



2015 ANNUAL REPORT

**Central America Poultry
Export Quota, Inc.**

CA-PEQ Central America Poultry Export Quota, Inc.

MISSION STATEMENT

The Central America Poultry Export Quota, Inc. is a not-for-profit corporation established to manage on an open tender basis the tariff-rate quotas (TRQs) for chicken leg quarters granted by El Salvador, Guatemala, Honduras, and Nicaragua to the United States under the terms of the United States-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA). CA-PEQ is also tasked with distributing the proceeds received from the aforementioned tender process for the benefit of the poultry industries of El Salvador, Guatemala, Honduras, Nicaragua, and the United States.

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CA-PEQ Central America Poultry Export Quota, Inc.

1. CHAIRMAN'S LETTER

In 2015, the Central American Poultry Export Quota (CA-PEQ) generated \$4.94 million in revenues through an open and public auction system for the allocation of tariff rate quota (TRQs) for chicken leg quarters (CLQs) granted by El Salvador, Guatemala, Honduras and Nicaragua under the Dominican Republic – Central America Free Trade Agreement (DR-CAFTA) to the United States. This represents an increase in revenues of 52% compared to 2014.

In 2015, project funding totaled \$2.49 million, a decrease of 22.5% compared with 2014. Net proceeds from open tenders are used to fund export market development, educational, scientific and technical projects to benefit the poultry associations of the participating countries of CA-PEQ (see Figure A for distribution of funds).

Projects in 2015 included funding for existing successful programs, new programs and information sharing, which may be summarized as follows:

- ❖ Technical and financial support for Sanitary and Phytosanitary national programs (Guatemala, Honduras and Nicaragua);
- ❖ Training activities for the benefit of the poultry sector (Guatemala, Honduras and Nicaragua);
- ❖ National Poultry Summit (Nicaragua);
- ❖ Projects to reduce malnutrition at public schools (Guatemala and Honduras);
- ❖ Technical support towards gaining equivalency with the US poultry health system (El Salvador, Honduras);
- ❖ Participation in local and international poultry forums (Honduras and Nicaragua);
- ❖ Consumer and advertising campaign (El Salvador); and
- ❖ Support for scientific research, communications, and marketing programs (United States); and,

In furtherance of CA-PEQ's mission, CA-PEQ is honored to help support the well-being of local communities through these projects by strengthening their avian health and surveillance systems and introducing poultry products for healthier diets.

I take this opportunity to thank our poultry industries, especially for their involvement with their communities, and to encourage them to continue this commitment through CA-PEQ during my term as Chairman in 2016.

Sincerely,



Alfredo Velez, Chairman 2016

Figure A
CA-PEQ Project Funding for 2015
(\$Thousands)



2. DIRECTORS AND OFFICERS

Pursuant to CA-PEQ's bylaws and the Export Trade Certificate of Review (ETCR) approved by the U.S. Department of Commerce, the members of CA-PEQ are the national trade associations representing the poultry industries of El Salvador, Guatemala, Honduras, Nicaragua, and the United States. An eight-member Board of Directors appointed by these associations governs CA-PEQ.

DIRECTORS FOR 2015:



Steven Anderson
Chairman
USAPEEC United States



Alfredo Velez
Vice-Chairman
ANAPA - Nicaragua



Francisco Arriaza
Director
ANAVI - Guatemala



Agustin Martinez
Director
AVES - El Salvador



Adalberto Discua
Director
FEDAVIH - Honduras



James Sumner
Director
USAPEEC - United States



Nancy Haas
Director
USAPEEC - United States



Butch Johnson
Director
USAPEEC - United States

CA-PEQ Central America Poultry Export Quota, Inc.

OFFICERS FOR 2015:

In addition to Mr. Anderson who served as Chairman, and Mr. Velez who served as Vice-Chairman, Mateo Paz-Soldan and Violeta Gutierrez from DTB Associates, LLP, CA-PEQ's Administrator, were appointed by CA-PEQ's board as Secretary and Treasurer respectively.



