



SARAHUARO, AC.

**FINANCIAL STATEMENTS AT DECEMBER
31st 2023 AND 2022
AND AUDITOR'S OPINION**

SARAHUARO, A.C.

FINANCIAL STATEMENTS AT DECEMBER 31st 2023 AND 2022 AND AUDITOR'S OPINION

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To the Board of Associates of
SARAHUARO, A.C.

We have audited the accompanying financial statements of SARAHUARO, A.C., which comprise the statement of financial position as at December 31, 2023 and 2022, and the statement of comprehensive income and statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion the financial statements before mentioned present fairly in all material aspects, the financial situation of SARAHUARO, A.C. at December 31 2023 and 2022, and the result of their operations and the cash flow for the years then ended, in accordance with the Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Company within the meaning of Code of Ethics for Public Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards, 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.

The Association's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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.

C.P.C. Israel Ojeda Guluarte
Professional Certificate No. 3856719

La Paz, Baja California Sur, June 12th, 2024.

SARAHUARO, A.C.
FINANCIAL SITUATION STATEMENT
TO DECEMBER 31ST 2023 COMPARATIVE WITH 2022
 AMOUNTS ARE EXPRESSED IN MEXICAN PESOS

	2023	2022		2023	2022
ASSETS			LIABILITIES		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents	\$ 1,194,196	\$ 1,208,402	Taxes and quotas liabilities	\$ 114,947	\$ 77,777
Accounts receivable	14,266	12,365	Sundry creditor	88,389	37,970
<i>Total current assets</i>	<u>1,208,462</u>	<u>1,220,767</u>	<i>Total liabilities</i>	<u>203,336</u>	<u>115,747</u>
FIXED ASSETS :			SURPLUS		
Property, plant and equipment	1,106,453	1,206,181	Permanently restricted	2,111,579	2,311,201
<i>Total fixed assets</i>	<u>1,106,453</u>	<u>1,206,181</u>	<i>Total net surplus</i>	<u>2,111,579</u>	<u>2,311,201</u>
TOTAL ASSETS	<u>\$ 2,314,915</u>	<u>\$ 2,426,948</u>	TOTAL LIABILITIES AND SURPLUS	<u>\$ 2,314,915</u>	<u>\$ 2,426,948</u>

The explanatory notes are integral part of the financial statements

 Mrs. Nancy Brelos
 Chairwoman

This financial statement is which I refer in the opinion of the financial position at December 31, 2023



 C.P.C. Israel Ojeda Guluarte
 Professional Certificate No. 3856719

SARAHUARO, A.C.
STATEMENT OF ACTIVITIES OF THE PERIOD
JANUARY 1ST TO DECEMBER 31ST 2023 COMPARATIVE WITH 2022
AMOUNTS ARE EXPRESSED IN MEXICAN PESOS

	2023	2022
Changes in permanently restricted surplus:		
Incomes:		
Cash donations	\$ 61,747	\$ 76,459
In-kind donations	3,382,005	1,844,077
Exchange gain	52,192	39,181
Total incomes	3,500,995	1,959,717
Expenses:		
Sarahuaro programs	3,382,053	2,694,315
Administrative expenses	173,782	173,105
Center building	3,780	4,256
Lost exchange	135,055	65,596
ISR tax	5,947	14,082
Total expenses	3,700,617	2,951,354
Net surplus of the year	(199,621)	(991,637)
Net surplus of the year	(199,621)	(991,637)
Surplus at beginning of year	2,311,201	3,302,838
Surplus at end of year	\$ 2,111,579	\$ 2,311,201

The explanatory notes are integral part of the financial statements

Mrs.Nancy Brelos
Chairwoman

This financial statement is which I refer in the opinion of the statement activities of 2022


C.P.C. Israel Ojeda Guluarte
Professional Certificate No. 3856719

SARAHUARO, A.C.
CASH FLOW STATEMENT
OF THE 2023 AND 2022 PERIOD
 AMOUNTS ARE EXPRESSED IN MEXICAN PESOS

	2023	2022
OPERATIONAL ACTIVITIES		
Change in surplus	\$ (199,621)	\$ (991,637)
<i>Operational activities entries</i>		
Depreciation	172,966	173,105
<i>Total</i>	(26,656)	(818,532)
Receivable account increases	(1,901)	748
Trade account payable applications	87,587	(14,865)
<i>Net cash flow from operational activities</i>	59,030	(832,649)
INVESTMENT ACTIVITIES		
Fixed assets acquisitions	(73,236)	(80,521)
<i>Net cash flow from investment activities</i>	(73,236)	(80,521)
CASH		
Net decrease in cash and cash equivalents in the year	(14,206)	(913,170)
Cash and cash equivalents at the beginning of the year	1,208,402	2,121,572
Cash and cash equivalents at the end of the year	\$ 1,194,196	\$ 1,208,402

The explanatory notes are integral part of the financial statements

 Mrs. Nancy Brelos
 Chairwoman

This financial statement is which I refer in the opinion of the cash flow statement of 2022


 C.P.C. Israel Ojeda Guluarte
 Professional Certificate No. 3856719

SARAHUARO, AC.

