

ILLINOIS INTERNATIONAL PORT DISTRICT

Chicago, Illinois

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)**

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2016 and 2015

ILLINOIS INTERNATIONAL PORT DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Illinois International Port District
Chicago, Illinois

We have audited the accompanying special-purpose financial statements of the Illinois International Port District, which comprise the statements of assets, liabilities, accumulated other comprehensive loss and fund balance (modified cash basis) as of December 31, 2016 and 2015, and the related statements of revenues collected, expenses and changes in fund balance (modified cash basis), comprehensive loss (modified cash basis) and cash flows (modified cash basis) for the years then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in conformity with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting described in Note 1 is an acceptable basis for the preparation of the financial statements in the circumstances. Management also is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these special-purpose 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 special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose 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 special-purpose financial statements referred to above present fairly, in all material respects, the assets, liabilities, accumulated other comprehensive loss and fund balance of the Illinois International Port District as of December 31, 2016 and 2015 and its revenue collected, expenses incurred and cash flows for the years then ended on the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1 to the special-purpose financial statements, the financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles in the United States of America. Our opinion is not modified with respect to this matter.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
May 16, 2017

ILLINOIS INTERNATIONAL PORT DISTRICT

STATEMENTS OF ASSETS, LIABILITIES, ACCUMULATED OTHER COMPREHENSIVE LOSS
AND FUND BALANCE (MODIFIED CASH BASIS)
As of December 31, 2016 and 2015

ASSETS		
	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 390,834	\$ 314,703
Prepaid expenses	<u>43,954</u>	<u>51,630</u>
Total Current Assets	<u>434,788</u>	<u>366,333</u>
PROPERTY AND EQUIPMENT		
Land and land improvements	33,474,718	33,474,718
Buildings and improvements	16,409,766	16,409,766
Equipment	<u>3,646,218</u>	<u>3,729,778</u>
Total Property and Equipment	53,530,702	53,614,262
Less: allowance for depreciation	<u>(12,398,532)</u>	<u>(11,963,624)</u>
Net Property and Equipment	<u>41,132,170</u>	<u>41,650,638</u>
TOTAL ASSETS	<u>\$ 41,566,958</u>	<u>\$ 42,016,971</u>
 LIABILITIES, ACCUMULATED OTHER COMPREHENSIVE LOSS AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	\$ 408,393	\$ 301,463
Accrued expenses	30,027	16,831
Current maturities of capital lease obligations	<u>21,078</u>	<u>-</u>
Total Current Liabilities	<u>459,498</u>	<u>318,294</u>
LONG-TERM LIABILITIES		
Accrued pension benefits	8,977,073	8,502,065
Lease deposits by tenants	125,914	125,914
Long-term debt, net	9,996,125	10,425,625
Loan payable	14,968,090	14,968,090
Capital lease obligations	<u>41,031</u>	<u>-</u>
Total Liabilities	<u>34,567,731</u>	<u>34,339,988</u>
ACCUMULATED OTHER COMPREHENSIVE LOSS AND FUND BALANCE		
Accumulated other comprehensive loss	(2,889,445)	(2,808,720)
Fund balance	<u>9,888,672</u>	<u>10,485,703</u>
Total Accumulated Other Comprehensive Loss and Fund Balance	<u>6,999,227</u>	<u>7,676,983</u>
TOTAL LIABILITIES, ACCUMULATED OTHER COMPREHENSIVE LOSS AND FUND BALANCE	<u>\$ 41,566,958</u>	<u>\$ 42,016,971</u>

See accompanying notes to special-purpose financial statements.

