

**ASSOCIATION FOR TECHNOLOGY, EDUCATION, DEVELOPMENT, RESEARCH, AND  
COMMUNICATION (TEDIC)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE  
ENTITY**

**For the twelve-month period from January 1 to December 31, 2023 compared with figures for the  
same period of the previous fiscal year**

**MAY 2024**

**ASSOCIATION FOR TECHNOLOGY, EDUCATION, DEVELOPMENT, RESEARCH, AND  
COMMUNICATION (TEDIC)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE  
ENTITY**

**For the twelve-month period from January 1 to December 31, 2023 compared with figures for the  
same period of the previous fiscal year**

**MAY 2024**

---

**INDEX**

**CONTENT PAGE**

- **Independent auditors' report 1 - 2**
  - **Balance sheet 3**
  - **Statement of income and expenses 4 - 5**
  - **Notes to the financial statements 6 - 15**
-

**ASSOCIATION FOR TECHNOLOGY, EDUCATION, DEVELOPMENT, RESEARCH, AND  
COMMUNICATION – TEDIC**

- **Independent auditors' report**

## **INDEPENDENT AUDITORS' REPORT**

To the Executive Director of the TEDIC Association Maricarmen Buzarquis Sequera ASUNCIÓN,  
Paraguay

### **Audited Financial Statements**

1. We have examined the attached financial statements of the Association for Technology, Education, Development, Research, and Communication (TEDIC) as of December 31, 2023, which include the balance sheet, the statement of income and expenses, as well as the corresponding notes containing a summary of the most significant accounting policies applied, and other explanatory notes. The financial statements for the previous fiscal year ended December 31, 2023, which are presented for comparison purposes, were also examined by us and we issued an unqualified opinion on them on April 12, 2023.

### **Management's Responsibility for the Financial Documentation Prepared**

2. The Executive Management of the TEDIC Association is responsible for the preparation and fair presentation of the aforementioned financial statements in accordance with the financial standards in force in the Republic of Paraguay and for the internal control necessary to allow the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the aforementioned financial statements based on our audit. We conducted our audit in accordance with the Auditing Standards in force in our country. These standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the basic financial information prepared is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers the adequacy of the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide our unqualified audit opinion.

## **Opinion**

4. In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the Association for Technology, Education, Development, Research, and Communication (TEDIC) as of December 31, 2023, and the results of its operations for the year then ended, in accordance with the basis of preparation as mentioned in Note 2.a to the financial statements.

ASUNCIÓN, Paraguay May 24, 2024

RUC No: 80020807-2 RAE SET No: 90/2023 CCP Registration No: F-17

Luis. F. Recalde L. (Partner)

RUC No: 534.660-6 CCP Registration No: C-84

**BALANCE SHEET AS OF DECEMBER 31, 2023 COMPARED WITH FIGURES FOR THE SAME PERIOD OF THE PREVIOUS FISCAL YEAR (Expressed in guaraníes – Note 2.b)**

The accompanying notes are an integral part of the financial statements

<b>CURRENT ASSETS</b>		<b>2.023</b>	<b>2.022</b>
<b>Cash</b>			
Cash		888.202	580.135
Bank - Current Account	3.1	8.876.535.151	3.010.750.152
		<b>8.877.423.353</b>	<b>3.011.330.287</b>
<b>Receivables</b>			
Accounts Receivable	3.2	207.138.047	321.562.423
Prepaid Expenses		5.501.440	8.048.800
		<b>212.639.487</b>	<b>329.611.223</b>
<b>Total Current Assets</b>		<b>9.090.062.840</b>	<b>3.340.941.510</b>
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	3.3	82.158.921	80.313.042
<b>Total Non-Current Assets</b>		<b>82.158.921</b>	<b>80.313.042</b>
<b>TOTAL ASSETS</b>		<b>9.172.221.761</b>	<b>3.421.254.552</b>
<b>LIABILITIES</b>			
<b>Deferred Funds</b>			
Contributions Received from Entities Pending Executic	3.4		
<b>Total Deferred Funds</b>		<b>7.832.403.568</b>	<b>2.400.078.566</b>
		<b>7.832.403.568</b>	<b>2.400.078.566</b>
<b>Debts</b>			
Accounts Payable		203.622.052	184.309.275
Other Accounts Payable		24.090.263	90.146.740
Social and Tax Debts		11.242.572	4.182.322
<b>Total Debts</b>		<b>238.954.887</b>	<b>278.638.337</b>
<b>TOTAL LIABILITIES</b>		<b>8.071.358.455</b>	<b>2.678.716.903</b>
<b>NET EQUITY</b>			
Revaluation Reserve	5	3.865.922	3.865.922
Accumulated Result		738.505.567	502.127.401
Surplus Result for the Year		358.491.817	236.544.326
<b>Total Net Equity</b>		<b>1.100.863.306</b>	<b>742.537.649</b>
<b>TOTAL LIABILITIES + NET EQUITY</b>		<b>9.172.221.761</b>	<b>3.421.254.552</b>

