

# **Fundación Teletón USA**

Financial Report

December 31, 2017

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## Independent Auditor's Report

To the Board of Trustees  
Fundacion Teleton USA

We have audited the accompanying financial statements of Fundacion Teleton USA (collectively, the Organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fundacion Teleton USA as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

The financial statements of Fundacion Teleton USA for the year ended December 31, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on September 5, 2017.

## **Other Matter— Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of functional expenses for the year ended December 31, 2017 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information for the year ended December 31, 2016, was audited by other auditors, whose report dated September 5, 2017, expressed an unmodified opinion on such information in relation to the financial statements as a whole.

(Name of Firm)

San Antonio, Texas  
September 28, 2018

**Fundación Teletón USA**  
 Statements of Financial Position  
 December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,590,655	\$ 13,280,435
Contributions receivable, net of allowance for uncollectible contributions of \$900,000 and \$1,650,000 in 2017 and 2016, respectively	7,211	2,491,743
Investments	6,956,870	4,314,116
Prepaid expenses and other assets	-	1,995
Property and equipment, net of accumulated depreciation of \$1,188,832 and \$821,888 in 2017 and 2016, respectively	13,827,780	14,189,247
<b>TOTAL ASSETS</b>	<b>\$ 25,382,516</b>	<b>\$ 34,277,536</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 51,868	\$ 3,594,881
Grants payable	50,759	120,000
Due to related parties	210,144	313,859
Other payables	-	2,682
Total liabilities	312,771	4,031,422
Net assets, unrestricted	25,069,745	30,246,114
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 25,382,516</b>	<b>\$ 34,277,536</b>

The Notes to Financial Statements are an integral part of these statements.

# Fundación Teletón USA

## Statements of Activities and Changes in Net Assets Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>PUBLIC SUPPORT AND REVENUE</b>		
Contributions	\$ 2,174,179	\$ 13,621,780
Investment income (loss), net of expenses	<u>218,876</u>	<u>264,133</u>
Total public support and revenue	<u>2,393,055</u>	<u>13,885,913</u>
<b>EXPENSES</b>		
Program services	6,943,433	9,944,321
Management and general	168,714	240,484
Fundraising	<u>457,277</u>	<u>5,529,579</u>
Total expenses	<u>7,569,424</u>	<u>15,714,384</u>
Change in unrestricted net assets	(5,176,369)	(1,828,471)
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<u>30,246,114</u>	<u>32,074,585</u>
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<u><u>\$ 25,069,745</u></u>	<u><u>\$ 30,246,114</u></u>

The Notes to Financial Statements  
are an integral part of these statements.

**Fundación Teletón USA**  
 Statements of Cash Flows  
 Years Ended December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in unrestricted net assets		
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities	\$ (5,176,369)	\$ (1,828,471)
Depreciation	366,945	368,561
Realized and unrealized (gain) loss on investments	13,773	(11,356)
Loss on disposal of assets	-	10,000
Changes in operating assets and liabilities		
Contributions receivable	2,484,532	526,011
Prepaid expenses and other assets	1,995	614
Accounts payable	(3,543,013)	(771,229)
Grants payable	(69,241)	(10,000)
Due to related parties	(103,715)	16,450
Other payables	(2,682)	(51,031)
	<b>(6,027,775)</b>	<b>(1,750,451)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(5,478)	(7,884)
Purchase of investments	(60,644,527)	(3,181,579)
Proceeds from sale of investments	57,988,000	7,341,699
	<b>(2,662,005)</b>	<b>4,152,236</b>
Net cash provided by (used in) investing activities	<b>(2,662,005)</b>	<b>4,152,236</b>
Net increase (decrease) in cash and cash equivalents	<b>(8,689,780)</b>	<b>2,401,785</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>13,280,435</b>	<b>10,878,650</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 4,590,655</b>	<b>\$ 13,280,435</b>

The Notes to Financial Statements are an integral part of these statements.

# Fundación Teletón USA

## Notes to Financial Statements

### Note 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 (IRC). 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 IRC, 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 primarily take place in San Antonio, Texas.

#### 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 (U.S. GAAP).

#### Use of Estimates

The preparation of financial statements in conformity with U.S. 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 based on 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 other revenues, which include unrestricted dividend and interest income. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees (the Board).

##### 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, 2017 and 2016.

##### Permanently Restricted Net Assets

Permanently restricted net assets consist of net assets that are subject to donor-imposed stipulations and 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, 2017 and 2016.

# Fundación Teletón USA

## Notes to Financial Statements

### 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 90 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 at year-end. Contributions receivable that are expected to be collected within one year are recorded at net realizable fair value. Contributions receivable, if any, which 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 contributions were received. Amortization of the discount is included in contribution revenue. There were no contributions with payments to be received in future years, therefore, no discount were recorded at December 31, 2017 and 2016. Conditional contributions are not included as support until the conditions are substantially met.

