$ 118,526</u>

*See accompanying notes to the consolidated financial statements.*

**AMERICAN DIABETES ASSOCIATION  
CONSOLIDATED STATEMENT OF ACTIVITIES**

**Year ended December 31, 2008**

**(with summarized information for the year ended December 31, 2007)**

**(in thousands of dollars)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
<b>Revenues:</b>					
<b>Contributions and grants:</b>					
Donations	\$ 52,309	39,884	-	92,193	93,350
Special events	51,717	3,172	-	54,889	55,427
Less: Costs of direct benefits to donors	(8,224)	-	-	(8,224)	(8,182)
Bequests	16,082	11,832	654	28,568	27,465
Federated and nonfederated organizations	9,292	186	-	9,478	9,874
<b>Total contributions and grants</b>	<u>121,176</u>	<u>55,074</u>	<u>654</u>	<u>176,904</u>	<u>177,934</u>
<b>Fees from exchange transactions:</b>					
Subscriptions & other income from periodicals	26,390	-	-	26,390	27,308
Sales of materials	6,652	-	-	6,652	8,515
Program service fees	13,347	-	-	13,347	12,764
Investment (loss) income	(2,954)	38	-	(2,916)	5,634
Miscellaneous revenues	1,615	-	-	1,615	1,620
<b>Total fees from exchange transactions</b>	<u>45,050</u>	<u>38</u>	<u>-</u>	<u>45,088</u>	<u>55,841</u>
<b>Net assets released from restrictions</b>	<u>44,890</u>	<u>(44,890)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>211,116</u>	<u>10,222</u>	<u>654</u>	<u>221,992</u>	<u>233,775</u>
<b>Expenses:</b>					
<b>Program activities:</b>					
Research	54,406	-	-	54,406	54,341
Information	63,838	-	-	63,838	64,307
Advocacy and public awareness	51,917	-	-	51,917	51,536
<b>Total program activities</b>	<u>170,161</u>	<u>-</u>	<u>-</u>	<u>170,161</u>	<u>170,184</u>
<b>Supporting services:</b>					
Management and general	9,867	-	-	9,867	9,000
Fundraising	49,890	-	-	49,890	49,018
<b>Total supporting services</b>	<u>59,757</u>	<u>-</u>	<u>-</u>	<u>59,757</u>	<u>58,018</u>
<b>Total expenses</b>	<u>229,918</u>	<u>-</u>	<u>-</u>	<u>229,918</u>	<u>228,202</u>
<b>Change in net assets</b>	<u>(18,802)</u>	<u>10,222</u>	<u>654</u>	<u>(7,926)</u>	<u>5,573</u>
<b>Net assets, beginning of year</b>	<u>31,988</u>	<u>36,859</u>	<u>6,596</u>	<u>75,443</u>	<u>69,870</u>
<b>Net assets, end of year</b>	<u>\$ 13,186</u>	<u>47,081</u>	<u>7,250</u>	<u>67,517</u>	<u>75,443</u>

*See accompanying notes to the consolidated financial statements.*

**AMERICAN DIABETES ASSOCIATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2008**

**(with summarized information for the year ended December 31, 2007)**

**(in thousands of dollars)**

	Program Activities				Supporting Services			2008 Total	2007 Total
	Research	Information	Advocacy and public awareness	Total	Management and general	Fundraising	Total		
Grants	\$ 42,556	209	55	42,820	-	-	-	42,820	42,114
Employee costs	2,697	22,104	22,589	47,390	2,075	19,077	21,152	68,542	63,149
Professional fees	1,085	9,252	6,164	16,501	2,020	5,814	7,834	24,335	24,643
Supplies	56	3,016	829	3,901	74	599	673	4,574	4,533
Telecommunications	125	1,008	1,040	2,173	95	880	975	3,148	3,172
Postage and shipping	501	5,108	3,336	8,945	751	5,491	6,242	15,187	15,548
Occupancy cost	579	5,124	2,447	8,150	901	2,072	2,973	11,123	10,441
Equipment rental and maintenance	73	599	617	1,289	67	496	563	1,852	2,305
Printing and publications	2,202	10,863	7,522	20,587	1,668	10,198	11,866	32,453	35,563
Travel	118	1,090	1,397	2,605	105	970	1,075	3,680	3,693
Conferences and meetings	3,839	1,864	3,005	8,708	177	638	815	9,523	10,395
Data processing	63	685	442	1,190	207	1,097	1,304	2,494	2,475
Depreciation and amortization	40	1,239	1,039	2,318	840	840	1,680	3,998	3,748
Miscellaneous	472	1,677	1,435	3,584	887	1,718	2,605	6,189	6,423
<b>Total expenses</b>	<b>\$ 54,406</b>	<b>63,838</b>	<b>51,917</b>	<b>170,161</b>	<b>9,867</b>	<b>49,890</b>	<b>59,757</b>	<b>229,918</b>	<b>228,202</b>
Costs of direct benefits to donors								8,224	8,182
<b>Total expenses and costs of direct benefits to donors</b>								<b>\$ 238,142</b>	<b>\$ 236,384</b>

*See accompanying notes to the consolidated financial statements.*

**AMERICAN DIABETES ASSOCIATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Year ended December 31, 2008**

**(with comparative information for the year ended December 31, 2007)**

**(in thousands of dollars)**

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ (7,926)	\$ 5,573
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,998	3,748
Net unrealized and realized loss (gain) on investments	6,087	(73)
Loss on disposal of assets	53	-
Provisions for doubtful receivables and obsolete inventory	2,225	2,302
Adjustments for changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	1,789	(4,816)
Increase in inventory and supplies	(780)	(133)
Increase in prepaid expenses and other assets	(115)	(1,151)
Increase in contributions receivable	(3,071)	(10,777)
(Decrease) increase in accounts payable and accrued liabilities	(424)	2,476
Increase (decrease) in research grants payable	2,530	(103)
(Decrease) increase in deferred revenues	(742)	74
Net cash provided by (used in) operating activities	3,624	(2,880)
Cash flows from investing activities:		
Purchases of investments	(39,703)	(49,273)
Sales or maturities of investments	34,030	58,028
Purchase of fixed assets	(2,730)	(2,979)
Net cash (used in) provided by investing activities	(8,403)	5,776
Cash flows from financing activities:		
Proceeds from borrowing on line of credit	48,020	16,100
Payments on line of credit	(46,460)	(25,100)
Payments on capital lease agreements	(346)	(327)
Net cash provided by (used in) financing activities	1,214	(9,327)
Net decrease in cash and cash equivalents	(3,565)	(6,431)
Cash and cash equivalents, beginning of year	7,294	13,725
Cash and cash equivalents, end of year	\$ 3,729	\$ 7,294

*See accompanying notes to the consolidated financial statements.*

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**1. Consolidation and organization**

The consolidated financial statements include the American Diabetes Association, the American Diabetes Association Research Foundation, Inc., the American Diabetes Association Property Title Holding Corporation, and Shaping America's Health – Association for Weight Management and Obesity Prevention (consolidated, the Association). All significant inter-Association transactions have been eliminated.

The American Diabetes Association, the American Diabetes Association Research Foundation, Inc. and Shaping America's Health – Association for Weight Management and Obesity Prevention are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and charitable contributions to these organizations qualify for tax deductions as described in the Code. The American Diabetes Association Property Title Holding Company, Inc. is exempt from income taxes under Section 501(c)(2) of the Code. These entities (consolidated, the Association) have been classified as organizations that are not private foundations under Section 509(a) of the Code.

As of May 1, 2009, the Association discontinued the operations of Shaping America's Health Association for Weight Management and Obesity Prevention. Certain of its activities will be continued as programs of the American Diabetes Association.

**2. Program activities**

The Association is a not-for-profit voluntary health agency that works to prevent and cure diabetes and to improve the lives of all people affected by diabetes. The principal program activities of the Association are:

**Research** - The Association provides financial support to researchers who are seeking knowledge in the following areas:

- The prevention and cure of diabetes
- The prevention and cure of the complications of diabetes
- New and improved therapies for individuals affected by diabetes

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**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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*Information* - The Association conducts programs that provide diabetes information to individuals with diabetes, their families, and their health care providers.

*Advocacy and public awareness* - The Association acts as an advocate for people with diabetes by delivering programs with important diabetes messages to the general public and to all levels of the government.

**3. Summary of significant accounting policies**

**Basis of accounting**

The Association prepares its financial statements on an accrual basis in accordance with U.S. generally accepted accounting principles.

The net assets and revenues, gains and losses of the Association are classified for accounting and reporting purposes in three classes of net assets based on the existence or absence of donor-imposed restrictions. A description of the three classes follows:

*Permanently restricted* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors permit the Association to use the income earned on related investments for general or specific purposes.

*Temporarily restricted* - Net assets subject to donor-imposed stipulations that will be met either by actions of the Association and/or the passage of time.

*Unrestricted* - Net assets that are not subject to donor-imposed stipulations.

**Cash and cash equivalents**

Cash and cash equivalents are defined as currency on hand, demand deposits with banks or financial institutions, federally insured certificates of deposit with original maturities of less than three months, money market funds of U.S. Government securities and other amounts that have the general characteristics of

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**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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demand deposits. The Association has classified any cash or money market accounts held by external investment managers as investments as these funds are not readily available for operations.

**Investments**

Investments in marketable equity securities and all debt securities are recorded at fair value, which is based on quoted market prices or dealer quotes. The real estate investment is reported at the appraised value at the time of the donation and is evaluated for impairment on an annual basis. Unrealized and realized gains and losses are reported as investment income on the consolidated statement of activities. Investments are exposed to certain risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities and the volatility in the capital markets, changes in the value of investment securities could occur in the near term, and those investment values could materially differ from the amounts reported in the accompanying financial statements.

**Fair value of financial instruments**

As of December 31, 2008 and 2007, the carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximated their fair value, based on the short-term maturities of these instruments.

Effective January 1, 2008, the Association adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, and the related FASB Staff Positions. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This pronouncement did not require any new fair value measurements and its adoption did not affect the financial position or changes in net assets of the Association.

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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**Inventory**

Inventory is comprised primarily of publications and is valued at the lower of cost (first-in, first-out method) or market at net realizable value.

**Fixed assets**

All fixed assets are stated at cost or fair value on the date of receipt and are depreciated on a straight-line basis over the following useful lives:

Leasehold improvements	10 years or life of lease, if shorter
Furniture, fixtures and equipment	5 years
Software	5-7 years

If donors stipulate the purpose for which the assets must be used and/or how long the assets must be held, the contributions are recorded as temporarily restricted, otherwise such donations are reported as unrestricted contributions.