**BALANCE SHEET AS OF DECEMBER 31, 2023**  
**COMPARED WITH FIGURES FOR THE SAME PERIOD OF THE PREVIOUS FISCAL**  
**YEAR**

(Expressed in guaraníes – Note 2.b)

INCOME	NOTES	2.023	2.022
<b>Restricted Income</b>			
Restricted Income from Projects	3.5	3.858.176.177	3.085.765.105
<b>Total Restricted Income</b>		<b>3.858.176.177</b>	<b>3.085.765.105</b>
<b>Other Income</b>			
Miscellaneous Income		224.900.983	155.390.781
<b>Total Income</b>		<b>4.083.077.160</b>	<b>3.241.155.886</b>
 <b>EXPENSES</b>			
<b>Project Expenses</b>			
United Nations Children’s Fund		20,048,974	63,233,376
Association for the Prevention of Torture (OPCAT)		82,349,300	92,665,023
Wissenschafts Zentrum Berlin for Sozialforschung		1,489,637	35,568,298
Electronic Frontier Foundation		16,296,617	27,271,642
Fondo Mines Action Canada		662	36,487,021
Derechos Digitales		80,407,061	372,397,918
Privacy International		25,114,368	128,839,839
Asoc. Profundación para Ciencias Sociales		0	18,120,909
Social Media Exchange Associations - Lebanon		0	4,309,531
Stichting The Tactical Tech		4,602,316	660
Fundación Karisma		0	65,793,933
Civicus		0	350
Fondos GNI		55,198,073	0
Fondos Semilla USAID-TEDIC		214,359,378	0
Fondos OCCA II		17,190,063	0
FRR DD FORD		2,210,372	0
Alphabet (Google)		72,808,837	321,527,685
Internews		20,411,957	65,500,704
National Endowment For Democracy 2020-1448		3,558,356	511,830,468
National Endowment For Democracy 2022-0393		426,579,029	232,252,252
National Endowment For Democracy 2023-0840		47,551,796	0
Pan American Development Foundation PADF		2,136,155	46,304,671
The World Wide Web Foundation		0	1,758,677
Association for Progressive Communications		214,296,858	32,405,425
Electronic Frontier Foundation		1,415,301	0
Fondos Cird		100,000,000	0
Fondos Stock Killer		17,339,944	0
Fondos Stock Killer		40,323,772	0
Avina Indela 3		0	220,886,257
Fondos APC (Libres y Seguros)		72,000,000	0
Fondos OSF-AL SUR		178,831,819	0
Transport		<b>1,717,181,848</b>	<b>2,278,163,306</b>

**STATEMENT OF INCOME AND EXPENSES**  
**For the twelve-month period from January 1 to December 31, 2023**  
**compared with figures for the same period of the previous fiscal year**  
**(Expressed in guaraníes – Note 2.b)**

EXPENSES	NOTES	2.023,0	2.022,0
<b>Project Expenses</b>			
Transport		1,717,181,848	2,278,163,306
Fondos OSF - Derechos Digitales		472,2	0,0
EWB Foundation		705,6	0,0
Fondos National Endowment For Democracy Al Sur		810,540,166	0,0
Asociación de Mujeres Malvaluna		0,0	1,887,805
Fondos de mujeres del Sur FMS		110,659,068	207,487,494
Fondos Avina nuevo		276,397,170	0,0
Fondos Avina Mis datos Mis Derechos		12,280,466	0,0
International Womens USA		29,412,939	63,745,537
Meta Platforms, INC		316,396,761	58,263,493
Mines Canada		0,0	8,805,302
Indela 2022.2023		0,0	567,1
Hivos		125,195,044	322,2
<b>Total Restricted Expenses</b>		<b>3,399,241,233</b>	<b>2,619,242,207</b>
Institucional Expense		281,828,985	385,283,143
Consultoría Luna Nueva		17,331,828	0,0
<b>TOTAL EXPENSES</b>		<b>3,698,402,046</b>	<b>3,004,525,350</b>
Less: Income tax		0,0	86,2
<b>Surplus for the Period</b>		<b>358.491.817,0</b>	<b>236,544,326</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: BACKGROUND OF THE ASSOCIATION

