

**(CONVENIENCE TRANSLATION INTO ENGLISH FROM  
THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**

**FUNDO SOCIOAMBIENTAL CASA**

**FINANCIAL STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
REVIEW AND REPORT OF INDEPENDENT AUDITORS**

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

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

To the Board of Trustees and Directors of

**Fundo Socioambiental Casa**

São Paulo - SP

We have audited the accompanying financial statements of **FUNDO SOCIOAMBIENTAL CASA ("Entity")**, comprising the balance sheet as of December 31, 2015, and the related statements of surplus (deficit), changes in equity and cash flows for the year then ended, as well as the summary of the main accounting practices and other notes to financial statements.

### **Board of Trustees' responsibility for the financial statements**

The Board of Trustees is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil for small and medium-sized entities (NBC TG 1000) and guidelines contained in Technical Interpretation ITG 2002 – Not-for-profit Entity, approved by the Brazil's National Association of State Boards of Accountancy (CFC), and for such internal controls as the Board of Trustees determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Independent auditor's responsibility**

Our responsibility is to express a opinion on these financial statements based on our audit, conducted in accordance with the Brazilian and international audit standards. Those standards require compliance with the ethical requirements by the auditors and that the audit is planned and performed with the aim of obtaining reasonable security that the financial statements are rid of relevant distortions.

An audit involves the performance of selected procedures to obtain evidence regarding values and disclosures presented in the financial statements. The selected procedures depend on the audit's judgment, including the assessment of risks of relevant distortion in the financial statements, regardless if caused by fraud or error. In such risk assessment, the auditor considers the relevant internal controls to prepare and suitably present the financial statements of the Company in order to plan the audit procedures which are appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of those internal controls of the Company. An audit also includes the assessment of the suitability of the accounting practices used and the reasonability of the accounting estimates made by the management, as well as the evaluation of the financial statements presentation taken as a whole.

We believe that the evidence obtained by the audit is sufficient and appropriate to support our opinion.

### **Opinion on the financial statements**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **FUNDO SOCIOAMBIENTAL CASA December 31 2015**, the results of its operations and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil for small and medium-sized entities.

**Rio de Janeiro, March 18, 2016.**

**Vinicius dos Santos Batista - CRC RJ-091.540/O-2**  
**SEIER Auditoria Independente Ltda. - CRC RJ-005.204/O -2**

**(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**

**FUNDO SOCIOAMBIENTAL CASA**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**1. OPERATING CONTEXT**

The **FUNDO SOCIAL CASA** (“CASA” or “Entity”) is a not-for-profit association set up on May 26, 2006, with head office at Rua Itápolis nº 1.468, Pacaembu, São Paulo - SP (Brazil).

**CASA’s main activities are as follows:**

- a) Contribute to the sustainable development through environmental preservation, combat against poverty, strengthening of democracy and justice, valuation of peace and dignity and quality of life, with emphasis on initiatives originating from civil society groups by intermediating non-repayable loans to other civil society entities;
- b) Strengthen civil society organizations and initiatives by developing technical or financial assistance programs, capacity-building, training and service provisions directly to peer non-governmental organizations, public interest civil society organizations, social movements, as well as public and private institutions in the sustainable development realm;
- c) Support the development and use of information systems, technologies and mechanisms to advertise experiences and groups of the civil society which operate in sustainable development, social advancement and environmental preservation and integrity; and
- d) Nurture the expansion of the dialog and technical, financial or institutional cooperation among organizations from various society sectors, including public and private law organizations, whether or not for economic or profit purposes, so as to strengthen the civil society initiatives which deal with the social and environmental issues in providing sustainable development.

**The financial statements enclosed herewith were approved by the Entity’s directors on March 18, 2016.**

**2. PRESENTATION OF ACCOUNTING STATEMENTS**

The financial statements were prepared in light of certain accounting estimates. The accounting estimates involved in the preparation of the financial statements are based on objective and subjective factors, considering the Board of Trustees judgment for determination of the fair value to be recorded in the financial statements. Significant items subject to these estimates and assumptions include mainly the analysis of the risks to determine the provisions for legal and administrative claims.

The settlement of the transactions involving these estimates may result in amounts different from those recorded in the financial statements due to the probabilistic treatment inherent to estimating. The Board of Trustees monitors and revises, timely and from time to time, these estimates and their assumptions.

