

American Diabetes Association

Consolidated Financial Statements and
Supplementary Information
Year Ended December 31, 2025

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



American Diabetes Association

Consolidated Financial Statements and Supplementary Information
Year Ended December 31, 2025

American Diabetes Association

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Independent Auditor's Report

Board of Directors
American Diabetes Association
Arlington, Virginia

Opinion

We have audited the consolidated financial statements of American Diabetes Association, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of American Diabetes Association as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of American Diabetes Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Diabetes Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Diabetes Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited American Diabetes Association's 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated May 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

BDO USA, P.C.

May 28, 2026

Consolidated Financial Statements

American Diabetes Association

Consolidated Statement of Financial Position December 31, 2025 (With Summarized Comparative Totals for 2024)

(in thousands)

<i>December 31,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 74,781	\$ 75,941
Investments	81,974	71,489
Accounts receivable, net	8,504	8,101
Contributions receivable, net	68,419	54,408
Interest in perpetual trusts	14,170	12,779
Investment in real estate	12,818	12,818
Inventory and supplies	323	246
Prepaid expenses and other assets	4,012	3,582
Right-of-use asset- operating leases	9,924	11,997
Property and equipment, net	4,829	3,129
Total assets	\$ 279,754	\$ 254,490
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 6,353	\$ 8,556
Research grants payable	26,668	20,427
Refundable advances	-	283
Deferred revenue	6,498	6,168
Lease liability- operating leases	17,156	20,625
Total liabilities	56,675	56,059
Commitments and contingencies		
Net assets		
Without donor restrictions	116,869	117,934
With donor restrictions	106,210	80,497
Total net assets	223,079	198,431
Total liabilities and net assets	\$ 279,754	\$ 254,490

See accompanying notes to the consolidated financial statements.

American Diabetes Association

Consolidated Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2025 (With Summarized Comparative Totals for 2024)

(in thousands)

<i>Year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total (Summarized)
Revenue:				
Contributions and grants:				
Contributions of cash and other financial assets	\$ 22,177	\$ 59,197	\$ 81,374	\$ 63,876
Contributions of non-financial assets	583	4,657	5,240	5,203
Special events	9,890	2,953	12,843	13,585
Less: costs of direct benefits to donors	(2,148)	-	(2,148)	(1,909)
Bequests	22,622	8,610	31,232	42,650
Federated and nonfederated organizations	1,489	11	1,500	1,392
Total contributions and grants	54,613	75,428	130,041	124,797
Fees from exchange transactions:				
Subscriptions and other income from periodicals	6,215	-	6,215	6,142
Sales of materials	650	-	650	635
Program service fees	16,010	-	16,010	13,191
Other revenue	2,339	-	2,339	2,738
Total fees from exchange transactions	25,214	-	25,214	22,706
Investment return, net	14,481	2,115	16,596	9,306
Net assets released from donor restrictions	51,830	(51,830)	-	-
Total revenue	146,138	25,713	171,851	156,809
Expenses:				
Program activities:				
Research	39,521	-	39,521	33,578
Information	55,712	-	55,712	51,713
Advocacy and public awareness	22,491	-	22,491	21,266
Total program activities	117,724	-	117,724	106,557
Supporting services:				
Management and general	7,668	-	7,668	8,372
Fundraising	21,811	-	21,811	19,293
Total supporting services	29,479	-	29,479	27,665
Total expenses	147,203	-	147,203	134,222
Change in net assets	(1,065)	25,713	24,648	22,587
Net assets, beginning of year	117,934	80,497	198,431	175,844
Net assets, end of year	\$ 116,869	\$ 106,210	\$ 223,079	\$ 198,431

See accompanying notes to the consolidated financial statements.

American Diabetes Association

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2025 (With Summarized Comparative Totals for 2024)

(in thousands)

<i>Year ended December 31,</i>	Program activities				Supporting services			2025 Total	2024 Total
	Research	Information	Advocacy and public awareness	Total	Management and general	Fundraising	Total		
Employee costs	\$ 3,580	\$ 23,863	\$ 10,687	\$ 38,130	\$ 4,734	\$ 9,666	\$ 14,400	\$ 52,530	\$ 47,450
Professional fees	1,397	15,763	6,270	23,430	1,718	3,904	5,622	29,052	29,188
Grants	26,825	780	58	27,663	-	-	-	27,663	24,623
Printing and publications	779	3,739	1,844	6,362	82	4,444	4,526	10,888	8,933
Conferences and meetings	6,400	1,638	141	8,179	9	105	114	8,293	6,379
Occupancy cost	189	3,581	664	4,434	247	573	820	5,254	4,897
Miscellaneous	87	1,198	1,121	2,406	511	1,008	1,519	3,925	3,425
Supplies	12	2,370	162	2,544	37	108	145	2,689	3,231
Travel	77	1,268	676	2,021	141	270	411	2,432	1,821
Postage and shipping	44	435	484	963	28	1,343	1,371	2,334	2,140
Depreciation and amortization	87	545	260	892	112	235	347	1,239	1,105
Data processing	14	206	19	239	-	66	66	305	378
Telecommunications	16	164	56	236	24	41	65	301	359
Equipment rental and maintenance	14	162	49	225	25	48	73	298	293
	\$ 39,521	\$ 55,712	\$ 22,491	\$ 117,724	\$ 7,668	\$ 21,811	\$ 29,479	\$ 147,203	\$ 134,222

See accompanying notes to the consolidated financial statements.