The Asociación Tecnología, Educación, Desarrollo, Investigación y Comunicación – TEDIC – is a civil, non-profit entity founded on March 26, 2012, with its original statutes contained in public deed No. 6 of the same date. According to its social statutes, the Association aims to promote the common good through the use, study, management, exchange, promotion, protection, and preservation of the same. As deemed appropriate, the Association will focus its activities on immaterial common goods considered free, such as ancestral wisdom and knowledge, free software, or more broadly, free culture and knowledge. As a free entity, it is dedicated to developing models and tools according to the reality and social context of each community and will strive to remove private ownership to socialize it, share it multi-directionally, and support the organic construction of integral solutions in conjunction with the communities involved in a participatory model.

To achieve these objectives, the entity plans to carry out the following activities: Create, manage, share, promote, research, and foster tools, whether physical, telematic, legal, methodological, economic, philosophical, or of any other kind, that allow for the achievement of the associative purposes. Facilitate open spaces for cooperation and exchanges, both physical and virtual, among groups of people with similar interests to share and collaborate freely.

### NOTE 2: ACCOUNTING POLICIES

For the preparation and presentation of the financial statements, the entity adopts the following accounting policies:

#### a) Basis of presentation of the financial statements

The financial statements have been prepared in accordance with accounting standards in force in the Republic of Paraguay based on historical costs, except for foreign currency assets and liabilities, as explained in subsection b) of this note, and do not fully recognize the effects of inflation on the entity's financial position, results of operations, and cash flows.

#### b) Currency of Account

The financial statements are expressed in the legal currency, the guaraní (₲). As of December 31, 2023, and 2022, foreign currency assets and liabilities have been converted to guaraníes using the exchange rates in effect at the end of the fiscal year. The exchange rates applied were as follows:

#### 2023

- Foreign currency assets: US\$ 1 = ₲ 7,253.59
- Foreign currency liabilities: US\$ 1 = ₲ 7,283.62

#### 2022

- Foreign currency assets: US\$ 1 = ₲ 7,322.90
- Foreign currency liabilities: US\$ 1 = ₲ 7,339.62

Exchange differences arising from fluctuations in exchange rates between the transaction dates and their settlement or valuation at the end of the period are recognized in the income statement.

### **c) Effect of inflation on the financial statements**

As mentioned in subsection a) above, the financial statements have been prepared based on historical figures and, consequently, do not fully recognize the effects of inflation on the entity's financial position as of December 31, 2023, and 2022. Had comprehensive monetary correction been applied to the financial statements, differences might have arisen in the presentation of the entity's financial position, results of operations, and cash flow as of December 31, 2023, and 2022. According to the Consumer Price Index (CPI) published by the Central Bank of Paraguay, inflation for the year 2023 was 3.7% and 13.12% for the year 2022.

### **d) Valuation of property, plant, and equipment**

At the end of fiscal years 2023 and 2022, tangible assets for use by the entity are valued as follows:

i. Purchased assets are recorded at their acquisition or construction cost, plus all necessary expenses to make them operational. ii. The residual value of each asset is determined based on estimates considering the useful life of each asset. iii. Improvement costs that increase or extend the useful life of assets are capitalized, while maintenance expenses are charged to income. iv. Depreciation is calculated using the straight-line method from the month following the acquisition of the assets, applying annual rates sufficient to write off their values to their residual value over their estimated useful life, as established by current tax legislation.

### **e) Recognition of income and expenses**

For the recognition of period expenses, the entity applies the accrual principle. Income is recognized in the income statement, as indicated in note 3.5 below.