Mateo Paz-Soldan
Secretary
DTB Associates, LLP



Violeta Gutierrez
Treasurer
DTB Associates, LLP

3. OPEN-TENDER PROCESS AND RESULTS

Under the terms of the ETCR, CA-PEQ is tasked with managing the tariff rate quotas (TRQs) for chicken leg quarters (CLQs) established for each participating country on a yearly basis, as stipulated in the DR-CAFTA. [1] CA-PEQ administers these TRQs through an open tender process, or auction, with certificates for duty-free shipments of CLQs awarded to the highest bidders, pursuant to ETCR requirements. Notice of each open tender process is published in advance both in the U.S. and in the Central American country whose TRQ tranche is being auctioned. Bid specifications and contents are included in the notice and also published on the CA-PEQ website. Once the open tender closes, results are audited and bidders are notified of the disposition of their bids. The complete results are sent to the governments and consolidated results are made available to the member poultry associations, and to the public on the CA-PEQ website. Open tender proceeds are then maintained in an interest-bearing bank account until funding requests of participating member associations are approved by the CA-PEQ Board (see Section 4).

[1] General Notes and Appendix 1 - Tariff Rate Quotas, Annex 3.3 of the text of the DR-CAFTA

CA-PEQ Central America Poultry Export Quota, Inc.

Table 1
CA-PEQ Open-Tender Results for 2015

| Country/Category | First Tranche | Second Tranche | Third Tranche | Fourth Tranche | Total |
|----------------------------------|---------------|----------------|---------------|-----------------|---------------------------|
| Guatemala | Dec 1-5 | March 2-6 | June 1-5 | Aug 31 - Sept 4 | |
| Available Quota for Auction (MT) | 2,822.00 | 2,821.00 | 2,821.00 | 2,821.00 | 11,285.00 |
| Certificates Awarded (MT) | 2,822.00 | 2,821.00 | 2,821.00 | 2,821.00 | 11,285.00 |
| Average Successful Bid (\$/MT) | \$68.50 | \$42.16 | \$42.88 | \$50.64 | \$51.05 |
| Lowest Successful Bid (\$/MT) | \$23.59 | \$22.27 | \$27.97 | \$46.30 | \$22.27 |
| Auction Receipts | \$193,300.96 | \$118,939.64 | \$120,964.94 | \$142,852.92 | \$626,058.46 ¹ |
| | | | | | |
| Honduras | Dec 1-12 | Feb 23 - Mar 6 | July 20-31 | | |
| Available Quota for Auction (MT) | 1,425.00 | 1,425.00 | 1,425.00 | | 4,275.00 |
| Certificates Awarded (MT) | 1,425.00 | 1,425.00 | 1,425.00 | | 4,275.00 |
| Average Successful Bid (\$/MT) | \$140.59 | \$183.76 | \$458.86 | | \$261.07 |
| Lowest Successful Bid (\$/MT) | \$66.14 | \$154.32 | \$320.00 | | \$66.14 |
| Auction Receipts | \$200,335.14 | \$261,859.17 | \$653,873.67 | | \$1,116,067.98 |
| | | | | | |
| El Salvador | Feb 9-13 | June 8 - 12 | Sept 7-11 | | |
| Available Quota for Auction (MT) | 1,237.00 | 1,237.00 | 1,237.00 | | 3,711.00 |
| Certificates Awarded (MT) | 1,237.00 | 1,237.00 | 1,237.00 | | 3,711.00 |
| Average Successful Bid (\$/MT) | \$540.13 | \$583.78 | \$436.71 | | \$520.20 |
| Lowest Successful Bid (\$/MT) | \$485.00 | \$176.37 | \$400.00 | | \$176.37 |
| Auction Receipts | \$668,134.63 | \$722,131.94 | \$540,208.81 | | \$1,930,475.38 |
| | | | | | |
| Nicaragua | Nov 10 - 14 | Mar 9 -13 | | | |
| Available Quota for Auction (MT) | 1,520.00 | 1,019.00 | | | 2,539.00 |
| Certificates Awarded (MT) | 1,520.00 | 1,019.00 | | | 2,539.00 |
| Average Successful Bid (\$/MT) | \$389.53 | \$659.12 | | | \$497.73 |
| Lowest Successful Bid (\$/MT) | \$372.00 | \$481.00 | | | \$372.00 |
| Auction Receipts | \$592,080.00 | \$671,645.00 | | | \$1,263,725.00 |
| | | | | | |
| YEAR-TO-DATE RECEIPTS | | | | | \$4,886,326.82 |
| YEAR-TO-DATE TONS AWARDED | | | | | 21,810.00 |
| YEAR-TARIFF RATE QUOTA (MT) | | | | | 21,810.00 |

