

Central America Poultry Export Quota, Inc.



2017 ANNUAL REPORT

CA-PEQ Central America Poultry Export Quota, Inc.

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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 quota (TRQ) for chicken leg quarters (CLQs) 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 to fund market development, educational, scientific, and technical projects. In this manner, CA-PEQ fosters the cooperation and integration of the poultry industries of its members.

* CA-PEQ's mission was established under the terms of an Export Trade Certificate of Review, issued by the U.S. Department of Commerce on January 20, 2006, and published in the Federal Register on February 9, 2006/ Vol. 71, No. 27.

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*CA-PEQ Annual & Board Meeting, February 2017
Charleston, United States*

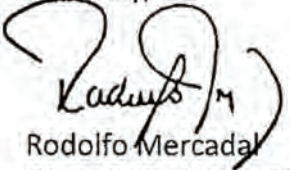
1. Chairman's Letter

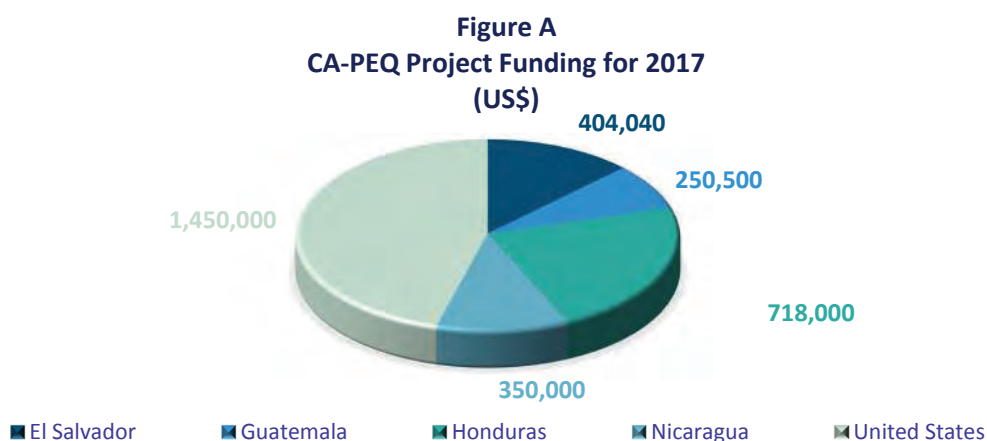
CA-PEQ generated USD \$2,256,534 in open-tender revenues in 2017, which represents a decrease of almost 60% compared to 2016. Net proceeds from open tenders are used to fund market development, as well as educational, scientific, and technical projects to benefit the participating poultry associations in El Salvador, Guatemala, Honduras, Nicaragua, and the United States (see Figure A for distribution of funds). Projects in 2017 amounted to USD \$3,172,540 and included funding for new and existing programs as follows:

- *Projects to reduce malnutrition at public schools (El Salvador and Guatemala);*
- *Continued technical and financial support for Sanitary and Phytosanitary national programs (Guatemala, Honduras, El Salvador and Nicaragua);*
- *Aid relief for 106 families victimized by earthquakes in Mexico (United States)*
- *Consumer advertising campaigns (El Salvador Honduras and Nicaragua);*
- *The establishment of an office for technical regulations and standards in Nicaragua; and*
- *Support for scientific research, communications, and marketing programs (United States)*

Staying true to CA-PEQ's mission, the organization has striven to foster opportunities for collaboration between the member associations. We will continue to work towards building stronger bonds and greater collaboration between the poultry industries of Central America and the United States.

CA-PEQ, its member associations, and their respective governments deserve my gratitude in their commitment to CA-PEQ's values and mission. I look forward to serving as Chairman for the 2018 term.

Sincerely,

 Rodolfo Mercadal
 CA-PEQ Chairman 2018



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.

