

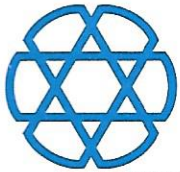
CAMPAÑA GLOBAL POR LA LIBERTAD DE EXPRESIÓN A19 A.C.

**Financial Statements at December 31, 2016
and 2015, and report of independent
auditors**

(Mexican pesos currency)

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DESPACHO FRIDMAN RAMIREZ TORRES Y ASOCIADOS, S.C.

**INDEPENDENT AUDITOR'S REPORT
TO THE GENERAL ASSEMBLY OF ASSOCIATES.**

CAMPAÑA GLOBAL POR LA LIBERTAD DE EXPRESIÓN A19, A.C.

We have audited the accompanying Financial Statements of the Association Campaña Global por la Libertad de Expresión A19 A.C., which comprise the Statement of Balance Sheets as at December 31, 2016 and 2015, the Activities Statement and Cash Flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Mexican 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.

Auditor's Responsibility

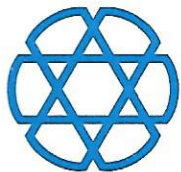
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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 of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in light of 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 accounting policies used and the reasonableness of 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 in our audits provides a sufficient and appropriate basis for our opinion.



DESPACHO FRIDMAN RAMIREZ TORRES Y ASOCIADOS, S.C.

Opinion.

In our opinion except for the previous comment, the Financial Statements present fairly, in all material respects, the financial position of the **Campaña Global por la Libertad de Expresión A19 A.C.** at December 31, 2016 and 2015, and the Activities Statement and Cash Flows for the years then ended, in accordance with Mexican Financial Reporting Standards.

DESPACHO FRIDMAN RAMIREZ TORRES Y ASOCIADOS S.C.

C.P.C. Erulidez Ramírez Nava.
Partner.

Mexico, city
May 31, 2017.

CAMPAÑA GLOBAL POR LA LIBERTAD DE EXPRESIÓN A19, A.C.
BALANCE SHEET AS AT DECEMBER 31, 2016 AND 2015
(Mexican pesos currency)

Assets	2016	2015	Liabilities	2016	2015
Current assets:			Current liabilities:		
Cash and cash equivalents (note 4)	\$ 9,873,780	\$ 5,537,417	Suppliers	\$ 49,108	\$ 22,503
Accounts Receivables:			Sundry creditors	1,111	9,291
Accounts receivable	744,095	-	Payable taxes (note 7)	548,932	487,005
Sundry debtors	5,430	4,498	Total current liabilities	599,151	518,799
Taxes to recover	-	190			
Total current assets	10,623,305	5,542,105	Long-term debt:		
			Employee Benefits (note 8)	352,686	333,277
Non-current assets:			Total Liabilities	951,837	852,076
Property, Plant and equipment, net (note 5)	54,068	96,919	Accountant patrimony		
Others assets (note 6)	99,933	96,966	Not restricted (note 9)	(51,858)	(588,814)
			Temporarily restricted (note 9)	10,061,455	5,472,728
			Other Patrimony Accounts-ORI (note 9)	(184,128)	-
Total non-current assets	154,001	193,885	Total accountant patrimony	9,825,469	4,883,914
Total Assets	\$ 10,777,306	\$ 5,735,990	Total Liabilities and accountant patrimony	\$ 10,777,306	\$ 5,735,990

The accompanying notes are an integral part of the financial statements.

CAMPAÑA GLOBAL POR LA LIBERTAD DE EXPRESIÓN A19, A.C.
ACTIVITIES STATEMENT AT DECEMBER 31, 2016 AND 2015
(Mexican pesos currency)