**Recognition of revenues**

Contributions, including unconditional promises to give, are recognized when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Contributions that are restricted by the donor for a specific time or purpose are reported as temporarily or permanently restricted contributions based on the nature of the restriction. 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 are reported in the consolidated statement of activities as net assets released from restrictions. In the event a donor makes changes to the nature of a restricted gift which affects its classification among the net asset categories, such amounts are reflected as reclassifications in the consolidated statement of activities.

Unconditional promises to give are reported at their net realizable value.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The

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**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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present value discount is calculated using a risk adjusted rate at the time of the contribution ranging from 3.0% to 5.4%.

Fees from exchange transactions are recognized as earned from reciprocal transfers of goods and services. Revenue received for a subscription plus membership is allocated between membership and subscription revenue based on the fair value of the subscription benefit. Subscription revenue and membership dues are recorded as deferred revenue upon receipt and is then recognized over the term of the subscription, which is generally one year, beginning with the mailing of the first issue to the subscriber.

**Split-interest agreements**

The Association receives certain planned gift donations that benefit not only the Association, but also the donor or another beneficiary designated by the donor. These contributions are termed split-interest agreements and are generally gifts to be received by the Association in the future. The Association benefits from the following types of split-interest agreements: perpetual trusts, charitable lead and remainder trusts, gift annuities, and a pooled income fund.

The Association's share of split-interest agreements is included in investments, contributions receivable, or interest in perpetual trusts. Assets of approximately \$10,969,000 and \$13,058,000 are reported on the balance sheet as of December 31, 2008 and 2007, respectively, and are valued at fair-value of the estimated future receipts. Where applicable, estimated future payments for gifts are discounted based on the expected term of the split-interest agreements at the time the agreements are created, ranging at rates from 3.2% to 7.6%. The rates approximate the rate of return at the time of the gift on U.S. government securities of similar duration commensurate with the risk that management associates with the ultimate collection of the gift. The discount on the contributions based on present value calculations was approximately \$293,000 and \$611,000 for the years ended December 31, 2008 and 2007, respectively. Amounts payable to beneficiaries, gift annuities payable, and pooled income fund liabilities of approximately \$1,753,000 and \$1,802,000 are reported as accrued liabilities or deferred revenues on the consolidated balance sheets as of December 31, 2008 and 2007, respectively.

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**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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**Contributed services and materials**

Contributed services and materials are reported in the consolidated statement of activities at the fair value of the services and materials received. Contributions of services are recognized if the services received create or enhance nonfinancial assets or if the services require specialized skills and would typically need to be purchased if not provided by donation.

**Research program**

The research program of the American Diabetes Association is administered through the American Diabetes Association Research Foundation, Inc. Research grants awarded by the Association generally extend over a period of one to three years, subject to renewal on an annual basis. The liability and related expenses are recorded when the recipients are notified of their annual award amount, and the liability is recorded as research grants payable in the consolidated balance sheets.

**Concentrations of credit risk**

Financial instruments that potentially subject the Association to concentrations of credit risk consist of deposits in banks and investments, including collateralized sweep repurchase agreements, in excess of the Federal Deposit Insurance Corporation, Securities Investor Protection Corporation and other privately insured limits. As of December 31, 2008 and 2007, approximately \$2,592,000 and \$7,391,000, respectively, was held at such institutions. The Association has not experienced any credit losses on these financial instruments in past years and management does not believe significant risk exists at December 31, 2008, or December 31, 2007.

**Management estimates and uncertainties**

The preparation of financial statements in conformity with U.S. 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 as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during

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**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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the reporting period. The financial market volatility and poor economic conditions in the U.S. have impacted and will continue to impact the Association. Such conditions could have a material impact on the Association's significant accounting estimates.

**Functional allocation of expenses**

Expenses have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among program activities and supporting services.

**Comparative Financial Statements**

The consolidated statements of activities and functional expenses include certain summarized comparative information for the year ended December 31, 2007. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

**Reclassifications**

Certain prior year balances have been reclassified to conform to the current year presentation.

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**4. Investments and Fair Value Measurements**

Investments as of December 31, 2008 and 2007, including gift annuity investments, consist of the following (in thousands):

	2008	2007
Real estate	\$ 12,850	\$ 12,850
Fixed-income mutual funds	7,968	8,784
Corporate equities	3,973	6,359
Equity mutual funds	2,889	4,044
Certificates of deposit	6,072	4,551
Money market funds	2,914	1,127
U.S. government securities	210	297
Corporate bonds	73	84
Total investments	\$ 36,949	\$ 38,096

The investment in real estate represents a 1999 donor bequest that restricted the Association from selling the property for 25 years. A portion of the property is leased to corporations and derives monthly rental income that is reported in investment income in the consolidated statement of activities.

Investment (loss) income for the year ended December 31, 2008 and 2007 includes (in thousands):

	2008	2007
Property rental income	\$ 1,656	\$ 3,632
Net realized and unrealized (loss) gain	(6,087)	73
Interest and dividends	1,675	2,123
Investment fees	(160)	(194)
Total investment (loss) income, net	\$ (2,916)	\$ 5,634

(continued)

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS No. 157 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quotes prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

The following table presents the Association's fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2008 (in thousands).

	Fair Value	Fair value measurement as of December 31 using:		
		Level 1	Level 2	Level 3
<b>Financial Assets:</b>				
Investments	24,099	24,099	-	-
Interest in perpetual trusts	2,945	-	-	2,945
<b>Financial Liabilities:</b>				
Split interest obligations	1,753	-	1,753	-

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**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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The Association's interest in perpetual trusts increased by approximately \$773,000 during the year ended December 31, 2008 which is comprised of new perpetual trust interests of \$1,484,000 offset by payouts of \$85,000 and unrealized losses of \$666,000.

**5. Gift Annuities**

Assets received from donors in exchange for a gift annuity are invested in U.S. government securities, fixed-income and equity mutual funds, and money market funds, which are maintained separately from other investments of the Association. As of December 31, 2008 and 2007, the market value of gift annuity investments, using level 1 inputs, was approximately \$2,665,000 and \$3,592,000 respectively, and the fair value of gift annuity obligations, using level 2 inputs, was approximately \$1,693,000 and \$1,714,000 respectively. Reserves for gift annuities are investments held in separate accounts at a value equal to the original gift plus accrued income less beneficiary payments.

**6. Accounts receivable**

Accounts receivable are reported net of an allowance for doubtful accounts of approximately \$2,227,000 and \$2,107,000 as of December 31, 2008 and 2007, respectively. The Association's receivables consist of amounts due for program service fees, publications, advertising, land rental and other exchange transactions.

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**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**7. Contributions receivable**

Contributions receivable consist of the following as of December 31, 2008 and 2007 (in thousands):

	<u>2008</u>	<u>2007</u>
Within one year	\$ 35,805	\$ 33,813
In one to five years	6,650	5,186
In more than five years	<u>261</u>	<u>215</u>
Total contributions receivable	42,716	39,214
Less: allowance for doubtful accounts	(2,440)	(2,216)
Less: present value discount	<u>(387)</u>	<u>(347)</u>
Subtotal	39,889	36,651
Funds held in remainder trusts	<u>5,156</u>	<u>6,984</u>
Contributions receivable, net	<u>\$ 45,045</u>	<u>\$ 43,635</u>

**8. Fixed assets**

Fixed assets consist of the following as of December 31, 2008 and 2007 (in thousands):

	<u>2008</u>	<u>2007</u>
Land	\$ 67	\$ 67
Leasehold improvements	1,154	1,310
Software	14,625	15,741
Furniture, fixtures and equipment	<u>15,298</u>	<u>15,554</u>
Total fixed assets	31,144	32,672
Less: accumulated depreciation and amortization	<u>(23,149)</u>	<u>(23,356)</u>
Fixed assets, net	<u>\$ 7,995</u>	<u>\$ 9,316</u>

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**9. Temporarily restricted net assets**

Net assets were temporarily restricted for the following as of December 31, 2008 and 2007 (in thousands):

	<u>2008</u>	<u>2007</u>
Research	\$ 2,560	\$ -
Information	4,395	5,799
Advocacy	6,932	3,467
Sponsorship for fundraising activities	3,898	1,718
Time restricted for operations	<u>29,296</u>	<u>25,875</u>
Total temporarily restricted net assets	<u>\$ 47,081</u>	<u>\$ 36,859</u>

**10. Permanently restricted net assets**

In accordance with donor stipulations, permanently restricted net assets are held (and invested) in perpetuity. The income derived from these net assets at December 31, 2008 and 2007 is to be used as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Research	\$ 1,759	\$ 1,759
Information	1,484	1,503
Advocacy and public awareness	182	182
Discretion of the Association	<u>3,825</u>	<u>3,152</u>
Total permanently restricted net assets	<u>\$ 7,250</u>	<u>\$ 6,596</u>

(continued)

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**11. Endowment**

In 2008, the Association adopted FASB Staff Position No. FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act [UPMIFA] and Enhanced Disclosures for All Endowment Funds (the FSP)*. A key component of the FSP is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. Adoption of this standard did not affect the financial position or changes in net assets of the Association.

The FSP provides guidance with respect to the accounting for donor-restricted endowment funds subject to UPMIFA, which the Commonwealth of Virginia has enacted. In addition, the FSP requires expanded disclosures for all endowment funds. Based on its interpretation of the provisions of UPMIFA and the FSP, the Association has determined that retaining its existing policies regarding net asset classification of its donor-restricted endowment funds is appropriate. The historic dollar value of donor-restricted endowment contributions is reported as permanently restricted net assets.

The Association's endowment consists of 43 individual funds established for a variety of purposes.

**Donor-Restricted Endowment Composition**

	2008	2007
Unrestricted	\$ (1,612)	\$ -
Temporarily restricted	17,904	17,904
Permanently restricted	7,250	6,596
Total funds	\$ 23,542	\$ 24,500

The Association's temporarily restricted endowment net assets as of December 31, 2008 and 2007 are comprised of two term endowments on which the investment return is expended as part of the Association's operating budget. The Association had no board designated endowment funds at December 31, 2008 and 2007.

