

*Oceana México,  
Protegiendo los Océanos del Mundo, A.C.*

*Independent Auditor's Report and Financial Statements for  
the years ended December 31, 2020 and 2019*

***OCEANA MÉXICO, PROTEGIENDO LOS OCÉANOS DEL MUNDO, A.C.***

***TABLE OF CONTENTS***

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	<b><i>Pages (s)</i></b>
<i>INDEPENDENT AUDITOR'S REPORT</i>	<i>1-3</i>
 <b><i><u>AUDITED FINANCIAL STATEMENTS:</u></i></b>	
<i>Statements of Financial Position</i>	<i>4</i>
<i>Statements of Activities</i>	<i>5</i>
<i>Statements of Cash Flows</i>	<i>6</i>
<i>Notes to the Financial Statements</i>	<i>7-16</i>

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**INDEPENDENT AUDITOR'S REPORT**

To the General Meeting of Associates of  
Oceana México, Protegiendo los Océanos del Mundo, A.C.

**Opinion.**

1. We have audited the financial statements of Oceana México, Protegiendo los Océanos del Mundo, A.C. (the Association), which comprise the statements of financial position as of December 31, 2020 and 2019, and the statements of activities and the statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

2. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Oceana México, Protegiendo los Océanos del Mundo, A.C., as of December 31, 2020 and 2019, and its activities and cash flows for the years then ended, in accordance with the Financial Reporting Standards applicable in Mexico (MFRSs).

**Basis for Opinion.**

3. We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Association in accordance with the Code of Professional Ethics of the Mexican Institute of Public Accountants (Code of Professional Ethics), along with the ethical requirements that are relevant to our audits of the financial statements in México, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the Code of Professional Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter, National Health Emergency.**

4. We draw attention to the matter described in Note 14 to the financial statements, which indicates the suspension of non-essential activities as of March 31, 2020, declared by the Government of Mexico through the Ministry of Health arising from the public health emergency. During the suspension period, the Association did not receive any donations.

5. In addition, payment commitments made to cover payroll amounts, payments to suppliers of goods and services and other fixed expenses, were made with funds contributed by Oceana Inc. to the Association's Net Assets of \$13,427,197. Our opinion is not modified in respect of this matter.

**Emphasis of Matter, Accounting Policies.**

6. We draw attention to Note 3, paragraph e), which describes the policy for the recognition of equipment leasing. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements.**

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with MFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Association's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements.**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

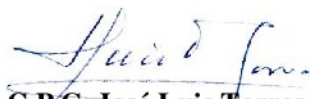
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentations, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**RSM México Bogarín, S.C.**



**C.P.C. José Luis Torres Jara.**

**Mexico City,**

**February 24, 2021.**

**OCEANA MÉXICO, PROTEGIENDO LOS OCÉANOS DEL MUNDO, A.C.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020 AND 2019**  
**(Notes 1 to 4)**  
**(Amounts stated in Mexican pesos)**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>UNRESTRICTED ASSETS</b>		
Current:		
Cash and cash equivalents (Note 5)	\$ 778,320	\$ 3,777,558
Sundry debtors	1,000	40,200
Prepaid expenses (Note 6)	101,285	95,389
Total current assets	<u>880,285</u>	<u>3,913,147</u>
Office improvements and equipment, net (Note 7)	<u>1,199,403</u>	<u>1,491,017</u>
<b>Total assets</b>	<b><u>2,080,008</u></b>	<b><u>5,404,164</u></b>
<b>LIABILITIES</b>		
Current:		
Suppliers	61,839	98,556
Tax payable (Note 8)	<u>719,712</u>	<u>549,060</u>
<b>Total current liabilities</b>	<b><u>781,551</u></b>	<b><u>647,616</u></b>
<b>NET ASSETS</b>		
Unrestricted (Note 12)	<u>1,298,457</u>	<u>4,756,548</u>
<b>Total liabilities and net assets</b>	<b>\$ <u>2,080,008</u></b>	<b>\$ <u>5,404,164</u></b>

