Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA and Subsidiary

Consolidated Financial Report and
Supplementary Information
December 31, 2016

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Trustees
Sistema Infantil Teleton USA, dba Children's Rehabilitation
Institute of Teleton USA and Subsidiary

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA and Subsidiary (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2016, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended; and the related notes to the consolidated 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 from 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 the Organization as of December 31, 2016, and the changes in net assets and cash flows for the year then ended December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

Other Matter—2015 Financial Statements
The financial statements of the Organization, as of and for the year ended December 31, 2015, were audited by other auditors, whose report dated May 10, 2016, expressed an unmodified opinion on those statements.

Other Matter—Supplementary Information
Our audit of the financial statements was conducted for the purpose of forming an opinion on those statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary 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 2016 total revenues and expenses presented within the supplementary 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 supplementary 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 2016 total revenues and expenses presented within the supplementary 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, 2015, was audited by other auditors, whose report dated May 10, 2016, expressed an unmodified opinion on such information in relation to the financial statements as a whole.

RSM US LLP

San Antonio, Texas
August 15, 2017

Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA and Subsidiary

Consolidated Statements of Financial Position
December 31, 2016 and 2015

		2016		2015
Assets				
Cash	**$**	**133,389**	$	890,450
Contributions receivable		**120,000**		130,000
Patient accounts receivable, net of estimated uncollectible accounts of $38,558 ($86,990 in 2015)		**76,109**		67,039
Other receivables		**134,608**		9,888
Prepaid expenses and other assets		**4,792**		10,801
Property and equipment, net of accumulated depreciation of $666,908 ($339,657 in 2015)		**1,306,411**		1,591,647
Total assets	**$**	**1,775,309**	$	2,699,825
Liabilities and Net Assets				
Liabilities:				
Accounts payable	**$**	**425,719**	$	430,635
Accrued payroll and other payables		**467**		602
Total liabilities		**426,186**		431,237
Net assets—unrestricted		**1,349,123**		2,268,588
Total liabilities and assets	**$**	**1,775,309**	$	2,699,825

See notes to consolidated financial statements.

Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA and Subsidiary

Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2016 and 2015

	2016	2015
Operating public support and revenue:		
Contributions	$ 7,410,815	$ 8,261,961
Net patient service revenue	162,330	191,362
Other revenues	197,694	75,854
Contributed goods	-	1,995
Contributed services	904,599	897,398
Total operating public support and revenue	8,675,438	9,428,570
Expenses:		
Program services	7,170,750	6,526,254
Management and general	1,743,453	2,028,457
Fundraising	810,950	307,832
Total expenses	9,725,153	8,862,543
Nonoperating revenue:		
Other nonoperating revenues	130,250	-
Total nonoperating revenue	130,250	-
Change in unrestricted net assets	(919,465)	566,027
Unrestricted net assets at beginning of period	2,268,588	1,702,561
Unrestricted net assets at end of period	$ 1,349,123	$ 2,268,588

See notes to consolidated financial statements.

Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA and Subsidiary

Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in unrestricted net assets	**$ (919,465)**	$ 566,027
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Depreciation	**327,251**	293,793
Fixed asset donations to others	**3,501**	29,815
Provision for uncollectible accounts	**(48,432)**	86,990
Changes in:		
Contributions receivable	**10,000**	(50,000)
Patient accounts receivable	**39,362**	(154,029)
Other receivables	**(124,720)**	(9,842)
Prepaid expenses and other assets	**6,009**	44,609
Accounts payable	**(4,916)**	259,670
Accrued payroll and other payables	**(135)**	(53,675)
Net cash provided by (used in) operating activities	**(711,545)**	1,013,358
Cash flows from investing activities:		
Purchase of property and equipment	**(45,516)**	(232,703)
Net cash used in investing activities	**(45,516)**	(232,703)
Net increase (decrease) in cash	**(757,061)**	780,655
Cash at beginning of period	**890,450**	109,795
Cash at end of period	**$ 133,389**	$ 890,450

See notes to consolidated financial statements.

Note 1. Organization and Significant Accounting Policies

Organization: These consolidated financial statements include Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA (CRIT-USA) and Professionals Associated for Children's Benefit (PACB), collectively referred to herein as the Organization.

CRIT-USA was organized as a corporation on February 14, 2014, and operates exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (IRC). CRIT-USA 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.