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. 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. Allowance for doubtful accounts as of December 31, 2017 and 2016, were \$900,000 and \$1,650,000, respectively.

### Property and Equipment

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, including capital lease depreciation, is calculated on the straight-line method based on the estimated useful lives of 40 years for building and 3 - 10 years for machinery and equipment, and 3 - 5 years for computer equipment. The Organization has adopted a capitalization policy for property and equipment of \$1,000.

# Fundación Teletón USA

## Notes to Financial Statements

### **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 Organization did not recognize an impairment loss during the years ended December 31, 2017 and 2016.

### **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 benefited. Those expenses include advertising, call center and collection fees, fees and subscriptions, information technology, office expenses, production costs, professional fees, service charges and credit card fees, and travel, which are allocated based on a time study of where efforts are made.

### **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. 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.

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 becomes unconditional or when an unconditional pledge is received. 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.

Income from the rental of the Organization's building to a related party is recognized on a month-to-month basis based on a lease agreement with the related party and netted against related grant expenses. See Note 8.

# Fundación Teletón USA

## Notes to Financial Statements

### Federal Income Tax

The Organization is a nonprofit organization, qualifying under Section 501(c)(3) or the IRC 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. Uncertain tax provisions, if any, are recorded in accordance with accounting guidance for income taxes, which requires the recognition of a liability for tax provisions taken that do not meet the more-likely-than-not standard that the position will be sustained upon examination by the taxing authorities. There is no liability for uncertain tax positions recorded at December 31, 2017 and 2016.

The Organization's policy is to record interest and penalty expense related to income taxes as interest and other expense, respectively. At December 31, 2017 and 2016, 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, 2013.

### 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 herein.

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 the guarantees would be disclosed.

### Advertising

Advertising costs totaled \$68,796 and \$85,718 for the years ended December 31, 2017 and 2016, respectively.

### Subsequent Events

The Organization has evaluated subsequent events through **DATE**, the date the financial statements were available to be issued.

### Reclassification

Certain reclassifications have been made in the prior-year statement of financial position to conform to the current-year presentation with no effect on change in net assets.

# Fundación Teletón USA

## Notes to Financial Statements

### Note 2. Fair Value Measurements and Disclosures

The requirements of Fair Value Measurements and Disclosures of the FASB 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: Quoted market prices in active markets for identical assets or liabilities. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.

Level 2 inputs: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies.

Level 3 inputs: Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity.

### Note 3. Investments

At December 31, 2017 and 2016, all investments were classified as Level 1. Investments consist of the following:

	December 31, 2017		December 31, 2016	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Equities				
Domestic	\$ 603,043	\$ 618,430	\$ 603,358	\$ 578,285
International	-	-	-	-
Bonds				
Domestic	5,992,852	5,996,740	3,433,586	3,487,661
International	-	-	-	-
Mutual funds - domestic	301,211	341,700	265,852	248,170
	<u>\$ 6,897,106</u>	<u>\$ 6,956,870</u>	<u>\$ 4,302,796</u>	<u>\$ 4,314,116</u>

# Fundación Teletón USA

## Notes to Financial Statements

Investment income (loss) consists of the following:

	Years Ended December 31,	
	2017	2016
Dividend and interest income	\$ 232,650	\$ 267,086
Net realized and unrealized gain (loss) on investments	13,774	11,356
	246,424	278,442
Less investment management fees	(27,548)	(14,309)
	\$ 218,876	\$ 264,133

### Note 4. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2017	2016
Land	\$ 829,186	\$ 829,186
Building	14,094,172	14,094,172
Machinery and equipment	54,412	53,857
Computer equipment	38,842	33,920
	15,016,612	15,011,135
Accumulated depreciation	(1,188,832)	(821,888)
Net property and equipment	\$ 13,827,780	\$ 14,189,247

### Note 5. Grants Payable

The Organization makes grants for medical, research, 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,	
	2017	2016
Sistema Infantil Teletón USA, related party	\$ 50,759	\$ 120,000

### Note 6. 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 maximum of \$250,000. At December 31, 2017 and 2016, the Organization had approximately \$4,300,000 and \$8,500,000, respectively, in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts.

# Fundación Teletón USA

## Notes to Financial Statements

### Note 7. Major Vendors

For the year ended December 31, 2017, there was no concentration of expenses provided by one vendor.

For the year ended December 31, 2016, approximately \$3,200,000 of total expenses was for services provided by one vendor, which accounts for approximately 19% of the Organization's total expenses. At December 31, 2017, approximately 89% of accounts payable was due to this vendor. Management is aware there are other vendors that can provide these services.

### Note 8. Related Parties

#### Fundación Teletón México

For the years ended December 31, 2016, the Organization incurred \$843,78 in direct expenses related to the production of its annual telethon fundraising event organized by employees of Fundación Teletón México (a non-U.S. GAAP entity). The Organization did not hold its annual telethon fundraising event during 2017. At December 31, 2017, a total of \$177,553 and \$285,481 was still owed to Fundación Teletón México and was presented as due to related parties in the financial statements, respectively. In addition, Fundación Teletón México is the record keeper of the accounting records of the Organization. Further, certain management team members of Fundación Teletón México serve as officers to the Board of the Organization.