EXPLANATORY NOTES TO FINANCIAL STATEMENT TO DECEMBER 31ST 2023

NOTE 1

DESCRIPTION OF THE ENTITY

SARAHUARO, A.C. was constituted as a non-lucrative Association in December 7th 2005, with the objective of granting, providing, supporting, in any lawful way to people with few economic resources, whether in education, health, and basic needs.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Association are in accordance with financial reporting standards in Mexico (NIF), which require the Management to make certain estimates and assumptions used to determine the valuation of some items included in the Financial Statements and related disclosures required to submit to them. Even as they come to differ from their final effect, the Management believes that the estimates and assumptions used are adequate under the circumstances.

The main accounting policies and practices, which are observed by the company for the development of its financial statements, are described below:

A) Accounting basis

The Association adopted the accounting policy to recognize their income at the moment when they are accrued and the expenses are paid respectively.

B) Formulation basis

The attached financial statements were prepared on the basis of the original historical value. These do not incorporate the effects of inflation on financial information in accordance with the NIF B-10 Financial Reporting Standards issued by the CINIF.

C) Investments in fixed assets

The goods that integrate the fixed assets are expressed to their historic value.

D) Depreciation.

Accounting depreciation is determined by straight line depreciation method to the maximum rates authorized by Income Tax Law:

Computer Equipment	25%
Kitchen and Equipment	10%
Furniture and office equipment	10%

E) Cash flow statement (NIF B-2).

The Association decided to present the Cash Flow statement under the indirect method, this method departs from the net income before taxes, adjusted by the effects of items associated with investing and financial activities, as well as changes during the period in accounts receivable or accounts payable arising from operating activities.

NOTE 3 RECEIVABLE ACCOUNTS

To December 31 2023 and 2022 the main receivable accounts of the association are integrated as it follows.

	2023	2022
Sundry debtors	\$ 10,390	\$ 8,489
Advances to suppliers	1,954	1,954
Employment subsidy	1,563	1,563
Taxes paid in advance	359	359
TOTAL	\$ 14,266	\$ 12,365

NOTE 4 PROPERTIES AND EQUIPMENT

To December 31 2022 and 2021 the main properties and equipment of the association are integrated as it follows:

	2022	2021
Land	\$ 58,670	\$ 58,670
Furniture and office equipment	54,361	54,361
Computer Equipment	56,153	38,913
Kitchen Equipment	233,443	233,443
Service Equipment	289,195	289,195
Transport Equipment	337,758	337,758
Workshop Equipment	30,660	30,660
Warehouse Equipment	12,930	12,930
Constructions in progress	121,584	121,584
Leasehold improvements	549,702	493,706
Total	\$ 1,744,456	\$ 1,671,220
Accrued depreciation	638,003	465,039
FIXED ASSETS NET	\$ 1,106,453	\$ 1,206,181

NOTE 5

PERMANENTLY RESTRICTED EQUITY

The permanently restricted equity of the Association is integrated by ordinary and extraordinary contributions of its members, donations received and the funds raised by events held for the benefit of the association.

The assets of the association shall be used exclusively for purposes relating to his Corporate Purpose, unable to achieve profits of the remaining distributable to any physical person or its members.

NOTE 6

FISCAL SURROUNDINGS

By the nature of its operations, in accordance with the Mexican Tax provisions, the Association is not subject to pay income tax, nor the add valued tax, provided that they do not dispose of other property than the operative assets or provides services to different persons to its associates or members.

NOTE 7
NORMS OF FINANCIAL INFORMATION.

The Mexican Council for Research and Development of Financial Reporting Standards (CINIF), an independent body in charge of the development of the Mexican Accounting Standards, has made public the submission of the following FRS (Financial Reporting Standards) listed below:

Financial Reporting Standards for 2024

- Improvements to NIF 2024

These FRS, will become effective on January 1°, 2024, allowing its advanced application in the terms established in each FRS.

Is important to note, the use of FRS increases the quality of the financial information contained in the financial statements, thus ensuring their greater acceptance, not only nationally, but also internationally.

The present notes are integral part of the financial statements that are shown, to December 31 2023.

Mrs. Nancy Brelos
Chairwoman.