

Statements of Financial Position

Fundacion Teleton Mexamerica

Assets	December 31	
	2007	2006
Current assets		
Cash and cash equivalents	\$ 4,443,437	\$ 155,705
Short-term investment	519,783	431,784
Total current assets	<u>4,963,220</u>	<u>587,489</u>
Other assets		
Software, net of accumulated amortization of \$713 and zero	12,115	---
Total other assets	<u>12,115</u>	<u>---</u>
Total assets	<u>\$ 4,975,335</u>	<u>\$ 587,489</u>
Liabilities and Net Assets		
Current liabilities		
Refunds payable	\$ 272,236	\$ ---
Total current liabilities	<u>272,236</u>	<u>---</u>
Total liabilities	<u>272,236</u>	<u>---</u>
Net assets		
Unrestricted	4,703,099	587,489
Total net assets	<u>4,703,099</u>	<u>587,489</u>
Total liabilities and net assets	<u>\$ 4,975,335</u>	<u>\$ 587,489</u>

The accompanying notes are an integral part of the financial statements.

Statements of Activities

Fundacion Teleton Mexamerica

	Year Ended December 31	
	2007	2006
Changes in unrestricted net assets		
Public support and revenue		
Direct public support		
Teleton program	\$ 4,791,263	\$ 36,820
Total direct public support	<u>4,791,263</u>	<u>36,820</u>
Revenue		
Investment income	39,071	16,147
Other contributions	---	107,570
Total revenue	<u>39,071</u>	<u>123,717</u>
Total public support and revenue	<u>4,830,334</u>	<u>160,537</u>
Expenses		
Program services	670,226	---
Supporting services		
Management and general	44,498	8,603
Total expenses	<u>714,724</u>	<u>8,603</u>
Increase (decrease) in net assets	4,115,610	151,934
Net assets, beginning of year	<u>587,489</u>	<u>435,555</u>
Net assets, end of year	<u>\$ 4,703,099</u>	<u>\$ 587,489</u>

The accompanying notes are an integral part of the financial statements.

Statements of Functional Expenses

Fundacion Teleton Mexamerica

	Years Ended December 31					
	2007			2006		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Service charges and fees	\$ 34,577	\$ 420	\$ 34,997	\$ ---	\$ 365	\$ 365
Donor expenses	16,338	---	16,338	---	---	---
Production hours	580,952	---	580,952	---	---	---
Printing and publications	24,285	---	24,285	---	79	79
Professional fees	13,361	42,778	56,139	---	7,978	7,978
Postage and shipping	---	1,201	1,201	---	178	178
Amortization	713	---	713	---	---	---
Interest expense	---	99	99	---	3	3
	\$ 670,226	\$ 44,498	\$ 714,724	\$ ---	\$ 8,603	\$ 8,603

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flows

Fundacion Teleton Mexamerica

	Year Ended December 31	
	2007	2006
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 4,115,610	\$ 151,934
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Amortization	713	---
Investment return	(18,752)	(15,552)
Increase (decrease) in operating liabilities		
Refunds payable	272,236	---
Net cash provided by operating activities	<u>4,369,807</u>	<u>136,382</u>
Cash flows from investing activities		
Purchase of software	(12,828)	---
Purchase of short-term investments	(3,998,433)	(6,495,213)
Proceeds from the redemption of short-term investments	3,682,957	6,073,992
Proceeds from the sales of short-term investments	246,229	4,989
Net cash (used) provided by investing activities	<u>(82,075)</u>	<u>(416,232)</u>
Net increase (decrease) in cash and cash equivalents	4,287,732	(279,850)
Cash and cash equivalents, beginning of year	155,705	435,555
Cash and cash equivalents, end of year	<u>\$ 4,443,437</u>	<u>\$ 155,705</u>

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

Fundacion Teleton Mexamerica

Note 1: Nature of Activities and Summary of Significant Accounting Principles

Fundacion Teleton Mexamerica (the "Organization") is a nonprofit organization is a wholly-owned subsidiary of Fundacion Teleton Mexico, A.C., (the "Parent") a Mexican company. The Parent and Organization are mainly engaged in the raising of funds for the design, construction, installation, and operation of care and rehabilitation centers for low-income individuals with physical and mental disabilities. At present, the Organization has no centers in operation in the United States of America.

Basis of financial statement presentation

The financial statements of the Plan are prepared using the accrual method of accounting, in conformity with accounting principles generally accepted in the United State of America. In preparing the financial statements, the Organization is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Promises to give

Contributions are recognized when the donor makes a promise to Organization this is, in substance, unconditional. Contributions that are restricted by the donor are reported as increase in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years experience and management's analysis of specific promises made.

Financial statement presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net asset; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2007 and 2006, the Organization has no temporarily or permanently restricted net assets.

Property and equipment

Purchased property and equipment is capitalized at historical cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line methods based on the estimated useful lives of the respective assets. At December 31, 2007 and 2006, the Organization held no property and equipment.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Income taxes

The Organization is not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue and classified by the Internal Revenues Service as other than a private foundation.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restriction are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Cash and cash equivalents

For purposes of the statement of cash flow, the Organization considers all highly liquid investment available for current use with an initial maturity of three months or less to be cash equivalents.

Reclassifications

Certain amounts in the prior year's presentation have been reclassified to conform to the current year's presentation. These reclassifications have no effect on previously reported changes in net assets.

Note 2: Investments

The Organization held \$519,783 and \$431,784 at December 31, 2007 and 2006, respectively, in U.S. government securities with original maturity dates of less than three months. Short-term investments are stated at fair value.

Fair values and unrealized appreciation at December 31, 2007 is summarized as follows:

	Cost	Fair Value	Unrealized Appreciation
US Treasury Securities	\$ 519,683	\$ 519,783	\$ 100
Total	\$ 519,683	\$ 519,783	\$ 100

Fair values and unrealized appreciation at December 31, 2006 is summarized as follows:

	Cost	Fair Value	Unrealized Appreciation
US Treasury Securities	\$ 431,084	\$ 431,784	\$ 700
Total	\$ 431,084	\$ 431,784	\$ 700

Note 3: Concentrations of Credit Risk

The Organization maintains cash balances at several financial institutions located in California, Kansas and Texas. The Federal Deposit Insurance Corporation insures accounts up to \$100,000 at each institution. During the business day of December 31, 2007, the Organization's uninsured cash balances totaled \$4,154,628.

Note 4: Related Party Transactions

The Organization received zero and \$107,570 in donations from its parent, Fundacion Teleton Mexico A.C. in 2007 and 2006, respectively.

Note 5: Contributions

A summary of significant grants and/or contributions for the years ended December 31, 2007 and 2006 are summarized below:

Teleton – Various individuals and businesses provided contributions totaling \$4,791,263 and zero in cash contributions during 2007 and 2006, respectively.