ILLINOIS INTERNATIONAL PORT DISTRICT

STATEMENTS OF REVENUES COLLECTED, EXPENSES AND CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Transit sheds and warehouses	\$ 1,281,687	\$ 1,421,724
Dockage and wharfage	561,924	579,572
Land leases	1,078,148	766,939
Licenses and fees	1,026,517	478,986
Other	<u>192,182</u>	<u>180,831</u>
Total Revenues	<u>4,140,458</u>	<u>3,428,052</u>
OPERATING EXPENSES		
Board members' compensation	208,334	185,000
Salaries and benefits	1,347,312	1,288,795
Insurance and security	909,470	930,974
Repairs, maintenance and facility improvements	425,730	430,866
Marketing, advertising and promotion	35,311	39,924
Office expenses	59,129	76,202
Utilities	270,218	279,763
Legal fees	178,817	462,724
Other professional fees	308,724	249,620
Depreciation	<u>583,954</u>	<u>570,857</u>
Total Expenses	<u>4,326,999</u>	<u>4,514,725</u>
Operating Loss	<u>(186,541)</u>	<u>(1,086,673)</u>
OTHER INCOME (EXPENSE)		
Interest income	662	-
Interest expense	<u>(411,152)</u>	<u>(359,923)</u>
Net Other Expense	<u>(410,490)</u>	<u>(359,923)</u>
NET LOSS	(597,031)	(1,446,596)
FUND BALANCE - BEGINNING OF YEAR	<u>10,485,703</u>	<u>11,932,299</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,888,672</u>	<u>\$ 10,485,703</u>

See accompanying notes to special-purpose financial statements.

ILLINOIS INTERNATIONAL PORT DISTRICT

STATEMENTS OF COMPREHENSIVE LOSS (MODIFIED CASH BASIS)
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Net loss	\$ (597,031)	\$ (1,446,596)
Other comprehensive loss:		
Minimum pension liability adjustment	<u>(80,725)</u>	<u>(121,489)</u>
Comprehensive loss	<u>\$ (677,756)</u>	<u>\$ (1,568,085)</u>

ILLINOIS INTERNATIONAL PORT DISTRICT

STATEMENTS OF CASH FLOWS (MODIFIED CASH BASIS) For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (597,031)	\$ (1,446,596)
Adjustments to reconcile net loss to net cash flows from operating activities		
Depreciation	583,954	570,857
Amortization of deferred financing costs	10,500	10,500
Changes in pension assets and liabilities	394,283	489,993
Changes in assets and liabilities		
Prepaid expenses	7,676	206,076
Accounts payable	106,930	65,237
Accrued expenses	<u>13,196</u>	<u>(160,332)</u>
Net Cash Flows from Operating Activities	<u>519,508</u>	<u>(264,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(440,000)	(1,500,000)
Principal payments on notes payable	<u>(3,377)</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>(443,377)</u>	<u>(1,500,000)</u>
Net Change in Cash and Cash Equivalents	76,131	(1,764,265)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>314,703</u>	<u>2,078,968</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 390,834</u>	<u>\$ 314,703</u>
Supplemental cash flow disclosures		
Cash paid for interest	\$ 394,857	\$ 349,849
Noncash investing and financing activities		
Vehicles acquired via issuance of notes payable	\$ 65,486	\$ -

See accompanying notes to special-purpose financial statements.

ILLINOIS INTERNATIONAL PORT DISTRICT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Summary of Significant Accounting Policies

Nature of Operations

The Illinois International Port District (the "Port District") is a municipal corporation created by act of the Legislature of the State of Illinois, approved June 6, 1951. The Port District, which has no stockholders, is administered by a nine-member Board of Directors. The Board members are appointed, five by the mayor of the City of Chicago and four by the governor of the State of Illinois. The Port District finances its operating costs and debt service principally from proceeds generated by its own operations. The Port District operates as a lessor of facilities primarily for maritime operations, which include storage facilities, dockage, and wharfage.

Basis of Accounting

The Port District uses an enterprise fund to record transactions and report its financial position and results of operations. The modified cash basis of accounting is used for both budget and actual reporting purposes and consists of recognizing revenue when received (i.e., cash basis), rather than when earned, and recognizing expenses as incurred (i.e., accrual basis, including the accrual of pension costs). As described below, the basis of accounting also includes capitalizing assets and depreciating these assets over their useful lives or expensing them as the assets are consumed. The financial statement presentation and disclosures generally follow the principles of the Financial Accounting Standards Board ("FASB"), which is not in accordance with generally accepted accounting principles in the United States of America ("US GAAP"), which would be the principles of the Governmental Accounting Standards Board ("GASB") for the Port District. The pension liability is also reported in accordance with the FASB, which differs from what would be recorded under US GAAP. Due to the limited use of these financial statements and the nature of the Port District's operations noted above, certain disclosure requirements and the use of the direct cash flow method set forth by the GASB are not included in these financial statements because the additional information is not considered useful to the users of the financial statements.

