

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

**FUNDO SOCIOAMBIENTAL CASA**

**FINANCIAL STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 2019 AND 2018  
REVIEW AND REPORT OF INDEPENDENT AUDITORS**

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

**FUNDO SOCIOAMBIENTAL CASA**

**FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**CONTENTS**

**Independent auditors' report on the financial statements**

**Exhibit 1** - Balance Sheet

**Exhibit 2** – Statement of Income

**Exhibit 3** – Statement of Changes in Shareholders Equity Social

**Exhibit 4** - Statement of Cash Flow

**Exhibit 5** – Statement of Value Added

**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**

Juquitiba - SP

### **Opinion**

We have audited the financial statements of **FUNDO SOCIOAMBIENTAL CASA** which comprise the balance sheet as of December 31, 2019 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended and As the corresponding explanatory notes, including the summary of significant accounting practices.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **FUNDO SOCIOAMBIENTAL CASA** as of December 31, 2019, the performance of its operations and its cash flows to the year ended on that date, in accordance with accounting practices adopted in Brazil.

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "**Auditor's Responsibility for Auditing the Financial Statements.**" We are independent of the **FUNDO SOCIOAMBIENTAL CASA** in accordance with the relevant ethical principles set forth in the Professional Code of Ethics and Professional Standards issued by the Federal Accounting Council - CFC and we comply with all other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to substantiate our opinion.

### **Other information accompanying the financial statements and the auditor's report**

The management of the **FUNDO SOCIOAMBIENTAL CASA** is responsible for such other information as the Management Report. Our opinion on the financial statements does not cover the Management Report and we do not express any form of audit conclusion on this report.

In connection with the audit of the financial statements, our responsibility is to read the Management Report and, in so doing, to consider whether this report is materially inconsistent with the financial statements or with our knowledge obtained in the audit or, Otherwise appear to be materially distorted. If, based on the work performed, we conclude that there is a material misstatement in the Management Report we are required to report this fact. We have nothing to report in this regard.

### **Main audit issues**

Main audit issues are those that, in our professional judgment, were the most significant in our current year's audit. These matters were addressed in the context of our audit of the financial statements as a whole and in the formation of our opinion on these financial statements and, therefore, we do not express a separate opinion on these matters. We have determined that the subject matter described below is the principal audit subject to be reported in our report.

### **Contracts and financial cooperation agreement**

As presented in note 7, the **FUNDO SOCIOAMBIENTAL CASA** has several contracts with national and international institutions in the normal course of its activities. Due to the complexity and uncertainties related to the legal and constitutional aspects, we consider this issue as a significant issue in our audit work.

### **How our audit conducted this matter**

Our audit procedures included evaluating the design of internal controls related to the identification, evaluation and measurement of accounting balances. We obtained the contracts with the financiers and analyzed the documentation related to the execution, as well as we made confirmation of the resources passed on to the financiers. Our procedures also included the evaluation of the disclosures made by the **FUNDO SOCIOAMBIENTAL CASA** in the financial statements.



## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Board of Trustees and Directors of

**Fundo Socioambiental Casa**

São Paulo – SP

### Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and for the internal controls that it has determined to be necessary to enable the preparation of financial statements free of material misstatement, whether caused by fraud or error.

In preparing the financial statements, management is responsible for evaluating the capacity of **FUNDO SOCIOAMBIENTAL CASA** to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, Unless the administration intends to liquidate the **FUNDO SOCIOAMBIENTAL CASA** or cease operations, or has no realistic alternative to avoid closing the operations.

### Responsibilities of the auditor for the audit of the financial statements

Our objective is to obtain reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards will always detect any relevant material misstatements. Distortions may be due to fraud or error and are considered relevant when, individually or jointly, they can influence, from a reasonable perspective, the economic decisions of the users taken based on the said financial statements.