PACB is a nonprofit health corporation incorporated in the state of Texas, organized exclusively for charitable, scientific and educational purposes. PACB is a physician's group that provides specialized medical treatments almost exclusively to CRIT-USA's patients with physical disabilities. PACB's revenues come from the services provided to CRIT-USA's patients; however, PACB's patients pay significantly reduced fees for the services provided, and PACB's mission is funded primarily through contributions.

CRIT-USA is the sole member of PACB and provides management, administrative and other supporting services to PACB. All significant intercompany transactions have been eliminated in consolidation.

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).

Public 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. Other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

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.

Recent accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect the standard will have on its financial statements.

Note 1. Organization and Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," and expands disclosures about the nature and amount of any donor restrictions. The ASU is effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Organization is currently evaluating the impact the adoption of this guidance will have on its financial statements.

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 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, or both. 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, 2016 and 2015.

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, 2016 and 2015.

Contributions and patient accounts receivable: Contributions and patient accounts receivable are stated at the amount the Organization expects to collect from outstanding donations or grants that had not been collected at year-end and the amount of net patient services revenues the Organization expects to collect at year-end, respectively. No interest is charged on outstanding accounts receivable balances. The allowance for uncollectible 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.

Note 1. Organization and Significant Accounting Policies (Continued)

The allowance for uncollectible accounts is evaluated on a regular basis by management and is based on a historical collection experience, contractual adjustments based on the terms with third-party payor contracts 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. Doubtful accounts are written off against the allowance, and subsequent recoveries, if any, are credited to the allowance.

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 is calculated on the straight-line method based on the estimated useful lives of three to 10 years for furniture and equipment, computer equipment and vehicles. Leasehold improvements are depreciated over the shorter of the lease term or their estimated future life.

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, 2016 and 2015.

Functional expense allocation: 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 building rent, utilities, general management and public relations department, information technology department, maintenance and purchasing, contracted services, insurance, repair and maintenance and depreciation. Building rent and utilities are allocated based on a square footage basis, general management and public relations department, information technology department, maintenance and purchasing are allocated based on a time and study of where efforts are made, contracted services, insurance, repair and maintenance and depreciation are allocated based on the benefit received.

Public support and revenue: 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. In the absence of donor restrictions, contributions are considered to be available for unrestricted use.

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.

Note 1. Organization and Significant Accounting Policies (Continued)

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.

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

For additional information regarding goods and services donated, see Note 8.

Net patient service revenue: Patient service revenue is the estimated net realizable amount the Organization expects to collect from private pay patients or third-party payors.

Over 90 percent of the services are provided at significant discount, with the remainder considered patient support. The Organization's policy is to bill patients a portion of the established rate based on the patient's ability to pay. The discounted fee rate is determined through a social economic study of the patient's family and ranges between $1 and $20 per service. Because the Organization does not pursue collection of the amounts considered patient support, such amounts are not reported as revenues.

The Organization has agreements with third-party payors that provide reimbursement for services rendered. The amount reimbursed represents the Organization's established rates net of a predetermined contractual adjustment rates.

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as accreditation, licensure, government healthcare program participation, reimbursement for patient services and Medicare and Medicaid fraud and abuse. As a result, there is ongoing government activity focused on identifying possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs, together with the imposition of significant fines and penalties, as well as, significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Management is not aware of any material noncompliance with fraud and abuse laws and regulations or other applicable government laws and regulations.

Federal income tax: CRIT-USA is a nonprofit organization, qualifying under Section 501(c)(3) of 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.

The Organization's policy is to record interest and penalty expense related to income taxes as interest and other expense, respectively. At December 31, 2016 and 2015, no interest or penalties have been or are required to be accrued.

PACB is a nonprofit organization incorporated in the state of Texas. PACB does not have federal tax exemption and, therefore, files a United States federal income tax return with the Internal Revenue Service, as well as a franchise tax return in the state of Texas. For the years ended December 31, 2016 and 2015, PACB recorded no provision for taxes. PACB has net operating loss carryforwards of approximately $90,000, which is available to offset future taxable income, if any, through 2036.

Note 1. Organization and Significant Accounting Policies (Continued)

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. Legal fees and other direct costs related to loss contingencies are accrued even when the related loss is not accrued, unless such costs are not probable or are not estimable.

Advertising: Advertising costs totaled $10,236 and $1,239 for the years ended December 31, 2016 and 2015, respectively. Advertising costs are expensed as incurred.