American Diabetes Association

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2025 (with Summarized Comparative Totals for 2024)

(in thousands)

<i>Year ended December 31,</i>	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 24,648	\$ 22,587
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,239	1,105
Net unrealized and realized gains on investments	(8,360)	(2,949)
Loss on disposal of property and equipment	116	23
Provisions for doubtful receivables and obsolete inventory	422	531
Contributions to endowment	(116)	(26)
Restricted distributions of perpetual trusts	-	81
Donated securities	(1,772)	(6,867)
Proceeds from donated securities	1,772	6,867
Non-cash lease expense	2,073	2,021
(Increase) decrease in:		
Accounts receivable	(493)	1,296
Contributions receivable	(14,206)	230
Inventory and supplies	(214)	111
Prepaid expenses and other assets	(430)	(411)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(2,203)	64
Research grants payable	6,241	2,993
Refundable advances	(283)	81
Deferred revenue	330	109
Operating lease liabilities	(3,469)	(3,342)
Net cash provided by operating activities	5,295	24,504
Cash flows from investing activities:		
Purchases of investments	(89,243)	(129,468)
Sales or maturities of investments	85,727	109,304
Purchases of property and equipment	(3,087)	(1,190)
Proceeds from sale of property and equipment	32	-
Net cash used in investing activities	(6,571)	(21,354)
Cash flows from financing activities:		
Contributions to endowment	116	26
Net cash provided by financing activities	116	26
Net (decrease) increase in cash and cash equivalents	(1,160)	3,176
Cash and cash equivalents, beginning of year	75,941	72,765
Cash and cash equivalents, end of year	\$ 74,781	\$ 75,941

See accompanying notes to the consolidated financial statements.

American Diabetes Association

Notes to the Consolidated Financial Statements

1. Consolidation and Organization

The consolidated financial statements include American Diabetes Association (the Association) and American Diabetes Association Property Title Holding Corporation (PTHC), which was formed to hold an investment in real estate (collectively referred to as ADA). All significant inter-Association transactions have been eliminated in consolidation.

The Association is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and charitable contributions to the organization qualifies for tax deductions as described in the Code. PTHC is generally exempt from income taxes under Section 501(c)(2) of the Code. These entities are subject to taxation on any net unrelated business income and have been classified as organizations that are not private foundations under Section 509(a) of the Code.

ADA recognizes the effect of income tax positions only if those positions more likely than not would not be sustained upon examination by the Internal Revenue Service. ADA has analyzed the tax positions taken and has concluded that as of December 31, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. ADA is open to examination by taxing authorities for the years ended December 31, 2022 and forward.

2. Program Activities

ADA 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 Obesity Association, a division of ADA, is dedicated to reducing the prevalence of obesity and improving health in at-risk and affected communities. The objectives are accomplished through programs in communities throughout the United States and globally. The principal program activities of ADA are as follows:

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

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

Information - ADA conducts programs that provide diabetes and obesity information to individuals with diabetes and obesity, their families, and their healthcare providers.

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

3. Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of ADA have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

American Diabetes Association

Notes to the Consolidated Financial Statements

Net Assets

The net assets and revenues, gains, and losses of ADA are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ADA are classified and reported into the two categories, net assets without donor restrictions and net assets with donor restrictions, as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. These net assets generally result from providing services and receiving contributions without donor restrictions, restricted gifts whose donor-imposed restrictions were met during the fiscal year less expenses incurred in providing services, raising contributions, and performing administrative functions.

Net assets with donor restrictions - Net assets with donor restrictions are subject to stipulations imposed by donors. These net assets generally result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of ADA pursuant to those stipulations. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit ADA to use the income earned on related investments for operations or specific purposes.

When a donor restriction expires as a result of a stipulated time restriction ending or purpose restriction being accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from donor restrictions.

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 demand deposits. ADA has classified any cash or money market accounts held by external investment managers as investments as these funds are intended to be part of ADA's long-term investment strategy.

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. Alternative investments may include absolute return funds and private capital funds for which there may be no ready market to determine fair value. For these investments, ADA has concluded that either the net asset values or the ownership percentage of the fund's net assets approximate the fair value of the investments. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

American Diabetes Association

Notes to the Consolidated Financial Statements

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 consolidated financial statements.

Donated Stocks

Donated or contributed stocks are recorded at fair value when received. ADA has a policy to liquidate contributed stocks immediately upon receipt to reduce exposure to market volatility.

Accounts Receivable and Allowance for Credit Losses

ADA's receivables consist of amounts due for program service fees, publications, advertising, land rental (see Note 16), and other exchange transactions.

The carrying value of ADA's accounts receivable, net of allowance for credit losses, represents their estimated net realizable value. Such allowance is based on the credit losses expected to arise over the contractual term which includes consideration of prepayments and is based on our expectation as of the financial position date.

Assets are written off when ADA determines that such financial assets are deemed uncollectible or based on regulatory requirements, whichever is earlier. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the financial position date.