**The accompanying notes are an integral part of these financial statements.**

**OCEANA MÉXICO, PROTEGIENDO LOS OCÉANOS DEL MUNDO, A.C.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(Notes 1 to 4)**  
**(Amounts stated in Mexican pesos)**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>REVENUE:</b>		
Donations received	\$ 8,000	\$ 3,330,670
Foreign exchange gain	28,426	---
Total revenue	<u>36,426</u>	<u>3,330,670</u>
<b>EXPENSES:</b>		
Fund raising expenses (Note 15)	2,680,126	4,236,473
Operating expenses (Note 15)	4,209,696	5,467,476
Payroll expenses	9,897,317	8,952,964
Foreign exchange loss	---	23,994
Income tax (Note 11)	134,575	41,375
Total expenses	<u>16,921,714</u>	<u>18,722,282</u>
<b>Changes in Net Assets</b>	<u>(16,885,288)</u>	<u>(15,391,612)</u>
Equity contributions received from Oceana Inc. (Note 12)	<u>13,427,197</u>	<u>19,421,001</u>
<b>Net changes in Net Assets</b>	<u>(3,458,091)</u>	<u>4,029,389</u>
<b>Net Assets at the beginning of the year</b>	<u>4,756,548</u>	<u>727,159</u>
<b>Net Assets at the end of the year</b>	<u>\$ 1,298,457</u>	<u>\$ 4,756,548</u>

**The accompanying notes are an integral part of these financial statements.**

**OCEANA MÉXICO, PROTEGIENDO LOS OCÉANOS DEL MUNDO, A.C.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(Notes 1 to 4)**  
**(Amounts stated in Mexican pesos)**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b><u>Cash flow from operating activities</u></b>		
<b>Deficit of the year</b>	\$ (16,885,288)	\$ (15,391,612)
Adjustments for:		
Depreciation (Note 7)	291,614	205,363
<b>Sum</b>	<u>(16,593,674)</u>	<u>(15,186,249)</u>
(Increases) decreases in:		
Receivables	39,200	(40,200)
Prepaid expenses	(5,896)	(79,992)
Increases (decreases) in:		
Suppliers	(36,717)	88,116
Tax payable	170,652	240,137
<b>Net cash from operating activities</b>	<u>(16,426,435)</u>	<u>(14,978,188)</u>
<b><u>Cash flow from investing activities:</u></b>		
Leasehold improvements and acquisition of furniture and equipment	---	(1,696,379)
<b>Surplus cash to apply to financing activities</b>	<u>(16,426,435)</u>	<u>(16,674,567)</u>
<b><u>Cash flow from financing activities:</u></b>		
Contributions received from Oceana Inc. (Note 12)	13,427,197	19,421,001
<b>Net change in cash and cash equivalents</b>	(2,999,238)	2,746,434
<b>Balance at beginning of year</b>	3,777,558	1,031,124
<b>Balance at end of year</b>	<u>\$ 778,320</u>	<u>\$ 3,777,558</u>

**The accompanying notes are an integral part of these financial statements.**

**OCEANA MÉXICO, PROTEGIENDO LOS OCÉANOS DEL MUNDO, A.C.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(Amounts stated in Mexican pesos)**

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**NOTE 1 - DESCRIPTION OF ACTIVITIES**

Oceana México, Protegiendo los Océanos del Mundo, A.C., (the Association), an affiliate of Oceana Inc., is located in Poseidón 39, Col. Crédito Constructor, Mexico City and it is a non-for-profit association that was constituted in accordance with Mexican Law on September 7, 2016, with a duration of 99 years, being its main activity the preservation of the oceans by performing activities of scientific research, promotion of environmental protection, and development and promotion of public policies, among others.

Oceana, Inc. is the world's largest organization focused exclusively on protecting and restoring the world's oceans. It was founded in 2001 with a mission to "protect the oceans and feed the world".