The Entity’s financial statements for the year ended December 31, 2015 were prepared in accordance with the accounting practices adopted in Brazil, applicable to not-for-profit entities (CFC Resolution No. 1409/12 - ITG 2002) and to small and medium-sized entities (NBC TG 1000).

The Entity’s functional and reporting currency is the Brazilian Real.

### **3. MAIN ACCOUNTING PRACTICES**

#### **a. Determination of surplus or deficit Donation revenue and financial revenue**

Revenues from third party donors for transfer to supportees, in connection with non-repayable loan agreements, and other donations are recognized on a cash basis, as required by ITG 2002, applicable to not-for-profit entities, through a valid document upon actual receipt of funds. The Entity evaluated its revenues in accordance with specific criteria to determine whether it is performing as an agent or principal, ultimately concluding that it is performing as a principal in all transactions involving transfer donations and other.

Financial income is recorded on an accrual basis.

#### **Administrative and general expenses and those with transfers to supportees**

Expenses are recorded on an accrual basis. Expenses with transfers are recorded in the statement of surplus (deficit) upon execution of the supporting agreement, which is similar to the date funds are actually transferred.

#### **b. Cash and cash equivalents**

The heading of cash are recorded balances of bank accounts and financial investments with high liquidity and are recorded at their market value. These balances have immediate liquidity and present insignificant risk of changes in value.

#### **c. Fixed assets**

##### **• Recognition and measurement**

Items of fixed assets are stated at historical cost of acquisition or construction, less accumulated depreciation and accumulated impairment in value (impairment), where applicable.

Cost includes expenditures that are directly attributable to the acquisition of an asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property.

Gains and losses on disposal of an item of property (calculated as the difference between the proceeds from disposal and the carrying amount of assets), are recognized in other operating income / expenses in income.

##### **• Depreciation**

Items of fixed assets are depreciated using the straight line method in the income statement based on the useful lives of the assets. Items of fixed assets are depreciated from the date they are installed and available for use, or in the case of internally constructed assets, from the day when construction is completed and the asset is available for use.

#### **d. Other current and noncurrent assets and liabilities**

An asset is recognized in the balance sheet whenever economic future benefits are likely to inure to the Entity and their cost or value can be reliably measured. On the other hand, a liability is recognized in the balance sheet whenever the Entity has a legal or constructive obligation in connection with a past event, and an economic resource is likely to be required to settle it, including, where applicable, related charges and monetary or exchange variations incurred. Provisions are recorded in light of the best estimates of the risk involved.

Assets and liabilities are classified as current whenever their realization or settlement is likely within the next 12 months. Otherwise, they are stated as noncurrent.

**e. Provisions for legal and administrative claims**

The provisions are setup for all legal or administrative claims for which a cash outflow is likely to be required to settle the obligation and has a reasonable estimate of the related amount. The assessment of the likelihood of loss, where applicable, includes that of evidence available, the hierarchy of laws, case laws, the most recent decisions handed down by courts and their significance in relation to the legal system, as well as the assessment by external lawyers. The provisions are revised and adjusted to take into consideration the changes in circumstances, such as the applicable statutes of limitation, conclusions of physical inspections or additional exposures identified in view of new matters or court decisions.