ADA pools its accounts receivable based on similar risk characteristics and types of receivables in estimating expected credit losses. ADA continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

Contributions Receivable

Unconditional promises to give, including grants, contributions and bequests that are expected to be collected within one year, are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using a risk-adjusted rate at the time of the contribution ranging from 3.0% to 5.0%. Accretion of the discount is included in contribution revenue. ADA records an allowance for doubtful accounts on its outstanding receivables based on its collection history, analysis of subsequent collections and specific identification of uncollectible accounts.

Split-Interest Agreements

ADA receives certain planned gift donations that benefit not only ADA, 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 ADA in the future. ADA benefits from the following types of split-interest agreements: perpetual trusts, charitable lead and remainder trusts, gift annuities, and a pooled income fund.

American Diabetes Association

Notes to the Consolidated Financial Statements

ADA's share of split-interest agreements is included in investments, contributions receivable, or interest in perpetual trusts. Assets of approximately \$27,769,000 and \$24,703,000 are reported in the consolidated statement of financial position as of December 31, 2025 and 2024, respectively. When applicable, amounts to be received in future periods are discounted using a rate of Secured Overnight Financing Rate (SOFR) plus 1.25% based on the expected term of the split-interest agreements. The rate for 2025 and 2024 was 5.0% and 5.8%, respectively.

Amounts payable to beneficiaries, gift annuities payable, and pooled income fund liabilities of approximately \$868,000 and \$895,000 are reported as accounts payable and accrued liabilities in the consolidated statement of financial position as of December 31, 2025 and 2024, respectively.

Investment in Real Estate

The investment in real estate represents a 1998 donor bequest that restricted ADA from selling the property for 25 years. This investment in real estate was included in net assets with donor restrictions and was released from donor restrictions in 2023. The investment in real estate was reported at the fair value at the time of the donation which established historical cost. The investment in real estate is evaluated for impairment on an annual basis. The property is leased to corporations and ADA derives monthly rental income that is reported in net investment return in the consolidated statement of activities and changes in net assets (see Note 16).

Inventory

Inventory comprises primarily publications and is valued at the lower of cost (first-in, first-out method) or market at net realizable value. Annually, the inventory value is reviewed and items with net realizable value less than cost are written off.

Leases

A contract is determined to contain a lease if the contract conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration.

GAAP requires recognition of lease liabilities and related right-of-use assets in the consolidated statement of financial position. Lessees are required to recognize a lease liability measured on a discounted basis, which is the lessee's obligation to make lease payments arising from a lease, and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Both financing leases and operating leases create right-of-use assets and lease liabilities. ADA does not have any existing leases that are classified as financing leases.

ADA made an accounting policy election to use a risk-free discount rate, commensurate with the term of the lease on the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases* or commencement date of any new leases, to determine the present value of the lease payments for each lease agreement.

Short-term leases with terms of one year or less that do not include an option to purchase the underlying asset are not included in the measurement of lease assets and liabilities, and accordingly, lease expense is recognized over the term of the lease.

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Notes to the Consolidated Financial Statements

Property and Equipment

All property and equipment greater than \$1,000 are capitalized at cost or fair value on the date of receipt and are depreciated on a straight-line basis over the following estimated 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 with donor restrictions, otherwise such donations are reported as contributions without donor restrictions. Land is not depreciated or amortized.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Contributions and Grants and Refundable Advances

All unconditional contributions and grants, including donations, those related to special events, and those related to federated and non-federated organizations, are recognized when received and are considered available for the general programs of ADA unless specifically restricted by the donor. ADA reports monetary gifts as support with donor restrictions if they are received with donor stipulations that limit their use or are subject to time restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restriction.

ADA records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed at the date of gift using risk-adjusted interest rates applicable to the years in which the promised funds are expected to be received. Accretion of the discounts is recognized as contribution revenue.

ADA is the beneficiary under various wills and trust agreements. Contributions received under such arrangements are recorded when a will is declared valid by a probate court and the proceeds are measurable.

Conditional promises to give are those with a measurable performance or other barriers and right of return. ADA recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

As of December 31, 2024, ADA had two conditional gifts totaling \$283,000 that were classified as refundable advances in the accompanying consolidated statement of financial position and were recognized as revenue as the projects progressed and conditions related to performance were met, generally as expenses were incurred. There were no such conditional gifts as of December 31, 2025.

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Notes to the Consolidated Financial Statements

Contributions of Non-financial Assets

ADA received contributions of non-financial assets during the years ended December 31, 2025 and 2024, as follows (in thousands):

<i>(in thousands)</i>	2025	2024	Utilization in Programs / Activities	Valuation Techniques and Inputs
Supplies	\$ 1,662	\$ 2,076	Utilized within in public health information for camps	Medical supplies are valued at estimated fair value based on current value for similar supplies that are purchased or on retail values if none are purchased.
Professional services	2,995	2,472	Utilized within public health information for camps and for research	Contributed services from medical and scientific professionals are valued at the estimated fair values based on weighted average salary data across all disciplines and regions of the country. Contributed services from other professionals are valued at estimated fair value based on current rates for similar provided services.
	-	97	Utilized for management and general use	
Database and software	420	420	Utilized for fundraising	Valued at estimated fair value based on the cost of similar software products.
Vehicles	163	138	Monetized for use throughout operations	All vehicles are sold and valued according to the actual cash proceeds on their disposition.
	\$ 5,240	\$ 5,203		

ADA recognizes contributions of non-financial assets at their estimated fair value at date of donation. ADA recognizes contributions of services received 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.