Major Tenants

One tenant of the Port District accounted for approximately 41% and 29% of revenues for the years ended December 31, 2016 and 2015, respectively.

Cash and Cash Equivalents

The Port District considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Financial instruments that potentially subject the Port District to concentrations of credit risk consist principally of cash deposits maintained at banks, which at times, may exceed federally insured limits. Depository accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Port District has not, nor do they expect to experience any losses on these deposits.

Cash and cash equivalents include \$5,662 and \$270,623 as of December 31, 2016 and 2015, respectively, which is included in a sinking bond fund and thus is restricted as to its use.

ILLINOIS INTERNATIONAL PORT DISTRICT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Summary of Significant Accounting Policies (cont.)

Property and Equipment

Property and equipment are stated at cost and are depreciated when such assets are placed into service. Infrastructure expenditures are capitalized into land and land improvements, with subsequent repairs or maintenance of the infrastructure expensed as incurred. Land and land improvements are not depreciated.

Property and equipment are being depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	30
Equipment	5

Impairment of Long-Lived Assets

Management reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Deferred Financing Costs

Due to the Financial Accounting Standards Board's issuance of Accounting Standards Update (ASU) No. 2015-03, "Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs," the Port District changed its method of presenting long-term deferred financing costs. Prior to the issuance of ASU No. 2015-03, the Port District presented deferred financing costs as an other asset in its statements of assets, liabilities, accumulated other comprehensive loss and fund balance. As required by ASU No. 2015-03, the Port District now presents deferred financing costs as a direct reduction of its long-term debt liability. The effect of the required retrospective application of this change in presentation was to decrease the Port District's deferred financing costs and long-term debt, net by \$74,375 as of December 31, 2015. The Port District has \$63,875 of deferred financing costs included in long-term debt, net on the balance sheet as of December 31, 2016. Deferred financing costs are amortized on a straight-line basis over the term of the agreement described in Note 3, which approximates the interest method.

Advertising

Advertising costs are expensed as incurred.

Income Taxes

The Port District is a municipal corporation created by act of the Legislature of the State of Illinois and is not subject to tax under present income tax laws.

Estimates

The preparation of financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

ILLINOIS INTERNATIONAL PORT DISTRICT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
As of and for the Years Ended December 31, 2016 and 2015

NOTE 2 - Loan Payable

By statute of the State of Illinois, pursuant to a contract with the Capital Development Board of the State of Illinois, the Port District received \$14,968,090 of funds authorized for the acquisition and development of a containerization facility known as Iroquois Landing in 1981. Under the terms of the contract, the Port District is to repay the funds received by remitting not more than 20% of the gross receipts and limited to not less than 20% of net profits attributable to Iroquois Landing operations. The indebtedness is non-interest bearing, and there is no defined maturity. Iroquois Landing opened for use during April 1981. No payments have been made through December 31, 2016, as Iroquois Landing has not achieved net profit to date.

NOTE 3 - Long-Term Debt

On January 30, 2003, the Port District entered into a \$15,000,000 Variable Rate Revenue Refunding Bond, Series 2003 (the "Variable Bond Agreement"). The Variable Bond Agreement is by and among the Port District, as borrower; U.S. Bank, as trustee and letter-of-credit provider; and Fifth Third Securities, as underwriter and remarketer. Park National Bank was the original lender. Under the loan agreement, the Port District makes interest only payments each year. The variable rate loan adjusts weekly based on the Bond Market Association Municipal Swap Index ("BMA") plus related fees of 3.10% for the years ended December 31, 2016 and 2015. The BMA was 0.77% and 0.02% as of December 31, 2016 and 2015, respectively. The Variable Bond Agreement matures on January 1, 2023. The Port District was in violation of certain financial covenants as of December 31, 2016 and 2015, respectively, which were subsequently waived by the lender through August 31, 2017.