As part of an audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Besides that:

- We evaluate the overall presentation, structure and content of financial statements and whether they represent the corresponding transactions and events in a manner consistent with the appropriate presentation objective.
- We communicate with management, among other things, about the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we have identified during our work.
- We identify and evaluate the risks of material misstatement in the financial statements, whether caused by fraud or error, we plan and perform audit procedures in response to such risks, and we have obtained audit evidence that is appropriate and sufficient to support our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that of error, since fraud may involve circumvention of internal controls, collusion, falsification, omission or false intentional representations.
- We obtain an understanding of the internal controls relevant to the audit to plan appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **FUNDO SOCIOAMBIENTAL CASA** internal controls.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

The accompanying accounting statements have been translated into English for the convenience of readers outside Brazil.

**Rio de Janeiro, March 20, 2020.**

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

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

(Convenience translation into English from the original previously issued in Portuguese)

**FUNDO SOCIOAMBIENTAL CASA**

**EXHIBIT 1 - BALANCE SHEETS**

(In Brazilian reais)

<b>Description</b>	<b>Note</b>	<b>YEARS ENDED DECEMBER 31</b>	
		<b>2019</b>	<b>2018</b>
<b>Current assets</b>			
Financial investment (note 4)	4	11.561.427,48	5.748.151,20
Taxes recoverable	-	415,44	-
Other receivables	-	81.149,30	18.021,70
<b>Total current assets</b>		<b>11.642.992,22</b>	<b>5.766.172,90</b>
<b>Non-current</b>			
Fixed assets (note 5)	5	54.868,13	11.353,22
<b>Total non-current assets</b>		<b>54.868,13</b>	<b>11.353,22</b>
<b>TOTAL ASSETS</b>		<b>11.697.860,35</b>	<b>5.777.526,12</b>

<b>Description</b>	<b>Note</b>	<b>YEARS ENDED DECEMBER 31</b>	
		<b>2019</b>	<b>2018</b>
<b>Current Liabilities</b>			
Tax liabilities	-	307,50	-
Labor obligations	-	5.077,83	-
Contracts and financial cooperation agreement (note 7)	7	8.062.778,58	3.161.239,53
<b>Total current liabilities</b>		<b>8.068.163,91</b>	<b>3.161.239,53</b>
<b>Non-current</b>			
<b>Long-term liabilities</b>			
Provision for claims and litigations (note 6)	6	150.000,00	150.000,00
		<b>150.000,00</b>	<b>150.000,00</b>
<b>Equity Social</b>			
Equity Social (note 8)	8	3.479.696,44	2.466.286,59
		<b>3.479.696,44</b>	<b>2.466.286,59</b>
<b>TOTAL LIABILITIES AND EQUITY SOCIAL</b>		<b>11.697.860,35</b>	<b>5.777.526,12</b>

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

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

(Convenience translation into English from the original previously issued in Portuguese)

**FUNDO SOCIOAMBIENTAL CASA**  
**EXHIBIT 2 - STATEMENT OF INCOME**  
**(In Brazilian reais)**

Description	Note	YEARS ENDED DECEMBER 31	
		2019	2018
<b>OPERATING REVENUES</b>			
Revenue Donations to Onlending	9.1	5.673.929,20	5.154.622,79
Operating Donations Revenue	9.2	3.983.108,85	3.093.513,19
Voluntary	18	84.000,00	84.000,00
Revenue individual donations		12.017,15	-
		<b>9.753.055,20</b>	<b>8.332.135,98</b>
<b>PURPOSES AND SOCIAL ACTIVITIES</b>			
Expenses with transfers to supportees	10	<b>(5.780.384,69)</b>	<b>(5.154.623,49)</b>
		<b>3.972.670,51</b>	<b>3.177.512,49</b>
<b>GROSS PROFIT</b>			
<b>(EXPENSES) OPERATING REVENUE</b>			
Personnel expenses		(83.086,73)	(60.233,80)
Administrative expenses	11	(3.115.316,88)	(2.339.578,67)
Tax expenses		(8.245,02)	(3.750,94)
Other operating income		119.468,59	647,45
Net financial income	12	340.319,38	165.081,94
Voluntary	18	(84.000,00)	-
		<b>(2.830.860,66)</b>	<b>(2.237.834,02)</b>
<b>SURPLUS FOR THE YEAR</b>		<b>1.141.809,85</b>	<b>939.678,47</b>