It is ADA's policy to monetize vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use in a specific program by the donor. No vehicles received during the period were restricted for use. All vehicles were sold and valued according to the actual cash proceeds on disposition.

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Notes to the Consolidated Financial Statements

In addition, ADA receives services from a large number of volunteers who give significant amounts of their time to ADA's programs, fundraising campaigns, and management. No amounts have been reflected for these types of contributed services, as they do not meet the criteria for recognition.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when ADA satisfies a performance obligation by transferring a promised good to or performing a service for a customer. The amount of revenue recognized reflects the consideration ADA expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, ADA combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the consolidated statement of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Specifically, for the various types of contracts with customers, ADA recognizes revenue as follows:

Fees from Exchange Transactions and Deferred Revenue

ADA records revenue from exchange transactions as increases in net assets without donor restrictions to the extent that the earnings process is complete. Resources received in exchange transactions are recognized as deferred revenue to the extent the earnings process has not yet been completed. These transactions include the following:

Subscriptions and other income from periodicals include member dues and fees, publication and journal subscriptions, and advertising revenue. Member dues and fees and publication and journal subscriptions are recognized ratably over the term which is generally one year. Advertising revenue is recognized at a point in time when the advertisement is published.

Sales of materials is revenue from the sale of professional and consumer books and other publications and is recognized at a point in time when shipped from warehouses maintained by ADA vendors.

Program service fees result from registration fees paid for professional events and youth and family activities and from booth and other space rentals at professional events. Revenue for such activities is recognized at a point in time when the related event occurs.

Other revenue relates primarily to royalties, translation rights and permissions. Such revenue is earned based on the performance obligations. Under fixed fee arrangements, revenue is earned ratably over the period of the agreement for allowing the third-party organizations to use ADA's intellectual property. Under variable agreements, revenue is recognized in the period in which the sale of goods utilizing ADA's intellectual property are reported.

Research Program

Research grants awarded by ADA generally extend over a period of one to five years, subject to renewal on an annual basis. These are considered to be unconditional and the liability and related expenses are recorded when the recipients are notified of their annual award amount. The liability is recorded as research grants payable in the consolidated statement of financial position.

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Notes to the Consolidated Financial Statements

Management Estimates and Uncertainties

The preparation of consolidated financial statements in conformity with GAAP 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 the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

Expenses have been reported on a functional basis in the consolidated statement of activities and changes in net assets. Expenses, which include some occupancy costs related to camps that are specifically associated with a programmatic activity or supporting service are allocated to that activity. Employee costs are allocated based on employee time attributed to each programmatic activity or supporting service. Overhead costs, which include office occupancy and other costs are allocated based on a weighted average of employee costs attributed to each programmatic activity or supporting service.

Joint Cost Activity

Costs associated with the development and distribution of mail pieces that include a call to action along with fundraising component, as described further in Note 12, are allocated based on the proportion of space used for each purpose to each programmatic activity or supporting services.

Concentrations of Credit Risk

ADA maintains its cash balance in bank deposit accounts, which, at times, may exceed Federal Deposit Insurance Corporation (FDIC) limits up to \$250,000. ADA has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash.

Credit risk with respect to account and contributions receivable is mitigated by ADA through the creation of allowances for credit loss and uncollectible receivables and the discounting of long-term contributions to present value. ADA also believe the credit risk is limited due to the diversity of its donor and customer base and the size of the amount owed.

Summarized Financial Information

The consolidated statements of financial position, of activities and changes in net assets, of functional expenses, and of cash flows include certain summarized comparative information for the year ended December 31, 2024. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with ADA's consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

American Diabetes Association

Notes to the Consolidated Financial Statements

Recent Accounting Pronouncements Not Yet Adopted

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU provides a practical expedient for entities to assume that current conditions as of the statement of financial position date remain unchanged for the remaining life of current accounts receivable and current contract assets when measuring expected credit losses under CECL. The practical expedient does not apply to other types of receivables or loans. Additionally, entities other than public business entities may elect an accounting policy to consider subsequent collections received after the statement of financial position date in estimating expected credit losses, provided the practical expedient is elected. ASU 2025-05 is effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods, with early adoption permitted. ADA is currently evaluating the impact of this ASU on its consolidated financial statements.

4. Liquidity and Availability

ADA funds its operations through contributions and grants and through fees from exchange transactions. ADA maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Cash required to meet operating needs is invested in short term accounts. ADA's policy is to manage its financial assets and budget to meet its general expenditure needs.

The following is a reconciliation of ADA's financial assets as of December 31, 2025 and 2024 to financial assets available to fund ADA's general expenditures for the following year (in thousands). General expenditures include all programmatic and supporting operating expenditures.