*Data compiled from audited financial statements and published information at www.ca-peq.org

¹ "During the Organization's Guatemala auction on March 6th, 2015, an auction bid was placed for \$50,000 whereby the bidder later contested the validity of the bid. Based on the Organization's counsel direction, the contested \$50,000 was placed in an escrow bank account. However, based on legal counsel's subsequent determination, at year end December 31, 2015, this escrow balance was no longer needed as the probability of pursuit of legal action by the bidder was negligible. Accordingly, there were no restrictions on the use of these funds as of that date and no requisite liability applicable." (Note 10, Audited Financial Statements)

**Table 2
CA-PEQ Open-Tender Auction Receipts and Certificates Awarded for 2015 (%)**

| Country | Certificates Awarded (MT) | | Auction Receipts | |
|-------------|---------------------------|---------|------------------|---------|
| Guatemala | 11,285.00 | 51.74% | \$626,058.46 | 12.68% |
| El Salvador | 3,711.00 | 17.02% | \$1,930,475.38 | 39.11% |
| Honduras | 4,275.00 | 19.60% | \$1,116,067.98 | 22.61% |
| Nicaragua | 2,539.00 | 11.64% | \$1,263,725.00 | 25.60% |
| Total | 21,810.00 | 100.00% | \$4,936,326.82 | 100.00% |

The list of winners in the open tenders held for 2015 are published on the CA-PEQ website. These winners were:

- Americas Consulting Group, LLC – Marietta, GA
- AJC International – Atlanta, GA
- Bajamar Trading Corp - Jupiter, FL
- Bassett Walker, Inc. – Wilmington, DE
- Canadian American Boxed Meat Corp. - Atlanta, Georgia
- Cargill Food Distribution, Wichita, KS
- Northwestern Meat, Inc. - Miami, FL
- Hakan USA Inc. - Broadway, VA
- Intertrade Purchasing & Consulting, Inc. - Miami, FL
- Interra International, Inc. - Atlanta, GA
- Intervision Foods, LLC - Atlanta, GA
- Merinter, Inc. - Miami, FL
- Micro Steps, Inc. – Coral Gables, FL
- Oxford Services, Inc. - Miami, FL

In 2015, open tender receipts for the right to import CLQs duty free into El Salvador, Guatemala, Honduras and Nicaragua totaled \$4.936 million. Total open tender revenues increased 52% from 2014. A combined quota of 21,810 metric tons (MT) was offered and awarded for auction. On a country by country basis, awarded certificates in MT corresponded to: Guatemala (52%); El Salvador (17%); Honduras (19%); and Nicaragua (12%), while their respective open tender revenues amounted to 13%, 39%, 23%, and 25% of the total. The highest average successful bid was \$659.12/MT and the lowest successful bid \$22.27/MT. See Table 1 on page 6 and Table 2 on page 7 for more information.

4. DISPOSITION OF PROCEEDS

One of the main purposes of CA-PEQ under the ETCR is to distribute net proceeds generated by the open tenders to fund projects in export market development, educational, scientific, and technical categories for the benefit of the poultry industries of El Salvador, Guatemala, Honduras, Nicaragua and the United States. After paying operating expenses at the end of each year, the Administrator distributes the remaining proceeds to fund capacity building projects in the abovementioned categories. As established in the ETCR, proceeds are distributed between USAPEEC (50%) and the poultry industries of El Salvador, Guatemala, Honduras and Nicaragua (50%), based on the TRQ allocated to each Central American country. The following is a country by country overview of how the proceeds were used in 2015.