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

(Convenience translation into English from the original previously issued in Portuguese)

**FUNDO SOCIOAMBIENTAL CASA**  
**EXHIBIT 3 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY SOCIAL**  
**(In Brazilian reais)**

Description	Social Equity	Income statement	Total
<b>BALANCE AT 31 DECEMBER 2015</b>	<b>788.705,45</b>	-	<b>788.705,45</b>
Prior year adjustments	(20.464,24)	-	(20.464,24)
Surplus for the year	-	383.188,17	383.188,17
Transfer income for the year 2016	383.188,17	(383.188,17)	-
<b>BALANCE AT 31 DECEMBER 2016</b>	<b>1.151.429,38</b>	-	<b>1.151.429,38</b>
Surplus for the year	-	712.936,18	712.936,18
Transfer income for the year 2017	712.936,18	(712.936,18)	-
<b>BALANCE AT 31 DECEMBER 2017</b>	<b>1.864.365,56</b>	-	<b>1.864.365,56</b>
Surplus for the year	-	855.678,47	855.678,47
Transfer income for the year 2018	855.678,47	(855.678,47)	-
<b>BALANCE AT 31 DECEMBER 2018</b>	<b>2.720.044,03</b>	-	<b>2.720.044,03</b>
Prior year adjustments	(128.400,00)	-	(128.400,00)
Surplus for the year	-	1.141.809,85	1.141.809,85
Transfer income for the year 2019	1.141.809,85	(1.141.809,85)	-
<b>BALANCE AT 31 DECEMBER 2019</b>	<b>3.733.453,88</b>	-	<b>3.733.453,88</b>

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

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

(Convenience translation into English from the original previously issued in Portuguese)

FUNDO SOCIOAMBIENTAL CASA

**EXHIBIT 4 - STATEMENT OF CASH FLOWS**

(In Brazilian reais)

Description	YEARS ENDED DECEMBER 31	
	2019	2018
<b>Operational Activities Cash Flow</b>		
Surplus for the year	1.141.809,85	855.678,47
<b>Adjustments to reconcile net income to cash generated by operating activities</b>		
Depreciation and amortization	5.358,15	3.073,47
	<b>1.147.168,00</b>	<b>858.751,94</b>
<b>(Increase) decrease in current assets and non current</b>		
Other receivables	(63.543,04)	25.724,73
	<b>(63.543,04)</b>	<b>25.724,73</b>
<b>Increase (decrease) in current liabilities and non current</b>		
Labor and social obligations	5.077,83	-
Tax liabilities	307,50	(387,45)
Contracts and agreements	4.901.539,05	1.950.437,16
Adjustments from previous years	(128.400,00)	-
	<b>4.778.524,38</b>	<b>1.950.049,71</b>
<b>Net cash provided by operating activities</b>	<b>5.862.149,34</b>	<b>2.834.526,38</b>
<b>Investments Activities</b>		
(+) Fixed Asset Acquisition	(48.873,06)	(3.718,00)
<b>Net cash used in investing activities</b>	<b>(48.873,06)</b>	<b>(3.718,00)</b>
<b>Increase in cash and cash equivalents during the year</b>	<b>5.813.276,28</b>	<b>2.830.808,38</b>
Cash and cash equivalents at beginning of year	5.748.151,20	2.917.342,82
Cash and cash equivalents at end of year cash	11.561.427,48	5.748.151,20
<b>Increase in cash and cash equivalents during the year</b>	<b>5.813.276,28</b>	<b>2.830.808,38</b>

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

(Convenience translation into English from the original previously issued in Portuguese)

FUNDO SOCIOAMBIENTAL CASA

**EXHIBIT 5 - STATEMENT OF VALUE ADDED**

(In Brazilian reais)