Oceana, Inc. has offices in North, Central and South America, in Asia and in Europe. Together, all the countries where it operates are responsible for 29% of the marine fish production in the world. Oceana seeks to protect biodiversity and increase the wealth of our oceans through changes in the public policies of the countries who have the world's biggest marine resources.

Oceana, Inc. operates in Mexico through Oceana Mexico, Protegiendo los Océanos del Mundo, A.C., and provides much of their funding.

The Association has the authorization issued by the Ministry of Finance and Public Credit (SHCP) to receive donations deductible from Income Tax in national territory as of April 5, 2019, according to Authorization Office 700-02-05-2019-03956. This authorization was ratified for the year of 2019 by publication of the amendment to Annex 14 of the Miscellaneous Fiscal Resolution of 2019 in the Official Gazette of the Federation on August 21, 2019.

**NOTE 2 - BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

a) For convenience of users in other countries, the Association translated into English the accompanying financial statements originally issued in Spanish for its use in Mexico.

b) The Association prepares its financial statements in accordance with Financial Reporting Standards applicable in Mexico (MFRSs), issued by the Mexican Financial Reporting Standards Board (CINIF). The Association's management, applying its professional judgement, considers that the used estimations and assumptions were adequate in the circumstances.

c) Monetary unit of the financial statements. The financial statements and notes as of December 31, 2020 and 2019, and for the years then ended, include balance and transactions stated in Mexican pesos of distinct purchasing power.

d) Cumulative inflation in the three previous years before December 31, 2020 and 2019 has been below 26%, so that, in accordance with MFRSs, defines a non-inflationary economic environment in both years and in consequence, the effects of inflation in the financial statements are not recognized.

e) Statement of activities. The Association prepares this financial statement grouping revenue, costs and expenses according to their function, because of the practice of the sector to which the Association belongs.

f) Statement of cash flows. The Association prepares this financial statement by using the indirect method, because that is the practice of the sector in which it operates and considers that this method offers better financial information for users.

g) The financial statements are stated in Mexican pesos, unless mentioned otherwise, which is its reporting, functional and recording currency.

h) The financial statements and related notes were authorized for issuance on February 24, 2021 by Julio Alfonso González Briseño, Director of Finance and Administration. These financial statements must be approved at a later date by the General Meeting of Associates for legal purposes. This body has the faculty of modifying the accompanying financial statements.

i) Tax environment.

Due to its legal structure and activities, the Association is located in the following tax environment:

- Federal taxes: The Association is not subject to Income Tax (ISR) and it has authorization to receive donations deductible from Income Tax.
- Income Tax provision is recorded in the expenses for the year in which it is caused, and its calculated according to the Income Tax Law provisions in force.
- Donations received are not subject to the Value Added Tax (IVA).
- It is obligated to withheld Income Tax and Value Added Tax for payments made to individuals.
- It does retentions and pays quotas and contributions of social security to the IMSS, INFONAVIT and SAR.
- It is obligated to make payments of Payroll Tax to the Government of Mexico City.
- Due to its non-for-profit activities, the Association is exempt from payment of Profit Sharing.

### **NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER DISCLOSURES**

The following accounting policies have been applied uniformly in the preparation of the financial statements presented and have been consistently applied by the Association:

#### **a) Cash and cash equivalents -**

Cash and cash equivalents are recorded at face value and consists mainly of cash deposits in banking accounts. Foreign exchange gain or loss is recognized as revenue or expenses of the year.

#### **b) Accounts receivable-**

Accounts receivable are presented at the transaction price pending collection and are originated by the reimbursement of expenses pending return by the Association's employees.

#### **c) Prepaid expenses-**

Advances granted to suppliers for the lease of movable property and contracted insurance are classified as prepaid expenses, as long as the risks and benefits inherent to the goods or services are not transferred to the Association and/or the goods, services or benefits have been received.

#### **d) Leased office improvements and equipment-**

As of December 31, 2020, and 2019, the values of leasehold improvements, furniture and equipment are valued at acquisition costs and include accumulated depreciation and disposals for the year.