**f. Accounting estimates**

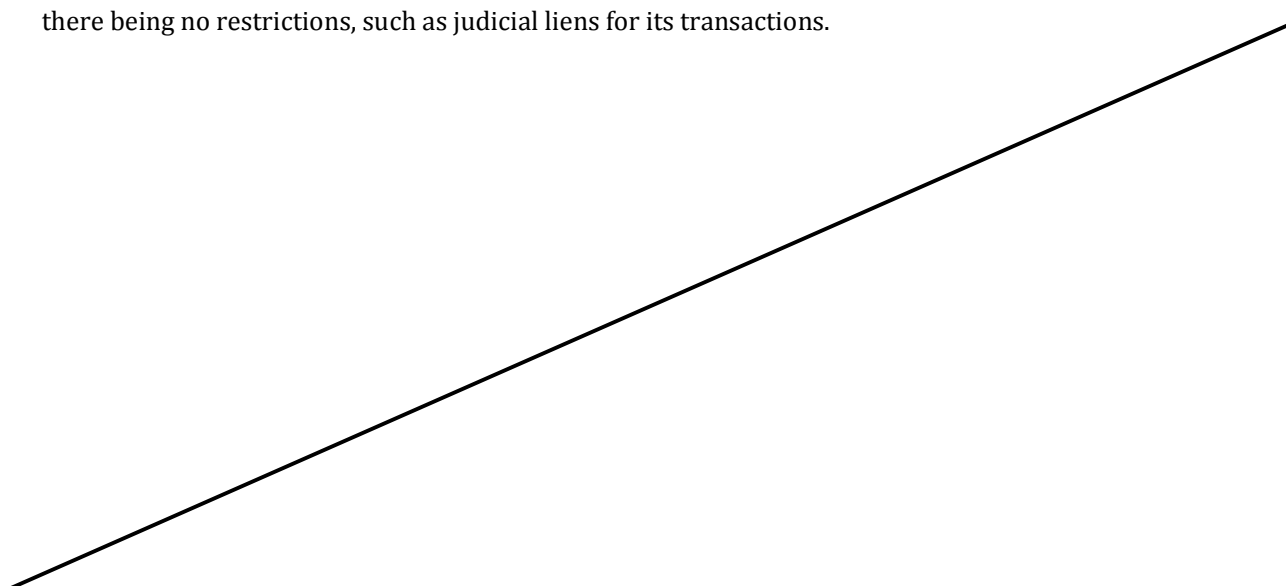
The making of the accounting statements according to the accounting practices adopted in Brazil, requires the Organization Management to be based on estimates in order to record certain transactions that affect the assets and liabilities, income and expenses, as well as the disclosure of information on data of its accounting statements. In regard to the accounting estimates, we consider the bad debt reserve, the settlement of transactions involving such estimates, which may result in values different from the estimated ones, due to inaccuracies inherent to the process of determination.

**4. CASH AND CASH EQUIVALENTS**

On December 31, the cash availabilities of the Organization are composed by funds in Brazilian currency, deposited in financial institutions in operation in Brazil.

<b>Description</b>	<b>2015</b>	<b>2014</b>
Cash fund	-	38,10
Banco do Brasil - AG 4211-0/7128.5 (IAF)	-	586,53
Banco do Brasil - AG 4211-0/5809-2	5.116,32	763,63
Caixa Econômica Federal - AG 3726/C.C 003670-0	24,70	-
Caixa Econômica Federal - AG 3726/C.C 003702-1	24,70	-
	<b>5.165,72</b>	<b>1.388,26</b>

The bank account is intended to the receipt of income and payment of current expenses of the Organization, there being no restrictions, such as judicial liens for its transactions.



## 5. FINANCIAL INVESTMENT

The balances on December 31 are exclusively composed by applications in Fixed Income investment funds.

<u>Description</u>	<u>2015</u>	<u>2014</u>
Banco do Brasil - AG 4122-0/5809-2 - Investimentos	-	653.779,10
Banco do Brasil - AG 4122-0/7128-5 - Investimentos	-	125.900,03
Banco do Brasil - AG 4122-0/5809-2 - Ourocap	-	3.000,00
Caixa Econômica Federal - AG 3726/013.4703-9 - Poupança (i)	2.476.472,73	1.739.325,00
Caixa Econômica Federal - AG 3726/003.670-0 - Poupança	1.160.975,82	-
Banco do Brasil - AG 4122-0/5809-2 - Poupança	2.714,27	-
Caixa Econômica Federal - AG 3726/003.702-1 - DI LP	37.907,61	-
Caixa Econômica Federal - AG 3726/003.670-0 - Poupança	25.000,00	-
Caixa Econômica Federal - AG 3726/013.6182-1 - Poupança	10.137,67	-
	<u><u>3.713.208,10</u></u>	<u><u>2.522.004,13</u></u>

Financial investments, highly liquid, readily convertible into known amounts of cash and subject to insignificant risk of change in value. These investments relate mainly to investments in CDB paid a floating rate equal to a percentage of CDI, as the value of the application.

(i) Refers to the resources received FUNDO SOCIOAMBIENTAL CAIXA project, see **Note 6**, which will be passed on in 2016 by the Entity for projects supported.