#### Promotora de Asistencia AC

For the years ended December 31, 2017 and 2016, the Organization incurred \$162,347 and \$194,097, respectively, in direct expenses related to Promotora de Asistencia AC, a related party, due to the Organization's Officer being the Treasurer for Promotora de Asistencia AC. At December 31, 2017 and 2016, \$32,591 and \$28,378, respectively, was still owed to Promotora de Asistencia AC, and was presented as due to related parties in the financial statements.

#### Sistema Infantil Teletón USA (SITUSA)

SITUSA operates exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the IRC. SITUSA commenced operations on November 10, 2014, with a mission to elevate the quality of life of people with disabilities by promoting their full inclusion with a vision to build an inclusive country and be a leading organization on issues related to disabilities.

The Organization completed the construction of an outpatient rehabilitation center in San Antonio, Texas in October 2014 and subsequently entered into a five-year lease agreement of the facility (for a nominal fee) with SITUSA, a related party of the Organization. SITUSA will operate this outpatient rehabilitation clause and is conditional upon SITUSA performing various requirements stipulated in the agreement. Therefore, no amounts related to the lease agreement have been recorded as payable in the statements of financial position. The fair value of the annual lease payment has been recorded as rental income and netted against grants to institutions expense in the amount of \$897,398 and \$897,398 for the years ended December 31, 2017 and 2016, respectively.

# Fundación Teletón USA

## Notes to Financial Statements

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 and thus, entered into a Donation Agreement (Agreement) with SITUSA effective October 1, 2014. Approximately \$4,808,000 and \$7,320,000, which were recorded as program services, was donated to SITUSA by the Organization for the years ended December 31, 2017 and 2016, respectively. Grants payable as presented in the statements of financial position includes \$50,759 and \$120,000 due to SITUSA at December 31, 2017 and 2016, respectively.

Further, and in accordance with the Agreement for 2018, the Organization agreed to contribute to SITUSA \$5,500,000 to cover the amount by which SITUSA's operating expenses exceed its revenues for 2017. The Agreement notes the amount contributed by the Organization during 2018 could be increased in order to cover all of SITUSA's operating expenses for 2018 that exceed SITUSA's revenues from sources other than the Organization. No amounts for grants to be made in future years have been recorded as payable in the statements of financial position because there is a cancellation clause and various conditions are stipulated in the Agreement which SITUSA is required to meet in order to receive the 2018 Operations Grant. This support is also subject to the success of the Organization's annual telethon fundraising event.

The nature and scope of the lease agreement as well as the Donation Agreement (i.e., contracts) demonstrate control of the Organization over SITUSA. Furthermore, an economic interest also exists since SITUSA receives a significant amount of its resources from the Organization and such support is necessary to carry out its operations.

Management of the Organization has elected not to present consolidated financial statements. The following is summarized financial data of SITUSA as of December 31, 2017 and 2016.

Description	2017	2016
Assets	\$ 1,508,041	\$ 1,775,000
Liabilities	\$ 216,148	\$ 426,000
Net assets	\$ 1,291,893	\$ 1,349,000
Public support and revenue	\$ 7,143,069	\$ 8,806,000
Expenses	\$ 7,200,299	\$ 9,725,000
Changes in net assets	\$ (57,230)	\$ (919,000)

# Supplementary Information

# Fundación Teletón USA

## Schedule of Functional Expenses

Year Ended December 31, 2017

(With Summarized Financial Information for the Year Ended December 31, 2016)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
				<u>2017</u>	<u>2016</u>
Advertising	2,752	4,128	61,916	68,796	\$ 85,718
Call center and collection fees	3,125	4,688	70,313	78,126	327,190
Fees and subscriptions	2,071	3,107	46,608	51,786	47,117
Grants to institutions	5,871,759	-	-	5,871,759	8,217,398
Information technology	2,498	3,747	56,202	62,447	49,206
Office expenses	-	55,945	-	55,945	8,649
Other expenses	-	35,979	(734,926)	(698,947)	1,758,007
Production costs	395,360	-	593,039	988,399	4,603,972
Professional fees	116,834	56,961	182,741	356,536	422,411
Service charges and credit card fees	2,772	4,159	62,381	69,312	332,938
Travel	193,908	-	104,412	298,320	390,615
Total expenses before depreciation	6,591,079	168,714	442,686	7,202,479	16,243,221
Depreciation	352,354	-	14,591	366,945	368,561
	<u>\$ 6,943,433</u>	<u>\$ 168,714</u>	<u>\$ 457,277</u>	<u>\$ 7,569,424</u>	<u>\$ 16,611,782</u>