

Fundación Teletón USA

Financial Statements
and Supplementary Data

December 31, 2013 and 2012

PS&Co.

Padgett Stratemann

Fundación Teletón USA

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Independent Auditor's Report

To the Board of Trustees
Fundación Teletón USA
Dallas, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Fundación Teletón USA (the "Organization"), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets and cash flows for the year then ended and the related notes to financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fundación Teletón as of December 31, 2013, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in note 11 to the financial statements, the Organization restated the 2012 financial statements to record grants payable and to record accounts payable for fundraising event related expenses. Our opinion is unmodified for this matter.

Other Matter

The financial statements of Fundación Teletón, as of and for the year ended December 31, 2012, before they were restated for the matter discussed in note 11 to the financial statements, were audited by other auditors whose report, dated August 28, 2013, expressed an unmodified opinion on those statements.

Padgett, Stratemann + Co., L L P
San Antonio, Texas
July 9, 2014

Fundación Teletón USA

Statements of Financial Position

December 31, 2013 and 2012

Assets

	<u>2013</u>	<u>2012</u> <u>(Restated)</u>
Assets		
Cash and cash equivalents	\$ 22,051,033	\$ 16,012,571
Contributions receivable	2,344,608	2,503,034
Promise to give	18,832	38,832
Other receivables	115,751	-
Investments	4,733,293	4,846,125
Prepaid expenses and other assets	23,421	8,154
Property and equipment – net of accumulated depreciation of \$10,393 (\$4,754 in 2012)	<u>4,088,529</u>	<u>45,550</u>
	<u>\$ 33,375,467</u>	<u>\$ 23,454,266</u>

Liabilities and Net Assets

Liabilities		
Accounts payable	\$ 3,979,233	\$ 3,478,173
Grants payable	900,000	1,800,000
Other payables	<u>37,992</u>	<u>-</u>
Total liabilities	4,917,225	5,278,173
Net Assets – unrestricted	<u>28,458,242</u>	<u>18,176,093</u>
	<u>\$ 33,375,467</u>	<u>\$ 23,454,266</u>

Notes to the financial statements form an integral part of these statements.

Fundación Teletón USA

Statements of Activities and Changes in Net Assets

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u> (Restated)
Public support and revenue:		
Contributions	\$ 18,082,376	\$ 17,622,539
Investment and other income – net of expenses	<u>112,595</u>	<u>156,701</u>
Total public support and revenue	<u>18,194,971</u>	<u>17,779,240</u>
Expenses:		
Program services	1,740,619	2,170,715
Management and general	198,740	219,234
Fundraising	<u>5,973,463</u>	<u>4,156,694</u>
Total expenses	<u>7,912,822</u>	<u>6,546,643</u>
Change in unrestricted net assets	10,282,149	11,232,597
Unrestricted net assets – beginning of year	<u>18,176,093</u>	<u>6,943,496</u>
Unrestricted net assets – end of year	<u>\$ 28,458,242</u>	<u>\$ 18,176,093</u>

Notes to the financial statements form an integral part of these statements.

Fundación Teletón USA

Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u> (Restated)
Cash Flows From Operating Activities		
Change in net assets	\$ 10,282,149	\$ 11,232,597
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,639	4,754
Realized and unrealized loss on investments	157,170	47,592
Changes in:		
Contributions receivable	158,426	(2,503,034)
Promise to give	20,000	20,000
Other receivables	(115,751)	-
Prepaid expenses and other assets	(15,267)	88,820
Accounts payable	501,060	3,161,961
Grants payable	(900,000)	1,800,000
Other payables	37,992	-
Net cash provided by operating activities	<u>10,131,418</u>	<u>13,852,690</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(4,048,618)	(50,304)
Purchase of investments	(35,996,146)	(4,893,717)
Proceeds from sale of investments	<u>35,951,808</u>	<u>-</u>
Net cash used in investing activities	<u>(4,092,956)</u>	<u>(4,944,021)</u>
Net increase in cash and cash equivalents	6,038,462	8,908,669
Cash and cash equivalents at beginning of year	<u>16,012,571</u>	<u>7,103,902</u>
Cash and cash equivalents at end of year	<u>\$ 22,051,033</u>	<u>\$ 16,012,571</u>

Notes to the financial statements form an integral part of these statements.

