



ALIANZA FC MÉXICO, A.C.

Audited financial statements up to

December 31, 2024 and 2023

Independent auditor's report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alianza FC México, A.C.

Unqualified opinion

We have audited the financial statements of **Alianza FC México, A.C.** ("the Association"), which comprise the balance sheets as of December 31, 2024 and 2023, the activities statements and cash flows for the years then ended and notes that include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Alianza FC México, AC**, as of December 31, 2024 and 2023, as well as its activities and cash flows for the years ended on those dates, in accordance with Mexican Financial Reporting Standards (NIF).

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (NIA). 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 ethical requirements that are applicable to our audit of the financial statements in México and we have fulfilled all other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained provides a sufficient and adequate basis for issuing our opinion.

Responsibilities of management and those charged with governance for the financial statements

The Association's management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with NIF 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as appropriate, matters related to this and using the operating business base, unless management intends to liquidate "the Association" or to cease its operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objective is 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 containing our opinion. Reasonable assurance implies a high level of certainty, but is not a guarantee that an audit conducted in accordance with NIA will always detect a material misstatement when it exists. Deviations may be due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NIA, 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 due to fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls 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 controls.
- 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 presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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.

May 2, 2025



Eduardo Herrera González
Member of MXGA Herrera, García-Chavero y Cía., S.C.

ALIANZA FC MÉXICO, A.C.
Balance sheet
Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current		
Cash and cash equivalents (Note 3a, 4, 5)		
Unrestricted	1,154,345	1,072,295
Temporarily restricted	12,210,009	8,854,686
	\$ 13,364,354	\$ 9,926,981
Accounts receivable		
Temporarily restricted	\$ _____	\$ _____
Recoverable taxes		
Unrestricted		960
Temporarily restricted		6
	\$ _____	\$ 966
Total current assets	\$ 13,364,354	\$ 9,927,947
Fixed assets		
Properties and equipment (net) (Note 3b and 6)	10,254	29,944
Unrestricted	\$ 1,164,599	\$ 1,103,199
Temporarily restricted	12,210,009	8,854,692
TOTAL ASSETS	\$ 13,374,608	\$ 9,957,891

ALIANZA FC MÉXICO, A.C.
Balance sheet
Years ended December 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
LIABILITIES		
Current		
Tax payable (Note 3f)		
Unrestricted	\$ 18,991	\$ 17,109
Temporarily restricted	116,520	175,806
	<u>\$ 135,511</u>	<u>\$ 192,915</u>
Long term		
Employee benefits (Note 3e)	<u>242,054</u>	<u>308,709</u>
Unrestricted	261,045	325,818
Temporarily restricted	116,520	175,806
TOTAL LIABILITIES	<u>\$ 377,565</u>	<u>\$ 501,624</u>
EQUITY		
Equity (Note 3j)		
Unrestricted	\$ 903,554	\$ 777,381
Temporarily restricted	<u>12,093,489</u>	<u>8,678,886</u>
TOTAL EQUITY	<u>\$ 12,997,043</u>	<u>\$ 9,456,267</u>
Unrestricted	\$ 1,164,599	\$ 1,103,199
Temporarily restricted	12,210,009	8,854,692
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 13,374,608</u></u>	<u><u>\$ 9,957,891</u></u>

See accompanying notes to financial statements

ALIANZA FC MÉXICO, A.C.

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Activities statements**For the years ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenue:		
Membership fees	\$ 825,933	\$ 1,004,210
Donations (Note 3h)		
Unrestricted	24,756	-
Temporarily restricted (Note 3l, 8-l)	10,178,516	6,363,548
	<u>\$ 10,203,272</u>	<u>\$ 6,363,548</u>
Other income}		
Unrestricted	1,434	-
Temporarily restricted (Note 3l, 8-l)	1,794	-
	<u>\$ 3,228</u>	<u>\$ -</u>
Comprehensive financing income (net)		
Unrestricted	101,066	87,073
Temporarily restricted	913,849	356,042
	<u>\$ 1,014,915</u>	<u>\$ 443,115</u>
Unrestricted equity		
Unrestricted	(20,000)	141,791
Temporarily restricted	20,000	(141,791)
	<u>\$ -</u>	<u>\$ -</u>
Total revenue:		
Unrestricted	\$ 933,189	\$ 1,233,074
Temporarily restricted	11,114,159	6,577,799
	<u>\$ 12,047,348</u>	<u>\$ 7,810,873</u>
Expenses:		
Program services		
Temporarily restricted (Note 8-II)	7,583,156	4,499,599
Operating expenses		
Unrestricted	913,152	742,122
Temporarily restricted (Note 8-l)	-	2,614,619
	<u>\$ 913,152</u>	<u>\$ 3,356,741</u>
Administrative expenses		
Unrestricted	-	78,500
Temporarily restricted (Note 8-l)	116,400	-
	<u>\$ 116,400</u>	<u>\$ 78,500</u>
Income tax (Note 3f and 10)	18,991	30,069