EL SALVADOR

In 2015, the Poultry Association of El Salvador (AVES) received from CA-PEQ a total of \$492,400 to fund the following project: “Institutional Marketing, Product Promotion and Communication Strategy.”

The activities funded by this project are grouped in the established ETCR categories as follows:

Market Development

1. A continued and integrated public market promotion and media campaign nationwide was implemented to emphasize the benefit of consuming “chicken and egg” poultry products as a healthy food option. The campaign aimed to inform consumers and health professionals on these benefits, reduce myths related to consumption, and increase consumption of poultry products. It included advertising in the radio, magazines, social media, billboards, and sponsoring sports competitions, food festivals and health events. See Figure B.

Figure B

Market Promotion and Media Campaign

Chicken and Egg Recipe Photo Contest

Egg World Day Event at Public School



Sponsorship of Sports Event

Restaurant Week Promotion



Source: AVES Facebook page

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GUATEMALA

In 2015, the Poultry Association of Guatemala (ANAVI) received from CA-PEQ a total of \$300,000 to fund two projects: 1) “The use of poultry products to reduce malnutrition in Guatemalan children” (continuation); and 2) “Technical and financial cooperation for the national poultry health program” (continuation). These projects and their respective activities correspond to the following categories under the ETCR:

Market Development

1. A continued pilot project to reduce malnutrition in 250 children from indigenous communities in vulnerable economic situation. The program delivered in two schools a year-long supply of cost-effective daily lunches of high nutritional value made with chicken and egg products. The daily lunch consisted of one egg or chicken sausage and a tortilla, prepared by volunteer parents in creative ways to add variety to the menu.

The project has achieved lower absenteeism, a happier mood and substantially improved school performance. In 2015, weight gain increased by 9% and height by 4%. This project was part of the local poultry sector’s corporate social responsibility efforts and was supportive of the government’s program “Hambre Cero” (Zero Hunger). See Figure C.

Scientific and Technical

2. A continued collaboration with the national poultry health program between the Ministry of Agriculture, Cattle and Animal Feed (MAGA) and ANAVI in order to: 1) control, eradicate and certify free zones of Low Pathogenic Avian Influenza, Newcastle Disease and Salmonella, and 2) minimize the risk and prevent the entry of foreign diseases to Guatemala and the Central America Region.

In 2015, the project provided for: 1) logistical support by covering laboratory equipment and travel expenses for monitoring purposes, 2) financial support by delivering diagnostic tests, and 3) technical support for the implementation of a nationwide epidemiology control and monitoring program required by the World Organization for Animal Health (OIE).

Figure C
Pilot Project to Reduce Malnutrition in Guatemala



Source: ANAVI

HONDURAS

In 2015, the Poultry Federation of Honduras (FEDAVIH) received from CA-PEQ a total of \$256,605 to fund the following project: “Keep Honduras free from avian diseases restrictive to trade; comply with the U.S. Department of Agriculture (USDA) requirements to export poultry meat to the U.S. and other countries; educational programs and consumer communications campaign” (continuation).

The activities developed under this project are grouped into the following ETCR categories:

Market Development

1. A pilot project to provide nutritional support on children through the School Meals Program (second phase) that consisted on delivering eggs for lunch five days a week to more than 1,000 children of two elementary schools for 24 weeks.

The result was an impact assessment of egg consumption in children that revealed significant benefits in child nutrition, attention, growth and attendance. This assessment aimed to include eggs on school meals in government programs, and thus recognize the egg as a significant source of protein to reduce malnutrition. See Figure D.

Scientific and Technical

2. An ongoing collaboration between FEDAVIH and SENASA-SAG, the Honduran Ministry of Agriculture’s sanitary and phytosanitary (SPS) agency, for the National Poultry Program, to keep Honduras free from avian diseases, and to comply with USDA requirements to access the U.S. market. In 2015, funds were used to provide diagnostic tests and analysis for Newcastle, Avian Influenza and other diseases; and laboratory equipment, purchase of vaccines and pathogen-free fertile eggs, as well as geographic references for poultry.