Description	YEARS ENDED DECEMBER 31	
	2019	2018
<b>Determination of value added</b>		
<b>Revenue</b>		
(+) Operating Revenues	9.753.055,20	8.248.135,98
(+) Other revenues	119.468,59	647,45
<b>Insumos Acquired from Third</b>		
(-) Outsourced Services	1.855.155,53	1.439.525,24
(-) Materials, energy and other	1.338.803,20	896.979,96
<b>Gross value added</b>	<b>6.678.565,06</b>	<b>5.912.278,23</b>
(-) Depreciation	5.358,15	3.073,47
<b>Value Added Net Produced by the Institution</b>	<b>6.673.206,91</b>	<b>5.909.204,76</b>
(+) Financial Revenue	356.469,87	206.268,04
<b>Total Value Added Distributable</b>	<b>7.029.676,78</b>	<b>6.115.472,80</b>
<b>Destination of the Value Added</b>		
Remuneration of labor (personal, payroll taxes and benefits)	83.086,73	60.233,80
Taxes and Contributions	8.245,02	3.750,94
Financial expenses	16.150,49	41.186,10
Expenses with transfers to supportees	5.780.384,69	5.154.623,49
Surplus for the Year	1.141.809,85	855.678,47
<b>Total Value Added Distributed</b>	<b>7.029.676,78</b>	<b>6.115.472,80</b>

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

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

**1. OPERATING CONTEXT**

The **FUNDO SOCIOAMBIENTAL CASA** is a not-for-profit association set up on May 26, 2006, with head office at Avenue Juscelino Kubitschek de Oliveira, 36 – Conjunto 22 – Centro – Juquitiba - 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 were approved by the Organization's board of directors on March 20, 2020.**

**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, 2017 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. 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.

**b. Fixed assets**

**• Recognition and measurement**

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



**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

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.

**c. 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.

**d. 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.

**e. 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.

**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,

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

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>31.12.2019</b>	<b>31.12.2018</b>
<b>Recursos Fundo Socioambiental Casa</b>		
Caixa Econômica Federal – Certificado de Depósito Bancário	947.699,38	894.327,36
	<b>947.699,38</b>	<b>894.327,36</b>
<b>Recursos Projetos</b>		
Caixa Econômica Federal – CDB – OAK Foundation	1.632.103,95	1.539.059,20
Caixa Econômica Federal – Poupança   Fundo Socioambiental Casa	1.004.757,97	2.475.868,18
Caixa Econômica Federal – Renda Fixa   OAK Foundation   Moore	6.644.426,39	-
Caixa Econômica Federal – Fundo Multimercado	350.050,23	-
Caixa Econômica Federal – Renda Fixa   Rede IAF	138.046,72	-
Caixa Econômica Federal – Poupança	12.809,44	12.276,00
Caixa Econômica Federal – Fundo de Investimento	831.533,40	826.620,46
	<b>10.613.728,10</b>	<b>4.853.823,84</b>
	<b>11.561.427,48</b>	<b>5.748.151,20</b>

The financial investments made by the Organization are highly liquid and readily convertible into a known amount of cash in order to meet the schedule of use of funds approved by the financiers. These financial investments refer mainly to investments in CDB remunerated at a floating rate equivalent to a percentage of the CDI, according to the value of the investment.

**5. FIXED ASSETS**

<b>Description</b>	<b>31.12.2018</b>	<b>Adição</b>	<b>Baixa</b>	<b>31.12.2019</b>
Computer Equipment	21.149,42	48.873,06	-	70.022,48
Furniture and utensils	2.305,00	-	-	2.305,00
<b>Acquisition Cost</b>	<b>23.454,42</b>	<b>48.873,06</b>	-	<b>72.327,48</b>
(-)Computer Equipment	(11.505,71)	(5.127,63)	-	(16.633,34)
(-)Furniture and utensils	(595,49)	(230,52)	-	(826,01)
<b>(-)Accumulated depreciation</b>	<b>(12.101,20)</b>	<b>(5.358,15)</b>	-	<b>(17.459,35)</b>
	<b>11.353,22</b>	<b>43.514,91</b>	-	<b>54.868,13</b>

**6. PROVISION FOR CLAIMS AND LITIGATIONS**

The Organization 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 Administration sets up a provision for contingencies on this matter.