(continued)

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**Changes in Endowment Net Assets for the Years Ended December 31, 2008 and 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, January 1, 2007	\$ -	17,904	5,797	23,701
Investment return:				
Investment income	3,654	27	-	3,681
Net appreciation (realized and unrealized)		76	49	125
Total investment return	3,654	103	49	3,806
Contributions	-	-	750	750
Appropriation of endowment assets for expenditure	(3,654)	(103)	-	(3,757)
Endowment net assets, December 31, 2007	-	17,904	6,596	24,500
Investment return:				
Investment income	1,704	38	-	1,742
Net depreciation (realized and unrealized)	(1,612)	-	-	(1,612)
Total investment return	92	38	-	130
Contributions	-	-	654	654
Appropriation of endowment assets for expenditure	(1,704)	(38)	-	(1,742)
Endowment net assets, December 31, 2008	<u>\$ (1,612)</u>	<u>17,904</u>	<u>7,250</u>	<u>23,542</u>

(continued)

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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The Association had no reclassification of net assets from unrestricted to temporarily restricted at January 1, 2008 as the result of the enactment of UPMIFA as all endowment net assets previously released from restriction had been appropriated for expenditure.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$1,612,000 as of December 31, 2008. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions and continued appropriation for certain programs that was deemed prudent by the Association. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets. There were no such deficiencies as of December 31, 2007.

**Return Objectives and Risk Parameters**

The Association has adopted investment and spending policies for endowment assets that provides continued financial stability for the Association and a revenue stream for spending on the Association's mission. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that ensures safety through diversification while obtaining a competitive rate of return with the secondary objective to maintain liquidity. The Association expects its endowment funds over time, to provide an average rate of return of approximately 7.5% annually.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yields (interest and dividends). The Association targets a diversified asset allocation that utilizes fixed income and equity-based investments to achieve its long-term objectives within prudent risk constraints.

(continued)

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Association's investment policy includes an endowment spending rate of 4 percent of the endowment funds' market value over a rolling five-year average. This spending rate constitutes the Board's annual appropriation for spending endowment earnings. These spending assumptions are intended to allow for the significant and immediate spending of the income of the portfolio, provide a target rate of return for the Endowment Fund for the Association, and provide a sustainable spending level that will allow for support of the Association's initiatives in the cure for diabetes, while maintaining the purchasing power of the Endowment Fund's assets.

**12. Contributed services and in-kind contributions**

The Association recognizes as contribution revenue and as professional fees expense the fair value of services donated by certain volunteers in conjunction with the peer review process by the Grant Review Panel of the American Diabetes Association Research Foundation, Inc. and medical services provided in conjunction with the Association's program activities, primarily camp. Contributed public service announcements and occupancy are recorded in printing and publications and occupancy expenses, respectively. The Association recognized approximately \$2,900,000 and \$2,439,000, in donated services provided in conjunction with the Association's activities during the years ended December 31, 2008 and 2007, respectively.

Many other volunteers made significant contributions of time to the Association's program and supporting functions. The values of those contributed services do not meet the criteria for recognition and, accordingly, are not recognized as revenues and expenses in the accompanying consolidated statement of activities.

In-kind contributions of supplies are recognized as contribution revenue and supplies expense and totaled approximately \$2,223,000 and \$2,245,000 for the years ended December 31, 2008 and 2007, respectively.

(continued)

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**13. Allocation of joint costs**

The Association conducts activities to distribute information related to diabetes and a call to action, such as understanding the risks and seeking appropriate health services, as well as an appeal for funds. The joint costs incurred through these activities for the years ended December 31, 2008 and 2007, were allocated as follows (in thousands):

	2008	2007
Advocacy and public awareness	\$ 12,813	\$ 15,775
Management and general	4,067	3,676
Fundraising	23,795	24,698
Total joint costs	\$ 40,675	\$ 44,149

**14. Pension plan**

The Association has a defined contribution pension plan (the Plan) which covers most salaried employees who have reached the age of 21 and completed one year of service. Pension expense for the years ended December 31, 2008 and 2007, was approximately \$2,238,000 and \$2,116,000, respectively.

**15. Self-insured benefits**

The Association self-insures its employee medical and dental benefits. Losses from claims identified under the incident reporting system, as well as provisions for estimated losses for incurred but not reported incidents, are accrued based on estimates that incorporate the past experience of the Association, as well as other considerations, including the nature of the claims or incidents and relevant trend factors.

Self-insured risk for employee health benefits is secured through stop loss insurance policies which protect the Association should total claims exceed a specified limit in a plan year. This limit was \$6,600,000 and \$4,900,000 in 2008 and 2007, respectively.

(continued)



**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

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The liability as of December 31, 2008 and 2007 was approximately \$886,000 and \$756,000, respectively, and is included in accounts payable and accrued liabilities in the accompanying balance sheets. Benefit expense under this plan was approximately \$5,165,000 and \$4,269,000 for the years ended December 31, 2008 and 2007, respectively. The benefit expense includes claims paid and changes to the reserve for future claims.

**16. Line of credit**

The Association has an unsecured line of credit with a bank at interest rates calculated as a factor of the London Interbank Offered Rate (LIBOR). The line of credit (\$10,000,000) was obtained for operating purposes and is subject to review and approval by the bank in August 2009. The outstanding balance on the line of credit as of December 31, 2008 was \$1,560,000. There was no outstanding balance on the line of credit at December 31, 2007. Interest and fees for the years ended December 31, 2008 and 2007, were approximately \$70,000 and \$440,000, respectively.

The line of credit is available for working capital and for financing the purchase and implementation costs of computer equipment and software. The Association is required to maintain a level of unrestricted, unencumbered marketable securities, cash and cash equivalents of not less than \$15,000,000.

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

**17. Lease commitments**

***Operating leases***

The Association is obligated under various noncancelable operating lease agreements for office facilities expiring at various dates between January 2009 and January 2017. Many of these agreements contain cost escalations providing for increases in rental rates. The Association recognizes rent expense on a straight-line basis over the life of the lease. The Association is also obligated under noncancelable operating leases for telephone and other equipment through January 2013.

As of December 31, 2008, the future minimum lease payments under operating leases with noncancelable lease terms in excess of one year were (in thousands):

Year ending December 31,	
2009	\$ 7,517
2010	6,372
2011	5,435
2012	3,806
2013	3,167
2014 and thereafter	<u>9,394</u>
Total minimum lease payments	<u>\$ 35,691</u>

Rent expense totaled approximately \$8,196,000 and \$7,736,000 for the years ended December 31, 2008 and 2007, respectively.

***Capital leases***

The Association leases telecommunications equipment under capital lease agreements expiring on various dates through 2009. No new assets were acquired under capital lease during the years ended December 31, 2008 and 2007. Assets under capital lease were approximately \$3,723,000 and accumulated amortization on those assets was approximately \$3,437,000 and \$3,224,000 as of December 31, 2008 and 2007, respectively.

**AMERICAN DIABETES ASSOCIATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2008**

**(with comparative information as of and for the year ended December 31, 2007)**

As of December 31, 2008, the future minimum lease payments under capital leases were (in thousands):

Year ending December 31, 2009	\$	297
Less: Amount representing interest		<u>(11)</u>
Present value of lease obligation	\$	<u><u>286</u></u>

**18. Lease payments receivable**

The Association holds leases on land that was donated in 1999 through a bequest. As part of the bequest, the donor restricted the Association from selling the land for 25 years from the date of the donation. As of December 31, 2008, the future minimum lease payments due to the Association under these leases were (in thousands):

Year ended December 31,		
2009	\$	1,298
2010		1,306
2011		1,313
2012		1,337
2013		1,379
2014 and thereafter		<u>53,801</u>
Total minimum lease receipts	\$	<u><u>60,434</u></u>

The accumulated difference between the rental income recognized and the straight-line value of the leases was approximately \$5,513,000 and \$4,996,000 as of December 31, 2008 and 2007, respectively. Due to market conditions, management believes a significant risk exists that future rent revenue will not be recognized; therefore, an allowance against the deferred rent has been recorded in the amount of \$1,331,000 and \$1,357,000 as of December 31, 2008 and 2007, respectively.

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule I

REVENUES	Alabama	Alaska	Arizona	Arkansas	California							Total
					Los Angeles	Orange County	Sacramento	San Diego	San Francisco	San Jose	Other	
<b>Contributions:</b>												
Federated campaigns	\$ 89,459	\$ 73,056	\$ 341,477	\$ 37,016	\$ 209,781	\$ 46,738	\$ 95,342	\$ 122,981	\$ 123,691	\$ 82,969	\$ 86,648	\$ 768,150
Fundraising events	390,708	452,913	1,083,596	473,521	1,444,361	466,650	365,507	584,035	1,392,873	1,327,649	302,202	5,883,277
Related organizations	-	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	8,307	-	-	-	-	-	-	-	-	-
Other contributions	343,080	378,753	3,352,549	532,713	4,468,995	647,822	1,242,289	994,713	2,490,747	1,251,889	1,007,128	12,103,583
Total contributions	823,247	904,722	4,785,929	1,043,250	6,123,137	1,161,210	1,703,138	1,701,729	3,883,620	2,579,538	1,395,978	18,755,010
<b>Program service fees:</b>												
Subscription income	-	-	-	-	-	-	-	-	-	-	-	-
Registration	-	12,272	90,179	12,635	-	35,575	-	5,312	-	-	-	40,887
Sales of materials	-	-	3,148	761	2,397	-	-	-	1,994	-	(121)	4,270
Booth rental	-	-	-	-	-	-	-	400	-	-	-	400
Other program service fees	-	40	-	-	35	325	175	1,903	275	-	-	2,713
Total program service revenue	-	12,312	93,327	13,396	2,432	35,900	175	7,615	2,269	-	(121)	48,270
<b>Investment income</b>												
Royalties	-	-	-	-	50,000	-	-	-	-	-	-	50,000
Gross amount from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross income from fundraising events</b>												
Excluding contributions reported above	49,720	100,359	313,523	138,825	346,079	206,324	122,326	76,774	212,546	142,096	4,540	1,110,685
Less: direct benefit expenses	(49,720)	(100,359)	(313,523)	(138,825)	(346,079)	(206,324)	(122,326)	(76,774)	(212,546)	(142,096)	(4,540)	(1,110,685)
Net income from special events	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross income from gaming activities</b>												
Less: direct benefit expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advertising</b>												
All other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>823,247</b>	<b>917,034</b>	<b>4,879,256</b>	<b>1,056,646</b>	<b>6,175,569</b>	<b>1,197,110</b>	<b>1,703,313</b>	<b>1,709,344</b>	<b>4,009,580</b>	<b>2,662,507</b>	<b>1,395,857</b>	<b>18,853,280</b>
<b>EXPENSES</b>												
<b>Program Activities:</b>												
Research	220,839	143,055	1,492,003	262,990	1,731,589	202,213	596,741	437,818	1,345,478	906,519	654,510	5,874,868
Information	115,913	242,732	527,730	155,287	619,859	249,438	87,272	229,158	238,311	155,336	67,177	1,646,551
Advocacy & Public Awareness	173,703	204,183	629,005	197,122	1,085,009	278,440	164,774	294,084	477,428	277,582	122,073	2,699,390
Subtotal Program Activities	510,455	589,970	2,648,738	615,399	3,436,457	730,091	848,787	961,060	2,061,217	1,339,437	843,760	10,220,809
Management and General	22,036	27,584	60,252	22,060	115,022	35,400	17,749	37,055	48,460	29,600	13,295	296,581
Fundraising	93,699	128,070	335,888	107,185	549,412	188,596	101,694	176,871	244,221	177,279	77,016	1,515,089
<b>TOTAL EXPENSES</b>	<b>626,190</b>	<b>745,624</b>	<b>3,044,878</b>	<b>744,644</b>	<b>4,100,891</b>	<b>954,087</b>	<b>968,230</b>	<b>1,174,986</b>	<b>2,353,898</b>	<b>1,546,316</b>	<b>934,071</b>	<b>12,032,479</b>
<b>NET ASSETS</b>												
Excess (Deficit)	197,057	171,410	1,834,378	312,002	2,074,678	243,023	735,083	534,358	1,655,682	1,116,191	461,786	6,820,801
Beginning Net Assets	509,582	(645,713)	4,032,980	1,840,475	11,200,017	865,110	722,134	4,178,401	964,359	2,086,778	1,280,267	21,297,066
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ 706,639</b>	<b>\$ (474,303)</b>	<b>\$ 5,867,358</b>	<b>\$ 2,152,477</b>	<b>\$ 13,274,695</b>	<b>\$ 1,108,133</b>	<b>\$ 1,457,217</b>	<b>\$ 4,712,759</b>	<b>\$ 2,620,041</b>	<b>\$ 3,202,969</b>	<b>\$ 1,742,053</b>	<b>\$ 28,117,867</b>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule I