Subsequent events: The Organization has evaluated subsequent events through August 15, 2017, the date the financial statements were available to be issued.

Note 2. Property and Equipment

Property and equipment consist of the following:

	December 31	
	2016	2015
Furniture and equipment	$ 1,369,163	$ 1,349,510
Leasehold improvements	227,221	208,775
Computer equipment	318,314	314,398
Vehicles	58,621	58,621
	1,973,319	1,931,304
Less accumulated depreciation	666,908	339,657
Net property and equipment	$ 1,306,411	$ 1,591,647

Note 3. Net Patient Service Revenue

The components of net patient service revenue consist of the following:

	Years Ended December 31	
	2016	2015
Gross patient service revenue, net of patient support charges forgone	$ 271,639	$ 576,746
Less provision for contractual adjustments and allowance for uncollectible accounts	109,309	385,384
Net patient service revenue	$ 162,330	$ 191,362

A summary of the basis of reimbursement with major third-party payors is as follows:

Medicaid: Services rendered to Medicaid program beneficiaries are paid upon a prospectively determined reimbursement methodology. These reimbursement rates vary according to the patient's classification, which is based on procedures, diagnostics and other factors. Net patient support for Medicaid was approximately 45 percent and 40 percent for the years ended December 31, 2016 and 2015, respectively.

Commercial insurance: Services rendered to commercial insurance subscribers are reimbursed based on a cost reimbursement methodology, as determined by contractual agreement with the third-party payor. The reimbursement rates vary according to the patient's classification, which is based on procedures, diagnostics and other factors. Net patient support for commercial insurance was approximately 14 percent for the years ended December 31, 2016 and 2015, respectively.

Note 4. Patient Support

It is the Organization's policy to provide care to patients at established rates under the patient support policy at amounts less than the established rates. Following this policy, charges forgone, based on established rates totaled approximately $6,257,123 and $5,966,286 for the years ended December 31, 2016 and 2015, respectively.

Note 5. 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, 2016, the Organization had no amounts in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts.

Note 6. Leases

The Organization leases equipment pursuant to noncancelable operating lease agreements expiring through 2021. Rental expense related to these operating lease agreements totaled approximately $6,800 for the year ended December 31, 2016 (approximately $6,500 in 2015).

Future minimum lease payments under noncancelable operating leases as of December 31, 2016 were as follows:

Years ending December 31:		
2017	$	10,309
2018		9,712
2019		5,972
2020		5,820
2021		2,787
Future minimum lease payments	$	34,600

Note 7. Related Parties

Fundacion Teleton USA (the Foundation) is a related party of the Organization whose mission is to raise critical funds and awareness, inspiring a more inclusive, accepting world for children with disabilities and their families while empowering them to live their lives to the fullest potential. During the years ended December 31, 2016 and 2015, the Foundation and the Organization shared two common board members. Since 2012, the Foundation's board of trustees has committed to help provide financial resources to ensure the successful performance of a new children's rehabilitation center in the United States and, in 2013, it began construction of the first children's rehabilitation facility (the Facility) in San Antonio, Texas.

Upon completion of the Facility on November 10, 2014, the Foundation and the Organization entered into a five-year lease agreement of the Facility (for a nominal fee). The lease agreement has a cancellation right and is conditional upon the Organization performing various requirements stipulated in the agreement. No amounts related to the lease agreement have been recorded as a receivable in the statements of financial position. The fair value of the lease payments have been recorded as contributed services and rental expense in the amount of $897,398 for the year ended December 31, 2016 ($897,398 for 2015).

In addition, a significant amount of the Organization's contributions come from the Foundation. A Donation Agreement (the Agreement) was signed with the Foundation effective October 1, 2014. The Foundation agreed to contribute up to $8,500,000 in 2016 with additional amounts to be paid in excess of this amount to cover the amount by which the Organization's operating expenses exceed its revenues from sources other than the Foundation ($7,200,000 in 2015). The Foundation contributed a total of $7,320,000 in 2016 or 83.1 percent of the total revenues ($7,200,000 or 76.4 percent for 2015).

Further, and in accordance with the Agreement, the Foundation agrees to donate up to $5,500,000 to the Organization to cover 2017 budgeted operating expenses that exceed the Organization's revenues from sources other than the Foundation. However, the Agreement notes the amount contributed to the Organization during 2017 could be increased in order to cover all of the Organization's operating expenses for 2017. No amounts have been recorded as a receivable in the statements of financial position because there are various conditions stipulated in the Agreement which the Organization is required to meet in order to receive the 2017 Operations Grant.