Income:	Not restricted 2016	Temporarily restricted 2016	Total 2016	Not restricted 2015	Temporarily restricted 2015	Total 2015
Donations-received (note 9)	\$ -	\$ 27,638,101	\$ 27,638,101	\$ -	\$ 19,875,570	\$ 19,875,570
Revenues-Courses and consulting	111,421	-	111,421	293,350	-	293,350
Other income	86	-	86	189	-	189
Earned Interests	6,243	-	6,243	130	-	130
Exchange gain (loss)-net	490,439	-	490,439	241,433	-	241,433
<i>Income before release</i>	<u>608,189</u>	<u>27,638,101</u>	<u>28,246,290</u>	<u>535,102</u>	<u>19,875,570</u>	<u>20,410,672</u>
Accountant patrimony freed from restrictions						
Expiration of temporary restrictions	7,780,369	(7,780,369)	-	12,780,856	(12,780,856)	-
Total income	<u>8,388,558</u>	<u>19,857,732</u>	<u>28,246,290</u>	<u>13,315,958</u>	<u>7,094,714</u>	<u>20,410,672</u>
Expenses:						
Operative expenses	7,359,797	15,269,005	22,628,802	11,905,464	7,573,078	19,478,542
Administrative expenses	427,905		427,905	892,807		892,807
Cost of courses	63,900		63,900	216,732		216,732
Total costs and expenses	<u>7,851,602</u>	<u>15,269,005</u>	<u>23,120,607</u>	<u>13,015,003</u>	<u>7,573,078</u>	<u>20,588,081</u>
Net change in accountant patrimony	<u>536,956</u>	<u>4,588,727</u>	<u>5,125,683</u>	<u>300,955</u>	<u>(478,364)</u>	<u>(177,409)</u>
Other Patrimony Accounts-ORI						
	(184,128)		(184,128)	-		-
Accountant patrimony at beginning of year	(588,814)	5,472,728	4,883,914	(889,769)	5,951,092	5,061,323
Accountant patrimony at end of year	<u>\$ (235,986)</u>	<u>\$ 10,061,455</u>	<u>\$ 9,825,469</u>	<u>\$ (588,814)</u>	<u>\$ 5,472,728</u>	<u>\$ 4,883,914</u>

The accompanying notes are an integral part of the financial statements.

CAMPAÑA GLOBAL POR LA LIBERTAD DE EXPRESIÓN A19, A.C.
CASH FLOW STATEMENT AT DECEMBER 31, 2016 AND 2015.
(Mexican pesos currency)

	Total 2016	Total 2015
Operating activities		
Change in accountant patrimony	\$ 5,125,683	\$ (177,409)
Reconciliation with cash flow:		
Income from investment activities	(6,243)	(130)
Depreciation	42,851	47,177
Change in:		
Accounts receivables	(744,095)	-
Sundry debtors	(932)	122,008
Others assets	(2,777)	(2,880)
Accounts payable	26,605	10,943
Sundry creditors	(8,180)	(684,695)
Payable taxes	61,927	31,457
Employee Benefits	(164,719)	162,070
Net cash flows from operating activities	4,330,120	(491,459)
Investing activities		
Purchases of furniture and equipment	-	-
Income from investment activities	6,243	130
Net cash flows from investing activities	6,243	130
Net Increase/Decrease in cash	4,336,363	(491,329)
Cash at beginning of year	5,537,417	6,028,746
Cash at end of year	\$ 9,873,780	\$ 5,537,417

The accompanying notes are an integral part of the financial statements.

CAMPAÑA GLOBAL POR LA LIBERTAD DE EXPRESIÓN A19, A.C.

NOTES TO THE FINANCIAL STATEMENTS

AT DECEMBER 31, 2016 AND 2015.

(Mexican pesos currency)

1. BASIS OF PRESENTATION.

- a) Financial Statements: The accompanying financial statements have been prepared in accordance with Mexican Financial Reporting Standards (NIF) in force at the balance sheet date and are presented in Mexican peso currency.
- b) Activities Statement: Costs and expenses presented in the statement of activities were classified according to their function.
- c) Cash flow statement: The Association applies the indirect method in the preparation of cash flow statement in accordance with NIF B-2. This state is prepared starting with the cash flows from operating activities, after of investment and finally the financing operations.

2. INCORPORATION AND CORPORATE PURPOSE.

The Association was incorporated on February 13, 2008 as a civil association non-profit, with legal personality and own assets. It aims to support the defense and promotion of human rights irrevocably, promotes research, conducts and sponsors courses, studies, surveys, conferences, radio and television, among others, whose purpose training, counseling and dissemination on themes of human rights.

3. SIGNIFICANT ACCOUNTING POLICIES.

General bases.