<i>December 31,</i>	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	\$ 74,781	\$ 75,941
Investments	81,974	71,489
Accounts receivable, net of allowance	8,504	8,101
Contributions receivable, net	68,419	54,408
Interest in perpetual trusts	14,170	12,779
Total financial assets	247,848	222,718
Adjustments for amounts not available for general expenditures within one year:		
Endowments and perpetual trusts	(20,680)	(18,696)
Accounts receivable due after one year, net	(7,594)	(6,720)
Contributions receivable due after one year, net	(28,223)	(16,302)
Split interest obligations	(868)	(895)
Donor restricted net assets that are not expected to be spent within one year	(12,661)	(18,628)
	\$ 177,822	\$ 161,477

American Diabetes Association

Notes to the Consolidated Financial Statements

5. Investments

Investments as of December 31 consist of the following (in thousands):

	2025	2024
Mutual and exchange traded funds	\$ 45,424	\$ 39,653
Corporate equities	21,269	15,268
Multi-strategy master feeder fund	6,130	5,016
U.S. government securities	4,228	7,131
Corporate fixed income	3,912	3,247
Money market funds and investment cash	861	955
Venture capital fund	150	109
Certificates of deposit	-	110
Total investments	\$ 81,974	\$ 71,489

Investments as of December 31, 2025 and 2024 include gift annuity investments of approximately \$1,301,000 and \$1,188,000, respectively. The gift annuity investments consist of money market funds and equity mutual funds. The fair value of gift annuity obligations under those agreements was approximately \$868,000 and \$895,000, respectively. These amounts are included in accounts payable and accrued liabilities in the accompanying consolidated statement of financial position. Reserves for gift annuities are held in separate investment accounts at a value equal to the original gift plus accrued income less beneficiary payments.

Net investment return consists of the following (in thousands):

<i>Years ended December 31,</i>	2025	2024
Property rental income, net (Note 16)	\$ 2,681	\$ 1,110
Net realized and unrealized gains	8,360	2,949
Interest and dividends	5,878	5,482
Investment fees	(323)	(235)
Total investment return, net	\$ 16,596	\$ 9,306

6. Fair Value Measurements

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. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value reflects ADA's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by ADA based on the best information available in the circumstances.

American Diabetes Association

Notes to the Consolidated Financial Statements

ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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

Level 2: Observable inputs other than Level 1, such as quoted prices for similar assets or liabilities; quoted 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 fair value hierarchy for ADA's financial assets and liabilities that are measured at fair value on a recurring basis as follows (in thousands):

<i>Description</i>	As of December 31, 2025			
	Total	Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Mutual and exchange traded funds	\$ 45,424	\$ 45,424	\$ -	\$ -
Corporate equities	21,269	21,269	-	-
Multi-strategy master feeder fund investment at NAV (a)	6,130	-	-	-
U.S. government securities	4,228	-	4,228	-
Corporate fixed income	3,912	-	3,912	-
Money market fund and investment cash (at cost)	861	-	-	-
Venture capital fund	150	-	-	150
Total investments at fair value	\$ 81,974	\$ 66,693	\$ 8,140	150
Interest in perpetual trusts (b)	\$ 14,170	\$ -	\$ -	\$ 14,170
Funds held in remainder trusts (c) (Note 8)	12,298	-	-	12,298
Total fair value of other assets	\$ 26,468	\$ -	\$ -	26,468
Financial liabilities:				
Split-interest obligations (d) (Note 3)	\$ 868	\$ -	\$ -	\$ 868
Total fair value of liabilities	\$ 868	\$ -	\$ -	868

American Diabetes Association

Notes to the Consolidated Financial Statements

<i>Description</i>	As of December 31, 2024			
	Total	Level 1	Level 2	Level 3
Financial Assets:				
Investments				
Mutual and exchange traded funds	\$ 39,653	\$ 39,653	\$ -	-
Corporate equities	15,268	15,268	-	-
Multi-strategy master feeder fund investment at NAV (a)	5,016	-	-	-
U.S. government securities	7,131	-	7,131	-
Corporate fixed income	3,247	-	3,247	-
Money market fund and investment cash (at cost)	955	-	-	-
Venture capital fund	109	-	-	109
Certificates of deposit	110	-	110	-
Total investments at fair value	\$ 71,489	\$ 54,921	\$ 10,488	109
Interest in perpetual trusts (b)	\$ 12,779	\$ -	\$ -	12,779
Funds held in remainder trusts (c) (Note 8)	10,736	-	-	10,736
Total fair value of other assets	\$ 23,515	\$ -	\$ -	23,515
Financial liabilities:				
Split-interest obligations (d) (Note 3)	\$ 895	\$ -	\$ -	895
Total fair value of liabilities	\$ 895	\$ -	\$ -	895

(a) These investments invest in funds that are measured at NAV. The fair value of these investments has been estimated either by using the NAV per share of the investments or the ownership percentage of the fund's net assets as allowed as a practical expedient under fair value guidance.

(b) ADA's interest in perpetual trusts is carried at the fair value of ADA's share of the trust assets. Distributions from the trusts are recorded as investment income and the trust values are adjusted annually for changes in the fair value of the trust assets.

(c) Funds held in remainder trusts are measured at the present value of future distributions projected to be received over the expected remaining term of the trust, or upon the trust's expiration. Note 3 includes information about the discount rates used in determining the value of the assets.

(d) Split-interest obligations are measured as the present value of future cash flows expected to be paid to the donor or the donor's designee. These obligations are adjusted during the term of each annuity for payments to donors, accretion of discounts and changes in life expectancies of the donors.