## **NOTE 3: MAIN ACCOUNTS OF ASSETS, LIABILITIES, AND RESULTS**

### **3.1 Cash - Banks**

As of December 31, 2023, and 2022, the composition of the account is as follows:

<b>Cuenta</b>	<b>₡ 2023</b>	<b>₡ 2022</b>
Banco GNB Cta Cte. ₡-003	740.952.763	344.110.869
GNB - Institucional Cta Cte ₡-002	51.324.752	51.230.912
Banco GNB cta. cte. US\$ - 004-OSF CELE	2.941.753.950	0
Banco GNB cta. cte. US\$ - 005 -OSF AL SUR	3.026.865.865	0
Banco GNB Cta. Cte. US\$-001	2.115.637.821	2.615.408.371
<b>Total</b>	<b>8.876.535.151</b>	<b>3.010.750.152</b>

### 3.2 Receivables

The account is composed as follows:

IVA crédito	475.199	21.561
Garantía de alquiler	4.000.000	4.000.000
<b>Total</b>	<b>207.138.047</b>	<b>321.562.423</b>

### 3.3 Property, plant, and equipment

The balance of this item corresponds to the assets in existence at the end of the period on December 31, 2023, and 2022. They are revalued and depreciated in accordance with current regulations. The details are as follows:

<b>Description of Assets</b>	<b>2.023</b>	<b>2.022</b>
	<b>G</b>	<b>G</b>
Office Equipment	36.328.881	47.418.099
Computer Equipment	109.998.440	61.546.055
Furniture and Supplies	28.019.235	35.845.805
Facilities	664.976	791.638
Radio Supplies	19.330.999	15.702.692
<b>Depreciation</b>		
Accumulated Depreciation - Equipment	-86.070.833	-52.791.547
Accumulated Depreciation - Radio Supplies	-13.254.840	-7.360.956
Accumulated Depreciation - Furniture and Supplies	-12.857.937	-20.838.744
<b>Total Fixed Assets</b>	<b>82.158.921</b>	<b>80.313.042</b>

NOTE 3: (continued)

### 3.4 Deferred Funds

During the years 2023 and 2022, the entity received funds from other non-profit entities abroad, the details of which are shown below. These contributions were recorded as liabilities for the total amount received and were then recognized as income for the period as the various programs developed by TEDIC were executed. The details are shown below:

Entidad Donante	Descripción	Total Fondos Recibidos	Total Fondos Ejecutados	Saldo al 31/12/2023	Saldo al 31/12/2022
Fondos Privacy International	Vigilancia de Fronteras	188.901.658	-188.901.658	0	32.107.950
Fondo Electronic Fronties Foudation (EFF)	Quién Defiende tus datos?	66.998.137	-66.998.137	0	16.175.142
Fondo Electronic Fronties Foudation (EFF)	Quién Defiende tus datos?	37.124.250	-1.415.301	35.708.949	0
Fondo Mines Action Canada	Stop Killer Robots	40.218.889	-40.218.889	0	41.839.414
Fondo The National Endowment for Democracy 2022 0393	Promover la participación electoral informada y el voto electrónico	636.638.433	-636.638.433	0	81.790.208
Fondo The National Endowment for Democracy-2023 0840	Advocating for More Transparency and Participation in Electoral Reform	138.279.545	-47.551.796	90.727.749	0
Fondo United Nations Children's Fund (UNICEF)	Fin de la Violencia	186.770.621	-186.770.621		91.594.103