As part of this project, a simulation drill for government officials and industry representatives was also provided that resulted in: 1) training on issues related to poultry health, biosecurity, and sampling; 2) the dissemination of an emergency plan; 3) training on better communication practices; and 4) the implementation of timely diagnostic tests. See Figure E.

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Figure D
Phase II of Pilot Project to Provide Nutritional Support in Honduras



Source: FEDAVIH

Figure E
Technical Training



Source: FEDAVIH

NICARAGUA

In 2015, the National Association of Egg, Poultry and Animal Feed Producers of Nicaragua (ANAPA) received from CA-PEQ a total of \$186,000 to fund the following project: “ANAPA’s support for enhancing regional trade capabilities, poultry animal health status recognition, and education and participation in international poultry organizations (continuation).” The activities funded are grouped into the following ETCR category:

Scientific and Technical

1. For the seventh consecutive year, CA-PEQ funds helped finance the National Poultry Health and Surveillance Program, a joint program between ANAPA and the Animal Health and Protection Agency (IPSA) of the Ministry of Agriculture and Forestry (MAG-FOR). This program aims to keep Nicaragua free of Avian Influenza, Newcastle disease, and Avian Infectious Laryngotracheitis in order to strengthen surveillance, food security and improve production in local and export markets. See Figure G.
2. ANAPA’s participation in technical meetings of the International Poultry Council (IPC) and membership.
3. ANAPA technical staff participated in regional meetings of the Regional Technical Committee on Avian Health to develop technical regulations within the Central American Customs Union, as well as meetings of other avian technical committees in the Latin American region.
4. The First National Poultry Summit was organized in Managua in August 2015 and was well attended by 400 industry representatives, producers, government authorities, interested college students and professionals. International speakers lectured attendees on topics of interest such as avian health, animal welfare, food safety, animal nutrition as well as processing and marketing. See Figure F.

2015 contributions provided, among others, materials for testing poultry farms, backyard and migratory birds, and for the strengthening of the National Laboratory of Veterinary Diagnostics and the Poultry Unit.

Figure F
First National Poultry Summit of
Nicaragua



Figure G
Signing of Cooperation Agreement
ANAPA – IPSA (2015)



Source: ANAPA and ANAPA Facebook page

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UNITED STATES

In 2015, the United States Poultry & Egg Export Council (USAPEEC) received from CA-PEQ a total of \$1,250,000 to fund the following projects: 1) Expansion of USAPEEC Scientific/Technical Programs to Counter Trade Barriers; expansion of USAPEEC's Communications Services which will allow more of an outreach through web based and social media program; and Expansion of Market Development Activities in an effort to maintain, expand and open new markets for U.S. poultry & eggs (continuation); and 2) Expansion of Market for U.S. Poultry & Eggs in Cuba. The activities funded are grouped into the following ETCR categories:

Market Development

1. Continued support for USAPEEC Communications Program that focused on expansion of web based programs and social media to educate targeted audiences worldwide of the safety, reliability and versatility of U.S. poultry and egg products. See Figure H.

2. Continued funding for USAPEEC Marketing programs to maintain, expand and open new markets throughout the world, including trade development and marketing research. The project included partial funding for 14 international offices and consultants.

3. USAPEEC staff participated in a conference on how to do business in Cuba organized by the World Affairs Council of Atlanta, to promote U.S. poultry and obtain information on market opportunities as well as to discuss technical assistance on biosafety issues.

Scientific and Technical

4. Sustained funding for the expansion of scientific research through the USAPEEC's Technical Services Program, designed to identify barriers to trade, as well as for educational outreach of foreign government officials on the U.S. health and inspection system for poultry and eggs and U.S. production systems.