The assets of the Port District and the revenues to be derived from the Port District's operations have been pledged as security for the Variable Bond Agreement. In February 2015, the Port District elected to redeem \$1,500,000 of bonds using proceeds available in the sinking bond fund. In March 2016, the Port District elected to redeem \$440,000 of bonds using proceeds available in the sinking bond fund. The balance is \$10,060,000 and \$10,500,000 as of December 31, 2016 and 2015, respectively. In April 2017, the Port District elected to redeem \$440,000 of bonds using proceeds available in the sinking bond fund.

Total interest expense incurred in relation to the Variable Bond Agreement was \$411,152 and \$349,849 for the years ended December 31, 2016 and 2015, respectively.

The minimum sinking fund payment requirements as of December 31, 2016 for the following five years are as follows:

2017	\$	441,705
2018		462,443
2019		482,768
2020		503,986
2021		<u>525,045</u>
Total	\$	<u>2,415,947</u>

ILLINOIS INTERNATIONAL PORT DISTRICT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
As of and for the Years Ended December 31, 2016 and 2015

NOTE 4 - Minimum Future Rental Incomes

As of December 31, 2016, the approximate minimum future rental incomes from noncancelable operating leases by year were as follows:

2017	\$ 2,319,000
2018	2,211,000
2019	2,211,000
2020	2,211,000
2021	2,512,000
Thereafter	<u>12,791,000</u>
Total	<u>\$ 24,255,000</u>

During the years ended December 31, 2016 and 2015, noncancelable operating leases generated revenue of approximately \$2,318,646 and \$2,305,306, respectively.

The approximate cost and accumulated depreciation of leased land and facilities as of December 31, 2016 and 2015 are summarized as follows:

	2016	2015
Land and land improvements	\$ 33,474,718	\$ 33,474,718
Buildings and improvements	<u>16,374,428</u>	<u>16,374,428</u>
Total cost leased land and facilities	49,849,146	49,849,146
Less accumulated depreciation	<u>(8,780,958)</u>	<u>(8,243,477)</u>
Net leased land and facilities	<u>\$ 41,068,188</u>	<u>\$ 41,605,669</u>

NOTE 5 - Pension Plan

The Port District has a noncontributory pension plan covering all eligible employees. Because the Port District pension plan qualifies as a governmental plan, it is exempt from the funding provisions of the Employee Retirement Income Security Act, as amended. The majority of the plan's assets consist of debt and equity investments.

The benefit formula is 4% of final average earnings multiplied by years of participation up to 20 years. Normal retirement is age 60 with five years of service.

The investment objective of the plan is to ensure, over the long-term life of the plan, an adequate level of assets to fund the benefits to the participants at the time they are payable. In meeting this objective, the Port District seeks to achieve a high level of total investment return consistent with a prudent level of portfolio risk. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Port District classifies its equity and fixed income securities as Level 1 based upon quoted prices in active markets.

ILLINOIS INTERNATIONAL PORT DISTRICT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
As of and for the Years Ended December 31, 2016 and 2015

NOTE 5 - Pension Plan (cont.)

The fair value of the Port District's plan assets as of December 31, 2016 and 2015, by asset category is as follows:

	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Cash and money market fund	\$ 367,843	\$ 367,843	\$ -	\$ -
Equity securities	1,718,796	1,718,796	-	-
Fixed income securities	1,075,492	1,075,492	-	-
Total Investments	\$ 3,162,131	\$ 3,162,131	\$ -	\$ -

	December 31, 2015			
	Total	Level 1	Level 2	Level 3
Cash and money market fund	\$ 481,862	\$ 481,862	\$ -	\$ -
Equity securities	1,525,990	1,525,990	-	-
Fixed income securities	1,039,041	1,039,041	-	-
Total Investments	\$ 3,046,893	\$ 3,046,893	\$ -	\$ -

The Port District's plan asset mix as of December 31, 2016 and 2015, and target allocation are as follows:

	2016	2015	Target %
Fixed income securities and bonds	34%	34%	50%
Cash and cash equivalents	12	16	10
Equity securities	54	50	40
Total Investments	100%	100%	100%

The Port District's expected return on plan assets was calculated considering the targeted allocation percentages of the Port District's asset mix in conjunction with the historical rate of return on the investment categories in the asset mix.