Fondo Derechos Digitales	Repensar el futuro de la criptodivisisas en Paraguay	367.194.206	-367.194.206	0	53.461.856
Fondo Derechos Digitales	OCCA II	38.374.386	-38.374.386	0	54.470.602
Fondo Association for the Prevention of Torture OPCAT	Defensores 2,0	175.014.323	-175.014.323	0	86.269.447
Fondo Wissenschafts Zentrum Berlin for Sozialforschung (WZB)	Firework	37.358.661	-37.358.661	0	37.419.359
Fondo Pan American Development Foundation (PADF)	Preventing GBV in Brazil and Paraguay	48.440.826	-48.440.826	0	52.754.149
Fondo International Womens USA (CAOV)	Coalición contra la violencia en línea	91.026.017	-91.026.017	0	11.614.913
Fondo Centro de Información y Recursos para el Desarrollo- CIRD	Transparencia y Rendición de cuentas del estado sobre reconocimiento facial en Paraguay	100.000.000	-100.000.000	0	30.000.000
Fondo META Platforms, Inc	Meta's privacy experts group and round table, privacy and safety for women in virtual	1.343.649.480	-374.660.254	968.989.226	1.285.385.987
Fondo Tactical Tech	Reality space	4.688.717	-4.688.717	0	11.233.595
Fondo Fundación Fondos de Mujeres del Sur Sucursal Paraguay (FMS)	Internet Feminista hacia una Internet más inclusiva y menos violenta para todos	267.177.164	-267.177.164	0	55.043.179
Fondo Association for Progressive Communications (APC)	Peligros y Oportunidades de digitalización para la justicia ambiental	222.233.151	-222.233.151	0	147.924.356
Fondo Association for Progressive Communications (APC)	Libres y Segures	72.000.000	-72.000.000	0	0
Fondo Indela 2022-2023	Fortaleciendo la producción de DP en Paraguay	433.988.100	-305.382.521	128.605.579	214.772.938
Fondo Indela	Estadio de Fútbol			0	0
Fondo Digital Defenders -HIVOS	Enfrentando a los anti Derechos hacia la defensa en línea de periodistas en Paraguay			0	96.221.368
Fondo Fundación Semillas para la Democracia	Mayor control ciudadano para combatir la influencia del crimen organizado y la corrupción en las elecciones	218.271.000	-214.359.378	3.911.622	0
Fondo Alphabet GOOGLE	Clinica Jurídica	71.476.100	-71.476.100	0	0
Fondo Luna Nueva	Adolescentes, jóvenes y mujeres protegidas/os de la Violencia Sexual con énfasis en ESSNA y Trata en Asunción y Departamento de Itapúa <sup>17</sup> -			0	0
Fondo Open Society Foundation -Al Sur-Cele	Support the Grantee's work insafeguarding privacy, freedom of expression, and open access to information online, toenhance the capacity of actors in the region to defend and promote these rights in the digitalsphere	5.580.742.500	-167.189.404	5.413.553.096	0
Fondo Derechos Digitales	OSF AL SUR	1.159.012.953	-472.163	1.158.540.790	0
Fondo World Wide Web Foundation	Online Gender Based Violence	33.072.165	-705.608	32.366.557	0
<b>Total General</b>		<b>11.558.651.282</b>	<b>-3.726.247.714</b>	<b>7.832.403.568</b>	<b>2.400.078.566</b>