	<u>2024</u>	<u>2023</u>
Operating expenses for transfers		
Unrestricted	(125,127)	(72,290)
Temporarily restricted	-	72,290
	<u>\$ (125,127)</u>	<u>\$ -</u>
Total expenses:		
Unrestricted	807,016	778,401
Temporarily restricted	7,699,556	7,186,508
	<u>\$ 8,506,572</u>	<u>\$ 7,964,909</u>
NET CHANGE IN EQUITY		
Unrestricted	126,173	454,673
Temporarily restricted	3,414,603	(608,709)
	<u>\$ 3,540,776</u>	<u>\$ (154,036)</u>
Beginning equity		
Unrestricted	\$ 777,381	\$ 322,708
Temporarily restricted	8,678,886	9,287,595
	<u>\$ 9,456,267</u>	<u>\$ 9,610,303</u>
End of year equity		
Unrestricted	\$ 903,554	\$ 777,381
Temporarily restricted	12,093,489	8,678,886
	<u>\$ 12,997,043</u>	<u>\$ 9,456,267</u>
TOTAL EQUITY AT THE END OF THE YEAR	<u><u>\$ 12,997,043</u></u>	<u><u>\$ 9,456,267</u></u>

See accompanying notes to financial statements

ALIANZA FC MÉXICO, A.C.
Cash flow statement
Years ended December 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Net change in equity	\$ 3,540,776	\$ (154,036)
Items related to operation activities:		
Employee benefits	(66,653)	69,393
Items related to investment activities:		
Depreciation	19,688	20,475
Total	<u>\$ 3,493,811</u>	<u>\$ (64,168)</u>
(Increase) decrease in:		
Accounts receivable and prepaid taxes	966	70,000
Increase (decrease) in:		
Taxes and contributions payable	<u>(57,404)</u>	<u>7,759</u>
EXCESS CASH TO BE APPLIED IN FINANCING ACTIVITIES	3,437,373	13,591
Beginning cash balance		
Unrestricted	1,072,295	649,747
Temporarily restricted	8,854,686	9,263,643
	<u>\$ 9,926,981</u>	<u>\$ 9,913,390</u>
Ending cash balance		
Unrestricted	1,154,345	1,072,295
Temporarily restricted	12,210,009	8,854,686
	<u>\$ 13,364,354</u>	<u>\$ 9,926,981</u>

See accompanying notes to financial statements

ALIANZA FC MÉXICO, A.C.
NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2024 and 2023
(Mexican pesos)

Note 1. Association information

a) Association

Alianza FC México, A.C. ('the Association'), is a non-profit association, established on August 10, 2011, with the purpose of providing financial support to civil organizations and trusts authorized to receive deductible donations under the terms of the Income Tax Law

The Association is authorized to receive tax-deductible donations under the Income Tax Law.

b) Financial statements approval

The attached financial statements and their notes were authorized for issuance on April 30, 2024, by Mr. Carlos Manuel García Miranda, as President of the Board of Directors of 'the Association,' and Mr. David Pérez Rulfo, Treasurer. In accordance with the provisions of the Federal Civil Code and the articles of association of 'the Association", the members have the authority to amend the financial statements after their issuance. The attached financial statements will be submitted for approval at the ordinary general assembly of members of 'the Association".