## 6. CONTRACTS AND FINANCIAL COOPERATION AGREEMENT

<u>Description</u>	<u>2015</u>	<u>2014</u>
Fundo Mott 2014/2015	-	129.780,00
Fundo Socioambiental Caixa (i)	420.000,00	2.530.835,00
	<u><u>420.000,00</u></u>	<u><u>2.660.615,00</u></u>

(i) Contract between FUNDO SOCIOAMBIENTAL CASA and FUNDO SOCIOAMBIENTAL CAIXA of R\$ **4,270,210.00**, of which R\$ **270,210.00** and R\$ **4,000,000.00**, respectively, with duration of 36 months (**December 2014 effective until December 2017**), with receipt of R\$ **1,739,375.00** on December 9, 2014 and R\$ **1,840,625.00** on 29 December 2015.

## 7. FIXED ASSETS

<u>Description</u>	<u>Balance at 31.12.2014</u>	<u>Addition</u>	<u>Low</u>	<u>Balance at 31.12.2015</u>
Computer Equipment	4.230,12	5.107,77	-	9.337,89
Depreciation	(1.614,23)	(1.688,85)	224,73	(3.078,35)
	<u><u>2.615,89</u></u>	<u><u>3.418,92</u></u>	<u><u>224,73</u></u>	<u><u>6.259,54</u></u>

**8. LABOR AND SOCIAL OBLIGATIONS**

<b>Description</b>	<b>2015</b>	<b>2014</b>
INSS payable	-	1.682,73
FGTS payable	-	380,27
Contribution tax payable	-	327,90
PIS payable	-	47,53
IRRF on salary	44,85	280,80
Provision for vacation and social charges	2.950,72	3.415,64
	<b>2.995,57</b>	<b>6.134,87</b>

**9. TAX LIABILITIES**

<b>Description</b>	<b>2015</b>	<b>2014</b>
PIS COFINS CSLL - Lei 10.833 (i)	160,86	-
IRRF - PJ (i)	51,89	418,43
	<b>212,75</b>	<b>418,43</b>

(i) Payments made in the year 2016 in its entirety.

**10. OTHER PAYABLES**

Refers to the agreement of the labor **process 0001538-36.2015.5.02.0090** concluded on December 14, 2015 with payment in the amount of **R\$15,000.00 (fifteen thousand reais)** to be paid in 05 (five) installments of **R\$3,000.00 (three thousand reais)**, the first being on December 21, 2015 and the other from January to April 2016

**11. CONTRACTS AND FINANCIAL COOPERATION AGREEMENT**

<b>Description</b>	<b>2015</b>	<b>2014</b>
Fundo Socioambiental Caixa (i)	2.889.501,97	2.009.585,00
Porticus Latin America	236.500,00	
Fundo Sulamericano		
. SARF 2013/2014	3.672,86	
. SARF 2015/2016	190.218,40	
Global Grengants Fund - GGF	100.246,71	
Lush Fresh Handmade Cosmetics	28.073,38	
Others	5.909,35	131.585,12
<b>Current</b>	<b>3.454.122,67</b>	<b>2.141.170,12</b>

<b>Description</b>	<b>2015</b>	<b>2014</b>
Fundo Socioambiental Caixa (i)	-	2.260.625,00
<b>Non-current</b>	<b>-</b>	<b>2.260.625,00</b>



(i) Agreement executed **FUNDO SOCIOAMBIENTAL CASA** and **FUNDO SOCIOAMBIENTAL CAIXA** in the amount of **R\$4,270,210.00**, of which **R\$270,210.00** and **R\$4,000,000.00**, respectively, with duration of 36 months (**December 2014 effective until December 2017**).

**12. ALLOWANCE FOR LEGAL AND ADMINISTRATIVE CLAIMS**

The Entity engages service providers to run activities related to its operation and understands that this is a usual procedure in its area of service. Nevertheless, to protect itself from possible different interpretations by the social security authorities, the Entity sets up a provision for contingencies on this matter.

At **December 31, 2015** the Entity kept an allowance for legal and administrative claims for **R\$150,000.00 (R\$301,576.81 in December 31, 2014)**, associated with risks of engagement of service providers, including probable disbursements to settle underlying social security charges.