American Diabetes Association

Notes to the Consolidated Financial Statements

There were no transfers of assets between Level 1, 2, 3 or NAV classifications for the years ended December 31, 2025 and 2024.

The following table is a roll forward for the consolidated statement of financial position amount for perpetual trusts and funds held in remainder trusts classified by ADA within Level 3 of the fair value hierarchy as follows (in thousands):

	Investments	Perpetual trusts	Funds held in remainder trusts
Balance, December 31, 2023	\$ -	\$ 11,899	\$ 10,421
Purchases/ contributions	109	-	514
Net investment gain	-	961	142
Distributions	-	(81)	(341)
Balance, December 31, 2024	109	12,779	10,736
Purchases/ contributions	41	-	-
Net investment gain	-	1,391	1,562
Balance, December 31, 2025	\$ 150	\$ 14,170	\$ 12,298

ADA's investments that are valued at net asset value or its equivalent including general information related to each category, are as follows (in thousands):

	Fair Value 2025	Fair Value 2024	Unfunded commitments 2025	Redemption Frequency (if eligible)	Redemption Notice Period
Multi-strategy master feeder fund investments	\$ 6,130	\$ 5,016	\$ -	Monthly/quarterly /annually	45-90 days
Venture capital	150	109	1,750	Ineligible	-
	\$ 6,280	\$ 5,125	\$ 1,750		

7. Accounts Receivable

Accounts receivable are reported net of an allowance for credit losses of approximately \$90,000 and \$83,000 as of December 31, 2025 and 2024, respectively. Additionally, accounts receivable are offset by the allowance amount, \$416,000 and \$1,338,000 as of December 31, 2025 and 2024, respectively, relates to the land rental (see Note 16).

American Diabetes Association

Notes to the Consolidated Financial Statements

8. Contributions Receivable

Contributions receivable consists of the following amounts due as of December 31, (in thousands):

	2025	2024
Within one year	\$ 41,293	\$ 39,091
One to five years	16,708	5,828
	58,001	44,919
Less:		
Allowance for doubtful accounts	(1,097)	(985)
Present value discount	(783)	(262)
Subtotal	56,121	43,672
Funds held in remainder trusts	12,298	10,736
Contributions receivable, net	\$ 68,419	\$ 54,408

9. Property and Equipment

Property and equipment consist of the following as of December 31, (in thousands):

	2025	2024
Land	\$ 4	\$ 4
Leasehold improvements	5,998	5,998
Software	9,304	6,633
Furniture, fixtures and equipment	4,316	4,564
Total property and equipment	19,622	17,199
Less: accumulated depreciation and amortization	(14,793)	(14,070)
Property and equipment, net	\$ 4,829	\$ 3,129

Depreciation and amortization expense on property and equipment totaled approximately \$1,239,000 and \$1,105,000 for the years ended December 31, 2025 and 2024, respectively.

American Diabetes Association

Notes to the Consolidated Financial Statements

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31 (in thousands):

<i>As of December 31,</i>	2025	2024
Subject to expenditure for specified purpose and time:		
Research	\$ 11,134	\$ 3,501
Information	35,169	35,107
Advocacy	19,525	6,198
Sponsorship for fundraising activities	6,117	2,810
Future periods	13,585	14,185
Total subject to expenditure for specified purpose and time	85,530	61,801
Endowments and perpetual trusts:		
Research	5,020	4,700
Information	3,140	2,788
Advocacy	211	195
General operations of ADA	12,309	11,013
Total endowments and perpetual trusts	20,680	18,696
Total net assets with donor restrictions	\$ 106,210	\$ 80,497

Net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purpose as specified by donors or for the passage of time. Expenditures of donor-restricted funds are released from the appreciation related to those funds to the extent allowed by the donors. Such net assets were released as follows (in thousands):

<i>Years ended December 31,</i>	2025	2024
Satisfaction of purpose and time restrictions:		
Research	\$ 13,059	\$ 19,888
Information	27,058	27,746
Advocacy	8,363	8,684
Sponsorship for fundraising activities	2,226	1,236
Future periods	883	6,826
Total satisfaction of purpose and time restrictions	51,589	64,380
Restricted purpose spending rate distribution:		
Research	57	41
Information	42	176
Advocacy	17	11
General operations of ADA	125	175
Total restricted purpose spending rate distribution	241	403
Total released from donor restrictions	\$ 51,830	\$ 64,783

American Diabetes Association

Notes to the Consolidated Financial Statements

11. Endowment

ADA's endowment consists of 40 individual donor restricted endowment funds and donor restricted term endowment funds established for a variety of purposes. ADA has no board-designated endowment funds.

ADA has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowed funds absent explicit donor stipulations to the contrary. As a result of this interpretation, ADA classifies donor restricted net assets as (a) the original value of the gifts donated to a permanent endowment and (b) the original value of subsequent gifts to permanent endowments. The associated gains and income on donor-restricted endowed funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by ADA in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, ADA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Endowment and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of ADA
- The investment policies of ADA

ADA has adopted an investment policy for endowment assets that provides continued financial stability for ADA and a revenue stream for spending on ADA's mission. Under this policy, as approved by the board of directors, ADA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). ADA targets a diversified asset allocation that utilizes fixed income and equity-based investments to achieve its long-term objectives within prudent risk constraints. ADA expects its endowment funds, over time, to provide an average rate of return of approximately 7.5% annually.