At December 31, 2019 the Organization kept an allowance for legal and administrative claims for R\$150,000.00 (R\$150,000.00 in December 31, 2018), associated with risks of engagement of service providers, including probable disbursements to settle underlying social security charges.

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

**7. CONTRACTS AND FINANCIAL COOPERATION AGREEMENT.**

On December 31, the figures presented below are for the funds to be transferred by **FUNDO SOCIOAMBIENTAL CASA** as contracts and financial cooperation agreements.

<b>Description</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Fundo Socioambiental Casa	474.134,01	2.047.714,83
Porticus Latin América	-	6.996,00
Charles Stewart Mott Foundation	49.647,65	23.747,82
Global Gregrants Fund – GGF	54.344,23	321.201,39
Forest Trends	67.369,52	211.624,28
OAK Foundation	1.409.346,55	501.214,76
Climate and Land use Alliance (“CLUA”)	448.288,92	-
Fundo Defensores	516.535,49	-
Instituto Humanize	295.924,91	-
Donor Advised	202.734,03	-
Talmapais	163.800,00	-
Gordon and Betty Moore Foundation	4.322.590,00	-
Both Ends	132,92	20.822,42
Other	57.930,35	27.918,03
	<b>8.062,778,58</b>	<b>3.161.239,53</b>

**8. SOCIAL EQUITY**

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

**9. INSTITUTIONAL REVENUE**

**9.1. DONATION FOR SUPPORTING REPORTS**

<b>Description</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Fundo Socioambiental Caixa	1.871.049,94	2.291.010,91
Porticus Latin América	1.625,00	6.524,00
Charles Stewart Mott Foundation	282.100,17	676.981,35
Global Gregrants Fund – GGF	603.499,68	568.770,52
Forest Trends	320.295,90	205.175,72
OAK Foundation	523.918,73	603.880,01
Fundo Defensores	403.619,20	-
Climate and Land use Alliance (“CLUA”)	1.357.361,08	-
Donor Advised	160.070,00	-
Instituto Clima e Sociedade	-	12.741,00
Both Ends	64.889,50	712.925,28
Other	85.500,00	76.614,00
	<b>5.673.929,20</b>	<b>5.154.622,79</b>

Funds are received through non-earmarked financing agreements, mostly from international foundations, whose amounts are transferred by the Entity to other non-profit institutions (Supported), for the development of socio-environmental projects. The non-repayable financing does not foresee a return of funds during or at the end of the term of the contracts.

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

**9.2. OPERATIONAL DONATION**

<b>Description</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Fundo Socioambiental Caixa	481.908,30	1.066.050,00
Climate and Land use Alliance (“CLUA”)	812.969,96	-
Gordon and Betty Moore Foundation	808.695,87	-
Porticus Latin América	-	614.667,90
Global Grengnants Fund – GGF	163.620,00	315.367,00
OAK Foundation	553.381,92	134.563,59
Instituto Clima e Sociedade	-	24.000,00
Both Ends	323.732,00	365.702,50
FCAM GAGGA	-	40.750,00
Clark University	-	72.073,34
Rede Global de Fundos	117.403,63	92.625,00
Gordon and Betty Moore Foundation	76.903,75	219.599,63
Inter-American Foundation - IAF	290.500,00	101.000,00
Instituto Humanize	104.075,09	-
Fundo Defensores	139.408,15	-
Other	110.510,18	47.114,23
	<b>3.983.108,85</b>	<b>3.093.513,19</b>

These are donations received by the **FUNDO SOCIOAMBIENTAL CASA** from funders in order to maintain administrative and operational activities related to investment in capacity building activities for groups and workshops and meetings.