The accounting policies followed by the association agrees with the Financial Reporting Standards (NIF), which require management to make certain estimates and use certain assumptions to determine the valuation of some of the items included in the financial statements and carry out required disclosures present in them. Even though they may differ from their final effect, management believes that the estimates and assumptions used were adequate under the circumstances.

NIF are made up of:

- The own Financial Reporting Standards (NIF)
- NIF Interpretations (INIF)
- Bulletins issued by the Accounting Principles Board of the Mexican Institute of Public Accountants that have not been modified, replaced or repealed by new NIF; and
- The International Financial Reporting Standards applicable on a supplementary basis.

The significant accounting policies followed by the Association are as follows:

a) Implementation of specific principles concerning entities non-profit purposes.

The financial statements are presented in accordance with the provisions of NIF B-16 "financial statements of entities with non-profit purposes" and NIF E-2 "Donations received or granted by entities with non-profit purposes"

b) Effects of inflation in the financial statements.

In accordance with NIF B-10, financial statements for 2016 and 2015 were prepared under the following assumptions:

Is not recognized the effects of inflation in the year, because the cumulative inflation of the three preceding years it was not higher than 26%, so that the said rule qualifies as a non-inflationary environment, this based on the National Index Consumer prices (INPC) issued by the Bank of Mexico. The inflation rate accumulated in the last three years, are shown below:

<u>December 31</u>	<u>INPC</u>	<u>Inflation</u>	
		<u>Of the year</u>	<u>Cumulative</u>
2016	122.5150	3.36%	9.55%
2015	118.5320	2.13%	10.18%
2014	116.0590	4.08%	11.61%

c) Cash and cash equivalents:

Cash and cash equivalents integrates by bank deposits in checking accounts and short-term investment. Cash is valued at face value, cash equivalents denominated in foreign currencies are translated using the exchange rates with which the entity could they have been realized at the date of the financial statements and the effects of translation are recognized in the state of activities forming part of unrestricted income unless the use of such variations are limited.

d) Furniture and equipment.

The furniture and equipment are recorded at acquisition cost. Depreciation is calculated using the straight-line method, according to the estimate life of the assets, as follows:

<u>Fixed asset</u>	<u>Depreciation rate</u>
Computer equipment	30%
Furniture and equipment	10%

e) Donations temporarily restricted.

They are those that are intended for a specific program or project and are recorded in the temporarily restricted equity. When temporary restrictions meet the objectives of the program, these donations are released.

f) Revenues-Courses and consulting.

Are recognized as increases to unrestricted equity, when are received.

g) Deferred taxes

According to NIF D-4, Income Taxes, this NIF is not applicable to entities with nonprofit purposes, except with regard to the operations they carry out and which are subject to payment of tax the utility under the tax provisions, the Association did not have items that generate deferred income taxes in the year.

h) Employee Benefits.

They are valued in proportion to the services provided, considering their current salaries and liability is recognized as it accrues. It includes mainly vacation, vacation premium and incentives.

i) Termination benefits, retirement and others.

The liability for seniority premiums and termination of employment to retirement and others, are recognized as they accrue and are calculated by independent actuaries based on the projected unit credit method using

nominal interest rates. The remuneration upon termination of the employment relationship for reasons other than restructuring, are presented as part of ordinary operations overhead in the results.

j) Accountant patrimony.

It is classified in accordance with the restrictions established by the donors, according to the contracts signed.

k) Foreign Currency Operations.

The transactions in foreign currency are registered to the exchange rate in the date of the operation, the assets and liabilities in foreign currency are adjusted to the exchange rate of end of month, this change it is registered as part of the statement of activities, as income or expenditure not restricted unless the use of such variations are limited.

4. CASH AND CASH EQUIVALENTS.

At December 31, 2016 and December 31, 2015 this account is integrated for:

	<u>2016</u>	<u>2015</u>
Unrestricted cash	\$ 551,420	\$ 59,689
Restricted cash temporarily (a)	9,317,360	5,472,728
Petty cash	5,000	5,000
Total	<u>\$ 9,873,780</u>	<u>\$ 5,537,417</u>

(a) Relates to donations received for specific programs, which at December 31 have not yet been realized and are deposited in checking accounts and short-term investments.