Fundación Teletón USA

Notes to the Financial Statements

1. Organization and Significant Accounting Policies

Organization

Fundación Teletón USA (the "Organization"), formerly Fundación Teletón Mexamerica, is organized and shall be operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Within the scope of the foregoing, the Organization is organized and operates to support or benefit one or more centers or organizations described in Sections 509(a)(1) or 509(a)(2) of the Internal Revenue Code, and is engaged in providing rehabilitation, medical, educational, and psychological assistance and services to disabled, handicapped, and/or underprivileged children or for the research, development, education, and treatment in the area of pediatric cancer, among others. These activities take place throughout the United States of America.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Support and revenue are reported as an increase in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets.

Use of Estimates

The preparation of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Under these provisions, net assets and revenues, expenses, gains, and losses are classified as either unrestricted, temporarily restricted, or permanently restricted based upon the following criteria.

Unrestricted Net Assets – Unrestricted net assets consist of net assets that are not subject to donor-imposed restrictions. Unrestricted net assets result from operating revenues, unrestricted contributions, and unrestricted dividend and interest income. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees (the "Board").

Fundación Teletón USA

Notes to the Financial Statements

1. Organization and Significant Accounting Policies

Basis of Presentation (continued)

Temporarily Restricted Net Assets – Temporarily restricted net assets consist of assets that are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specified event. When the donor restriction expires, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. The Organization had no temporarily restricted net assets at December 31, 2013 and 2012.

Permanently Restricted Net Assets – Permanently restricted net assets consist of net assets that are subject to donor-imposed stipulations that are to be maintained permanently. Generally, donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted net assets at December 31, 2013 and 2012.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid short term investments and demand deposits purchased with a maturity of ninety days or less to be cash equivalents.

Investments

Investments received by gift or bequest are recorded at fair market value at the time of transfer to the Organization. Investments are stated at fair value based upon quoted market prices, when available, or estimates of fair value in the statements of financial position. Unrealized gains and losses are included in the statements of activities and changes in net assets.

The Organization has an investment policy that sets guidelines and constraints to ensure the portfolio is appropriately diversified.

Contributions Receivable

Contributions receivable are stated at the amount the Organization expects to collect from outstanding donations related to the annual telethon event that had not been collected at year-end. The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance.

Fundación Teletón USA

Notes to the Financial Statements

1. Organization and Significant Accounting Policies

Contributions Receivable (continued)

The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable fair value. Unconditional promises to give, if any, that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free rates applicable to the years in which the promises were received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Depreciation

Property and equipment are stated at cost if purchased, or fair value if donated. Assets held under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Depreciation is calculated on the straight-line method based on the estimated useful lives of 3 to 5 years for machinery and equipment and computer equipment.

Impairment of Long-Lived Assets

The Organization reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, and the effects of obsolescence, demand, competition, and other economic factors. The Organization did not recognize an impairment loss during the years ended December 31, 2013 and 2012.

Fundación Teletón USA

Notes to the Financial Statements

1. Organization and Significant Accounting Policies

Functional Allocation of Expenses

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

Public Support and Revenue

Annually, the Organization has a telethon fundraising event, which is nationally televised on a predominantly Hispanic network. This telethon event generates a significant amount of cash contributions for the Organization.

Contributions are recorded at fair value when the Organization is in possession of or receives an unconditional promise to give. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support based on the existence or nature of any donor restrictions. As donor or time restrictions are satisfied, net assets are reclassified to unrestricted net assets. The Organization's policy is to report restricted support that is satisfied in the year of receipt as restricted and then fully released in the same year.

Unconditional promises to give, or pledges, are recorded in the financial statements when there is sufficient evidence in the form of verifiable documentation that a promise is made and received. Pledges receivable are discounted to an estimated present value.

Contributed services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed goods are recorded at their fair value in the period received.

In the absence of donor restrictions, contributions are considered to be available for unrestricted use. Contributions are recognized in the period in which the contribution is received or the unconditional promise to give is made. Donated assets are recorded as contributions at their fair market values.

A substantial amount of volunteers have donated significant amounts of their time to the Organization's fundraising efforts. No donated services are recognized in the financial statements since the services do not require specialized skills.

Fundación Teletón USA

Notes to the Financial Statements

1. Organization and Significant Accounting Policies

Federal Income Tax

The Organization is a nonprofit organization, qualifying under Section 501(c)(3) of the Internal Revenue Code and corresponding Texas provisions, except to the extent it has unrelated business activities. As such, no provision for federal income taxes has been made in the accompanying financial statements.

The Organization's policy is to record interest and penalty expense related to income taxes as interest and other expense, respectively. At December 31, 2013 and 2012, no interest or penalties have been or are required to be accrued. The Organization, generally, is no longer subject to income tax examinations by federal authorities for years prior to December 31, 2010.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Organization, but which will only be resolved when one or more future events occur or fail to occur. The Organization's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Organization's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Advertising

Advertising costs totaled \$354,876 and \$407,741 for the years ended December 31, 2013 and 2012, respectively, and are expensed as incurred.