Supplementary Information

Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA and Subsidiary

Consolidated Schedule of Functional Expenses
Year Ended December 31, 2016

	Program Services	Supporting Services		Total Program and Supporting Services
	Patient Services	Management and General	Fundraising	
Payroll costs	$ 5,386,652	$ 933,012	$ 443,438	$ 6,763,102
Payroll processing services	3,205	47,473	-	50,678
Cleaning services	262,548	54,004	-	316,552
Billing processing services	20,381	10,691	-	31,072
Security services	90,458	18,606	-	109,064
Contract services—other	44,427	14,932	122,118	181,477
Legal and professional fees	-	101,683	10,731	112,414
Equipment and other rents	9,248	6,087	1,014	16,349
Building rent	744,302	153,096	-	897,398
Building and professional insurance	32,521	5,908	-	38,429
Repair and maintenance	43,248	55,734	-	98,982
Uniforms	5,862	3,364	-	9,226
Linens	4,432	-	-	4,432
Diesel and fuel	1,158	817	136	2,111
Travel expenses	6,270	10,788	44,644	61,702
Advertising	1,693	1,493	7,050	10,236
Event and ceremonies	7,726	12,691	32,583	53,000
Speaker fees	-	18,500	-	18,500
Training and conferences	2,761	5,756	12,698	21,215
Fees and subscriptions	15,697	8,772	2,202	26,671
Meetings	-	-	2,611	2,611
EMR system license	695	-	-	695
Licenses	20,344	14,361	2,417	37,122
Website development	-	-	31,219	31,219
Media time	-	-	20,437	20,437
Utilities	123,587	25,421	-	149,008
Supplies and materials	121,472	28,565	24,533	174,570
Printing and postage	4,846	2,991	41,618	49,455
Other operating expenses	7,551	45,410	5,020	57,981
Donations and sponsorships	45,713	-	5,094	50,807
Donor recognized gifts	-	-	1,258	1,258
Fundraising	-	-	129	129
Total expenses before depreciation	7,006,797	1,580,155	810,950	9,397,902
Depreciation	163,953	163,298	-	327,251
	$ 7,170,750	$ 1,743,453	$ 810,950	$ 9,725,153

Sistema Infantil Teleton USA, dba Children's Rehabilitation Institute of Teleton USA and Subsidiary

Consolidated Schedule of Functional Expenses
Year Ended December 31, 2015

	Program Services	Supporting Services		Total Program and Supporting Services
	Patient Services	Management and General	Fundraising	
Payroll costs	$ 4,627,353	$ 1,153,234	$ 147,334	$ 5,927,921
Payroll processing services	-	64,919	-	64,919
Cleaning services	326,567	64,765	-	391,332
Billing processing services	8,351	37,944	-	46,295
Security services	87,648	17,383	-	105,031
Contract services—other	18,683	67,494	2,960	89,137
Legal and professional fees	3,450	60,217	-	63,667
Equipment and other rents	8,766	3,470	1,408	13,644
Building rent	748,879	148,519	-	897,398
Building and professional insurance	63,438	11,142	-	74,580
Repair and maintenance	87,410	48,311	-	135,721
Uniforms	7,899	3,193	-	11,092
Linens	4,021	-	-	4,021
Diesel and fuel	1,343	543	18	1,904
Travel expenses	27,135	20,792	53,122	101,049
Advertising	413	413	413	1,239
Event and ceremonies	14,717	15,621	50,010	80,348
Training and conferences	8,521	19,385	12,194	40,100
Fees and subscriptions	36,944	16,873	1,861	55,678
Licenses	12,060	4,774	-	16,834
Website development	-	-	10,597	10,597
Utilities	118,361	23,473	-	141,834
Supplies and materials	119,285	33,037	17,076	169,398
Printing and postage	22,032	4,889	4,700	31,621
Recruiting	-	3,990	-	3,990
Other operating expenses	8,495	14,027	1,748	24,270
Medical assistance fund	13,152	-	-	13,152
Donations and sponsorships	4,692	42,895	4,050	51,637
Fundraising	-	-	341	341
Total expenses before depreciation	6,379,615	1,881,303	307,832	8,568,750
Depreciation	146,639	147,154	-	293,793
	$ 6,526,254	$ 2,028,457	$ 307,832	$ 8,862,543