Maintenance and repairs are expensed as incurred.

Depreciation is calculated by using the straight-line method starting the month after acquisition over the assets' useful life, estimated by the Association, applying the following annual depreciation rates:

	<b><u>Depreciation rates</u></b>
Computer equipment	20%
Leasehold improvements	17%

Leased office improvements are depreciated during the useful period of the improvement or the term of the rent agreement, whichever is less.

#### **e) Leases-**

The Association has decided not to recognize the right-of-use assets and the liabilities for leases for low value asset leases and short-term leases. The Association recognizes the lease payments associated with these leases as an expense during the lease term.

**f) Provisions-**

Provisions represent a present obligation, identified, quantified in monetary terms, which represents a probable decrease in economic resources and derived from operations that occurred in the past.

**g) Employee's benefits-**

They are granted to employees as a consideration for their services, as follows:

- Direct employee's benefits – They are recognized as a liability as they accrue, in relation to the services provided, considering current salaries. It mainly includes vacations and holiday bonuses, incentives, among others.
- Post-employment benefits – Compensation to which workers may be entitled in case of liquidation or death are expensed in the year in which they are paid. Obligations accrued by seniority premium are provisioned as they accrue.

**h) Income tax-**

Non-profit entities authorized to receive deductible donations are exempt from paying Income Tax (ISR) and are allowed to earn income from activities other than those related to their purposes, provided they do not exceed 10% of their total income in the year; within this limit are not included supports or incentives provided by the Government, federal entities, or municipalities; disposal of fixed or intangible assets; fees received from its members; interest; economic rights derived from intellectual property; temporary use or benefit of real estate; returns earned from shares or other credit securities placed among the investing public or recovery fees. For any surplus, income tax must be determined.

As of December 31, 2020, and 2019, the Association did not earn income from activities other than those related to its purposes.

**i) Foreign currency transactions-**

Monetary assets and liabilities in foreign currencies are stated in Mexican pesos at the bank exchange rate in effect at the date of the financial statements. Foreign exchange differences resulting from exchange rate fluctuations between the dates on which the transactions are carried out and the dates on which they are liquidated or valued at the balance sheet date are charged as revenue or expenses of the period.

**NOTE 4 - FOREIGN CURRENCY POSITION**

At December 31, 2020 and 2019, the bank exchange rate was \$19.9352 and \$18.8727 Mexican pesos per US dollar, respectively. At February 24, 2021, issuance date of this audited financial statements, the exchange rate is \$20.5833 Mexican pesos per US dollar.



The balances shown below are stated in US dollars (US\$), as this is the primary foreign currency held by the Association.

At December 31, 2020 and 2019, the Association had the following foreign currencies monetary assets and liabilities:

	<b>2020</b>	<b>2019</b>
Bank in foreign currency	\$ <u>26,575</u>	\$ <u>26,563</u>

#### **NOTE 5 - CASH AND CASH EQUIVALENTS**

This line item is summarized as shown below:

	<b>2020</b>	<b>2019</b>
Banks in local currency	\$ 248,539	\$ 3,276,239
Banks in foreign currency	<u>529,781</u>	<u>501,319</u>
	\$ <u>778,320</u>	\$ <u>3,777,558</u>

#### **NOTE 6 - PREPAID EXPENSES**

This line item is summarized as shown below:

	<b>2020</b>	<b>2019</b>
Medical insurance	\$ 28,067	\$ 27,591
Rents paid in advance	39,900	39,900
Advances to suppliers	<u>33,318</u>	<u>27,898</u>
	\$ <u>101,285</u>	\$ <u>95,389</u>

At the date of issuance of these financial statements, the fair value of prepaid expenses is similar to those reported at December 31, 2020 and 2019.