Subsequent Events

The Organization has evaluated subsequent events through July 9, 2014, the date the financial statements were available to be issued.

Fundación Teletón USA

Notes to the Financial Statements

1. Organization and Significant Accounting Policies

Reclassification

Certain reclassifications have been made in the prior year's financial statements to conform to the current year's presentation.

2. Fair Value Measurements and Disclosures

The requirements of *Fair Value Measurements and Disclosures* of the Accounting Standards Codification apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. *Fair Value Measurements and Disclosures* also establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

At December 31, 2013 and 2012, all investments were classified as Level 1.

	Total Fair Value Measurement at December 31, 2013	Level 1	Level 2	Level 3
Assets:				
Mutual funds:				
Equity	\$ 65,216	\$ 65,216	\$ -	\$ -
Fixed income	4,668,077	4,668,077	-	-
	<u>\$ 4,733,293</u>	<u>\$ 4,733,293</u>	<u>\$ -</u>	<u>\$ -</u>

Fundación Teletón USA

Notes to the Financial Statements

2. Fair Value Measurements and Disclosures (continued)

	Total Fair Value Measurement at December 31, 2012	Level 1	Level 2	Level 3
Assets:				
Mutual funds:				
Equity	\$ 40,098	\$ 40,098	\$ -	\$ -
Fixed income	<u>4,806,027</u>	<u>4,806,027</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,846,125</u>	<u>\$ 4,846,125</u>	<u>\$ -</u>	<u>\$ -</u>

3. Investments

Investments consist of the following:

	<u>December 31, 2013</u>	
	<u>Cost</u>	<u>Estimated Fair Value</u>
Mutual funds:		
Equity	\$ 52,683	\$ 65,216
Fixed income	<u>4,861,278</u>	<u>4,668,077</u>
	<u>\$ 4,913,961</u>	<u>\$ 4,733,293</u>
 <u>December 31, 2012</u>		
	<u>Cost</u>	<u>Estimated Fair Value</u>
Mutual funds:		
Equity	\$ 39,592	\$ 40,098
Fixed income	<u>4,854,125</u>	<u>4,806,027</u>
	<u>\$ 4,893,717</u>	<u>\$ 4,846,125</u>

Fundación Teletón USA

Notes to the Financial Statements

3. Investments (continued)

Investment income consists of the following:

	December 31,	
	2013	2012
Dividend and interest income	\$ 256,808	\$ 211,292
Unrealized loss on investments	(216,448)	(47,592)
Realized gain on investments	<u>59,278</u>	<u>-</u>
	99,638	163,700
Less investment management fees	<u>(66,187)</u>	<u>(6,999)</u>
	<u>\$ 33,451</u>	<u>\$ 156,701</u>

4. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2013	2012
Land	\$ 826,187	\$ -
Machinery and equipment	9,565	-
Computer equipment	55,893	50,304
Construction in progress	<u>3,207,277</u>	<u>-</u>
	4,098,922	50,304
Less accumulated depreciation	<u>10,393</u>	<u>4,754</u>
Net property and equipment	<u>\$ 4,088,529</u>	<u>\$ 45,550</u>

5. Promise to Give

The promise to give at December 31, 2013 and 2012 is unconditional. Management believes the Organization will collect the entire amount and, therefore, has not recorded an allowance for uncollectible accounts. The balance at December 31, 2013 was \$18,832 (\$38,832 in 2012). The promise to give that is due in more than one year is recorded at the present value of estimated cash flows using a discount rate of 2%.

Fundación Teletón USA

Notes to the Financial Statements

6. Grants Payable

The Organization makes grants for research, medical, and other projects to various other organizations. The amount for which the Organization is obligated is recorded in the financial statements when the award letter is signed and approved by the Board.

The detail of grants payable is as follows:

	December 31,	
	<u>2013</u>	<u>2012</u>
Boston Children's Hospital	\$ -	\$ 1,300,000
Children's Hospital Los Angeles	350,000	350,000
Children's Hospital Chicago	150,000	150,000
St. Jude Children's Research Hospital	100,000	-
Miami Children's Hospital	<u>300,000</u>	<u>-</u>
	<u>\$ 900,000</u>	<u>\$ 1,800,000</u>

7. Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to a minimum of \$250,000. At December 31, 2013, the Organization had \$13,878,392 in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts.