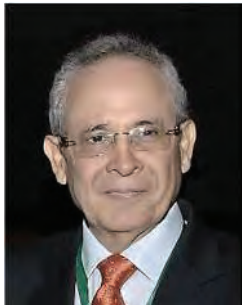
Directors for 2017



Nancy Haas
Chairwoman
USAPEEC – United States



Juan Raudales
Vice Chairman
FEDAVIH - Honduras



Alfredo Velez
Director
ANAPA - Nicaragua



Francisco Arriaza
Director
ANAVI - Guatemala



Agustin Martinez
Director
AVES – El Salvador



James Sumner
Director
USAPEEC – United States



Steven Anderson
Director
USAPEEC – United States



Butch Johnson
Director
USAPEEC – United States

Officers for 2017

In addition to Ms. Nancy Haas who served as Chairwoman, and Mr. Juan Raudales who served as Vice Chairman, Mateo Paz-Soldan, and Violeta Gutierrez from DTB Associates, LLP, CA-PEQ's Administration, served as Secretary and Treasurer, respectively.



Mateo Paz-Soldan
Secretary
DTB Associates, LLP



Violeta Gutierrez
Treasurer
DTB Associates, LLP

3. Open-Tender Processes and Results

Under the terms of the ETCR, CA-PEQ is tasked with managing the TRQ for CLQs established for each participating country on a yearly basis, as stipulated in the DR-CAFTA. 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 period 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 See General Notes and Appendix 1 - Tariff Rate Quotas, Annex 3.3 of the text of the DR-CAFTA.

Table 1
CA-PEQ Open-Tender Results for 2017

Country/Category	First Tranche	Second Tranche	Third Tranche	Fourth Tranche	Total
Guatemala	Nov 28 - Dec 2	Feb 20- 24*			
Available Quota for Auction (MT)	2,164.00	2,164.00			4,328.00
Certificates Awarded (MT)	2,164.00	1,243.32.00			3,407.32
Average Successful Bid (\$/MT)	\$52.45	\$89.02			\$53.66
Lowest Successful Bid (\$/MT)	\$46.30	\$63.50			\$46.30
Auction Receipts (\$)	\$113,500.96	\$69,322.78			\$182,823.74
Honduras	Nov 28 - Dec 9	Feb 27 - Mar 10	July 17 - 28		
Available Quota for Auction (MT)	1,782.00	1,781.00	1781.00		5,344.00
Certificates Awarded (MT)	1,400.71	355.00	158.90		1,914.61
Average Successful Bid (\$/MT)	\$177.53	\$93.75	\$228.33		\$166.21
Lowest Successful Bid (\$/MT)	\$75.00	\$30.00	\$220.46		\$30.00
Auction Receipts (\$)	\$248,672.36	\$33,280.00	\$36,282.09		\$318,234.45
El Salvador	Feb 6 - 10	June 5 - 9	Sept 4 - 8		
Available Quota for Auction (MT)	1,546.00	1,546.00	1,546.00		4,638.00
Certificates Awarded (MT)	1,546.00	677.55	179.64		2,403.19
Average Successful Bid (\$/MT)	\$216.10	\$41.00	\$23.00		\$152.30
Lowest Successful Bid (\$/MT)	\$36.00	\$41.00	\$23.00		\$23.00
Auction Receipts (\$)	\$334,086.77	\$27,779.55	\$4,131.72		\$365,998.04
Nicaragua	Oct 3 - 7	Oct 31 – Nov 4			
Available Quota for Auction (MT)	1,600.00	1,574.00			3,174.00
Certificates Awarded (MT)	1,600.00	1,574.00			3,174.00
Average Successful Bid (\$/MT)	\$432.82	\$442.80			\$437.77
Lowest Successful Bid (\$/MT)	\$397.00	\$425.00			\$397.00
Auction Receipts (\$)	\$692,506.00	\$696,972.50			\$1,389,478.50
YEAR-TO-DATE RECEIPTS					\$2,256,534.73
YEAR-TO-DATE TRQ AWARDED					10,899.12
YEAR-TRQ (MT)					21,810.00
YEAR-TRQ AFTER GUATEMALA CLQ DUTY FREE (MT)					17,484.00

*On April 11, 2017 tariffs for fresh, refrigerated or frozen CLQs (HS items 0207.13 and 0207.14) from the U.S. were eliminated by Guatemala. Therefore, CA-PEQ will no longer hold auctions for Guatemala. On April 20, 2017 the CA-PEQ Board agreed to refund Guatemala TRQ-holders for unused quota.