**13. SOCIAL EQUITY**

The corporate assets are composed by surplus and deficits inherent to the Organization activities, determined at the end of each fiscal year.

**14. OPERATING REVENUES**

Descrição	31.12.2015		31.12.2014	
	Donations For	Other	Donations For	Other
	Transfer to Supportees	Donations	Transfer to Supportees	Donations
Global Greengrants Fund	464.413,48	147.291,90	377.924,40	97.398,00
Fundo Socioambiental Caixa	843.921,83	362.747,31	-	-
Porticus Latin America	-	64.134,50	-	-
Fundo Sulamericano	677.361,40	105.590,52	484.777,36	-
IAF	18.019,85	-	97.070,80	92.728,72
Charles Stewart - MOTT	2.702,20	292.322,88	71.071,20	507.001,00
Lush Fresh Handmade	-	-	-	-
Comestics	79.499,00	-	-	-
Freedon House	24.150,00	-	-	-
Both Ends	-	-	27.488,50	16.255,52
Aveda	-	-	113.428,20	-
ICV/Clua	-	-	47.490,00	-
WWF	-	-	43.700,00	-
Fundação Swift	-	-	-	35.926,50
Others	-	-	-	24.563,00
	<b>2.110.067,76</b>	<b>972.087,11</b>	<b>1.262.950,46</b>	<b>773.872,74</b>

**DONATIONS FOR TRANSFER TO SUPPORTEES**

Funds are received through non-repayable loan agreements with foreign foundations, the amounts of which are transferred by the Entity to other not-for-profit institutions (supported), for development of social and environmental projects. Non-repayable loans do not require return of funds during or at the end of the agreements.

**OTHER DONATIONS**

These donations are received from the same institutions as those in charge of the donations for transfer to supported, in order to keep the Entity's administrative activities.

**15. EXPENSES WITH TRANSFERS TO SUPPORTEES**

<b><u>Descrição</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Global Grengants Fund - GGF	464.374,38	491.352,60
IAF	18.019,85	97.070,80
C. S. MOTT Foundation ("MOTT")	2.702,20	71.071,20
Both Ends Stories	-	27.488,50
Fundo Sulamericano - SARF	677.361,40	489.225,74
Fundo Socioambiental Caixa	843.921,83	-
LUSH - Donnor Advisor	79.499,00	91.190,19
Freedom House	24.150,00	-
Others	1.317,40	-
	<b><u>2.111.346,06</u></b>	<b><u>1.267.399,03</u></b>

**16. NET FINANCIAL INCOME**

<b><u>Descrição</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b><u>Financial Revenue</u></b>		
Financial Investment Income	116.759,17	92.943,27
Discounts obtained	246,90	-
	<b><u>117.006,07</u></b>	<b><u>92.943,27</u></b>
<b><u>Financial expenses</u></b>		
Expenses Interest Paid	(552,71)	(955,96)
Bank expenses	(11.352,72)	(13.115,87)
Expenses Exchange	(10.541,62)	(2.484,19)
	<b><u>(22.447,05)</u></b>	<b><u>(16.556,02)</u></b>
<b>Net Financial Income</b>	<b><u>94.559,02</u></b>	<b><u>76.387,25</u></b>

## 17. CURRENT CONTRACTS WITH FUNDING

<u>Description</u>	<u>Value Contract</u>		<u>Amount received in 2015</u>	
	<u>R\$</u>	<u>US\$</u>	<u>R\$</u>	<u>US\$</u>
LUSH- Donnor Advisor	45.195,59	17.000,41	45.195,59	17.000,41
Fredon House	27.475,00	7.000,00	27.475,00	7.000,00
LUSH- Donnor Advisor	62.376,79	16.723,00	62.376,79	16.723,00
Global Grengnants Fund	479.421,00	180.000,00	278.001,00	90.000,00
Global Grengnants Fund	18.675,24	5.000,06	18.675,24	5.000,06
Global Grengnants Fund	670.375,00	180.000,00	372.875,00	95.000,00
Charles Stewart - SARF	1.819.750,52	500.000,00	944.750,52	249.934,00
Porticus Latin America	300.634,50	69.915,00	300.634,50	69.915,00
FSA CAIXA	4.000.000,00	1.136.986,83	1.840.625,00	464.804,29
Mott Travel	5.325,66	2.003,26	5.325,66	2.003,26
Charles Stewart - Mott	653.297,22	225.000,00	286.997,22	74.934,00
	<b>8.082.526,52</b>	<b>2.339.628,56</b>	<b>4.182.931,52</b>	<b>1.092.314,02</b>