5. FURNITURE AND EQUIPMENT.

The balances of furniture and equipment at December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Computer equipment	\$ 260,258	\$ 260,258
Furniture and equipment	66,211	66,211
	<u>326,469</u>	<u>326,469</u>
Less accumulated depreciation:		
Computer equipment	232,624	196,394
Furniture and equipment	39,777	33,156
Total accumulated depreciation	<u>272,401</u>	<u>229,550</u>
Net, furniture and equipment	<u>\$ 54,068</u>	<u>\$ 96,919</u>

The depreciation registered in results in 2016 and 2015 is \$ 42,851 and \$ 47,177 respectively.

6. OTHER ASSETS.

The other assets include warranty deposits of the property leased by the Association.

7. TAXES PAYABLE.

At December 31, 2016 and December 31, 2015 this account is integrated for:

	<u>2016</u>	<u>2015</u>
Salary tax	\$ 231,480	\$ 215,197
Income Tax	5,145	17,415
Tax withheld for professional services	15,322	18,059
Tax retained lease	3,331	3,232
Tax withheld for payments to foreign services	956	615
Others taxes withheld	41,040	0
VAT pending to recovery	19,898	22,834
VAT	0	5,713
Social Security	104,617	96,211
Infonavit	69,151	53,359
SAR	23,484	21,343
Payroll Tax	34,509	33,027
Total taxes payable	<u>\$ 548,933</u>	<u>\$ 487,005</u>

8. EMPLOYEE BENEFITS.

Quantification of liabilities of labor obligations for termination benefits and retirement benefits were determined based on calculations prepared by independent actuaries, the components of net cost for the years ended December 31, 2016 and 2015 are as follows:

	<u>Benefits</u>			
	<u>Termination</u>		<u>Retirement</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net period cost:				
Labor cost of current service	\$ 151,312	\$ 125,162	\$ 2,637	\$ 13,981
Financial cost	17,411	15,449	485	2,040
Actuarial gain and losses	356	99,466	16	2,538
Labor cost of past services	0	(49,478)	0	(1,124)
Effect of settlement of obligations	(144,348)	(25,862)	(2,588)	0
Excess provision 2014	0	(20,102)	0	0
Increase by Recalculations	180,717	0	1,550	0
Recognized in Other Patrimony Accounts (ORI)				
Net period cost	<u>\$ 205,448</u>	<u>\$ 144,635</u>	<u>\$ 2,100</u>	<u>\$ 17,435</u>

The recalculations of the Net Liabilities of Total Defined Benefits recognized in Other Patrimony Accounts (ORI) at the beginning and end of the year were:

	<u>Termination</u> <u>2016</u>	<u>Retirement</u> <u>2016</u>	<u>Total ORI</u> <u>2016</u>
Actuarial gain and losses in obligations to 01/01/2016	\$ 1,782	\$ 79	\$ 1,861
ORI Balance as of 01/01/2016	1,782	79	1,861
Recycling for Profits (losses) in actuarial obligations	(356)	(16)	(372)
Recycling for Actuarial Gains (losses) on assets	0	0	0
Actuarial gains (losses) on liabilities of the period	181,073	1,566	182,639
Actuarial gain (loss) on assets of the period	0	0	0
ORI Balance as of 12/31/2016	\$ 182,499	\$ 1,629	\$ 184,628

The present value of benefit obligations of the plans at December 31, 2016 and 2015 is detailed below.

	<u>Benefits</u>			
	<u>Termination</u>		<u>Retirement</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Amount of obligations defined benefit (OBD)	\$ 286,745	\$ 286,745	\$ 46,532	\$ 48,393
ORI Balance	1,782	0	79	0
Cost of defined benefit 2016	205,448	0	2,100	0
Plan assets	0	0	0	0
Payments made against the provision during 2016	(190,000)	0	0	0
Past services	0	0	0	(5,437)
Actuarial gain and losses	0	0	0	3,576
Net Liabilities of Defined Benefits	\$ 303,975	\$ 286,745	\$ 48,711	\$ 46,532

Nominal rates used in actuarial calculations were:

	<u>Benefits</u>	
	<u>2016</u>	<u>2015</u>
Nominal discount rate to reflect the present value of obligations.	7.90%	7.40%
Rate of increase in future salary levels	5.80%	5.80%

9. PATRIMONY.

Accountant patrimony is classified according to his restriction:

a) Patrimony unrestricted. No restrictions to be used by the entity, ie, those resulting from:

- Revenues, expenses, gains, and losses that are not changes in the patrimony temporarily restricted.
- The reclassifications from or to the assets temporarily restricted, according to the implementation of specific projects.