	2016	2015
Weighted average assumptions as of December 31:		
Discount rate	5.50%	5.50%
Expected return on plan assets	7.00	7.00
Rate of compensation increase	2.00	2.00

Balances as of December 31, 2016 and 2015, are as follows:

	2016	2015
Accrued pension liability	\$ 8,977,073	\$ 8,502,065
Accumulated other comprehensive loss	2,889,445	2,808,720

Included in accumulated other comprehensive loss as of December 31, 2016 and 2015, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service costs of \$269,266 and \$414,032, respectively, and unrecognized actuarial losses of \$2,620,179 and \$2,394,688, respectively. The Port District expects to amortize \$94,000 of prior service costs and \$336,000 of actuarial net losses during the year ended December 31, 2017.

ILLINOIS INTERNATIONAL PORT DISTRICT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
As of and for the Years Ended December 31, 2016 and 2015

NOTE 5 - Pension Plan (cont.)

The reconciliation of the beginning and ending balances of the projected benefit obligation, the fair value of the Port District's plan assets for the years ended December 31, and the accumulated benefit obligation as of December 31, are as follows:

	2016	2015
Projected benefit obligation:		
Beginning of year	\$ (11,548,958)	\$ (11,061,686)
Service cost	(224,494)	(198,549)
Interest cost	(617,751)	(595,955)
Actuarial loss	(382,247)	(138,873)
Benefits paid	634,247	446,105
End of year	(12,139,203)	(11,548,958)
Fair value of plan assets:		
Beginning of year	3,046,893	3,171,103
Actual return on assets	207,849	(32,161)
Port District contributions	541,635	354,056
Benefits paid	(634,247)	(446,105)
End of year	3,162,130	3,046,893
Funded status	\$ (8,977,073)	\$ (8,502,065)
Accumulated benefit obligations	\$ 11,741,244	\$ 11,420,016

The underfunded status of the plan of \$8,977,073 as of December 31, 2016, is recognized in the accompanying statements of assets, liabilities, accumulated other comprehensive loss and fund balance as long-term accrued pension benefits. No plan assets are expected to be returned to the Port District during the year ended December 31, 2017.

Significant activity affecting the benefit obligation for the years ended December 31, 2016 and 2015, is as follows:

	2016	2015
Benefit cost	\$ 935,919	\$ 855,299
Benefits paid	(634,247)	(446,105)
Contributions made by the Port District	541,635	354,056

The Port District estimates it will contribute \$700,000 to the plan during the year ended December 31, 2017. The Port District estimates that future benefit payments will be paid out over the next ten years as follows:

2017	\$ 761,981
2018	757,925
2019	837,070
2020	832,839
2021	838,179
Thereafter	4,488,252
Total	\$ 8,516,246

ILLINOIS INTERNATIONAL PORT DISTRICT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
As of and for the Years Ended December 31, 2016 and 2015

NOTE 6 - Revenue Bonds

In 2001, the Port District issued \$8,500,000 of Series 2001 Port Revenue Bonds. This issuance provided financial assistance to a private-sector entity for the acquisition and construction of a bulk storage facility on land leased by the Port District. These bonds are secured by a right granted to the lender to sublease the bulk storage facility during the term of the land lease in the event of default.

Neither the Port District, the State of Illinois, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying special-purpose financial statements.

As of December 31, 2016 and 2015, the principal amount payable in the Series 2001 Port Revenue Bonds was \$8,500,000.

NOTE 7 - Capital Leases

The Port District acquired vehicles under a capital lease obligation during November 2016. As of December 31, 2016, \$65,486 of assets acquired via the capital lease are included in equipment on the statements of assets, liabilities, accumulated other comprehensive loss and fund balance. As of December 31, 2016, the Port District had \$13,097 of accumulated depreciation related to these assets. The future minimum lease obligation, including interest as of December 31, 2016, is as follows:

2017	\$	23,533
2018		23,533
2019		<u>19,611</u>
Total minimum lease payments		66,677
Less: amount representing interest		<u>(4,568)</u>
Present value of minimum lease payments		62,109
Less: current portion		<u>(21,078)</u>
Non-current portion	\$	<u>41,031</u>

NOTE 8 - Subsequent Events

Management has evaluated subsequent events occurring through May 16, 2017, the date that the special-purpose financial statements were ready to be issued for events requiring recording or disclosure in the special-purpose financial statements.