ADA's endowment spending policy permits spending at a rate of 4.0% of the endowments' market value over a rolling five-year average. The long-term return of 7.5% and a spending rate of 4.0% are intended to maintain the purchasing power of the endowment.

At times, the fair value of assets associated with an individual donor restricted endowment fund may fall below the historic dollar value of the fund. During these periods, ADA does not spend income derived from underwater endowment funds but rather uses that income to replenish the corpus. Deficiencies of this nature are reported in net assets with donor restrictions. As of December 31, 2025 and 2024, there were no deficiencies.

American Diabetes Association

Notes to the Consolidated Financial Statements

ADA's endowment funds are recorded with donor restrictions and consist of the following as of December 31 (in thousands):

<i>As of December 31,</i>	2025	2024
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donors:	\$ 6,033	\$ 5,917
Accumulated investment gains	477	-
Total endowment funds	\$ 6,510	\$ 5,917

Changes in endowment net assets for the years ended December 31, 2025 and 2024 are as follows (in thousands):

Endowment net assets, December 31, 2023	\$ 10,736
Investment return, net	
Investment income, net	530
Net appreciation	129
Release of term endowment funds	(5,101)
Contributions	26
Appropriation for expenditure	(403)
Endowment net assets, December 31, 2024	5,917
Investment return, net	
Investment income, net	357
Net appreciation	361
Contributions	116
Appropriation for expenditure	(241)
Endowment net assets, December 31, 2025	\$ 6,510

12. Allocation of Joint Costs

ADA conducts activities to distribute information related to diabetes and a call to action, such as assessing a person's risk for diabetes 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 were allocated as follows (in thousands):

<i>Years ended December 31,</i>	2025	2024
Advocacy and public awareness	\$ 3,071	\$ 2,451
Management and general	86	100
Fundraising	8,866	7,889
Total joint costs	\$ 12,023	\$ 10,440

American Diabetes Association

Notes to the Consolidated Financial Statements

13. Pension Plans

ADA has two defined contribution pension plans that cover most salaried employees who have reached the age of 21 and completed one year of service. Pension expense for the years ended December 31, 2025 and 2024 was approximately \$1,388,000 and \$1,084,000, respectively.

14. Self-Insured Medical and Dental Benefits

ADA 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 ADA, 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 that protect ADA should total claims exceed a specified limit in a plan year. This limit was approximately \$7,125,000 and \$6,205,000 in 2025 and 2024, respectively.

The liability as of December 31, 2025 and 2024 was approximately \$323,000 and \$254,000, respectively, and is included in accounts payable and accrued liabilities in the consolidated statement of financial position. Benefit expense under this plan was approximately \$5,071,000 and \$4,193,000 for the years ended December 31, 2025 and 2024, respectively. The benefit expense includes claims paid and changes to the reserve for future claims.

15. Bank Line-of- Credit

During November 2023, ADA obtained a \$10,000,000 revolving line-of-credit with a bank. The line of credit was canceled in December 2024 and a new \$10,000,000 unsecured line was obtained. The new line-of-credit bears interest at the rate of SOFR plus 1.10% (4.97% as of December 31, 2025) and expires in December 2027.

ADA is subject to a financial covenant related to liquidity and certain other nonfinancial covenants. As of December 31, 2025, ADA is in compliance with and expects to remain in compliance with such covenants. There is no outstanding balance as of December 31, 2025 and 2024. The fees for the years ended December 31, 2025 and 2024 were approximately \$0 and \$20,000, respectively.

16. Leases

ADA has entered into both noncancelable lessor and lessee commitments. ADA determines if a contract contains a lease at the inception of a contract.

All of ADA's leases include fixed rental payments and there are no variable rental payments. ADA has elected the practical expedients to allow the lease and non-lease components not to be separated in the event the contract contains both and to not record leases with an initial term of 12 months or less in the consolidated statement of financial position. ADA leases property and equipment under short-term lease arrangements. These leases relate primarily to program execution and event storage facilities.

American Diabetes Association

Notes to the Consolidated Financial Statements

Leasing Arrangements as a Lessor

ADA holds leases on commercial land that was donated in 1998 through a bequest. As part of the bequest, the donor restricted ADA from selling the land for 25 years from the date of the donation. The restriction for the land expired in November 2023. These leases include options to renew, with varying option terms. The exercise of lease renewals, if available under the lease options, is considered in ADA's assessment of the respective lease term.

As of December 31, 2025, the future minimum lease rental income is as follows (in thousands):

Years ending December 31,

2026	\$	1,809
2027		1,843
2028		1,900
2029		1,971
2030		1,982
Thereafter		29,864

	\$	39,369
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The rental income is recognized on a straight-line basis over the term of the leases. The accumulated difference between the rental income recognized and rental payments received recorded as deferred rent receivable, was approximately \$8,000,000 and \$8,048,000 as of December 31, 2025 and 2024, respectively, and is included in accounts receivable in the accompanying consolidated statement of financial position. Due to market conditions, management believes a significant risk exists that a portion of future rent revenue will not be recognized; therefore, an allowance against the deferred rent receivable has been recorded in the amount of \$416,000 and \$1,338,000 as of December 31, 2025 and 2024, respectively.