The patrimony of the Association is intended for purposes relating to its corporate purpose, so it can not confer benefits of the increases the same.

b) Patrimony temporarily restricted. It is formed of contributions whose use by the Association is limited to the implementation of specific projects.

Donations that make up the assets temporarily restricted corresponds to specific programs or projects stipulated in contracts, as shown below:

Donations collected in 2016				
Objective of the grant per project	Donor	Project	Donative	Remainder
To provide support for the program entitled "Dialogue on the protection of journalists"	Embajada de los Estados Unidos de América	USAID	7,013,431	(461,818)
To generate a context for demanding accountability on the functioning of the guarantors bodies of DAI and promote the right of access to information as a tool for the exercise of other rights.	The William and Flora Hewlett Foundation	HF6	5,039,640	3,468,787
For the development of the Open Government action plan with the Government of Mexico.	The William and Flora Hewlett Foundation	Hewlett Foundation-OGP	3,909,660	1,620,950
For the development of the internal policies and procedures manual.	The William and Flora Hewlett Foundation	HF-Internal manuals	167,664	5,475
Strengthening the security and protection of human rights defenders and journalists in Mexico	The European Commission	Unión Europea	2,503,944	2,503,184
To provide protection to threatened journalists and strengthen the free flow of information in Mexico.	John D. and Catherine T. MacArthur Foundation	McArthur2	1,920,140	1,920,140
Promotion of digital rights in Mexico	Stiftung Auxilium	Porticus	1,564,500	527,408
To pressure the authorities in Mexico, including monitoring bodies the right to information, to develop and implement the legal framework guaranteeing the right to truth in Mexico. To give objective information to society about serious violations of human rights and crimes against humanity that occurred in Mexico in the last decade.	Foundation Open Society Institute(FOSI)	OSF-Derecho a la verdad 2	920,000	129,792
Provide support in the implementation of audit / diagnosis in digital security matter and improvement recommendations to the Article 19 for Mexico.	Stiching Hivos (Humanistisch Instituut voor Ontwikkelingssamenwerking)	Hivos 2	790,000	(148,703)
To strengthen the state protection to journalists and human rights defenders through training and the creation and implementation of public policies for prevention and protection.	Freedom House	Freedom House	713,078	15,647
The objective of the project is strengthening the Mexican alternative media network known as "Red #RompeElMiedo" whose purpose is the promotion and facilitation of sources to ensure secure protection coverage and the right to information of their audiences.	Tides Foundation	Angélica # Rompe el miedo 2	693,352	419,448
This is a global project, is a project signed by A19 London with the donor (SIDA) and "Campaña Global" corresponds only a part of the project. So the money is managed by A19 London. London transfers resources to pay some specific activities aimed at the defense and promotion of freedom of expression and protection of journalists.	Article 19	SIDA Londres	563,278	-
For institutional strengthening	Article 19		450,000	-
For internal security	Article 19		172,928	153,885
To cover events of the council session and IGF in Guadalajara	Article 19		152,784	-
Enabling the capabilities and mechanisms of security and protection within the Plan of Action of the UN, to generate a report on the performance of the state in compliance with international recommendations on the protection of journalists as well as a risk analysis of safety for the journalists in Mexico city and in two selected states.	International Media Support	MS	507,232	-
Promotion and defense of freedom of expression and access to information in Mexico.	Embajada de Irlanda		104,653	50,001
Support for CSO meetings for travel expenses and attendance at the event held from March 26 to April 4, 2016 in San Francisco, about rights hi	Institute of International Education	Ford_IIE-OGP(AGA)	45,625	-
Travel expenses to attend the public hearing of the Inter-American Commission on Human Rights on Access to Information and Restrictions on Freedom of Expression in Mexico in Washington DC	Institute of International Education	FF-IIE	25,150	-
For citizen participation in the international week of civil society in Colombia	CIVICUS World Alliance for Citizen Participation		39,748	-
To cover the event of the privacy and security workshop.	Electronic Frontier Foundation		36,199	
For institutional strengthening	Others minor		305,095	-
Total 2016			\$ 27,638,101	\$ 10,204,196

