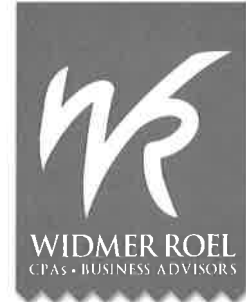


**FRIENDS OF CHIMBOTE**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**WITH INDEPENDENT AUDITOR'S REPORT**



4334 18th Avenue S.  
Ste 101  
Fargo, ND 58103-7414

Phone: 701.237.6022  
Toll Free: 888.237.6022  
Fax: 701.280.1495

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**Friends of Chimbote**  
Fargo, North Dakota

We have audited the accompanying financial statements of the **Friends of Chimbote** (a North Dakota nonprofit corporation), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

The Organization's 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Friends of Chimbote** as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Fargo, North Dakota  
July 17, 2017

**FRIENDS OF CHIMBOTE**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2016 AND 2015**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 376,704	\$ 313,255
Contributions receivable	49,585	48,319
Prepaid expenses	3,710	4,227
Total current assets	429,999	365,801
<b>INVESTMENTS</b>	508,562	733,300
<b>CASH SURRENDER VALUE OF LIFE INSURANCE</b>	83,507	142,445
Total assets	\$ 1,022,068	\$ 1,241,546
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,216	\$ 1,002
Accrued payroll liabilities	9,767	10,538
Total current liabilities	13,983	11,540
<b>NET ASSETS</b>		
Unrestricted		
Board designated	597,377	850,611
Undesignated	410,708	336,594
Temporarily restricted	-	42,801
Total net assets	1,008,085	1,230,006
Total liabilities and net assets	\$ 1,022,068	\$ 1,241,546

**FRIENDS OF CHIMBOTE**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Support and revenue		
General mission contributions	\$ 689,849	\$ 738,849
Designated funds contributions	113,414	149,961
Contributions of container goods	344,659	223,805
Contributions of investments	35,133	4,353
Contributions of services	24,000	21,400
Contributions - special events	316,089	424,536
Special event revenue	10,800	12,900
Investment income	55,748	4,986
Other income	18	31
Net assets released from restrictions	<u>42,801</u>	<u>-</u>
Total support and revenue	<u>1,632,511</u>	<u>1,580,821</u>
Expenses		
Salaries and wages	199,917	213,092
Payroll taxes	15,245	16,454
Employee benefits	7,469	8,364
Costs of direct benefits to donors - special events	10,987	12,186
Grants	1,114,091	1,396,498
Grants - noncash	344,659	223,805
Fundraising	33,476	55,293
General and administrative	31,086	26,711
Other operating expenses	71	239
Professional services	8,238	8,846
Rent expense	34,776	32,059
Repair and maintenance expenses	4,316	4,241
Travel and entertainment	<u>7,300</u>	<u>23,741</u>
Total expenses	<u>1,811,631</u>	<u>2,021,529</u>
Change in unrestricted net assets	<u>(179,120)</u>	<u>(440,708)</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	-	42,639
Change in cash value of life insurance	-	162
Net assets released from restrictions	<u>(42,801)</u>	<u>-</u>
Change in temporarily restricted net assets	<u>(42,801)</u>	<u>42,801</u>
<b>CHANGE IN NET ASSETS</b>	<u>(221,921)</u>	<u>(397,907)</u>

**FRIENDS OF CHIMBOTE**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>		
Unrestricted	1,187,205	1,627,913
Temporarily restricted	<u>42,801</u>	<u>-</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,230,006</u>	<u>1,627,913</u>
<b>NET ASSETS, END OF YEAR</b>		
Unrestricted	1,008,085	1,187,205
Temporarily restricted	<u>-</u>	<u>42,801</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,008,085</u>	<u>\$ 1,230,006</u>