**10. EXPENSES WITH TRANSFERS TO SUPPORTEES.**

<b>Descrição</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Fundo Socioambiental Caixa	1.871.049,94	2.291.010,91
Fundo Defensores	433.619,20	-
Climate and Land use Alliance (“CLUA”)	1.357.361,08	-
Porticus Latin América	1.625,00	6.524,00
Fundo Yawanawa	85.500,00	-
Charles Stewart Mott Foundation	282.100,17	676.981,35
Global Grengnants Fund – GGF	603.499,68	568.771,22
OAK Foundation	523.918,73	603.880,01
Instituto Clima e Sociedade	-	12.741,00
Both Ends	64.889,50	712.925,28
Donor Advised	130.070,00	76.614,00
Forest Trends	320.295,90	205.175,72
Other	106.455,49	-
	<b>5.780.384,69</b>	<b>5.154.623,49</b>

**11. ADMINISTRATIVE EXPENSES**

<b>Description</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Operating & Institutional Development Expense <b>(i)</b>	1.515.232,33	1.292.126,22
Financial Expenses & Taxes <b>(ii)</b>	62.162,57	-
Expenses with Supported Meetings & Workshops <b>(iii)</b>	1.031.648,94	698.158,53
Expenses as Fiscal Sponsor <b>(iv)</b>	506.373,03	349.293,92
	<b>3.115.416,87</b>	<b>2.339.578,67</b>

**(i)** Refers basically to expenses with service providers and establishes the minimum for operational meetings (board and staff) and day-to-day maintenance to be carried out in the development of operations. This one also presents the expenses with articulation trips and national and international relations, participation in conferences, as well as communication materials that support fundraising in institutional development.

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

(ii) Refers to financial expenses and taxes charged on the donation and conversion amounts of exchange orders.

(iii) Refers to the development of actions by the **FUNDO SOCIOAMBIENTAL CASA**, for the strengthening of capacities with the exchange of experiences of supported groups. In 2019, 13 meetings were held, with participation from 40 to 150 people each.

(iv) The **FUNDO SOCIOAMBIENTAL CASA**, acts as inspector of some partners managing their resources for the development of specific projects.

**12. NET FINANCIAL INCOME**

<b>Description</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Financial income</b>		
Financial Application Income	356.469,87	206.268,04
	<u>356.469,87</u>	<u>206.268,04</u>
Financial expenses		
Exchange Expenses	(2.595,28)	(34.539,71)
Tax on Financial Operations	(3.048,25)	
Expenses with Interest Paid	(64,13)	(64,13)
Bank expenses	(9.547,40)	(6.582,26)
Other	(959,56)	-
	<u>(16.150,49)</u>	<u>(41.186,10)</u>
	<b><u>340.319,38</u></b>	<b><u>165.081,94</u></b>