- (a) On August 6, 2015 **FUNDO SOCIOAMBIENTAL CASA** and **GLOBAL GRENGRANTS FUND GGF** signed two (02) terms of financing repayable being the first in the amount of **US\$180,000.00 (one hundred eighty thousand dollars)** to be received in ( 02) two installments of **US\$95,000.00** and **US\$ 90,000.00** and the second worth **US\$ 5,000.00 (five thousand dollars)**. During the year 2015 it was received by **FUNDO SOCIOAMBIENTAL CASA** total of **US\$190,000.00 (one hundred and ninety thousand dollars)** for the residual balance of 2014 in the amount of **US\$90,000.00 (ninety thousand dollars)** and portions of **US\$95,000.00 (ninety-five thousand US dollars)** and **US\$ 5,000.00 (five thousand dollars)** of new financing.
- (b) Contract between **FUNDO SOCIOAMBIENTAL CASA** and **CHARLES STEWART – MOTT FOUNDATION** the amount of **US\$500,000.00 (five hundred thousand dollars)** in two installments of **US\$ 250,000.00 (two hundred fifty thousand dollars)** in 2015 and 2016. On 16 October 2015 was received the share of **US\$250,000,00 (two hundred and fifty thousand dollars)** equivalent to **R\$ 944,750.52 (nine hundred and forty-four thousand, seven hundred and fifty reais and fifty-two cents)**, being passed on to the supported amount of **R\$648,941.50 (six hundred forty-eight thousand, nine hundred and forty-one reais and fifty cents)** and **R\$105,590.52 (one hundred and five thousand, five hundred and ninety reais and fifty-two cents)** for **FUNDO SOCIOAMBIENTAL CASA** with operating revenue. On December 31, 2015 was pending transfer to supported the amount of **R\$ 190,218.40 (one hundred and ninety thousand two hundred eighteen reais and forty cents)**.
- (c) On February 2014 has been renewed the agreement between IAF and the **FUNDO SOCIOAMBIENTAL CASA** worth of **US\$55,000.00 (fifty five thousand dollars)** in which were transferred to 10 organizations the value of **R\$97,070.80 (ninety-seven thousand, seventy reais and eighty cents)** in 2014 and **R\$18,019.85 (eighteen thousand and nineteen reais and eighty-five cents)** in 2015 thus ending the agreement.