Note 2. Basis of financial statements presentation

a) Compliance with Financial Reporting Standards

The accompanying financial statements have been prepared in accordance with the Financial Reporting Standards (NIF) issued by the Mexican Council of Financial Reporting Standards, A.C., applicable to non-profit entities.

b) Basis of preparation and measurement

The financial statements of 'the Association' have been prepared on the basis of historical cost.

Historical cost - Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Going concern

The financial statements of 'the Association" have been prepared using the going concern accounting basis. The use of these accounting bases is appropriate unless management intends to liquidate or cease operations, or has no other realistic alternative but to do so. Management has not identified any material uncertainty that may give rise to significant doubt about the ability to continue as a going concern.

Note 3. Significant accounting policies and practices

The accounting policies and practices adopted in the preparation of the financial statements are consistent with those of the previous year and are described below:

a) Cash and cash equivalents

They are primarily represented by bank deposits in national and foreign currency and investments in cash surpluses with immediate availability subject to insignificant risks of value changes. Cash is presented at nominal value and equivalents are valued at fair value; fluctuations in their value are recognized in the statement of changes in the period. Restricted cash is for a specific purpose, and is presented separately as restricted cash in current assets

b) Investments in fixed assets and depreciation

They are recorded at acquisition cost. The acquisition cost includes costs initially incurred to be acquired.

Depreciation of these assets is carried out using the straight-line method based on historical acquisition values, considering the following depreciation rate:

Concept	%
Computer equipment	30%

c) Lease

The Association recognizes lease payments as a straight-line expense, due to their low value.

d) Provisions

Liabilities for provisions are recognized when all of the following conditions are met:

- (i) There is a present obligation (legal or constructive) as a result of a past event,
- (ii) It is probable that an outflow of economic resources will be required to settle the obligation, and
- (iii) (iii) The obligation can be reliably estimated

e) Employee benefits

(i) *Short-term*

Short-term employee benefit obligations are charged to the statement of activities based on services rendered according to the salaries and wages that the Association expects to pay, including related contributions payable by the Association. Paid absences for vacations and vacation premiums are recognized to the extent that employees render services that entitle them to such benefits. Additionally, if the Association has a present legal or constructive obligation to pay, arising from an employee service in the past and the obligation can be estimated, a liability is recognized.

(ii) *Long term*

Termination benefits to which employees are entitled for causes other than restructuring and retirement are recognized in the results of operations for each year, based on actuarial computations using the projected unit credit method, using nominal interest rates.

f) Income tax

Since it is a non-profit association in accordance with the provisions contained in Article 79-VI of the Income Tax Law ("LISR"), "the Association" is not a taxpayer of such tax, as long as it complies with the requirements established in the Law, which considers as distributable surplus, omissions of income, purchases not made and improperly recorded, and non-deductible expenditures made, as well as income derived from activities not related to the purpose for which it obtained the authorization as an authorized donee.

g) Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the transaction date. Assets and liabilities denominated in foreign currencies are converted into pesos using the exchange rates prevailing on the transaction date or their valuation date at the financial position statement date.

The resulting exchange differences are recognized as gains or losses on exchange in the statement of activities.

h) Donation revenues

The Association records cash donations at the time they are earned and become due. Donations received in kind, in goods, and intangible services are recorded upon receipt. Cash, in-kind donations, and other assets received with sponsor-imposed stipulations limiting the use of donated assets are recorded in temporarily or permanently restricted equity. When temporary restrictions end, restricted amounts are transferred to unrestricted equity.

i) Contingencies

Significant obligations or losses related to contingencies are recognized when it is probable that their effects will materialize and there are reasonable grounds for quantification; otherwise, appropriate disclosures are made in the financial statements. Contingent assets are recognized when there is reasonable certainty of their realization

j) Equity

The equity comprises, among others, the ordinary and extraordinary contributions in cash or in kind that the associates make to "the Association" in the manner determined by the General Assembly; by donations, support, and interests.

k) Cash Flow statements

The Association has decided to present cash flows statements using the indirect method, which involves presenting changes in equity first, followed by changes in working capital, investment activities, and finally, financing activities

l) Business concentration

Donations received from the Charles Stewart Mott Foundation and the Inter-American Foundation represented 78% and 77% of the total donations received in the years 2024 and 2023, respectively, which are comprised as follows:

Donor	2024	2023
Inter-American Foundation	\$ 1,965,225	\$ 2,894,123
Charles Stewart Mott Foundation	6,115,695	2,082,636
Total	\$ 8,080,920	\$ 4,976,759
Total	11,029,205	6,384,648
Percentage	73%	78%

Note 4. Cash and cash equivalents

Cash and cash equivalents as of December 31, 2024 and 2023 are comprised as follows:

	2024			2023		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Banks	\$ 87,732	\$ 5,280,757	\$ 5,368,489	\$ 21,022	\$ 1,759,380	\$ 1,780,402
Investments in securities	1,066,613	6,929,252	7,995,865	1,051,273	7,095,306	8,146,579
Suma	\$ 1,154,345	\$ 12,210,009	\$ 13,364,354	\$ 1,072,295	\$ 8,854,686	\$ 9,926,981

Note 5. Investments in securities

The balance is comprised as follows:

Institution	Type	2024		
		Unrestricted	Temporarily restricted	Total
BBV Bancomer	Investment funds	\$ 1,066,613	\$	\$ 1,066,613
Vector Casa de Bolsa (Contrato No. 175353)	Debt instrument		1,303,069	1,303,069
Vector Casa de Bolsa (Contrato No. 175695)	Debt instrument		5,626,183	5,626,183
Total		\$ 1,066,613	\$ 6,929,252	\$ 7,995,865

Institution	Type	2023		
		Unrestricted	Temporarily restricted	Total
BBV Bancomer	Investment funds	\$ 1,051,273	\$	\$ 1,051,273
Vector Casa de Bolsa (Contract No. 175353)	Debt instrument		1,719,169	1,719,169
Vector Casa de Bolsa (Contract No. 175695)	Debt instrument		5,376,138	5,376,138
Total		\$ 1,051,273	\$ 7,095,307	\$ 8,146,580

Note 6. Properties and equipment

Investments in fixed assets as of December 31, 2024 and 2023 are comprised as follows:

Concept	December 31,	
	2024	2023
Computer equipment (cost)	\$ 99,322	\$ 99,322
Accumulated depreciation	<u>(89,068)</u>	<u>(69,378)</u>
Computer equipment (net)	<u>\$ 10,254</u>	<u>\$ 29,944</u>

Note 7. Employee benefits

Labor obligations (employee liabilities) and their costs are actuarially determined through a study conducted by an independent actuary, considering the bases established in the plans. This involves applying the projected unit cost method to determine the present values of these obligations, using financial assumption rates (nominal values), and the cost for the period is as follows:

a) Financial assumptions

Rate %	%
Discount	10.15%
Salary increase	4.00%
Minimum wage increase	6.00%
Asset yields	N/A
Inflation	4.00%

b) Net period cost

	Post-employment benefits		
	Seniority premium	Legal indemnity	Total
Net defined benefit liability as of December 31, 2022	\$ 10,732	\$ 228,586	\$ 239,318
Net period cost(2023)	9,534	59,858	69,392
Payments charged to the reserve	<u>0</u>	<u>0</u>	<u>0</u>
Net defined benefit liability as of December 31, 2023	\$ 20,266	\$ 288,444	\$ 308,710
Net period cost(2024)	1,967	(68,623)	(66,656)
Payments charged to the reserve	<u> </u>	<u> </u>	<u> </u>
Net defined benefit liability as of December 31, 2024	\$ 22,233	\$ 219,821	\$ 242,054

Note 8. Programs services**I) Agreement**

- a) Inter-American Foundation: Donation Agreement No. ME-559 in the amount of \$ 653,900 USD. Donation period began on February 28, 2020 and will end on August 28, 2025.

The purpose of the donation is to strengthen the governance of the Association, the proper administration of the programs developed by its associates and compliance with the applicable legal, fiscal, and accounting regulations.

- b) Inter-American Foundation: Donation Agreement No. ME-563 by the amount of \$ 237,750. USD . Donation period is from July 17, 2020 to January 17, 2023.

The purpose of the donation is to support initiatives in response to the COVID-19 pandemic, as well as sub-donations to community initiatives and to promote the Foundation's activities such as training, technical assistance, building relationships with similar organizations, among others.