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

Table 2
CA-PEQ Open-Tender Auction Receipts and Certificates Awarded for 2017

Country	Certificates Awarded (MT)		Auction Receipts	
Guatemala	3,407.32	31.26%	\$182,823.74	8.10%
El Salvador	2,403.19	22.05%	\$365,998.04	16.22%
Honduras	1,914.61	17.57%	\$318,234.45	14.10%
Nicaragua	3,174.00	29.12%	\$1,389,478.50	61.58%
Total	10,899.12	100.00%	\$2,256,534.73	100.00%

The list of winners in the open tenders held for 2017 are published on the CA-PEQ website. These winners were:

- AJC International – Atlanta, GA
- Bassett Walker, Inc. – Wilmington, DE
- Cargill Food Distribution, Wichita, KS
- Northwestern Meat, Inc. - Miami, FL
- Intertrade Purchasing & Consulting, Inc. - Miami, FL
- Interra International, Inc. - Atlanta, GA
- Intervision Foods, LLC - Atlanta, GA
- Merinter, Inc. - Miami, FL
- Oxford Services, Inc. - Miami, FL
- Quirch Foods. – Coral Gables, FL
- Ronald A. Chisholm (USA) Inc., Linden, MI

In 2017, open tender receipts for the right to import CLQs duty free into El Salvador, Guatemala, Honduras and Nicaragua totaled \$2,256,534.73. Total open tender revenues decreased close to 60% from 2016. The decrease in auction revenues is explained, in part, by market conditions and the fact that CA-PEQ no longer hold auctions in Guatemala. A combined quota of 10,899 metric tons (MT) or 62.33% of the 17,484 MT offered for auction was awarded. On a country-by-country basis, awarded certificates in MT corresponded to: Guatemala (31%); El Salvador (22%); Honduras (18%); and Nicaragua (29%), while their respective open tender revenues amounted to 8%, 16%, 14%, and 62% of the total. The highest average successful bid was \$437.77/MT and the lowest successful bid \$23.00/MT. See Table 1 on page 6 and Table 2 on page 7 for more information.

4. Reporting and Outreach

As established in CA-PEQ's ETCR, an important part of the corporation's responsibilities includes maintaining the governments of Central America's countries and the United States informed of open-tender results, the dates selected for open tenders, and other key issues impacting the corporation. In addition, CA-PEQ must comply with annual reporting requirements before the U.S. Department of Commerce and the U.S. Internal Revenue Service, and with requests for information from Central American or U.S. government authorities.

In addition, the Administration meets trade government authorities from member associations and the U.S. periodically to provide updates and receive feedback with regard to TRQ management, as well as auction and project results, among other issues.

5. 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 2017.

EL SALVADOR

In 2017, the Poultry Association of El Salvador (AVES) received a total of \$404,040 from CA-PEQ to fund the following project: *“Implementation of two pilot projects aimed to demonstrate the nutritional and health impacts of poultry product consumption on children under 6 years of age in communities in need; strengthening the Marketing and Communication strategy to increase poultry products consumption (continuation); and technical and financial cooperation to improve the National Poultry Health Surveillance Program and the process of market access of poultry products to other countries in support of the Ministry of Agriculture and Livestock (MAG) (continuation).”* The activities funded under this project include the following:

Market Development

1. **Implementation of two pilot projects to demonstrate the positive impact of regular consumption of poultry products**, in cooperation with the Catholic University of El Salvador (UNICAES). Both projects studied the effect of regular consumption of poultry products and consisted of daily donations of chicken products and fresh eggs during the school calendar of 10 months. The first project (continuation) served 275 children from kindergarten to 5th grade from rural areas of Geronimo Abarca, in Ilobasco, and Cabañas; 64 of these children were less than 6 years old.