- (d) Contract signed on September 5, 2014 between **FUNDO SOCIOAMBIENTAL CASA** and **CHARLES STEWART - MOOT FOUNDATION** the amount of **US\$225,000.00 (two hundred and twenty five thousand dollars)**, whose transfer will be in two (02) plots **US\$150,000.00 ( hundred and fifty thousand dollars)** and **US\$75,000.00 (seventy five thousand dollars)** in 2014 and 2015 respectively to operating income **FUNDO SOCIOAMBIENTAL CASA**, which represented in 2015 an amount of **R\$286,997.22 (two hundred and eighty-six thousand nine hundred ninety-seven reais and twenty-two cents)**.
- (e) Contract between **FUNDO SOCIOAMBIENTAL CASA** and **FUNDO SOCIOAMBIENTAL CAIXA** of **R\$ 4,270,210.00**, of which **R\$ 270,210.00** and **R\$ 4,000,000.00**, respectively, with duration of 36 months (**December 2014 effective until December 2017**), with receipt of **R\$ 1,739,375.00 (one million seven hundred and thirty-nine thousand three hundred seventy-five reais)** on December 09, 2014 and **R\$ 1,840,625.00 (One million eight hundred and forty thousand six hundred and twenty five reais)** on 29 December 2015. During the year 2015 were transferred **R\$ 843,921.83 (eight hundred forty-three thousand nine hundred twenty-one reais and eighty three cents)** to 50 organizations and **R\$ 362,747.31 (three hundred and sixty-two thousand seven hundred forty-seven reais and thirty-one cents)** to operating income of the **FUNDO SOCIOAMBIENTAL CASA**.
- (f) Contract between **FUNDO SOCIOAMBIENTAL CASA** and **LUSH FRESH HANDMADE COSMETICS** in 2015 in the amount of **US\$17,000.00 (seventeen thousand dollars)** and **US\$16,723.00 (sixteen thousand seven hundred twenty-three dollars)**, with receipt of **R\$45,195.59** and **R\$62,376.79**, respectively. During the year 2015 it was transferred resources for Multirão pela Cidadania e Frente por uma Nova Política Energética in the amount of **R\$79,499.00 (seventy-nine thousand four hundred ninety-nine reais)** still remaining pending the balance **R\$28,073.38 (twenty-eight thousand and seventy-three reais and thirty eight cents)** to pass in 2016.
- (g) Letter of agreement concluded between **FUNDO SOCIOAMBIENTAL CASA** and **FREEDON HOUSE** in 2015 in the amount of **US\$7,000.00 (seven thousand dollars)**, equivalent to **R\$27,475.00 (twenty-seven thousand, four hundred and seventy-five reais)**. In 2015 it was transferred **R\$24,150.00 (twenty-four thousand, one hundred and fifty reais)** to 01 (one) Organization and **R\$3,325.00 (three thousand three hundred twenty-five reais)** were related to capital and operating expenses.
- (h) Letter of agreement concluded between **FUNDO SOCIOAMBIENTAL CASA** and **PORTICUS LATIN AMERICA** in 2015 in the amount of **US\$70,000.00** equivalent to **R\$300,634.50 (three hundred thousand, six hundred thirty-four reais and fifty cents)**, whose transfer to supported will be **R\$ 236,500.00 (two hundred thirty-six thousand, five hundred reais)** in 2016 and **R\$64,134.50 (sixty-four thousand, one hundred and thirty-four reais and fifty cents)** for **FUNDO SOCIOAMBIENTAL CASA** as operating grant in 2015

## 18. TAX IMMUNITY

### a) Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL)

As a not-for-profit entity, it is exempt from federal taxes on P&L, pursuant to Income Tax Code articles 167 to 174, approved by Decree N° 3000 of 03/26/99 and Federal Constitution article 195.

### b) Contribution Tax on Gross Revenue for Social Integration Program (PIS)

As a not-for-profit entity, it is subject to PIS contribution calculated on payroll at 1% rate pursuant to Law N° 9532/97.

**c) Contribution Tax on Gross Revenue for Social Security Funding (COFINS)**

As a not-for-profit entity, it is exempt from payment of COFINS on revenues from the Entity's own activities, pursuant to Laws N° 9718/98 and 10833/03, being thus subject to the payment thereof on other revenues.

**19. INSURANCE COVERAGE**

On December 31, 2015, the Entity did not maintain insurance coverage to cover any losses, considering the nature of its activities.

**20. RISK MANAGEMENT AND VALUATION OF FINANCIAL INSTRUMENTS**

**a) Valuation of financial instruments**

The main financial instruments of assets at December 31, 2015 are as follows:

- Cash and cash equivalents: the fair values of current account balances are equal to book balances; and
- Marketable securities: the fair values of short-term investments are equal to book balances.

**b) Derivatives transactions**

The Entity did not engage in any speculative transaction, whether involving derivatives or any other risk assets. At December 31, 2015 and 2014 there were no asset or liability balances backed by derivatives.

**21. FINANCIAL RATIOS**

<u>Description</u>	<u>In Real</u>	<u>2015</u>	<u>2014</u>
<b>IMMEDIATE LIQUIDITY</b>			
Cash and cash equivalents	5.165,72 =	0,001	0,81
Current liabilities	3.469.330,99		
<b>CURRENT LIQUIDITY</b>			
Current assets	4.148.019,46 =	1,20	2,42
Current liabilities	3.469.330,99		
<b>GENERAL LIQUIDITY</b>			
Current assets + long-term receivables	4.148.019,46 =	1,15	1,10
Current liabilities + long-term	3.619.330,99		

**22. SUBSEQUENT EVENTS**

It is not at our knowledge any event, after the date of the end of the year to date, which may affect the financial position and the results of the period, preventing the normal continuity of the activities of the **FUNDO SOCIOAMBIENTAL CASA**.

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