REVENUES	Colorado			Connecticut			Delaware	Florida		
	Denver	Other	Total	Hartford	Other	Total		Pensacola	Other	Total
<b>Contributions:</b>										
Federated campaigns	\$ 144,015	\$ 3,215	\$ 147,230	\$ 307,999	\$ 7,649	\$ 315,648	\$ 48,575	\$ 25,611	\$ 243,993	\$ 269,604
Fundraising events	885,115	64,481	949,596	596,505	113,505	710,010	242,775	48,720	2,075,146	2,123,866
Related organizations	-	-	-	-	-	-	-	-	-	-
Government grants	65,030	-	65,030	-	-	-	26,974	-	-	-
Other contributions	1,679,622	313,379	1,993,001	1,089,125	136,293	1,225,418	251,979	45,712	5,231,309	5,277,021
Total contributions	2,773,782	381,075	3,154,857	1,993,629	257,447	2,251,076	570,303	120,043	7,550,448	7,670,491
<b>Program service fees:</b>										
Subscription income	-	-	-	-	-	-	-	-	-	-
Registration	126,151	-	126,151	12,574	-	12,574	13,285	370	159,864	160,234
Sales of materials	3,797	-	3,797	1,620	-	1,620	50	-	3,717	3,717
Booth rental	-	-	-	-	-	-	-	-	6,549	6,549
Other program service fees	1,559	-	1,559	377	-	377	-	46	370	416
Total program service revenue	131,507	-	131,507	14,571	-	14,571	13,335	416	170,500	170,916
Investment income	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of securities	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Gross income from fundraising events										
Excluding contributions reported above	164,848	4,882	169,730	74,127	9,961	84,088	60,812	10,250	394,190	404,440
Less: direct benefit expenses	(164,848)	(4,882)	(169,730)	(74,127)	(9,961)	(84,088)	(60,812)	(10,250)	(394,190)	(404,440)
Net income from special events	-	-	-	-	-	-	-	-	-	-
Gross income from gaming activities	-	-	-	-	-	-	-	-	-	-
Less: direct benefit expenses	-	-	-	-	-	-	-	-	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-
All other revenue	-	-	-	-	-	-	-	-	-	-
Total other revenue	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>2,905,289</b>	<b>381,075</b>	<b>3,286,364</b>	<b>2,008,200</b>	<b>257,447</b>	<b>2,265,647</b>	<b>583,638</b>	<b>120,459</b>	<b>7,720,948</b>	<b>7,841,407</b>
<b>EXPENSES</b>										
<b>Program Activities:</b>										
Research	585,288	119,859	705,147	681,232	48	681,280	547	16,862	2,225,356	2,242,218
Information	672,199	29,167	701,366	196,397	1,397	197,794	96,727	31,995	918,648	950,643
Advocacy & Public Awareness	652,814	48,092	700,906	321,516	7,817	329,333	37,650	33,789	1,099,235	1,133,024
Subtotal Program Activities	1,910,301	197,118	2,107,419	1,199,145	9,262	1,208,407	134,924	82,646	4,243,239	4,325,885
Management and General	48,625	5,918	54,543	35,935	289	36,224	3,283	4,473	122,398	126,871
Fundraising	237,260	27,844	265,104	178,163	6,857	185,020	27,687	18,635	619,091	637,726
<b>TOTAL EXPENSES</b>	<b>2,196,186</b>	<b>230,880</b>	<b>2,427,066</b>	<b>1,413,243</b>	<b>16,408</b>	<b>1,429,651</b>	<b>165,894</b>	<b>105,754</b>	<b>4,984,728</b>	<b>5,090,482</b>
<b>NET ASSETS</b>										
Excess (Deficit)	709,103	150,195	859,298	594,957	241,039	835,996	417,744	14,705	2,736,220	2,750,925
Beginning Net Assets	4,740,546	(252,347)	4,488,199	2,693,535	1,867,203	4,560,738	661,602	298,047	11,163,642	11,461,689
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ 5,449,649</b>	<b>\$ (102,152)</b>	<b>\$ 5,347,497</b>	<b>\$ 3,288,492</b>	<b>\$ 2,108,242</b>	<b>\$ 5,396,734</b>	<b>\$ 1,079,346</b>	<b>\$ 312,752</b>	<b>\$ 13,899,862</b>	<b>\$ 14,212,614</b>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule I

REVENUES	Georgia			Hawaii	Idaho	Illinois			Indiana	Iowa	Kansas	Kentucky
	Atlanta	Other	Total			Chicago	Other	Total				
<b>Contributions:</b>												
Federated campaigns	\$ 267,419	\$ 8,951	\$ 276,370	\$ 49,858	\$ 5,585	\$ 350,499	\$ 20,689	\$ 371,188	\$ 114,790	\$ 76,952	\$ 47,394	\$ 60,825
Fundraising events	968,043	475,166	1,443,209	581,100	3,243	1,312,631	616,183	1,928,814	834,198	506,561	273,184	627,328
Related organizations	-	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	10,000	-	-	-	-	-	-	-	-
Other contributions	1,731,077	319,562	2,050,639	338,625	200,492	4,277,080	825,427	5,102,507	1,370,401	1,153,530	951,008	774,002
<b>Total contributions</b>	<b>2,966,539</b>	<b>803,679</b>	<b>3,770,218</b>	<b>979,583</b>	<b>209,320</b>	<b>5,940,210</b>	<b>1,462,299</b>	<b>7,402,509</b>	<b>2,319,389</b>	<b>1,737,043</b>	<b>1,271,586</b>	<b>1,462,155</b>
<b>Program service fees:</b>												
Subscription income	-	-	-	-	-	-	-	-	-	-	-	-
Registration	5,228	1,545	6,773	-	-	179,708	48,808	228,516	36,610	-	38,785	26,260
Sales of materials	3,058	-	3,058	-	20	-	2,121	2,121	(62)	29	140	-
Booth rental	775	-	775	500	-	4,850	-	4,850	600	-	375	350
Other program service fees	96	40	136	-	-	1,468	50	1,518	1,148	13	450	-
<b>Total program service revenue</b>	<b>9,157</b>	<b>1,585</b>	<b>10,742</b>	<b>500</b>	<b>20</b>	<b>186,026</b>	<b>50,979</b>	<b>237,005</b>	<b>38,296</b>	<b>42</b>	<b>39,750</b>	<b>26,610</b>
Investment income	-	-	-	-	-	4,204	-	4,204	-	-	-	2,681
Royalties	-	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Gross income from fundraising events												
Excluding contributions reported above	133,873	63,390	197,263	24,947	648	332,799	89,273	422,072	172,344	83,182	61,200	99,015
Less: direct benefit expenses	(133,873)	(63,390)	(197,263)	(24,947)	(648)	(332,799)	(89,273)	(422,072)	(172,344)	(83,182)	(61,200)	(99,015)
Net income from special events	-	-	-	-	-	-	-	-	-	-	-	-
Gross income from gaming activities	-	-	-	-	-	-	-	-	-	-	-	-
Less: direct benefit expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-	-
All other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>2,975,696</b>	<b>805,264</b>	<b>3,780,960</b>	<b>980,083</b>	<b>209,340</b>	<b>6,130,440</b>	<b>1,513,278</b>	<b>7,643,718</b>	<b>2,357,685</b>	<b>1,737,085</b>	<b>1,311,336</b>	<b>1,491,446</b>
<b>EXPENSES</b>												
<b>Program Activities:</b>												
Research	850,527	195,747	1,046,274	243,830	87,540	1,855,338	349,893	2,205,231	555,181	586,612	345,886	396,386
Information	281,789	91,739	373,528	133,407	1,212	720,313	183,378	903,691	440,232	142,601	278,368	248,025
Advocacy & Public Awareness	528,697	144,965	673,662	189,226	2,298	799,969	156,227	956,196	397,431	192,829	135,946	217,704
<i>Subtotal Program Activities</i>	<i>1,661,013</i>	<i>432,451</i>	<i>2,093,464</i>	<i>566,463</i>	<i>91,050</i>	<i>3,375,620</i>	<i>689,498</i>	<i>4,065,118</i>	<i>1,392,844</i>	<i>922,042</i>	<i>760,200</i>	<i>862,115</i>
Management and General	37,109	17,585	54,694	23,644	240	92,787	20,184	112,971	49,903	24,108	18,378	27,808
Fundraising	232,062	90,519	322,581	92,995	969	387,004	98,415	485,419	235,791	123,788	76,275	136,115
<b>TOTAL EXPENSES</b>	<b>1,930,184</b>	<b>540,555</b>	<b>2,470,739</b>	<b>683,102</b>	<b>92,259</b>	<b>3,855,411</b>	<b>808,097</b>	<b>4,663,508</b>	<b>1,678,538</b>	<b>1,069,938</b>	<b>854,853</b>	<b>1,026,038</b>
<b>NET ASSETS</b>												
Excess (Deficit)	1,045,512	264,709	1,310,221	296,981	117,081	2,275,029	705,181	2,980,210	679,147	667,147	456,483	465,408
Beginning Net Assets	(500,744)	688,713	187,969	(67,913)	104,733	20,678,907	4,925,778	25,604,685	4,276,026	4,104,261	2,266,361	988,696
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ 544,768</b>	<b>\$ 953,422</b>	<b>\$ 1,498,190</b>	<b>\$ 229,068</b>	<b>\$ 221,814</b>	<b>\$ 22,953,936</b>	<b>\$ 5,630,959</b>	<b>\$ 28,584,895</b>	<b>\$ 4,955,173</b>	<b>\$ 4,771,408</b>	<b>\$ 2,722,844</b>	<b>\$ 1,454,104</b>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule I