8. Major Vendors

For the year ended December 31, 2013, approximately \$2,950,000 (\$2,738,000 in 2012) of the Organization's expenses, which accounts for approximately 50% of the Organization's expenses (67% in 2012), were for services provided from two vendors. At December 31, 2013, approximately 72% of accounts payable were due to these vendors (79% in 2012). Management is aware there are other vendors that can provide these services.

Fundación Teletón USA

Notes to the Financial Statements

9. Related Parties

For the year ended December 31, 2013 and 2012, the Organization incurred \$920,118 and \$1,205,184, respectively, in direct expenses related to the production of the annual telethon fundraising event from Fundación Teletón México, a related party. The entire amounts were outstanding on December 31, 2013 and 2012 respectively. In addition, Fundación Teletón México is the recordkeeper of the accounting records for the Organization, and certain management team members of Fundación Teletón México served on the Board of the Organization.

The Organization is in the construction phase of an outpatient rehabilitation center in San Antonio, Texas. Once construction is completed, the Organization will lease the facility for free or for a nominal fee to Sistema Infantil Teletón USA ("SITUSA"), a related party of the Organization. SITUSA will operate this outpatient rehabilitation and counseling center for children with physical disabilities. SITUSA will be supported primarily by donations and expects to charge patients and their families only nominal fees for its services. The Organization is expected to be a significant contributor to SITUSA during the first years of operations. Management believes the center will start operations in the month of October 2014.

10. Construction Commitment

The Organization is committed, under the terms of a construction contract in the total amount of \$11,882,000, for the construction of the Children's Rehabilitation Center of Texas, which has a remaining commitment of \$7,650,000 at December 31, 2013.

11. Restatement of 2012 Financial Statements

The Organization made various grants to other organizations that were not recorded as grants payable in the 2012 financial statements. An adjustment was made to the 2012 financial statements to increase program services and grants payable by \$1,800,000.

In addition, the amount payable to Fundación Teletón México for the 2012 telethon fundraising supporting event expenses had been incorrectly excluded from the 2012 financial statements; therefore, an adjustment was made to increase fundraising expenses and accounts payable by \$1,205,184.

Fundación Teletón USA

Notes to the Financial Statements

11. Restatement of 2012 Financial Statements

The impact of these adjustments is represented in the following table:

	<u>Previously Reported</u>	<u>Adjustment</u>	<u>Restated Balance</u>
<u>Year Ended December 31, 2012</u>			
Statement of Financial Position			
Accounts payable	\$ 2,272,989	\$ 1,205,184	\$ 3,478,173
Grants payable	-	1,800,000	1,800,000
Unrestricted net assets	21,181,277	(3,005,184)	18,176,093
<u>As of December 31, 2012</u>			
Statement of Activities and Changes in Net Assets			
Program services	370,715	1,800,000	2,170,715
Fundraising	2,951,510	1,205,184	4,156,694
Change in unrestricted net assets	14,237,781	(3,005,184)	11,232,597

Supplementary Data

Independent Auditor's Report on Supplementary Information

To the Board of Trustees
Fundación Teletón USA
Dallas, Texas

Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as presented in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Padgett, Stratemann + Co., LLP
San Antonio, Texas
July 9, 2014

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Fundación Teletón USA

Schedule of Functional of Expenses

Year Ended December 31, 2013

(With Summarized Financial Information for the Year Ended December 31, 2012)

	Program Services	Management and General	Fundraising	Total	
				2013	2012 (Restated)
Advertising and promotion	\$ 39,036	\$ 21,293	\$ 294,547	\$ 354,876	\$ 407,741
Call center and collection fees	78,765	42,963	594,317	716,045	248,389
Fees and subscriptions	2,690	1,467	20,295	24,452	-
Grants to institutions	1,386,600	-	-	1,386,600	1,942,717
Information technology	11,514	6,280	86,879	104,673	71,654
Office expenses	406	222	3,067	3,695	3,935
Other expenses	10,298	5,617	77,705	93,620	127,998
Production costs	-	-	3,302,230	3,302,230	2,760,125
Professional fees	88,085	48,046	664,640	800,771	219,054
Service charges and credit card fees	35,949	19,608	271,249	326,806	323,662
Travel	87,276	47,605	658,534	793,415	436,614
Total expenses before depreciation	1,740,619	193,101	5,973,463	7,907,183	6,541,889
Depreciation	-	5,639	-	5,639	4,754
	<u>\$ 1,740,619</u>	<u>\$ 198,740</u>	<u>\$ 5,973,463</u>	<u>\$ 7,912,822</u>	<u>\$ 6,546,643</u>

See independent auditor's report on supplementary information.