Donations collected in 2015				
Objective of the grant per project	Donor	Project	Donative	Remainder
Development and institutional strengthening.	Article 19		583,922	(584,299)
To provide protection to threatened journalists and strengthen the free flow of information in Mexico.	John D. and Catherine T. MacArthur Foundation	McArthur2	1,629,760	211,870
To report on gender violence against women journalists and freedom of expression in Mexico	Embajada Suiza en México	Embajada Suiza	75,000	(74,952)
To improve conditions in the empowerment of citizens and freedom rights in the context of demonstration and protest in Mexico City.. A joint project with Front for Freedom of Expression	Foundation to Promote Open Society	OSF-LAP_FLEPS sumando voces	1,552,155	255,071
To provide protection to journalists in cases of emergencies.	Embajada Suiza en México	Embajada Suiza-emergency kit	150,000	49,569
Total 2015			\$ 3,990,837	\$ (1,113,280)
Total donations restricted as of 12/31/2016				\$ 10,061,455

Other Patrimony Accounts-ORI.

During 2016, the effect of the recognition of Other Patrimony Accounts (ORI) arising from the change in Financial Reporting Standard D-3 and that will be recycled to the results in recalculations generated by the actuarial gains or losses of the Obligations and the plan assets, are composed of the following amounts:

*Prima de antigüedad	\$ 1,629
*Indemnización legal	169,160
*Indemnización legal sustitutiva de jubilación	<u>13,339</u>
Total Otros Resultados Integrales (ORI)	\$ 184,128

10. FISCAL ENVIROMENTAL.

a) Regime Income Tax.

In the years 2016 and 2015 the Association is authorized to receive tax deductible donations according authorization published in the Official Journal of the Federation on January 12, 2016 and January 9, 2015, respectively.

In accordance with the Income Tax Law, the entities authorized to receive deductible donations are not tax payers of this tax, nevertheless the Association is tax payer in case for the omissions of income, acquisitions not made and registered, non-deductible expenses and loans to members to the Association that could be considered as notional dividends in accordance with section XXVI Article 79, second paragraph of the Act.

The association determined income tax by non-deductible expenses in 2016 and 2015 of \$ 7,333 and \$ 17,415, respectively, both taxes paid.

b) Employee Profit Sharing.

In accordance with Article 126 of the Federal Labor Law, by the non-profit nature of the organization, there is no obligation to cover this benefit to their workers.

11. POSITION IN FOREIGN CURRENCY.

The foreign currency position as of December 31, 2015 and 2014 is shown below:

<u>Dollars</u>	2016	2015
Current assets	148,727	47,001
Current liabilities	<u>0</u>	<u>0</u>
Long position	<u>148,727</u>	<u>47,001</u>

<u>Canadian dollars</u>	2016	2015
Current assets	1,859	1,859
Current liabilities	<u>0</u>	<u>0</u>
Long position	<u>1,859</u>	<u>1,859</u>

<u>EUROS</u>	2016	2015
Current assets	3,518	3,605
Current liabilities	<u>0</u>	<u>0</u>
Long position	<u>3,518</u>	<u>3,605</u>

As of December 31, 2016 exchange rates used to convert amounts previous to national currency were \$ 21.92 per euro, \$ 15.37 per Canadian dollar and \$ 20.66 per U.S. dollar in 2015 the exchange rate used was \$ 18.32 per euro, \$ 13.02 per dollar Canadian and \$ 17.34 per US dollar, At May 31, 2017, date of the financial statements, the exchange rate is \$ 20.12 per euro, \$13.51 per Canadian dollar and \$ 18.48 per dollar U.S.A.