**13. CURRENT CONTRACTS WITH FUNDING**

<b>Description</b>	<b>Contract value</b>		<b>Amount Received in 2019</b>	
	<b>R\$</b>	<b>U\$S   €</b>	<b>R\$</b>	<b>U\$S   €</b>
Global Grengants Fund – GGF	829.674,95	202.210,00	575.354,95	141.210,00
Both Ends	1.940.148,90	441.330,00	639.427,00	142.710,00
Charles Stewart Mott Foundation	1.193.190,00	310.000,00	384.903,75	100.00,00
Inter-American Foundation - IAF	192.500,00	50.000,00	91.500,00	25.000,00
OAK Foundation	1.947.661,92	472.911,00	1.947.661,92	472.911,00
Fundo Socioambiental Caixa	4.203.588,00	1.167.663,33	704.408,30	195.668,97
Forest Trends	820.574,46	204.123,00	201.000,00	50.000,00
Instituto Humanize	400.000,00	98.280,10	400.000,00	98.280,10
Gordon and Betty Moore Foundation	5.992.500,00	1.500.000,00	5.131.285,87	1.284.427,00
Donor Advised – Rainforest - RAN	200.939,70	50.000,00	200.939,70	49.485,00
Climate and Land use Alliance (“CLUA”)	2.618.619,96	710.616,00	2.618.619,96	710.616,00
Amazon Watch	405.750,00	100.000,00	405.750,00	100.000,00
Fundation de Luxembourg	45.350,00	10.000,00	45.350,00	10.000,00
Charitable Gift Fund	40.100,00	10.000,00	40.100,00	10.000,00
Front Line Defenders	56.144,04	12.488,00	56.144,04	12.488,00
FAU Fondo de Accion Urgente	20.100,00	5.000,00	20.100,00	5.000,00
Appleton Foundation	20.100,00	5.000,00	20.100,00	5.000,00
RSF Social Finance	156.852,60	40.000,00	156.852,60	40.000,00
Rudolf – RSF Social Finance   Tamalpais	204.627,15	50.000,00	204.627,15	50.000,00
Freedom House	88.379,89	21.982,00	88.379,89	21.982,00
Inter-American Foundation – IAF   REDE	398.000,00	100.000,00	199.000,00	50.000,00
Global Fund for Community   REDE	77.100,00	20.000,00	77.100,00	20.000,00
Instituto SABIN   REDE	20.000,00	5.181,35	20.000,00	5.181,35
Global Dialogue - FICS/REDE	53.625,00	11.000,00	53.625,00	11.000,00
REDE   Anuidades	32.500,00	8.160,35	32.500,00	8.160,35
Instituto C&A	28.278,63	6.412,65	28.278,63	6.412,65
	<b><u>21.986.305,20</u></b>	<b><u>-</u></b>	<b><u>14.343.008,76</u></b>	<b><u>-</u></b>