The second project served 25 families in the rural community of El Resbaladero, Santa Ana. Each participating family had at least one child 6 years old or younger who has been diagnosed with malnutrition. *See Figure B.*

2. **Continuation of an integrated public market promotion and media campaign**, which informed and educated consumers on the nutritional benefits of eating chicken and eggs through mass media (TV, radio, magazines, and billboards) and sponsored sports events, food festivals and health events. Campaign activities were structured under AVES four strategic pillars: 1. Nutrition and Healthy Eating; 2. Sports and Healthy Life; 3. Culinary Creativity; and 4. Family Economics. *See Figure B.*

Scientific and Technical

3. **Continued strengthening of the National Poultry Health and Food Safety Program**, in collaboration with the MAG. The project promoted food safety with the issuance of diagnostic tests and poultry health monitoring activities, training for technical personnel in associated areas, and support to MAG activities related to the process of admissibility of poultry products to other markets, which includes the hiring of consultants to develop regulations and the strengthening of food safety laboratories.

Figure B Market Development Activities

Nutrition Pilot Program

Meal preparation in El Resbaladero, Santa Ana



Students from Geronimo Abarca and Cabañas



El Salvador Marketing Strategy

“Chickegg” run



Egg World Day in the media



Chicken carnival



Soccer cup



Source: AVES

GUATEMALA

In 2017, the Poultry Association of Guatemala (ANAVI) received a total of \$250,500 from CA-PEQ 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. **The continuation of a project to reduce malnutrition within indigenous communities in vulnerable economic situations**, to contribute to alleviating child malnutrition in Guatemala. The project delivered a year-long supply of cost-effective and highly-nutritional, daily lunches made with chicken and egg products, as well as health services in four public elementary schools of in the rural areas of San Juan Alotenango, Barberena, and Cuilapa (2 schools). The project reached 986 children during the school calendar year of 180 days (or 10 months). Said lunch consisted of one egg or chicken sausage and a tortilla prepared in creative ways, to add variety to the menu, by volunteer parents. A monitoring project mechanism found that there was substantial improvement in school attendance, student development, and educational performance. *See Figure C.*

Scientific and Technical

2. **Continued collaboration with the national poultry health program - PROSA**, between the Ministry of Agriculture, Cattle and Animal Feed (MAGA) and ANAVI in order to: 1) control, eradicate and certify disease-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 2017, the project provided for: 1) logistical support by covering travel expenses for monitoring purposes nationwide; 2) financial support by delivering diagnostic tests and laboratory materials; and 3) technical support, including training to poultry producers to increase biosafety especially at the borders, in order to comply with national and World Organization for Animal Health (OIE) regulations. *See Figure D.*

Figure C
Project to reduce malnutrition in four schools in Guatemala (continuation)

**Aldea Los Bijagues elementary school in Barberena
 (323 children)**



**Blood Test in Mario Mendez elementary school in
 Alotenango (237 children)**



**Aldea Los Esclavos elementary school in Cuilapa
 (99 children)**



**De-worming services at Victor Monterroso
 elementary school in Cuilapa (327 children)**



Source: ANAVI

Figure D
Continued collaboration with the national poultry health program - PROSA

**Las Verapaces, among other areas, declared
 to be free of low pathogenic avian influenza (LPAI)**



**Vaccination of backyard birds
 (79 campaigns and 19,827 birds vaccinated)**



Source: ANAVI

HONDURAS

In 2017, the Poultry Federation of Honduras (FEDAVIH) received from CA-PEQ a total of \$718,000 to fund the following project: *“Keep Honduras free from avian diseases; comply with the U.S. Department of Agriculture (USDA) requirements to export poultry meat to the U.S. and other countries; consumer advertising campaign and other marketing activities; and educational programs for professionals in related fields (continuation).”* The activities developed under this project are grouped into the following ETCR categories:

Market Development

1. **A nationwide consumer advertising campaign**, designed to promote the nutritional benefits and affordability of chicken meat to enjoy good health through increased consumption.