Figure H
USAPEEC's Marketing Programs



Source: USAPEEC, Latin America (LatAm) tweeter site

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5. AUDITED FINANCIAL STATEMENTS

A. Statements of Financial Position / December 31, 2015 and 2014

| | 2015 | 2014 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash in bank | \$ 9,626,328 | \$ 6,709,986 |
| Accounts receivable | 37,498 | 37,498 |
| Prepaid expenses | 587 | - |
| Total Current Assets | <u>9,664,413</u> | <u>6,747,484</u> |
| TOTAL ASSETS | <u>\$ 9,664,413</u> | <u>\$ 6,747,484</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 3,111 | \$ 3,807 |
| Deferred auction revenue | 1,652,515 | 985,716 |
| Total Current Liabilities | <u>1,655,626</u> | <u>989,523</u> |
| Net Assets | | |
| Temporarily Restricted Funds | | |
| Project Funds-Central America | | |
| El Salvador | 953,728 | 501,769 |
| Guatemala | 638,369 | 684,607 |
| Honduras | 529,660 | 253,249 |
| Nicaragua | 1,220,372 | 788,281 |
| Project Funds-United States | 4,666,658 | 3,530,055 |
| Total Net Assets | <u>8,008,787</u> | <u>5,757,961</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 9,664,413</u> | <u>\$ 6,747,484</u> |

*Information in this annual report is compiled from audited financial statements.

CA-PEQ Central America Poultry Export Quota, Inc.

B. Statement of Activities and Changes in Net Assets / Year ended December 31, 2015 and 2014, Including Operating Expenses

2015

| | General Operating Fund | Temporarily Restricted Funds | | | | | Total |
|---|------------------------------|------------------------------|------------|------------|--------------|---------------|--------------|
| | | El Salvador | Guatemala | Honduras | Nicaragua | United States | |
| Revenues | | | | | | | |
| Auction revenues | | | | | | | |
| El Salvador | \$ 1,930,475 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,930,475 |
| Guatemala | 626,058 | - | - | - | - | - | 626,058 |
| Honduras | 1,116,068 | - | - | - | - | - | 1,116,068 |
| Nicaragua | 1,263,725 | - | - | - | - | - | 1,263,725 |
| Total Auction Revenues | 4,936,326 | - | - | - | - | - | 4,936,326 |
| Membership fees | 37,500 | - | - | - | - | - | 37,500 |
| Investment income | - | 477 | 1,295 | 307 | 971 | 5,344 | 8,394 |
| Total Revenues Collected | 4,973,826 | 477 | 1,295 | 307 | 971 | 5,344 | 4,982,220 |
| Expenses Paid | | | | | | | |
| Accounting and auditing | 7,874 | - | - | - | - | - | 7,874 |
| Advertising | 28,188 | - | - | - | - | - | 28,188 |
| Bank fees | 1,254 | - | - | - | - | - | 1,254 |
| Consulting and management fees | 157,194 | - | - | - | - | - | 157,194 |
| Legal fees | 16,567 | - | - | - | - | - | 16,567 |
| Licenses and filing fees | 307 | - | - | - | - | - | 307 |
| Meetings | 10,487 | - | - | - | - | - | 10,487 |
| Office expense | 50 | - | - | - | - | - | 50 |
| Postage and delivery | 3,905 | - | - | - | - | - | 3,905 |
| Printing and reproduction | 1,261 | - | - | - | - | - | 1,261 |
| Project costs | - | 492,400 | 300,000 | 256,605 | 186,000 | 1,250,000 | 2,485,005 |
| Telephone | 185 | - | - | - | - | - | 185 |
| Travel | 8,672 | - | - | - | - | - | 8,672 |
| Website expenses | 10,445 | - | - | - | - | - | 10,445 |
| Total Expenses Paid | 246,389 | 492,400 | 300,000 | 256,605 | 186,000 | 1,250,000 | 2,731,394 |
| Change in Net Assets | 4,727,437 | (491,923) | (298,705) | (256,298) | (185,029) | (1,244,656) | 2,250,826 |
| Transfer from general to temporarily restricted funds | (4,727,437) | 943,882 | 252,467 | 532,709 | 617,120 | 2,381,259 | - |
| Net Change After Transfer | - | 451,959 | (46,238) | 276,411 | 432,091 | 1,136,603 | 2,250,826 |
| Net Assets, Beginning of Year | - | 501,769 | 684,607 | 253,249 | 788,281 | 3,530,055 | 5,757,961 |
| Net Assets, End of Year | \$ - | \$ 953,728 | \$ 638,369 | \$ 529,660 | \$ 1,220,372 | \$ 4,666,658 | \$ 8,008,787 |

*Information in this annual report is compiled from audited financial statements.