REVENUES	Louisiana			Maine	Maryland			Massachusetts	Michigan	Minnesota	Mississippi
	Baton Rouge	Other	Total		Baltimore	Other	Total				
<b>Contributions:</b>											
Federated campaigns	\$ 37,448	\$ 37,416	\$ 74,864	\$ 15,781	\$ 302,680	\$ 70,188	\$ 372,868	\$ 145,109	\$ 475,905	\$ 313,689	\$ 9,307
Fundraising events	200,952	265,159	466,111	327,898	852,916	62,485	915,401	1,123,461	1,081,876	939,211	9,159
Related organizations	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	-	-	23,500	-	-
Other contributions	242,987	1,344,449	1,587,436	463,990	940,908	637,412	1,578,320	3,797,919	3,342,461	1,858,934	97,698
<b>Total contributions</b>	<b>481,387</b>	<b>1,647,024</b>	<b>2,128,411</b>	<b>807,669</b>	<b>2,096,504</b>	<b>770,085</b>	<b>2,866,589</b>	<b>5,066,489</b>	<b>4,923,742</b>	<b>3,111,834</b>	<b>116,164</b>
<b>Program service fees:</b>											
Subscription income	-	-	-	-	-	-	-	-	-	-	-
Registration	-	-	-	-	975	-	975	11,086	204,320	-	-
Sales of materials	-	-	-	-	-	-	-	1,711	1,327	2,288	-
Booth rental	-	-	-	-	-	-	-	-	250	-	-
Other program service fees	-	-	-	-	-	-	-	31	888	2,739	-
<b>Total program service revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>975</b>	<b>-</b>	<b>975</b>	<b>12,828</b>	<b>206,785</b>	<b>5,027</b>	<b>-</b>
Investment income	-	-	-	-	-	-	-	22,000	7,365	-	7,686
Royalties	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of securities	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Gross income from fundraising events											
Excluding contributions reported above	20,215	37,772	57,987	22,834	83,809	11,706	95,515	204,452	191,825	135,989	1,231
Less: direct benefit expenses	(20,215)	(37,772)	(57,987)	(22,834)	(83,809)	(11,706)	(95,515)	(204,452)	(191,825)	(135,989)	(1,231)
Net income from special events	-	-	-	-	-	-	-	-	-	-	-
Gross income from gaming activities	-	-	-	-	-	-	-	-	139,318	-	-
Less: direct benefit expenses	-	-	-	-	-	-	-	-	(58,216)	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	81,102	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-
All other revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total other revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL REVENUES</b>	<b>481,387</b>	<b>1,647,024</b>	<b>2,128,411</b>	<b>807,669</b>	<b>2,097,479</b>	<b>770,085</b>	<b>2,867,564</b>	<b>5,101,317</b>	<b>5,218,994</b>	<b>3,116,861</b>	<b>123,850</b>
<b>EXPENSES</b>											
<b>Program Activities:</b>											
Research	147,881	559,684	707,565	254,430	557,353	270,943	828,296	1,647,629	1,329,487	1,033,665	22,756
Information	45,762	133,460	179,222	64,390	235,803	117,769	353,572	465,731	915,459	238,911	21,401
Advocacy & Public Awareness	61,627	148,020	209,647	104,066	355,880	173,419	529,299	836,167	780,719	513,971	27,450
<i>Subtotal Program Activities</i>	<i>255,270</i>	<i>841,164</i>	<i>1,096,434</i>	<i>422,886</i>	<i>1,149,036</i>	<i>562,131</i>	<i>1,711,167</i>	<i>2,949,527</i>	<i>3,025,665</i>	<i>1,786,547</i>	<i>71,607</i>
Management and General	6,704	17,803	24,507	11,998	42,882	24,081	66,963	84,712	90,047	49,225	2,197
Fundraising	37,821	78,249	116,070	61,351	224,406	90,345	314,751	384,893	406,537	227,571	8,217
<b>TOTAL EXPENSES</b>	<b>299,795</b>	<b>937,216</b>	<b>1,237,011</b>	<b>496,235</b>	<b>1,416,324</b>	<b>676,557</b>	<b>2,092,881</b>	<b>3,419,132</b>	<b>3,522,249</b>	<b>2,063,343</b>	<b>82,021</b>
<b>NET ASSETS</b>											
Excess (Deficit)	181,592	709,808	891,400	311,434	681,155	93,528	774,683	1,682,185	1,696,745	1,053,518	41,829
Beginning Net Assets	(338,147)	265,646	(72,501)	825,958	3,320,518	339,099	3,659,617	2,261,761	12,307,916	8,395,424	(392,158)
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ (156,555)</b>	<b>\$ 975,454</b>	<b>\$ 818,899</b>	<b>\$ 1,137,392</b>	<b>\$ 4,001,673</b>	<b>\$ 432,627</b>	<b>\$ 4,434,300</b>	<b>\$ 3,943,946</b>	<b>\$ 14,004,661</b>	<b>\$ 9,448,942</b>	<b>\$ (350,329)</b>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule I

REVENUES	Missouri		Total	Montana	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York		
	Kansas City	Other								New York City	Other	Total
<b>Contributions:</b>												
Federated campaigns	\$ 100,289	\$ 233,002	\$ 333,291	\$ 3,055	\$ 105,265	\$ 33,034	\$ 3,682	\$ 364,291	\$ 69,494	\$ 240,648	\$ 323,023	\$ 563,671
Fundraising events	42,224	1,471,853	1,514,077	216	259,354	212,792	294,574	1,240,892	112,791	1,250,044	2,067,012	3,317,056
Related organizations	-	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	4,000	-	-	-	-	-	-	-	-
Other contributions	1,025,350	1,848,454	2,873,804	290,786	359,000	1,144,479	385,614	4,373,377	468,346	4,162,666	1,942,461	6,105,127
<b>Total contributions</b>	<b>1,167,863</b>	<b>3,553,309</b>	<b>4,721,172</b>	<b>298,057</b>	<b>723,619</b>	<b>1,390,305</b>	<b>683,870</b>	<b>5,978,560</b>	<b>650,631</b>	<b>5,653,358</b>	<b>4,332,496</b>	<b>9,985,854</b>
<b>Program service fees:</b>												
Subscription income	-	-	-	-	-	-	-	-	-	-	-	-
Registration	30,403	78,297	108,700	23,535	-	-	89,780	-	20,713	6,330	76,308	82,638
Sales of materials	50	22	72	-	286	-	2,233	-	63	1,164	15	1,179
Booth rental	550	2,550	3,100	-	-	-	-	-	-	2,500	1,700	4,200
Other program service fees	250	135	385	50	125	-	(250)	-	-	-	-	-
<b>Total program service revenue</b>	<b>31,253</b>	<b>81,004</b>	<b>112,257</b>	<b>23,585</b>	<b>411</b>	<b>-</b>	<b>91,763</b>	<b>-</b>	<b>20,776</b>	<b>9,994</b>	<b>78,023</b>	<b>88,017</b>
Investment income	-	-	-	-	-	-	-	-	-	-	3,668	3,668
Royalties	-	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Gross income from fundraising events												
Excluding contributions reported above	12,882	291,951	304,833	57	40,490	20,312	18,094	280,090	16,390	376,286	187,911	564,197
Less: direct benefit expenses	(12,882)	(291,951)	(304,833)	(57)	(40,490)	(20,312)	(18,094)	(280,090)	(16,390)	(376,286)	(187,911)	(564,197)
Net income from special events	-	-	-	-	-	-	-	-	-	-	-	-
Gross income from gaming activities	-	-	-	-	-	-	-	-	-	-	-	-
Less: direct benefit expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-	-
All other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,199,116</b>	<b>3,634,313</b>	<b>4,833,429</b>	<b>321,642</b>	<b>724,030</b>	<b>1,390,305</b>	<b>775,633</b>	<b>5,978,560</b>	<b>671,407</b>	<b>5,663,352</b>	<b>4,414,187</b>	<b>10,077,539</b>
<b>EXPENSES</b>												
<b>Program Activities:</b>												
Research	534,169	951,041	1,485,210	64,389	214,083	549,513	426	1,950,200	153,035	1,251,361	1,303,978	2,555,339
Information	191,276	447,065	638,341	127,664	65,095	56,041	207,542	335,627	169,504	669,462	528,975	1,198,437
Advocacy & Public Awareness	127,238	474,250	601,488	32,041	100,791	96,841	32,644	565,734	94,746	1,224,590	679,899	1,904,489
<i>Subtotal Program Activities</i>	<i>852,683</i>	<i>1,872,356</i>	<i>2,725,039</i>	<i>224,094</i>	<i>379,969</i>	<i>702,395</i>	<i>240,612</i>	<i>2,851,561</i>	<i>417,285</i>	<i>3,145,413</i>	<i>2,512,852</i>	<i>5,658,265</i>
Management and General	17,770	59,795	77,565	4,041	13,464	11,519	2,554	68,653	12,257	122,743	80,958	203,701
Fundraising	65,473	291,221	356,694	14,987	55,655	58,015	24,131	322,095	51,066	630,189	394,883	1,025,072
<b>TOTAL EXPENSES -</b>	<b>935,926</b>	<b>2,223,372</b>	<b>3,159,298</b>	<b>243,122</b>	<b>449,088</b>	<b>771,929</b>	<b>267,297</b>	<b>3,242,309</b>	<b>480,608</b>	<b>3,898,345</b>	<b>2,988,693</b>	<b>6,887,038</b>
<b>NET ASSETS</b>												
Excess (Deficit)	263,190	1,410,941	1,674,131	78,520	274,942	618,376	508,336	2,736,251	190,799	1,765,007	1,425,494	3,190,501
Beginning Net Assets	(72,190)	7,669,972	7,597,782	(612,129)	1,749,504	553,666	1,603,412	8,184,887	884,418	14,514,935	(149,466)	14,365,469
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ 191,000</b>	<b>\$ 9,080,913</b>	<b>\$ 9,271,913</b>	<b>\$ (533,609)</b>	<b>\$ 2,024,446</b>	<b>\$ 1,172,042</b>	<b>\$ 2,111,748</b>	<b>\$ 10,921,138</b>	<b>\$ 1,075,217</b>	<b>\$ 16,279,942</b>	<b>\$ 1,276,028</b>	<b>\$ 17,555,970</b>