**FRIENDS OF CHIMBOTE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (221,921)	\$ (397,907)
Adjustments to reconcile net change in net assets to net cash used in operating activities		
Unrealized (gain) loss on investments	(39,314)	10,299
Realized gain on investments	(4,769)	(609)
Contributions of investments	(35,133)	(4,353)
Contributions of net cash surrender value of life insurance	-	(42,639)
Change in net cash surrender value of life insurance	15,929	10,764
Changes in assets and liabilities		
Contributions receivable	(1,266)	(44,094)
Prepaid expenses	517	(2,039)
Accounts payable	3,214	233
Accrued payroll liabilities	(771)	(393)
	<u>(283,514)</u>	<u>(470,738)</u>
Net cash used in operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(31,663)	(43,948)
Proceeds from sale of investments	335,617	238,215
Proceeds from surrender of life insurance	43,009	-
	<u>346,963</u>	<u>194,267</u>
Net cash provided by investing activities		
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	63,449	(276,471)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>313,255</u>	<u>589,726</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 376,704</u>	<u>\$ 313,255</u>

**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Operations*

Friends of Chimbote (the “Organization”) located in Fargo, North Dakota, is a faith-based organization dedicated to supporting programs that improve and transform the lives of the poor of Chimbote, Peru, by primarily supporting the operations of Asociación Civil de Apoyo Familiar (“ACAF”), which is a nonprofit organization located in Peru. The Organization’s operations are funded through contributions from individual donors and various organizations.

*Basis of Presentation*

The financial statements of the Organization have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to readers.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board *Accounting Standards Codification* (“ASC”), which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, unless the restriction expires in the fiscal year. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as unrestricted.

*Cash and Cash Equivalents*

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash or cash equivalents. Excluded from the definition of cash equivalents are such amounts that have been designated by the Board for investments.

*Concentrations of Credit Risk*

The Organization maintains cash balances at a local financial institution. At times, the Organization’s bank balances exceed the federally insured limits. At December 31, 2016 and 2015, the Organization’s uninsured cash balances totaled \$158,355 and \$99,965, respectively.

*Contributions Receivable*

Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenue and as assets, decreases of liabilities, or expenses depending on the form of the benefits received in the period received. Conditional promises to give are recognized when the conditions on which they depend on are substantially met. All promises to give were considered collectible and receivable within one year at December 31, 2016 and 2015, and no allowance for uncollectible amounts was established.

**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

***Investments***

Investments are stated at fair value in the statements of financial position, with realized and unrealized gains and losses included in the statements of activities and changes in net assets.

Investments acquired by donation are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all donations of investments as soon as possible after the donation has been received.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains or losses on the sale of marketable securities are calculated using the specific-identification method. Unrealized gains and losses represent the change in the fair value of the individual investments for the year, or since the acquisition date, if acquired during the year. The average cost method is used to determine the cost of the investments.

The Organization's investments are exposed to various risks, such as fluctuation in market value and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements.

***Cash Surrender Value of Life Insurance Policies***

The Organization is the beneficiary under flexible premium adjustable life insurance policies. The policies are valued based on the cash surrender values less applicable surrender penalties and outstanding loans.

***Donated Assets and Services***

Assets received through donations are recorded and reflected in the accompanying financial statements at their fair values at the date they were received. Donated services are recorded at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses.

The Organization collects a variety of in-kind contributions of items, such as personal hygiene items, baby supplies, school supplies, and medical equipment and supplies. These goods are shipped to Peru in containers on an annual basis. The contributions of these goods are included as contributions of container goods and as grants – noncash in the accompanying statements of activities and changes in net assets.

The Organization also collected a variety of in-kind contributions, such as gift cards, clothes, etc. These goods are used to raise money during the special event. The contributions of these goods are included as contributions – special events and as fundraising expense in the accompanying statements of activities and changes in net assets.

The Organization also receives contributions of rent and contributions of storage space that are included as contributions of services and related expenses in the accompanying statements of activities and changes in net assets.

***Income Taxes***

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. This exempt status will continue in effect provided that the Organization does not change its purpose, character, or method of operation. The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal examinations by tax authorities for years before 2013.



**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

*Functional Allocation of Expenses*

Expenses have been allocated on a functional basis between program and supporting services based on the analysis of which functions benefitted and payroll is allocated based on the personnel time devoted to various activities.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts could differ from those estimates.