CA-PEQ Central America Poultry Export Quota, Inc.

2014

| | General Operating Fund | Temporarily Restricted Funds | | | | | Total |
|---|------------------------------|------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| | | El Salvador | Guatemala | Honduras | Nicaragua | United States | |
| Revenues | | | | | | | |
| Auction revenues | | | | | | | |
| El Salvador | \$ 1,001,529 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,001,529 |
| Guatemala | 817,552 | - | - | - | - | - | 817,552 |
| Honduras | 575,373 | - | - | - | - | - | 575,373 |
| Nicaragua | 853,127 | - | - | - | - | - | 853,127 |
| Total Auction Revenues | 3,247,581 | - | - | - | - | - | 3,247,581 |
| Membership fees | 37,500 | - | - | - | - | - | 37,500 |
| Investment income | - | 572 | 1,877 | 395 | 1,013 | 7,089 | 10,946 |
| Total Revenues Collected | 3,285,081 | 572 | 1,877 | 395 | 1,013 | 7,089 | 3,296,027 |
| Expenses Paid | | | | | | | |
| Accounting and auditing | 7,687 | - | - | - | - | - | 7,687 |
| Advertising | 29,556 | - | - | - | - | - | 29,556 |
| Bank fees | 1,745 | - | - | - | - | - | 1,745 |
| Consulting and management fees | 156,112 | - | - | - | - | - | 156,112 |
| Legal fees | 7,004 | - | - | - | - | - | 7,004 |
| Licenses and filing fees | 324 | - | - | - | - | - | 324 |
| Meetings | 6,472 | - | - | - | - | - | 6,472 |
| Postage and delivery | 3,577 | - | - | - | - | - | 3,577 |
| Printing and reproduction | 2 | - | - | - | - | - | 2 |
| Project costs | - | 500,000 | 330,000 | 377,120 | 124,500 | 1,875,000 | 3,206,620 |
| Telephone | 151 | - | - | - | - | - | 151 |
| Travel | 3,758 | - | - | - | - | - | 3,758 |
| Website expenses | 7,295 | - | - | - | - | - | 7,295 |
| Total Expenses Paid | 223,683 | 500,000 | 330,000 | 377,120 | 124,500 | 1,875,000 | 3,430,303 |
| Change in Net Assets | 3,061,398 | (499,428) | (328,123) | (376,725) | (123,487) | (1,867,911) | (134,276) |
| Transfer from general to temporarily restricted funds | (3,061,398) | 483,667 | 353,050 | 263,978 | 412,463 | 1,548,240 | - |
| Net Change After Transfer | - | (15,761) | 24,927 | (112,747) | 288,976 | (319,671) | (134,276) |
| Net Assets, Beginning of Year | - | 517,530 | 659,680 | 365,996 | 499,305 | 3,849,726 | 5,892,237 |
| Net Assets, End of Year | \$ - | \$ 501,769 | \$ 684,607 | \$ 253,249 | \$ 788,281 | \$ 3,530,055 | \$ 5,757,961 |

*Information in this annual report is compiled from audited financial statements.

CA-PEQ Central America Poultry Export Quota, Inc.

C. Statements of Cash Flows / Years ended December 31, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Net change in net assets | \$ 2,250,826 | \$ (134,276) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | - | 224 |
| Prepaid expenses | (587) | - |
| Increase (decrease) in: | | |
| Accounts payable | (696) | 1,051 |
| Deferred auction income | 666,799 | (86,570) |
| Net Cash Provided (Used) by Operating Activities | <u>2,916,342</u> | <u>(219,571)</u> |
| Cash and Cash Equivalents at Beginning of Year | <u>6,709,986</u> | <u>6,929,557</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 9,626,328</u> | <u>\$ 6,709,986</u> |

*Information in this annual report is compiled from audited financial statements.

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