Transactions in foreign currency were as follows:

<u>American Dollars</u>	2016	2015
Income:		
Donations Received	<u>240,379</u>	<u>613,483</u>
Total Incomes	240,379	613,483
Expenses:		
Fee	5,553	6,650
Travel expenses abroad	1,000	1,675
Commissions	120	397
Transfers banks own accounts	<u>131,980</u>	<u>0</u>
Total expenses	138,653	8,722
Net movement for the year	101,726	604,761
 <u>Euros</u>	 2016	 2015
Income:		
Donations Received	<u>0</u>	<u>26,086</u>
Total Incomes	0	26,086
Expenses:		
Domains	77	219
Commissions	<u>10</u>	<u>20</u>
Total expenses	87	239
Net movement for the year	(87)	25,847

12. CONTINGENCY.

According to current tax legislation, the tax authorities are entitled to examine the five fiscal years prior to the last statement delivered of the income tax.

13. NEW ACCOUNTING PRONOUNCEMENTS.

Effective January 1, 2018, Financial Reporting Standards NIF-B17 "Determination of Reasonable Value" and NIF-C10 "Derivative Financial Instruments and Hedging Relationships" will enter into force, allowing for their early application under certain considerations.

NIF B-17 "Determination of Reasonable Value" , the objectives of this standard are:

- I. Define fair value.

- II. Establish a single standard for the determination of fair value.
- III. Standardize disclosures related to fair value determinations.

This Standard will be applied when another standard requires or permits valuations at fair value or disclosures about valuations at fair value, except in specific circumstances.

Defining the fair value as the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date (ie an exit price). An exit price is one for which an asset or a liability could be realized at any given time.

This fair value definition emphasizes that fair value is a market-based measure, not a specific valuation of an entity, so that in determining fair value an entity uses the assumptions that market participants would use when setting the fair value. Price of the asset or liability under present market conditions, including assumptions about risk. Accordingly, an entity's intention to maintain an asset or otherwise settle or settle a liability is not material when measuring fair value.

The Standard does not establish which items of assets or liabilities are to be recognized at fair value in an entity's financial statements or when disclosures of fair value should be made, as otherwise provided by other standards. That is, this NIF establishes how fair value is determined, and other rules, at which point accounting recognition proceeds based on said value.

NIF C-10 "Derivate Financial Instruments and Hedging Relationships", the Financial Information Standard focuses on:

- Establish the characteristics that a Derivate Financial Instrument must have to be considered as such.
- Define and classify permissible models for the recognition of coverage relationships.
- Establish the conditions that must be met by a financial instrument, derivative or non-derivative, as well as those that must meet the hedged items, to be designated in a hedge relationship.
- Define the concept of alignment an entity's financial risk management strategy to designate a hedging relationship.
- Establish methods to evaluate the effectiveness of a hedge relationship and the possibility of rebalancing it.

The main changes of this NIF in relation to the Bulletin C-10 are:

- a) The hedge relationships are required to be aligned with the financial risk management strategy that the entity has established and disclosed, to qualify and recognize as such.
- b) Arbitrary measures are no longer used to determine whether a hedge is effective, such as periodic or cumulative changes in the fair value of the hedging instrument should be in a ratio between 80 and 125% with respect to changes in the item cover.
- c) The hedge ratio for hedged items valued at fair value is allowed.
- d) It is not permissible to discontinue a hedge relationship while aligned with the entity's financial risk management strategy. It is only discontinued if the hedging instrument or hedged item ceases to exist or if the financial risk management strategy changes.
- e) It is required to rebalance the coverage ratio if there is ineffectiveness, either by increasing or decreasing the hedged item or the hedging instrument.

- f) It is not permitted to separate implicit derivative financial instruments when the host contract is a financial asset.

Management believes that the effects in the new NIF and change to the exist Bulletin will not generate significant effects.


14. AUTHORIZATION FOR THE ISSUANCE OF THE FINANCIAL STATEMENTS.

The financial statements as of December 31, 2016 were authorized for issuance on May 31, 2017, by Professor Ana Cristina Ruelas Serna, Director of **Campaña Global por la Libertad de Expresión A19 A.C.**, and are subject to approval by the General Assembly of Members, who may be modified.

These notes are an integral part of the accompanying financial statements of **Campaña Global por la Libertad de Expresión A19 A.C.**, as of December 31, 2016 and 2015.



Mtra. Ana Cristina Ruelas Serna
Director



C.P. Rosas Palma Maria Araceli
General Accountant