Leasing Arrangements as a Lessee

ADA is obligated under various noncancelable operating lease agreements for office, data warehousing facilities and office equipment expiring at various dates through July 2030. ADA has received improvements, equipment and other incentives from landlords and certain of these agreements contain cost escalations providing for increases in rental rates. The table below contains summarized information of the current and prior year lease amounts.

<i>Years ended December 31,</i>	2025	2024
Weighted-average discount rate	1.52%	1.52%
Weighted-average least term	4.5 Years	5.5 Years

American Diabetes Association

Notes to the Consolidated Financial Statements

Aggregate remaining maturities of operating lease liabilities as of December 31, 2025, are as follows (in thousands):

Years ending December 31,

2026		\$	3,819
2027			3,894
2028			3,968
2029			4,031
2030			2,056
<hr/>			
Total lease payments			17,768
Less: imputed interest			(612)
<hr/>			
		\$	17,156

Lease expenses consist of the following (in thousands):

<i>Years ended December 31,</i>		2025	2024
Operating lease expense	\$	2,283	\$ 2,284
Short-term lease expense		2,547	2,268
<hr/>			
Net lease expense	\$	4,830	\$ 4,552

17. Subsequent Events

ADA has evaluated subsequent events through May 28, 2026 the date the consolidated financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in the consolidated financial statements.

Supplemental Schedules



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Independent Auditor's Report on the Supplemental Schedules

Board of Directors
American Diabetes Association
Arlington, Virginia

We have audited the consolidated financial statements of American Diabetes Association as of and for the year ended December 31, 2025, and have issued our report thereon dated May 28, 2026, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating schedules are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied to audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, P.C.

May 28, 2026

American Diabetes Association
Consolidating Schedule of Financial Position

(in thousands)

<i>December 31, 2025</i>	American Diabetes Association	Property Title Holding Corp	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 74,781	\$ -	\$ -	\$ 74,781
Investments	81,974	-	-	81,974
Accounts receivable, net	723	7,781	-	8,504
Contributions receivable, net	68,419	-	-	68,419
Interest in perpetual trusts	14,170	-	-	14,170
Investment in real estate	-	12,818	-	12,818
Intercompany receivables	7,177	100	(7,277)	-
Inventory and supplies	323	-	-	323
Prepaid expenses and other assets	4,012	-	-	4,012
Right-of-use asset- operating leases	9,924	-	-	9,924
Property and equipment, net	4,829	-	-	4,829
Total assets	\$ 266,332	\$ 20,699	\$ (7,277)	\$ 279,754
Liabilities and Net Assets				
Accounts payable and accrued liabilities	\$ 6,182	\$ 171	\$ -	\$ 6,353
Research grants payable	26,668	-	-	26,668
Intercompany payables	100	7,177	(7,277)	-
Deferred revenue	5,965	533	-	6,498
Lease liability- operating leases	17,156	-	-	17,156
Total liabilities	56,071	7,881	(7,277)	56,675
Commitments and contingencies				
Net assets:				
Without donor restrictions	104,051	12,818	-	116,869
With donor restrictions	106,210	-	-	106,210
Total net assets	210,261	12,818	-	223,079
Total liabilities and net assets	\$ 266,332	\$ 20,699	\$ (7,277)	\$ 279,754

American Diabetes Association

Consolidating Schedule of Activities and Change in Net Assets

(in thousands)

<i>Year ended December 31, 2025</i>	American Diabetes Association	Property Title Holding Corp	Eliminations	Total
Revenue:				
Contributions and grants:				
Contributions of cash and other financial assets	\$ 81,374	\$ -	\$ -	\$ 81,374
Contributions of non-financial assets	5,240	-	-	5,240
Special events	12,843	-	-	12,843
Less: costs of direct benefits to donors	(2,148)	-	-	(2,148)
Bequests	31,232	-	-	31,232
Federated and nonfederated organizations	1,500	-	-	1,500
Total contributions and grants	130,041	-	-	130,041
Fees from exchange transactions:				
Subscriptions and other income from periodicals	6,215	-	-	6,215
Sales of materials	650	-	-	650
Program service fees	16,010	-	-	16,010
Other revenue	2,339	-	-	2,339
Total fees from exchange transactions	25,214	-	-	25,214
Investment return, net	13,915	2,681	-	16,596
Intercompany revenues	2,681	-	(2,681)	-
Total revenue	171,851	2,681	(2,681)	171,851
Expenses:				
Program activities:				
Research	39,521	-	-	39,521
Information	55,712	-	-	55,712
Advocacy and public awareness	22,491	-	-	22,491
Total program activities	117,724	-	-	117,724
Supporting services:				
Management and general	7,668	-	-	7,668
Fundraising	21,811	-	-	21,811
Intercompany expenses	-	2,681	(2,681)	-
Total supporting services	29,479	2,681	(2,681)	29,479
Total expenses	147,203	2,681	(2,681)	147,203
Change in net assets	24,648	-	-	24,648
Net assets, beginning of year	185,613	12,818	-	198,431
Net assets, end of year	\$ 210,261	\$ 12,818	\$ -	\$ 223,079