- c) Charles Stewart Mott Foundation: Grant Agreement No. 2020-07775 for the amount of \$ 110,000. USD for the period August 1, 2021 to December 31, 2023.

Its objective is to deepen the understanding and application of the 2030 Agenda for Sustainable Development by the Association and the organizations that it groups.

- d) Charles Stewart Mott Foundation: Grant Agreement No. 2018-02818 for the amount of \$ 480,000. USD the period from January 1, 2022 to December 31, 2024.

This general funding grant will strengthen "Association", its members and new community foundations through institutional strengthening services and training, technical advice and funding.

- e) PULSO OSC: Agreement number CONV-0152/2020, whose purpose is to create a collaborative Alliance among various dono organizations to carry out the program called "PULSO OSC", which may be expanded through subsequent addendums, which will be part of this agreement.

The objective of the program is to design and apply several surveys that will serve as an observatory to obtain situational diagnoses that reflect different moments of civil society organizations, networks, collectives and groups.

- f) Charles Stewart Mott Foundation: Grant Agreement No. 2020-07776 for the amount of \$ 95,000. USD for the period January 1, 2024 to September 30, 2025.

The objective of this agreement is to construct a narrative of the progress and impact of the work of the Community Foundations and the Alliance to advance local sustainable development strategies.

- g) Monex Bank, S.A. Multiple Banking Institution, Monex Financial Group: Donation Agreement No., for the amount of \$330,000 MXN, for the period from January 1, 2024, to February 28, 2025, received on December 21, 2023.

The purpose of this program is to promote economic development with a community development focus, through various projects executed directly by the Community Foundations (FC) or their local partners, with the aim of comprehensively and sustainably supporting the local economic development of the communities where the associated community foundations affiliated with "the Association" are present.

- h) Donation Agreement The Power of International Education IIE TLFMF02001 for the amount of \$28,000 USD, for the period from June 16, 2024, to June 22, 2024.

Its objective is to share the community foundation model in various places in Mexico and establish links with community foundations in other South and North American countries.

- i) Donation Agreement Wings SG-2024-011 for the amount of €60,000 EUR, for the period from November 1, 2024, to October 31, 2025.

Its objective is to mobilize collective action at a national level for climate change adaptation by mapping philanthropic actors, strengthening learning and best practices, building alliances, and creating a roadmap for the establishment of a fund for climate change adaptation to support activities in Mexico.

- j) Charles Stewart Mott Foundation (Mott): Grant Agreement No. 2019-04794 for the amount of \$320,000 USD, for the period from January 1, 2025, to December 31, 2027.

Its purpose is to strengthen "the Association," its members, and new community foundations through institutional improving and training services, technical advice, and funding.

II) Balance integration

The balance of program service expenses is comprised as follows:

Programs	<u>2024</u>	<u>2023</u>
IAF ME-559	\$ 1,323,789	\$ 2,683,394
IAF ME-563		18,826
Pulso OSC No. CONV-0152/2020		1,192,983
Mott ODS No. 2020-07775		513,567
GFCF Grant Number 03/22-LAC-60		90,829
Mott ODS No. 2020-07776	801,607	
Banca Múltiple, Monex Group Financiero	30,000	330,000
Mott No. 2019-04794	5,264,610	
Wings SG-2024-011	1,138,856	
IEE TLFMF02001	159,902	
Total	\$ <u>8,718,764</u>	\$ <u>4,829,599</u>

Note 9. Foreign currency position

The foreign currency position as of December 31, 2024 and 2023:

	<u>2024</u>		<u>2023</u>	
	US Dollars	National currency	US Dollars	National currency
Assets:				
Banks	\$ <u>260,989</u>	\$ <u>5,289,810</u>	\$ <u>81,059</u>	\$ <u>1,369,369</u>
Net active position:	\$ <u>260,989</u>	\$ <u>5,289,810</u>	\$ <u>81,059</u>	\$ <u>1,369,369</u>
Exchange rate	\$ 20.2683		\$ 16.8935	

Note 10. Tax environment

a) Income tax

Pursuant to the provisions of Articles 79-VI of the Income Tax Law, the Association is not subject to income tax

These notes are integral part of the financial statements, with figures as of December 31, 2024 y 2023.