#### **NOTE 7 - OFFICE IMPROVEMENTS AND EQUIPMENT, NET**

This line item is summarized as shown below:

	<b>2020</b>	<b>2019</b>
Depreciable assets:		
Computer equipment	\$ 270,518	\$ 270,518
Office improvements	<u>1,425,862</u>	<u>1,425,862</u>
	<u>1,696,380</u>	<u>1,696,380</u>
Accumulated depreciation:		
Computer equipment	(86,542)	(32,438)
Office improvements	<u>(410,435)</u>	<u>(172,925)</u>
	<u>(496,977)</u>	<u>(205,363)</u>
	\$ <u>1,199,403</u>	\$ <u>1,491,017</u>

Depreciation for the year amounted to \$291,614; \$205,363 in 2019.

#### **NOTE 8 - TAX PAYABLE**

This line comprises the following:

	<b>2020</b>	<b>2019</b>
Income tax payable	\$ 134,575	\$ 53,863
Withheld Income tax from salaries and wages	299,245	296,333
Withheld Income tax from professional fees	33,326	9,388
Withheld VAT from professional fees	36,791	10,015
Withheld VAT from personnel services	3	---
IMSS contributions	175,015	147,571
INFONAVIT contributions	6,963	6,428
Payroll tax	33,794	25,462
	<u>\$ 719,712</u>	<u>\$ 549,060</u>

At the date of issuance of these financial statements, the fair value of tax payable is similar to those reported at December 31, 2020 and 2019.

#### **NOTE 9 - EMPLOYEES' BENEFITS**

##### **Seniority premium.**

According to the Federal Labor Law, employees are entitled to a seniority premium equal to 12 days of salary for each year of service (the computable daily wage must not exceed twice the current minimum wage) provided they have completed fifteen years of service in the case of voluntary retirement. This requirement is not necessary in the cases of death, disability or unjustified dismissal.

The Association has not recorded this liability because it is considered not material or of little importance, and consequently it follows the policy mentioned in Note 3, f.

##### **Severance compensation.**

It is the result of various obligations for compensation in favor of employees and workers, in case of separation due to unjustified cause and other causes, under certain conditions under the terms of the Federal Labor Law. The maximum liability for this concept has not been estimated because it is considered to be immaterial and as a result the Association follows the policy mentioned in Note 3, f.

#### **NOTE 10 - LEASES**

The Association leases computer equipment with contract terms of one to three years. These leases are short term and / or low value items. The Association has decided not to recognize the right-of-use assets and the lease liabilities of these leases.

As of December 31, 2020, and 2019, total lease expenses amount to \$612,788 and \$608,815, respectively.

#### **NOTE 11 - INCOME TAX**

As a non-for-profit entity, the Association is not a taxpayer of Income Tax (ISR), provided it complies with the requirements established in the Income Tax Law, which considers omitted income, purchases not made or improperly recorded and non-deductible expenditures as distributable surplus.

As of December 31, 2020, and 2019, the Association recognized an amount of \$134,575 and \$41,375, respectively, as Income Tax for the year derived from non-deductible expenses incurred in said periods, which in accordance with the penultimate paragraph of article 79 of the Income Tax Law in force in the year, are considered as distributable surplus and are subject to the maximum tax rate established in Article 152 of the same law, which corresponds to 35%.

#### **NOTE 12 - NET ASSETS**

As of December 31, 2020, and 2019, the Association's unrestricted net assets is made up of the revenue surplus over accumulated expenses derived from the activities of its corporate purpose.

Through the General Meeting of Associates held on January 23, 2020, the ordinary contribution of Oceana Inc., an associated entity of the Association, was approved for an amount of \$19,000,000. As of December 31, 2020, the Association received a total of \$12,278,113 in funding and \$1,149,084 in in-kind contributions related to expense reimbursements.

The Association does not pursue profit or commercial activities, but it can execute all those acts that are necessary to subsist, and to develop and achieve its purpose.

In case of dissolution, the provisions of the thirty-third clause of the Bylaws shall be observed, which establish:

"III. (...) the assets will be liquidated, in accordance with the provisions of article eighty-two, fifth fraction of the Income Tax Law, so that all of its assets, including public support and incentives, will be intended for legal entities authorized to receive deductible donations of Income Tax that are registered in the Federal Register of Civil Society Organizations.