See accompanying note to the supplemental schedules



American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule I

	N. Carolina	N. Dakota	Ohio							Oklahoma			Oregon
			Dayton	Cincinnati	Cleveland	Columbus	Toledo	Other	Total	Oklahoma City	Other	Total	
<b>REVENUES</b>													
Contributions:													
Federated campaigns	\$ 250,189	\$ 24,480	\$ 681	\$ 33,685	\$ 35,465	\$ 104,414	\$ 14,016	\$ 1,717	\$ 189,978	\$ 53,169	\$ 27,738	\$ 80,907	\$ 53,776
Fundraising events	979,101	112,185	27,758	180,668	629,914	268,982	148,329	100,637	1,356,288	188,978	746,431	935,409	647,825
Related organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Other contributions	1,775,062	270,650	47,658	419,852	688,651	209,388	108,155	60,804	1,534,508	186,173	464,920	651,093	34,342
Total contributions	3,004,352	407,315	76,097	634,205	1,354,030	582,784	270,500	163,158	3,080,774	428,320	1,239,089	1,667,409	2,076,391
Program service fees:													
Subscription income	-	-	-	-	-	-	-	-	-	-	-	-	-
Registration	63,941	12,715	-	46,560	192	-	140	-	46,892	-	(50)	(50)	32,410
Sales of materials	-	-	-	80	-	-	197	-	277	-	13	13	5,840
Booth rental	-	-	-	850	300	-	300	-	1,450	-	4,500	4,500	-
Other program service fees	-	75	-	-	-	-	-	-	-	-	-	-	134
Total program service revenue	63,941	12,790	-	47,490	492	-	637	-	48,619	-	4,463	4,463	38,384
Investment income	7,588	-	-	-	-	-	-	-	-	-	-	-	1,452
Royalties	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross income from fundraising events													
Excluding contributions reported above	180,652	15,049	3,276	16,523	125,565	64,413	21,762	7,752	239,291	27,176	95,183	122,359	144,733
Less: direct benefit expenses	(180,652)	(15,049)	(3,276)	(16,523)	(125,565)	(64,413)	(21,762)	(7,752)	(239,291)	(27,176)	(95,183)	(122,359)	(144,733)
Net income from special events	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross income from gaming activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: direct benefit expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
Alli other revenue	-	-	-	-	-	-	-	-	-	-	-	-	462
Total other revenue	-	-	-	-	-	-	-	-	-	-	-	-	462
<b>TOTAL REVENUES</b>	<b>3,075,881</b>	<b>420,105</b>	<b>76,097</b>	<b>681,695</b>	<b>1,354,522</b>	<b>582,784</b>	<b>271,137</b>	<b>163,158</b>	<b>3,129,393</b>	<b>428,320</b>	<b>1,243,552</b>	<b>1,671,872</b>	<b>2,852,632</b>
<b>EXPENSES</b>													
Program Activities:													
Research	809,889	59,974	23,914	118,799	309,868	136,957	107,222	29,945	726,705	96,022	431,045	527,067	874,068
Information	455,177	172,339	5,721	224,386	170,513	72,746	9,365	16,931	499,662	57,670	81,916	139,586	276,581
Advocacy & Public Awareness	414,578	70,311	10,707	124,566	281,103	120,276	10,808	41,158	588,618	85,865	125,442	211,307	436,132
Subtotal Program Activities	1,679,644	302,624	40,342	467,751	761,484	329,979	127,395	88,034	1,814,985	239,557	638,403	877,960	1,586,781
Management and General	53,663	9,119	1,183	15,407	34,234	15,051	288	3,245	69,408	10,849	16,045	26,894	39,090
Fundraising	263,758	39,369	6,399	73,548	182,238	71,308	12,153	28,633	374,279	47,766	66,497	114,263	184,434
<b>TOTAL EXPENSES</b>	<b>1,997,065</b>	<b>351,112</b>	<b>47,924</b>	<b>556,706</b>	<b>977,956</b>	<b>416,338</b>	<b>139,836</b>	<b>119,912</b>	<b>2,258,672</b>	<b>298,172</b>	<b>720,945</b>	<b>1,019,117</b>	<b>1,810,305</b>
<b>NET ASSETS</b>													
Excess (Deficit)	1,078,816	68,993	28,173	124,989	376,566	166,446	131,301	43,246	870,721	130,148	522,607	652,755	1,042,327
Beginning Net Assets	2,990,271	6,726	198,567	1,107,404	1,422,132	680,474	723,990	795,333	4,927,901	(147,753)	1,431,185	1,283,432	2,294,398
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ 4,069,087</b>	<b>\$ 75,719</b>	<b>\$ 226,740</b>	<b>\$ 1,232,393</b>	<b>\$ 1,798,698</b>	<b>\$ 846,920</b>	<b>\$ 855,291</b>	<b>\$ 838,579</b>	<b>\$ 5,798,622</b>	<b>\$ (17,605)</b>	<b>\$ 1,953,792</b>	<b>\$ 1,936,187</b>	<b>\$ 3,336,725</b>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule 1

	Pennsylvania	Rhode Island	S. Carolina	S. Dakota	Tennessee	Texas				Utah	Vermont
						Dallas	San Antonio	Other	Total		
<b>REVENUES</b>											
Contributions:											
Federated campaigns	\$ 266,202	\$ 3,812	\$ 57,847	\$ 25,008	\$ 128,907	\$ 156,440	\$ 126,963	\$ 262,302	\$ 545,705	\$ 64,731	\$ 17,852
Fundraising events	1,936,898	106,488	308,806	74,337	913,443	978,011	703,285	2,711,018	4,392,314	525,143	147,583
Related organizations	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	35,281	-	35,281	-	-
Other contributions	4,261,750	20,316	259,134	55,969	1,014,638	1,214,905	1,506,877	2,794,299	5,516,081	406,955	101,493
Total contributions	6,464,850	130,616	625,787	155,314	2,056,988	2,349,356	2,372,406	5,767,619	10,489,381	996,829	266,928
Program service fees:											
Subscription income	-	-	-	-	-	-	-	-	-	-	-
Registration	118,894	-	1,880	-	4,265	18,850	-	48,849	67,699	2,250	1,025
Sales of materials	612	-	-	72	63	-	38	2,003	2,041	1,372	-
Booth rental	-	-	-	-	1,585	5,950	500	550	7,000	-	-
Other program service fees	2,816	-	-	31	35	3,925	345	1,465	5,735	-	-
Total program service revenue	122,322	-	1,880	103	5,948	28,725	883	52,867	82,475	3,622	1,025
Investment income	20,000	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of securities	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-	-
Gross amount from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Gross income from fundraising events											
Excluding contributions reported above	249,792	25,005	37,588	3,460	185,995	167,294	88,639	489,415	745,348	61,061	11,857
Less: direct benefit expenses	(249,792)	(25,005)	(37,588)	(3,460)	(185,995)	(167,294)	(88,639)	(489,415)	(745,348)	(61,061)	(11,857)
Net income from special events	-	-	-	-	-	-	-	-	-	-	-
Gross income from gaming activities	-	-	-	-	-	-	-	-	-	-	-
Less: direct benefit expenses	-	-	-	-	-	-	-	-	-	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-
All other revenue	-	-	-	-	-	-	-	39,355	39,355	-	-
Total other revenue	-	-	-	-	-	-	-	39,355	39,355	-	-
<b>TOTAL REVENUES</b>	<b>6,607,172</b>	<b>130,616</b>	<b>627,667</b>	<b>155,417</b>	<b>2,062,936</b>	<b>2,378,081</b>	<b>2,373,289</b>	<b>5,859,841</b>	<b>10,611,211</b>	<b>1,000,451</b>	<b>267,953</b>
<b>EXPENSES</b>											
Program Activities:											
Research	1,709,310	17,325	259,412	56,672	353,161	357,090	697,037	1,582,037	2,636,164	241,491	74,404
Information	997,265	28,192	40,540	14,521	342,344	518,507	196,921	756,126	1,471,554	114,276	32,964
Advocacy & Public Awareness	1,260,392	47,825	45,895	23,870	529,175	581,701	413,934	985,105	1,980,740	203,359	41,708
Subtotal Program Activities	3,966,967	93,342	345,847	95,063	1,224,680	1,457,298	1,307,892	3,323,268	6,088,458	559,126	149,076
Management and General	153,618	5,531	4,365	3,003	64,095	75,325	38,997	116,056	230,378	19,807	5,251
Fundraising	728,105	29,645	32,604	19,160	323,799	330,233	171,508	540,829	1,042,570	128,088	23,874
<b>TOTAL EXPENSES</b>	<b>4,848,690</b>	<b>128,518</b>	<b>382,816</b>	<b>117,226</b>	<b>1,612,574</b>	<b>1,862,856</b>	<b>1,518,397</b>	<b>3,980,153</b>	<b>7,361,406</b>	<b>707,021</b>	<b>178,201</b>
<b>NET ASSETS</b>											
Excess (Deficit)	1,758,482	2,098	244,851	38,191	450,362	515,225	854,892	1,879,688	3,249,805	293,430	89,752
Beginning Net Assets	7,448,311	852,922	552,693	148,698	2,013,715	1,273,592	1,444,879	3,102,567	5,821,038	250,467	593,160
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ 9,206,793</b>	<b>\$ 855,020</b>	<b>\$ 797,544</b>	<b>\$ 186,889</b>	<b>\$ 2,464,077</b>	<b>\$ 1,788,817</b>	<b>\$ 2,299,771</b>	<b>\$ 4,982,255</b>	<b>\$ 9,070,843</b>	<b>\$ 543,897</b>	<b>\$ 682,912</b>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule 1