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 2017, funds were used to provide epidemiological surveillance by hosting two vaccination campaigns in 70 communities, covering 97% of backyard birds in said areas. The funding also helped recruit six veterinary doctors to work at the national program offices, provide transportation in the field, exhibit and boost attendance of technical staff in the first Latin American summit on family agriculture, promote the application of a national regulation on fluid disposal from defrosted chicken, and conduct bird incinerations for the plan of action against poultry smuggling. *See Figure E.*

Figure E
Continued collaboration for the National Poultry Program

Vaccination campaigns for backyard birds



Actions against bird smuggling



Exercise on the application of the regulation of fluid disposal from defrosted chicken



Participation of technical staff in the first Latin American summit on family agriculture



Source: FEDAVIH

NICARAGUA

In 2017, the National Association of Egg, Poultry, and Animal Feed Producers of Nicaragua (ANAPA) received from CA-PEQ a total of \$350,000 to fund the following project: *“ANAPA’s support for enhancing regional and international trade capabilities, poultry animal health status recognition, program activities to comply with USDA export requirements for poultry; education and participation in international poultry organizations, and consumer advertising campaign (continuation).”* The activities funded are grouped into the following ETCR categories:

Market Development

1. **A nationwide consumer advertising campaign**, aimed to provide information of the nutritional benefits involved with consuming chicken meat, emphasize the contributions of the poultry industry to the economy, and set the basis for increased chicken consumption. The campaign consisted of a set of TV and radio advertisements to position chicken meat as a healthy and tasty food choice for all, targeting different audiences: families, neighborhood soccer players, school students, and university students. The campaign was successfully launched in September with the attendance of agriculture, health, and trade authorities. Press coverage included eleven television channels, eleven radio channels, and eighteen newspapers and digital media outlets. *See Figure G.*

Scientific and Technical

2. **For the ninth 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 aimed 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. 2017 contributions supported IPSA with the purchase of reagents, calibration services, and other laboratory material needed for epidemiology surveillance. In addition, IPSA held an avian flu simulation exercise in the areas of Masaya, Carazo, and Granada, with the participation of the full avian health staff. The activity received widespread press coverage nationwide and, most importantly, allowed hands-on preparatory training in the event of an unforeseen avian flu outbreak. *See Figure F.*
3. **The continued participation of ANAPA in regional forums**, including funds to cover membership dues, such as Latin American poultry forums and the International Poultry Council (IPC).

4. **ANAPA's participation in regional and international technical meetings** on poultry health, food safety and trade negotiations for market access. ANAPA participates in the Avian Health Regional Technical Committee under the Regional and the International and Regional Organization for Plant and Animal Health (OIRSA), and the Central America Economic Integration Consulting Council (CCIE) of the Central American Customs Union. ANAPA is also part of the Avian Technical Committees in Latin American poultry forums, where the regional poultry sector explores relevant avian health and food safety issues.
5. **Established the office for technical regulations and standards**, by hiring two full-time experts that are responsible for organizing the work of the National Avian Health Technical Commission, managing the national poultry program's funds, facilitating communication between governmental authorities and regional and international organizations, and proposing and reviewing technical and legal recommendations regarding avian health, food safety, environment, trade, among other matters.
6. **In support of ANAPA's market access strategy**, the hiring of a consultant for the analysis of conditions within the national poultry inspection system and meat processing plants, aiming to comply with FSIS and APHIS entry requirements.

Figure F
Signing of IPSA-ANAPA Cooperation Agreement



Source: ANAPA

Figure G
Press coverage of the Poultry Consumption Campaign



Source: ANAPA-Comunica

UNITED STATES

In 2017, the United States Poultry & Egg Export Council (USAPEEC) received a total of \$1,450,000 from CA-PEQ 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 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, and upgrade of USAPEEC Program Management Systems (continuation);”* 2) *“Sub-Saharan Africa Poultry Development Program;”* and, 3) *“Mexico Earthquake Relief.”* The activities funded are grouped into the following ETCR categories:

Market Development

1. **The Sub-Saharan Africa Poultry Development Program**, aimed to undertake poultry market development activities in the region with an emphasis on development of trade opportunities for U.S. poultry exports while assisting the local poultry industry in markets throughout the region to increase poultry production capacity and higher animal health and food safety standards. This program allowed for the hosting of educational trade seminars, technical training, and a reverse educational mission to the United States to educate a select group of representatives on production, avian health, marketing, and management of poultry products.
2. **A contribution to relief effort for victims of earthquakes in Mexico**, through the administration of a well-known non-profit organization in Mexico “Fondo de Conservacion El Triunfo.” The donation helped to rebuild eighty houses and benefited 106 families in five different communities in the southern state of Chiapas. *See Figure H.*
3. **Continued support for the USAPEEC Communications Program** that focused on the planning, development, and implementation of internal and external communications efforts alike, with an emphasis on web-based programs and social media. This program aimed to educate targeted audiences worldwide on the safety, reliability, and versatility of U.S. poultry and egg products, as well as the necessity of being proactive with global media to address issues affecting the exports of U.S. poultry and eggs.
4. **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 USAPEEC’s local and international offices and consultants.

Scientific and Technical

5. **Sustained funding for the expansion of scientific research**, through the USAPEEC Technical Services Program, designed to identify non-tariff trade barriers and to promote educational outreach from foreign governmental officials regarding the U.S. health and inspection system for poultry and eggs and U.S. production systems.
6. **Continued upgrade of management systems**, through an electronic document management system designed to minimize paperwork and increase efficiencies in the management of multiple programs.

Figure H
Relief effort for victims of Mexico earthquakes: housing and reconstruction



Source: USAPEEC

6. Audited Financial Statements

A. Statements of Financial Position / December 31, 2017 and 2016

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,895,262	\$ 10,988,060
Accounts receivable	25,020	37,508
Prepaid expenses	3,311	-
Total Current Assets	<u>8,923,593</u>	<u>11,025,568</u>
TOTAL ASSETS	<u>\$ 8,923,593</u>	<u>\$ 11,025,568</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 6,357	\$ 5,450
Deferred auction revenue	739,238	1,751,650
Total Current Liabilities	<u>745,595</u>	<u>1,757,100</u>
Net Assets		
General Operating Fund	7,617	-
Unrestricted Board Designated Funds		
Project Funds-Central America		
El Salvador	388,115	634,940
Guatemala	288,215	479,636
Honduras	365,132	946,991
Nicaragua	2,005,943	1,687,581
Project Funds-United States	5,122,976	5,519,320
Total Unrestricted Board Designated Funds	<u>8,170,381</u>	<u>9,268,468</u>
Total Net Assets	<u>8,177,998</u>	<u>9,268,468</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,923,593</u>	<u>\$ 11,025,568</u>

*Information in this annual report is compiled from CA-PEQ's audited financial statements.

B. Statement of Activities and Changes in Net Assets / Years ended December 31, 2017 and 2016, Including Operating Expenses

2017

		Unrestricted Funds					
		Board Designated Funds					
	General Operating Fund	El Salvador	Guatemala	Honduras	Nicaragua	United States	Total
Revenues							
Auction revenues							
El Salvador	\$ 365,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,998
Guatemala	182,824	-	-	-	-	-	182,824
Honduras	318,234	-	-	-	-	-	318,234
Nicaragua	1,389,479	-	-	-	-	-	1,389,479
Total Auction Revenues	2,256,535	-	-	-	-	-	2,256,535
Membership fees	25,000	-	-	-	-	-	25,000
Investment income	7,617	857	1,029	595	4,584	16,789	31,471
Total Revenues Collected	2,289,152	857	1,029	595	4,584	16,789	2,313,006
Expenses Paid							
Accounting and auditing	10,815	-	-	-	-	-	10,815
Advertising	23,560	-	-	-	-	-	23,560
Bank fees	668	-	-	-	-	-	668
Consulting and management fees	153,020	-	-	-	-	-	153,020
Insurance	2,854	-	-	-	-	-	2,854
Legal fees	5,230	-	-	-	-	-	5,230
Licenses and filing fees	80	-	-	-	-	-	80
Meetings	12,193	-	-	-	-	-	12,193
Office expense	64	-	-	-	-	-	64
Postage and delivery	2,095	-	-	-	-	-	2,095
Printing and reproduction	1,075	-	-	-	-	-	1,075
Project costs	-	404,040	250,500	718,000	350,000	1,449,960	3,172,500
Telephone	295	-	-	-	-	-	295
Travel	12,013	-	-	-	-	-	12,013
Website expenses	7,014	-	-	-	-	-	7,014
Total Expenses Paid	230,976	404,040	250,500	718,000	350,000	1,449,960	3,403,476
Change in Net Assets	2,058,176	(403,183)	(249,471)	(717,405)	(345,416)	(1,433,171)	(1,090,470)
Transfer from general fund to board designated funds	(2,050,559)	156,358	58,050	135,546	663,778	1,036,827	-
Net Change After Transfer	7,617	(246,825)	(191,421)	(581,859)	318,362	(396,344)	(1,090,470)
Net Assets, Beginning of Year	-	634,940	479,636	946,991	1,687,581	5,519,320	9,268,468
Net Assets, End of Year	\$ 7,617	\$ 388,115	\$ 288,215	\$ 365,132	\$ 2,005,943	\$ 5,122,976	\$ 8,177,998