These provisions are irrevocable."

### **NOTE 13 - FINANCIAL INSTRUMENTS**

#### **a) Value of financial instruments**

The amount of cash, accounts receivable, suppliers, accounts payable and other accrued liabilities approximate their fair value due to their short due date. In addition, the net value of accounts receivable represents approximately expected cash flows.

#### **b) Risk concentration**

The financial instruments that are potentially subject to excessive concentration of risk are mainly cash, accounts receivable and suppliers.

At the date of issuance of these financial statements, the fair value of the amounts of the financial instruments is similar to those reported as of December 31, 2020 and 2019.

### **NOTE 14 - SUBSEQUENT EVENTS**

On March 31, 2020, the Government of Mexico, through the Ministry of Health, declared a national public health emergency due to the outbreak of the pandemic called COVID-19. The emergency declaration originally issued required the suspension of all non-essential public, private and social activities until May 30, 2020, however, the deadlines were extended.

The Association receives most of its financial support from its parent company, Oceana, Inc., who in turn receives donations largely from US donors. In 2020, Oceana, Inc. fully funded the Association's activities. While some of these activities requiring face-to-face meetings or travel were unable to proceed in 2020, it was possible to continue ocean campaign research, meetings and legislative support through virtual meetings and working from home.

### **NOTE 15 - FUND RAISING EXPENSES AND OPERATIVE EXPENSES**

The main items that compose the fund raising and operative expenses as of December 31, 2020 and 2019 are as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b><u>Fund raising expenses:</u></b>		
Courses	\$ 26,495	\$ 24,759
Rentals for events	---	72,907
Advertising	923,742	1,820,249
Events	27,023	836,743
Advisory and consulting services	1,688,341	1,322,943
Other	14,526	158,872
Total	<b><u>\$ 2,680,126</u></b>	<b><u>\$ 4,236,473</u></b>

	<u>2020</u>	<u>2019</u>
<u>Operative expenses:</u>		
Office supplies	\$ 64,763	\$ 200,072
Cleaning and maintenance	176,698	130,540
Insurance	910,645	925,578
Rentals	613,228	879,512
Professional fees	1,603,262	1,616,329
Subscriptions	5,456	6,081
Telephone and internet	117,929	21,947
Per diems and transportation	376,299	1,236,169
Office remodeling	---	33,060
Depreciation	291,614	205,363
Other	49,802	212,826
Total	<u>\$ 4,209,696</u>	<u>\$ 5,467,476</u>

**NOTE 16 - NEW ACCOUNTING PRONOUNCEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020, AND SUBSEQUENT YEARS**

The CINIF has issued the following MFRSs which could have an impact on the Association's financial statements as of December 31, 2020, onwards:

**Improvements to MFRSs:**

- a. Effective January 1, 2020, the following changes are made to Improvements to MFRSs:

**Improvements to MFRSs that cause accounting changes**

- D-3, Employee's benefits.
- D-5, Leases.

**Improvements to MFRSs that do not cause accounting changes**

- B-1, Accounting changes and correction of errors.
- C-3, Accounts receivable.
- D-2, Costs from contracts with customers.

- b. Effective January 1, 2021, the following changes are made to Improvements to MFRSs:

**Improvements to MFRSs that cause accounting changes**

- C-2, Investment in financial instruments.
- C-19, Financial instruments payable.

- C-20, Financial instruments receivable principal and interest
- D-5, Leases.

**Improvements to MFRSs that do not cause accounting changes**

- C-4, Inventories.
- C-8, Intangible assets.

**MFRSs that come into force in 2021 and 2022:**

- C-15, Impairment of Long-Term Assets.
- C-17, Investment properties.
- C-22, Cryptocurrencies.

As of the date of issuance of these financial statements, the Association is in the process of determining the effects of these new standards on its financial information.

**The accompanying notes are an integral part of these financial statements.**



**Julio Alfonso González Briseño**  
**Director of Finance and Administration**