REVENUES	Virginia			Washington			Washington D.C.	W. Virginia	Wisconsin	Wyoming
	Hampton Roads	Other	Total	Seattle	Other	Total				
<b>Contributions:</b>										
Federated campaigns	\$ 180,903	\$ 276,751	\$ 457,654	\$ 290,255	\$ 12,204	\$ 302,459	\$ 314,945	\$ 8,024	\$ 170,464	\$ 37
Fundraising events	265,720	1,178,109	1,443,829	559,430	170,820	730,250	669,515	82,101	702,956	-
Related organizations	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	-	-	-	-
Other contributions	468,318	3,155,560	3,623,878	1,736,817	230,086	1,966,903	596,740	82,626	4,228,853	11,083
Total contributions	914,941	4,610,420	5,525,361	2,586,502	413,110	2,999,612	1,581,200	172,751	5,102,273	11,120
<b>Program service fees:</b>										
Subscription income	-	-	-	-	-	-	-	-	-	-
Registration	3,586	-	3,586	15,010	-	15,010	-	1,750	228,593	-
Sales of materials	-	106	106	361	1,380	1,741	-	184	453	-
Booth rental	450	-	450	-	-	-	-	-	2,500	-
Other program service fees	-	-	-	2,385	-	2,385	-	127	1,300	-
Total program service revenue	4,036	106	4,142	17,756	1,380	19,136	-	2,061	232,846	-
<b>Investment income</b>	-	-	-	-	-	-	-	-	8,512	-
Royalties	-	-	-	-	-	-	-	-	-	-
<b>Gross amount from sale of securities</b>	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of securities	-	-	-	-	-	-	-	-	-	-
<b>Gross amount from sale of fixed assets</b>	-	-	-	-	-	-	-	-	-	-
Less: cost or basis	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	-	-	-	-	-	-	-	-	-	-
<b>Gross income from fundraising events</b>										
Excluding contributions reported above	74,483	189,978	264,461	75,889	26,183	102,072	113,647	19,229	133,145	-
Less: direct benefit expenses	(74,483)	(189,978)	(264,461)	(75,889)	(26,183)	(102,072)	(113,647)	(19,229)	(133,145)	-
Net income from special events	-	-	-	-	-	-	-	-	-	-
<b>Gross income from gaming activities</b>	-	-	-	-	-	-	-	-	-	-
Less: direct benefit expenses	-	-	-	-	-	-	-	-	-	-
Net income from gaming activities	-	-	-	-	-	-	-	-	-	-
<b>Advertising</b>	-	-	-	-	-	-	-	-	-	-
All other revenue	-	-	-	-	-	-	-	-	-	-
Total other revenue	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	918,977	4,610,526	5,529,503	2,604,258	414,490	3,018,748	1,581,200	174,812	5,343,631	11,120
<b>EXPENSES</b>										
<b>Program Activities:</b>										
Research	285,160	1,631,176	1,916,336	639,155	102,056	741,211	420,511	46,547	1,596,091	2,441
Information	161,287	181,901	343,188	394,632	41,876	436,508	154,705	23,110	811,139	524
Advocacy & Public Awareness	244,215	335,225	579,440	509,310	70,728	580,038	267,723	30,000	407,123	760
Subtotal Program Activities	690,662	2,148,302	2,838,964	1,543,097	214,660	1,757,757	842,939	99,657	2,814,353	3,725
Management and General	32,923	36,010	68,933	54,805	8,364	63,169	31,179	3,818	51,225	107
Fundraising	146,766	205,034	351,800	226,403	42,393	268,796	159,322	17,989	238,761	398
<b>TOTAL EXPENSES</b>	870,351	2,389,346	3,259,697	1,824,305	265,417	2,089,722	1,033,440	121,464	3,104,339	4,230
<b>NET ASSETS</b>										
Excess (Deficit)	48,626	2,221,180	2,269,806	779,953	149,073	929,026	547,760	53,348	2,239,292	6,890
Beginning Net Assets	1,165,289	10,283,255	11,448,544	3,321,742	(1,389,800)	1,931,942	403,440	283,523	(7,511,289)	(110,513)
Other Changes in Net Assets	-	-	-	-	-	-	-	-	-	-
<b>ENDING NET ASSETS</b>	\$ 1,213,915	\$ 12,504,435	\$ 13,718,350	\$ 4,101,695	\$ (1,240,727)	\$ 2,860,968	\$ 951,200	\$ 336,871	\$ (5,271,997)	\$ (103,623)

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Activities  
Form 990 Detail Listed by State and Certain Markets  
For the Year Ended December 31, 2008

Schedule I

	Home Office	ADA 990 TOTAL	ADA Research Foundation 990	ADA Property Title Holding Corporation 990	Shaping America's Health 990	Eliminations and Other Adjustments	Pro Forma Consolidated 990 TOTAL	Financial versus Tax Reporting Differences	Consolidated Audited Financial Statements
<b>REVENUES</b>									
Contributions:									
Federated campaigns	\$ 536,867	\$ 9,476,327	\$ 1,925	\$ -	\$ -	\$ -	\$ 9,478,252	\$ -	\$ 9,478,252
Fundraising events	196,330	46,583,569	-	-	-	-	46,583,569	-	46,583,569
Related organizations	-	-	38,486,522	-	-	(38,486,522)	-	-	-
Government grants	-	207,434	-	-	-	-	207,434	-	207,434
Other contributions	15,280,275	109,860,990	7,283,176	-	509,653	-	117,653,819	2,900,052	120,553,871
Total contributions	16,013,472	166,128,320	45,771,623	-	509,653	(38,486,522)	173,923,074	2,900,052	176,823,126
Program service fees:									
Subscription income	18,216,978	18,216,978	-	-	-	-	18,216,978	-	18,216,978
Registration	7,312,112	9,259,880	-	-	-	-	9,259,880	-	9,259,880
Sales of materials	4,610,231	4,654,833	-	-	-	-	4,654,833	1,997,241	6,652,074
Booth rental	3,154,660	3,194,094	-	-	-	-	3,194,094	-	3,194,094
Other program service fees	867,956	892,932	-	1,656,270	-	(1,656,270)	892,932	-	892,932
Total program service revenue	34,161,937	36,218,717	-	1,656,270	-	(1,656,270)	36,218,717	1,997,241	38,215,958
Investment income	1,589,578	1,674,734	-	-	-	-	1,674,734	(4,228,863)	(2,554,129)
Royalties	849,366	899,366	-	-	-	-	899,366	-	899,366
Gross amount from sale of securities	34,030,056	34,030,056	-	-	-	-	34,030,056	-	34,030,056
Less: cost or basis	(34,391,832)	(34,391,832)	-	-	-	-	(34,391,832)	-	(34,391,832)
Net gain (loss) from sale of securities	(361,776)	(361,776)	-	-	-	-	(361,776)	-	(361,776)
Gross amount from sale of fixed assets	1,772	1,772	-	-	-	-	1,772	-	1,772
Less: cost or basis	-	-	-	-	-	-	-	-	-
Net gain (loss) from sale of fixed assets	1,772	1,772	-	-	-	-	1,772	-	1,772
Gross income from fundraising events									
Excluding contributions reported above	64,461	8,166,354	-	-	-	-	8,166,354	-	8,166,354
Less: direct benefit expenses	(64,461)	(8,166,354)	-	-	-	-	(8,166,354)	-	(8,166,354)
Net income from special events	-	-	-	-	-	-	-	-	-
Gross income from gaming activities	-	139,318	-	-	-	-	139,318	-	139,318
Less: direct benefit expenses	-	(58,216)	-	-	-	-	(58,216)	-	(58,216)
Net income from gaming activities	-	81,102	-	-	-	-	81,102	-	81,102
Advertising	8,173,202	8,173,202	-	-	-	-	8,173,202	-	8,173,202
All other revenue	5,860,695	5,900,512	-	-	-	(1,533,467)	4,367,045	(3,653,511)	713,534
Total other revenue	14,033,897	14,073,714	-	-	-	(1,533,467)	12,540,247	(3,653,511)	8,886,736
<b>TOTAL REVENUES</b>	<b>66,288,246</b>	<b>218,715,949</b>	<b>45,771,623</b>	<b>1,656,270</b>	<b>509,653</b>	<b>(41,676,259)</b>	<b>224,977,236</b>	<b>(2,985,081)</b>	<b>221,992,155</b>
<b>EXPENSES</b>									
Program Activities:									
Research	6,879,519	49,834,208	42,527,041	-	-	(38,486,522)	53,874,727	529,427	54,404,154
Information	42,756,905	61,303,824	-	-	505,213	(8,925)	61,800,112	2,038,947	63,839,059
Advocacy & Public Awareness	28,200,437	51,219,132	-	-	576,287	(44,656)	51,750,763	166,329	51,917,092
<i>Subtotal Program Activities</i>	<i>77,836,861</i>	<i>162,357,164</i>	<i>42,527,041</i>	<i>-</i>	<i>1,081,500</i>	<i>(38,540,103)</i>	<i>167,425,602</i>	<i>2,734,703</i>	<i>170,160,305</i>
Management and General	7,411,479	9,998,715	546,383	-	28,427	(548,644)	10,024,881	(158,523)	9,866,358
Fundraising	37,037,281	49,574,801	910,637	-	173,182	(931,242)	49,727,378	163,872	49,891,250
<b>TOTAL EXPENSES</b>	<b>122,285,621</b>	<b>221,930,680</b>	<b>43,984,061</b>	<b>-</b>	<b>1,283,109</b>	<b>(40,019,989)</b>	<b>227,177,861</b>	<b>2,740,052</b>	<b>229,917,913</b>
<b>NET ASSETS</b>									
Excess (Deficit)	(55,997,375)	(3,214,731)	1,787,562	1,656,270	(773,456)	(1,656,270)	(2,200,625)	(5,725,133)	(7,925,758)
Beginning Net Assets	(105,712,886)	76,900,955	95,835	12,850,000	(1,554,000)	(12,850,000)	75,442,790	-	75,442,790
Other Changes in Net Assets	(5,725,133)	(5,725,133)	-	(1,656,270)	-	1,656,270	(5,725,133)	5,725,133	-
<b>ENDING NET ASSETS</b>	<b>\$ (167,435,394)</b>	<b>\$ 67,961,091</b>	<b>\$ 1,883,397</b>	<b>\$ 12,850,000</b>	<b>\$ (2,327,456)</b>	<b>\$ (12,850,000)</b>	<b>\$ 67,517,032</b>	<b>\$ -</b>	<b>\$ 67,517,032</b>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Functional Expenses  
Form 990 Detail Listed by State and Certain Markets  
Year Ended December 31, 2008