*Information in this annual report is compiled from CA-PEQ's audited financial statements.

2016

	General Operating Fund	Unrestricted Funds Board Designated Funds					Total
		El Salvador	Guatemala	Honduras	Nicaragua	United States	
Revenues							
Auction revenues							
El Salvador	\$ 1,283,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,283,550
Guatemala	876,859	-	-	-	-	-	876,859
Honduras	1,948,856	-	-	-	-	-	1,948,856
Nicaragua	1,477,051	-	-	-	-	-	1,477,051
Total Auction Revenues	5,586,316	-	-	-	-	-	5,586,316
Membership fees	37,500	-	-	-	-	-	37,500
Investment income	-	667	1,442	567	1,221	6,049	9,946
Total Revenues Collected	5,623,816	667	1,442	567	1,221	6,049	5,633,762
Expenses Paid							
Accounting and auditing	8,974	-	-	-	-	-	8,974
Advertising	35,462	-	-	-	-	-	35,462
Bank fees	364	-	-	-	-	-	364
Consulting and management fees	155,840	-	-	-	-	-	155,840
Insurance	8,505	-	-	-	-	-	8,505
Legal fees	12,191	-	-	-	-	-	12,191
Licenses and filing fees	538	-	-	-	-	-	538
Meetings	10,293	-	-	-	-	-	10,293
Office expense	687	-	-	-	-	-	687
Postage and delivery	4,021	-	-	-	-	-	4,021
Printing and reproduction	488	-	-	-	-	-	488
Project costs	-	940,000	540,000	525,000	253,500	1,850,000	4,108,500
Telephone	281	-	-	-	-	-	281
Travel	16,460	-	-	-	-	-	16,460
Website expenses	11,477	-	-	-	-	-	11,477
Total Expenses Paid	265,581	940,000	540,000	525,000	253,500	1,850,000	4,374,081
Change in Net Assets	5,358,235	(939,333)	(538,558)	(524,433)	(252,279)	(1,843,951)	1,259,681
Transfer from general fund to board designated funds	(5,358,235)	620,545	379,825	941,764	719,488	2,696,613	-
Net Change After Transfer	-	(318,788)	(158,733)	417,331	467,209	852,662	1,259,681
Net Assets, Beginning of Year	-	953,728	638,369	529,660	1,220,372	4,666,658	8,008,787
Net Assets, End of Year	\$ -	\$ 634,940	\$ 479,636	\$ 946,991	\$ 1,687,581	\$ 5,519,320	\$ 9,268,468

*Information in this annual report is compiled from CA-PEQ's audited financial statements.

C. Statements of Cash Flows / Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Net change in net assets	\$ (1,090,470)	\$ 1,259,681
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	12,488	(10)
Prepaid expenses	(3,311)	587
Increase (decrease) in:		
Accounts payable	907	2,339
Deferred auction income	<u>(1,012,412)</u>	<u>99,135</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,092,798)</u>	<u>1,361,732</u>
Cash and Cash Equivalents at Beginning of Year	<u>10,988,060</u>	<u>9,626,328</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,895,262</u>	<u>\$ 10,988,060</u>

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