**NOTE 2 – INVESTMENTS**

Investments consisted of the following at December 31:

	<u>2016</u>	<u>2015</u>
Money market fund	\$ 44,097	\$ 72,880
Mutual funds	<u>464,465</u>	<u>660,420</u>
	<u>\$ 508,562</u>	<u>\$ 733,300</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 11,665	\$ 14,676
Realized gain	4,769	609
Change in unrealized appreciation (depreciation)	<u>39,314</u>	<u>(10,299)</u>
	<u>\$ 55,748</u>	<u>\$ 4,986</u>

Investment fees totaled \$-0- for the years ended December 31, 2016 and 2015.

**NOTE 3 – FAIR VALUE MEASUREMENTS**

Professional standards state that fair value should be based on the assumptions that market participants would use when pricing an asset or liability. Additionally, they establish a fair value hierarchy that prioritizes the information used to develop those assumptions. The three levels of the fair value hierarchy are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

*Level 2* - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's or liability's fair value measurement level with the fair value hierarchy is based on the lowest level of an input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Money Market Funds and Mutual Funds* – Valued at the net asset value (“NAV”) of shares held by the Organization at year-end. Funds held by the Organization are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and transact at that price. The funds held by the Organization are deemed to be actively traded.

*Cash Surrender Value of Life Insurance Policies* – Valued at the estimated amounts of payout from the insurance company in the event the policy is voluntarily terminated before its maturity, net of surrender charges and any outstanding loans.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2016:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market fund	\$ 44,097	\$ 44,097	\$ -	\$ -
Mutual funds - equity				
Domestic small-cap equity	75,978	75,978	-	-
Domestic mid-cap equity	68,198	68,198	-	-
Domestic large-cap equity	224,320	224,320	-	-
Real estate	45,726	45,726	-	-
Mutual funds - fixed income				
Short-term bond	50,243	50,243	-	-
Cash surrender value of life insurance	<u>83,507</u>	<u>-</u>	<u>83,507</u>	<u>-</u>
	<u>\$ 592,069</u>	<u>\$ 508,562</u>	<u>\$ 83,507</u>	<u>\$ -</u>

(Continued)

**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2015:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	\$ 72,880	\$ 72,880	\$ -	\$ -
Mutual funds - equity				
Domestic small-cap equity	107,299	107,299	-	-
Domestic mid-cap equity	107,839	107,839	-	-
Domestic large-cap equity	301,748	301,748	-	-
Real estate	68,254	68,254	-	-
Mutual funds - fixed income				
Short-term bond	75,280	75,280	-	-
Cash surrender value of life insurance	<u>142,445</u>	<u>-</u>	<u>142,445</u>	<u>-</u>
	<u>\$ 875,745</u>	<u>\$ 733,300</u>	<u>\$ 142,445</u>	<u>\$ -</u>

**NOTE 4 – DESIGNATED NET ASSETS**

The Organization's Board designated net assets consisted of the following at December 31:

	<u>2016</u>	<u>2015</u>
Development budget - events	\$ -	\$ 6,132
Education	84,040	96,446
Endowment fund	508,562	733,300
Hospice	-	800
Mission group expenses	680	3,343
Mission group projects	595	4,090
Social programs	3,500	-
Thorson fund	<u>-</u>	<u>6,500</u>
	<u>\$ 597,377</u>	<u>\$ 850,611</u>

**NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS**

As of December 31, 2016 and 2015, the Organization had a balance of \$-0- and \$42,801 respectively, in temporarily restricted assets. All temporarily restricted net assets as of December 31, 2015 were for the cash surrender value of a life insurance policy contributed to the Organization and which the Organization is the beneficiary of. The net assets were restricted based on time. The policy was surrendered in 2016, and, as a result, funds were released from restrictions.

**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 6 – BOARD-DESIGNATED ENDOWMENT FUND**

The Organization has an endowment fund that was designated by the Board to be used as a long term contingency fund. As required by the accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on existence or absence of donor-imposed restrictions. The Organization’s endowment fund does not include any donor-restricted funds.

*Interpretation of Relevant Law*

The Board of Directors has determined that the Organization’s contributions are subject to the terms of its designated funds policies. Under the terms of the Organization’s designated funds policies, the Board of Directors retains the final authority to determine the use of the donor contributions. As a result, all contributions are classified as unrestricted net assets for financial statement purposes.