Schedule 2

	Alabama				Alaska				Arizona			
	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total
Grants and Allocations	\$ 219,664	\$ -	\$ -	\$ 219,664	\$ 138,449	\$ -	\$ -	\$ 138,449	\$ 1,481,914	\$ -	\$ -	\$ 1,481,914
Employee Costs:												
Salaries	169,084	14,090	51,665	234,839	218,565	18,214	66,784	303,563	473,259	39,229	145,766	658,254
Pension Plan Contribution	7,415	618	2,266	10,299	15,030	1,253	4,593	20,876	25,501	2,125	7,792	35,418
Other Employee Costs	13,806	1,161	4,219	19,186	19,281	1,607	5,891	26,779	53,557	4,463	16,365	74,385
Payroll Taxes	14,189	1,182	4,336	19,707	18,629	1,552	5,692	25,873	39,425	3,285	12,047	54,757
Subtotal Employee Costs	204,494	17,051	62,486	284,031	271,505	22,626	82,960	377,091	591,742	49,102	181,970	822,814
Professional fees:												
Management	-	-	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-	-	-
Accounting	-	-	-	-	-	-	-	-	-	-	-	-
Lobbying	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fund Raising	-	-	-	-	-	-	-	-	-	-	-	-
Investment Management	-	-	-	-	-	-	-	-	-	-	-	-
Other	500	-	-	500	15,657	20	1,235	16,912	6,871	150	4,996	12,017
Subtotal Professional Fees	500	-	-	500	15,657	20	1,235	16,912	6,871	150	4,996	12,017
Advertising and promotion	611	34	326	971	4,694	77	1,843	6,614	28,099	45	23,961	52,105
Office expenses	24,837	2,036	7,467	34,340	28,448	2,361	8,657	39,466	30,451	2,519	9,473	42,443
Information Technology	-	-	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	25,704	2,100	7,701	35,505	42,635	1,935	7,096	51,666	204,856	6,593	24,334	235,783
Travel	9,636	401	4,694	14,731	20,720	467	4,031	25,218	31,348	991	20,728	53,067
Conference and Meetings	414	23	172	609	235	4	134	373	111,178	526	2,541	114,245
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	180	-	120	300	333	-	718	1,051	30	-	120	150
Other:												
Supplies	5,084	-	1,739	6,823	40,507	-	8,437	48,944	102,103	-	12,660	114,763
Postage and Shipping	3,491	-	2,223	5,714	8,410	-	2,515	10,925	12,359	-	10,910	23,269
Printing and Publications	10,694	-	5,086	15,780	15,918	-	9,201	25,119	36,170	-	40,805	76,975
Telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Rental & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	5,146	391	1,685	7,222	2,459	94	1,243	3,796	11,617	326	3,390	15,333
Subtotal Other	24,415	391	10,733	35,539	67,294	94	21,396	88,784	162,249	326	67,765	230,340
Total Functional Expenses	\$ 510,455	\$ 22,036	\$ 93,699	\$ 626,190	\$ 589,970	\$ 27,584	\$ 128,070	\$ 745,624	\$ 2,648,738	\$ 60,252	\$ 335,888	\$ 3,044,878

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Functional Expenses  
Form 990 Detail Listed by State and Certain Markets  
Year Ended December 31, 2008

Schedule 2

	Arkansas				California							
					Los Angeles				Orange County			
	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total
Grants and Allocations	\$ 259,618	\$ -	\$ -	\$ 259,618	\$ 1,712,388	\$ -	\$ -	\$ 1,712,388	\$ 196,301	\$ -	\$ -	\$ 196,301
Employee Costs:												
Salaries	182,437	15,203	55,745	253,385	916,766	76,386	280,092	1,273,244	275,895	22,835	83,728	382,458
Pension Plan Contribution	7,834	653	2,394	10,881	34,012	2,834	10,393	47,239	14,886	1,241	4,549	20,676
Other Employee Costs	20,640	1,720	6,307	28,667	92,332	7,694	28,213	128,239	30,670	2,556	9,371	42,597
Payroll Taxes	13,810	1,151	4,220	19,181	79,881	6,657	24,408	110,946	23,448	1,954	7,165	32,567
<i>Subtotal Employee Costs</i>	<u>224,721</u>	<u>18,727</u>	<u>68,666</u>	<u>312,114</u>	<u>1,122,991</u>	<u>93,571</u>	<u>343,106</u>	<u>1,559,668</u>	<u>344,899</u>	<u>28,586</u>	<u>104,813</u>	<u>478,298</u>
Professional fees:												
Management	-	-	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-	-	-
Accounting	-	-	-	-	-	-	-	-	-	-	-	-
Lobbying	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fund Raising	-	-	-	-	-	-	-	-	-	-	-	-
Investment Management	-	-	-	-	-	-	-	-	-	-	-	-
Other	81	2	146	229	55,405	22	13,887	69,314	2,675	182	2,628	5,485
<i>Subtotal Professional Fees</i>	<u>81</u>	<u>2</u>	<u>146</u>	<u>229</u>	<u>55,405</u>	<u>22</u>	<u>13,887</u>	<u>69,314</u>	<u>2,675</u>	<u>182</u>	<u>2,628</u>	<u>5,485</u>
Advertising and promotion	7,939	38	9,123	17,100	8,258	103	6,268	14,629	1,312	30	4,909	6,151
Office expenses	13,937	1,161	4,257	19,355	69,334	5,720	21,190	96,244	26,492	2,167	7,969	36,628
Information Technology	-	-	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	40,291	1,425	5,289	47,005	165,149	13,762	50,462	229,373	108,930	4,095	15,013	128,038
Travel	11,306	538	4,668	16,512	38,476	1,394	14,002	53,872	14,427	288	7,904	22,619
Conference and Meetings	19,338	65	240	19,643	174,361	61	990	175,412	12,355	5	183	12,543
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	395	-	355	750	360	-	440	800
Other:												
Supplies	25,433	3	1,262	26,698	25,008	10	9,628	34,646	6,513	-	5,274	11,787
Postage and Shipping	2,944	-	3,433	6,377	8,835	-	7,754	16,589	1,469	-	4,451	5,920
Printing and Publications	5,489	-	5,389	10,878	40,795	-	75,124	115,919	11,409	-	31,960	43,369
Telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Rental & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	4,302	101	4,712	9,115	15,062	379	6,646	22,087	3,049	47	3,052	6,148
<i>Subtotal Other</i>	<u>38,168</u>	<u>104</u>	<u>14,796</u>	<u>53,068</u>	<u>89,700</u>	<u>389</u>	<u>99,152</u>	<u>189,241</u>	<u>22,440</u>	<u>47</u>	<u>44,737</u>	<u>67,224</u>
<b>Total Functional Expenses</b>	<u>\$ 615,399</u>	<u>\$ 22,060</u>	<u>\$ 107,185</u>	<u>\$ 744,644</u>	<u>\$ 3,436,457</u>	<u>\$ 115,022</u>	<u>\$ 549,412</u>	<u>\$ 4,100,891</u>	<u>\$ 730,091</u>	<u>\$ 35,400</u>	<u>\$ 188,596</u>	<u>\$ 954,087</u>

See accompanying note to the supplemental schedules

American Diabetes Association  
Statement of Functional Expenses  
Form 990 Detail Listed by State and Certain Markets  
Year Ended December 31, 2008

Schedule 2

California (continued)

	Sacramento				San Diego				San Francisco			
	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total	Prog. Svcs.	Mgt. & Gen.	Fundraising	Total
Grants and Allocations	\$ 593,768	\$ -	\$ -	\$ 593,768	\$ 431,629	\$ -	\$ -	\$ 431,629	\$ 1,337,371	\$ -	\$ -	\$ 1,337,371
Employee Costs:												
Salaries	119,960	9,997	36,654	166,611	274,312	22,859	83,818	380,989	357,387	29,657	114,751	501,795
Pension Plan Contribution	4,041	337	1,235	5,613	14,890	1,241	4,550	20,681	19,057	1,588	5,823	26,468
Other Employee Costs	15,021	1,252	4,590	20,863	36,127	3,011	11,039	50,177	41,228	3,436	12,597	57,261
Payroll Taxes	10,768	897	3,290	14,955	24,439	2,037	7,467	33,943	33,950	2,829	10,374	47,153
Subtotal Employee Costs	149,790	12,483	45,769	208,042	349,768	29,148	106,874	485,790	451,622	37,510	143,545	632,677
Professional fees:												
Management	-	-	-	-	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-	-	-
Accounting	-	-	-	-	-	-	-	-	-	-	-	-
Lobbying	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fund Raising	-	-	-	-	-	-	-	-	-	-	-	-
Investment Management	-	-	-	-	-	-	-	-	-	-	-	-
Other	302	-	1,210	1,512	3,392	111	3,813	7,316	3,262	-	3,262	6,524
Subtotal Professional Fees	302	-	1,210	1,512	3,392	111	3,813	7,316	3,262	-	3,262	6,524
Advertising and promotion	1,694	21	1,897	3,612	4,303	27	3,797	8,127	19,212	209	16,604	36,025
Office expenses	15,287	1,267	4,820	21,374	18,843	1,567	5,787	26,197	24,880	2,027	7,685	34,592
Information Technology	-	-	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	44,037	3,665	13,492	61,194	63,455	5,005	18,350	86,810	96,587	8,049	29,513	134,149
Travel	9,004	277	7,781	17,062	16,649	931	5,820	23,400	17,782	624	8,155	26,561
Conference and Meetings	17,930	6	226	18,162	11,456	225	1,019	12,700	73,692	15	536	74,243
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	30	-	170	200	263	-	205	468	175	-	175	350
Other:												
Supplies	3,242	-	4,899	8,141	34,238	-	2,053	36,291	8,667	-	7,567	16,234
Postage and Shipping	3,360	-	4,314	7,674	6,002	-	3,833	9,835	6,123	-	4,977	11,100
Printing and Publications	9,264	-	15,897	25,161	17,582	-	23,012	40,594	14,963	-	19,224	34,187
Telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Equipment Rental & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,079	30	1,219	2,328	3,480	41	2,308	5,829	6,881	26	2,978	9,885
Subtotal Other	16,945	30	26,329	43,304	61,302	41	31,206	92,549	36,634	26	34,746	71,406
Total Functional Expenses	\$ 848,787	\$ 17,749	\$ 101,694	\$ 968,230	\$ 961,060	\$ 37,055	\$ 176,871	\$ 1,174,986	\$ 2,061,217	\$ 48,460	\$ 244,221	\$ 2,353,898

See accompanying note to the supplemental schedules