3,5

At the close of the 2023 and 2021 fiscal years, the composition of restricted-use contributions that the entity received from other non-profit entities is as follows:

DONANTE	DESCRIPCIÓN DEL ACUERDO	2023 G	2022 G
PRIVACY INTERNACIONAL	Vigilancia de Fronteras	32.469.083	131.831.270
Fondo Open Society Foundation -Al Sur-Cele	Support the Grantee's work in safeguarding privacy, freedom of expression, and open access to information online, to enhance the capacity of actors in the region to defend and promote these rights in the digital sphere	178.033.356	0
Electronic fronties foudation	¿Quién defiende tus datos?	1.559.432	0
Fondo Indela 2022-2023	INDELA 1 Fortaleciendo la protección de los Datos Personales en Paraguay desde la sociedad civil: Una estrategia con múltiples aristas.	319.442.142	0
Electronic fronties foudation	¿Quién defiende tus datos?	16.235.879	28.107.301
Fondo Mines Action Canada	Stop Killer Robots	29.039.275	40.195.086
DERECHOS DIGITALES	OSF AL SUR	16.541.169	
INTERNEWS	GNI	365.613	96.484.766
FUNDACION KARISMA	Al Sur. Plataforma Covid		73.473.656
DERECHOS DIGITALES	Al Sur. Strengthening the protection of women on the internet.	56.012.438	27.995.056
NATIONAL ENDOWMENT FOR DEMOCRACY-NED	2020 1448 Al sur. Tecnología en Elecciones	14.041.473	521.079.666
Fondo Fundación Semillas para la Democracia	Mayor control ciudadano para combatir la influencia del crimen organizado y la corrupción en las elecciones	214.359.378	0
THE WORLD WIDE WEB FOUNDATION-WWWF	Online Gender Based Violence	705.608	0
NATIONAL ENDOWMENT FOR DEMOCRACY-NED	Al Sur	769.876.993	0
NATIONAL ENDOWMENT FOR DEMOCRACY-NED	2023-0840	47.551.796	0
Alphabet (Google)	Clínica Jurídica	74.663.521	334.134.003
Fondo Centro de Información y Recursos para el Desarrollo- CIRD	Transparencia y Rendición de cuentas del estado sobre reconocimiento facial en Paraguay	100.000.000	0
Association for the Prevention of Torture OPCAT	Defensores 2.0	87.711.196	99.656.411
United Nations Children's Fund (UNICEF)	Fin de Violencia	91.594.103	63.233.376
Wissenschafts Zentrum Berlin for Sozialforschung WZB	Fairwork	38.625.555	36.494.442
DERECHOS DIGITALES	Repensar el futuro de la criptomoneda en Paraguay	71.895.866	56.254.644
AVINA	INDELA 3. Fortaleciendo la protección de los datos personales en Paraguay desde la sociedad civil: Una estrategia con múltiples aristas	0	4.902.615
DERECHOS DIGITALES	Derechos Digitales OSF	0	306.030.230
Pan American Development Foundation (PADF)	Preventing GBV in Brazil and Paraguay entrega informe final 15-08-2022	54.538.715	55.041.565
Asociación de Mujeres Malvaluna	Protección y Seguridad de personas defensoras de Derechos Humanos de Centroamerica	0	21.657.268
NATIONAL ENDOWMENT FOR DEMOCRACY-NED	2022- Promover la Participación Electoral Informada y el Voto Electrónico	490.386.526	240.794.413
Fundación Fondos de Mujeres del Sur Sucursal Paraguay-FMS	Hackerfem 2022	0	56.129.398
INTERNATIONAL WOMENS USA-CAOV	Cualición contra la violencia en línea	27.280.480	68.256.573
META Platforms, Inc	Meta's privacy experts' group and roundtables about privacy and safety for women in virtual	324.537.376	81.494.382
Tactical Tech	Reality space	35.253.509	660.000
FMS – Proyecto Internet Feminista	Internet Feminista hacia una internet más inclusiva y menos violenta para todas las personas	142.317.746	153.037.769
(APC) Association for Progressive Communications	Peligros y oportunidades de la digitalización para la justicia ambiental durante el crisis climática	203.333.155	27.961.843
Fondo Mines Canadá	Stop Killer Robots	54.678.419	8.840.706
HIVOS	Enfrentando a los Anti derechos hacia la defensa en línea de periodistas en Paraguay	113.282.185	644.416
VARIOS	Proyecto a corto plazo recibida de donantes	132.278.804	551.374.250
<b>Total</b>		<b>3.738.610.791</b>	<b>3.085.765.105</b>

## NOTE 4: COMPLIANCE WITH TAX AND FISCAL ASPECTS

markdown

### 4.1 Corporate Income Tax

Law No. 6380/2019, Article 25 - Exemptions, point 2) subsection c), stipulates that associations, federations, foundations, and other similar entities with legal personality that carry out activities of social welfare or public interest with lawful purposes and do not aim to make a profit or distribute monetary benefits among their members are exempt from paying Corporate Income Tax (CIT).

Note 4: (continued)

However, it is clarified that the entity will be exempt from paying the aforementioned tax, as long as it does not engage in certain activities that are permanently taxed and are conducted on a commercial basis, such as: consignment of goods, transportation of goods or people, loans and financing; surveillance and similar activities, restaurants, hotels, motels, travel agencies, funeral services, and any activity considered taxable at the interpretation of the Undersecretariat of State for Taxation.

It should be noted that Article 74 of Decree No. 3182/2019 states that the filing of tax returns and compliance with formal duties of non-profit entities is an obligation that the entity is required to fulfill, even if they do not engage in activities considered taxable by the Tax Administration according to the deadlines and formalities established.

markdown

### 4.2 Value Added Tax

The entity submits its Tax Returns using Form No. 120 of the Value Added Tax on a monthly basis, in order to comply with current tax provisions.

## NOTE 5: REVALUATION RESERVE

As a result of the implementation of Law No. 6380/2019, the entity ceased the annual adjustment on fixed assets based on the Consumer Price Index issued by the Ministry of Finance. Consequently, as provided by said Law, this amount must remain within the entity's Equity until it is resolved to appropriate it as part of the institutional equity contribution. Such balance cannot be distributed as dividends, profit, or benefit among its members and if done so, it will be subject to the payment of the corresponding tax.

## NOTE 6: RELEVANT SUBSEQUENT EVENTS

As of the end of the fiscal year ended on December 31, 2023, and 2022, there have been no relevant subsequent events that require consideration for modifying the entity's financial information.

  
Lic. Rocío Benítez

Admin

  
Abog. Maricarmen Sequera Buzarquis

Executive Director