*Spending Policy*

The endowment fund is a Board designated fund, and, as such, is subject to appropriations of funds at the will of the Board. Currently, any contributions of investment securities designated by the Board for the endowment fund are converted to cash equivalents and appropriated for purposes advised by the donors or determined by the Board. Funds held in the endowment fund are appropriated for expenditures as determined necessary by the Board on as needed basis. Management fees are incorporated into the price per share for each mutual fund in the endowment.

*Return Objectives and Risk Parameters*

The Organization has adopted an investment policy that attempts to preserve the purchasing power of the endowment fund after providing a source of income for the Organization. The secondary investment objective is the growth of the endowment funds. The objective is based on a ten-year investment horizon. The desired investment objective for the portfolio is to achieve a long-term real rate of return on assets that is approximately 5% greater than the assumed rate of inflation as measured by the Consumer Price Index. The target rate of return for the fund has been based upon an analysis of historical returns.

Changes in endowment net assets are as follows as of December 31:

Endowment net assets, December 31, 2014	\$ 928,324
Investment income	14,265
Net depreciation	(9,289)
Amounts appropriated for expenditure	<u>(200,000)</u>
Endowment net assets, December 31, 2015	733,300
Contributions	20,000
Investment income	11,914
Net appreciation	43,348
Amounts appropriated for expenditure	<u>(300,000)</u>
Endowment net assets, December 31, 2016	<u><u>\$ 508,562</u></u>

**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 7 – FUNCTIONAL EXPENSE ALLOCATION**

The costs of providing various programs and other activities have been summarized on a natural basis in the statements of activities. The functional classification of major classes of program services and supporting activities are as follows for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Program services	\$ 1,458,749	\$ 1,620,302
Supporting services		
Management and general	152,796	158,440
Fundraising	189,099	230,601
Costs of direct benefits to donors	<u>10,987</u>	<u>12,186</u>
	<u>\$ 1,811,631</u>	<u>\$ 2,021,529</u>

**NOTE 8 – RELATED PARTY TRANSACTIONS**

The Organization conducts its charitable activities in Peru through a local nonprofit organization ACAF, which is a separate legal entity. The Organization provides most of the ACAF's funding and commits annually to a certain amount to be disbursed. Management considered the relationship with ACAF and determined that consolidation of ACAF's financial records in the Organization's financial statements is not permitted due to the fact that no controlling financial interest through ownership of a majority voting interest or economic interest exists. Economic interest, as defined in the professional standards, would occur if ACAF held or used significant resources to produce income or provide services for the Organization or if ACAF was responsible for the Organization's liabilities.

Amounts contributed to ACAF by the Organization were as follows for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Monetary contributions	\$ 1,043,885	\$ 1,365,306
Contributions of goods	<u>344,659</u>	<u>223,805</u>
	<u>\$ 1,388,544</u>	<u>\$ 1,589,111</u>

Contributions received by the Organization from the Board members totaled \$120,502 and \$119,692 during the years ended December 31, 2016 and 2015, respectively. There were no contributions receivable from the Board members at December 31, 2016 and 2015.

**FRIENDS OF CHIMBOTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 – OPERATING LEASE**

In 2015, the Organization leased an office space under an operating lease with monthly payments of \$800 through October 2015. Since November, 2015, the Organization continues to rent the office space on a month to month basis for \$800 a month. The office space rental is valued at \$1,500 a month and the Organization included the donated portion of the rent of \$8,400 is included in noncash contributions and rent expense in the statements of activities and changes of net assets.

The Organization also leases warehouse space for its donated goods storage free of charge under an annually renewable lease agreement. Fair value of storage space donated to the Organization was \$15,600 and \$13,000 during the years ended December 31, 2016 and 2015, and was included in noncash contributions and rent expense in the statements of activities and changes of net assets.

The Organization also leases a copier under a sixty month lease that will end in February 2020.

Rental expense totaled \$34,776 and \$32,059 for the years ended December 31, 2016 and 2015, respectively.

Minimum future payments required by operating leases are as follows:

2017	\$	1,176
2018		1,176
2019		1,176
2020		<u>98</u>
	\$	<u><u>3,626</u></u>

**NOTE 10 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 17, 2017, which is the date the financial statements were available to be issued.