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

- **FUNDO SOCIOAMBIENTAL CASA** and the **GLOBAL GRENGRANTS FUND - GGF** signed a non-repayable financing agreement in the amount of U\$S 182,000.00 (one hundred and eighty-two thousand dollars), which were due in (02) two installments of U\$S 91,000.00 (ninety-one thousand dollars) each, the first transfer made in 2019, referring to support to be made in the second half of the year. During 2019, the **FUNDO SOCIOAMBIENTAL CASA** also received US\$ 50,210.00 (fifty thousand two hundred and ten dollars), directed to emergency support, the amount for donation and expenses related to support in 2019 was 141,210.00 (one hundred and forty and one thousand two hundred and ten dollars) equivalent to R\$ 575,354.95 (five hundred and seventy-five three hundred and fifty-four reais and ninety-five cents) part of this amount has already been transferred to 19 organizations and part will be transferred in 2020.
- In 2019, a new contract was signed between **FUNDO SOCIOAMBIENTAL CASA** and **BOTH ENDS**, referring to the **GAGGA PROGRAM** in the amount of € 275,160 (two hundred and seventy-five thousand one hundred and sixty euros), of this amount, € 84,760.00 (eighty-four seven hundred and sixty euros) was transferred to CASA for the management and training of groups supported in partnership with two more organizations located in Bolivia and Paraguay whose values were € 105,400.00 (one hundred and five thousand and four hundred euros) and € 85,000.00 (eighty and five and thousand euros) respectively, with this amount 29 organizations were supported. Also € 13,380.00 (thirteen thousand three hundred and eighty euros) were transferred to the final installment of the 2018 contract and another € 70,000.00 (seventy thousand euros) for emergency projects. In 2019, totaling € 142,710 (one hundred and forty-two thousand seven hundred and ten euros) received.
- Contract signed in 2019, between **FUNDO SOCIOAMBIENTAL CASA** and **CHARLES STEWART - MOTT FOUNDATION** regarding the FUND SULAMERICANO 2019/2020 PROGRAM, in the amount of U\$S 310,000.00 (three hundred and ten thousand dollars) transferred in two installments. The first was transferred in 2019 in the amount of US\$ 100,000.00 (one hundred thousand dollars) equivalent to R\$ 384,903.75 (three hundred and eighty-four thousand nine hundred and three reais and seventy-five cents), of this amount US\$ 80,000, 00 (eighty thousand dollars) the same as R\$ 308,000.00 (three hundred and eight thousand reais) were for donation, supporting 18 organizations.
- In 2019, an agreement was signed between **FUNDO SOCIOAMBIENTAL CASA** and **OAK FOUNDATION** in the amount of R\$ 1.908.215,08 (One million nine hundred and eight thousand two hundred and fifteen reais and eight cents) to support organizations that will be transferred in 2020.
- Contract signed in 2017 between **FUNDO SOCIOAMBIENTAL CASA** and **FUNDO SOCIOAMBIENTAL CAIXA** in the amount of R\$ 6.500.000,00 (six million five hundred thousand reais), lasting 36 months (effective until 2020) for the project Strengthening Communities for Construction of Inclusive, Resilient and Sustainable Cities. The installment paid in 2019 was R\$ 704.408,30 (seven hundred and four thousand four hundred and eight reais and thirty cents), of which R\$ 481.908,30 (four hundred and eighty-one thousand nine hundred and eight reais and thirty cents) is for the project's operational expenses and R\$ 222.500,00 (two hundred and twenty-two thousand and five hundred reais) are for the final installments of the support to 161 organizations carried out in 2018.
- In September 2018, the contract with **IAF - INTER-AMERICA FOUNDATION** was signed in the amount of US\$ 50,000.00 (fifty thousand dollars) for the implementation of Local Funds in South America, with the amount of US\$ 25,000.00 (twenty-five thousand dollars) equivalent to R\$ 91.500,00 (ninety-one thousand and five hundred reais) in 2019.
- In June 2018 between **FOREST TRENDS** and **FUNDO SOCIOAMBIENTAL CASA**, an agreement was made in the amount of US\$ 204,123.00 (two hundred and four thousand one hundred and twenty-three reais) to support and implement activities and training of indigenous organizations, of this amount the total amount of US\$ 50,000.00 (fifty thousand dollars) was received, equivalent to R\$ 201.000,00 (two hundred and one thousand reais), of which R\$ 176.041,14 (one hundred and seventy-six thousand forty-one reais and fourteen cents) ) went to support 12 organizations.

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

- In 2019 the **FUNDO SOCIOAMBIENTAL CASA** and **INSTITUTO HUMANIZE** signed a contract of R\$ 400.000,00 (four hundred thousand reais) regarding the **Projeto Casa Aliança Oceanos** which aims to support organizations in 2020.
- The **FUNDO SOCIOAMBIENTAL CASA** and **GORDON AND BETTY MOORE FOUNDATION** signed in 2019 a donation contract in the amount of US\$ 1,500,000.00 (one million and five hundred thousand dollars) already in 2019 US\$ 1,284,427.00 (one million two hundred eighty-four thousand and four thousand four hundred and twenty-seven dollars) the equivalent to R\$ 5.131.285,87 (five million one hundred and thirty-one thousand two hundred eighty-five reais and eighty-seven cents) of this amount R\$ 4,322,590 (four million three hundred and twenty-two thousand five hundred and ninety reais) were allocated to support projects that took place in 2020 and the rest of the amount was allocated to operating expenses related to this contract.
- The **FUNDO SOCIOAMBIENTAL CASA** and **CLIMATE AND LAND USE ALLIANCE (CLUA)** signed in 2019 the total contract worth US\$ 710,616 (seven hundred and ten thousand six hundred and sixteen dollars) total received in 2019 and equivalent to R\$ 2.618.619,96 (two million six hundred eighteen thousand six hundred nineteen reais and ninety six cents) of this amount R\$ 1.805.650,00 (one million eight hundred and five thousand six hundred and fifty dollars) 42 projects were supported in 2019 the remainder of the amount was allocated to expenses operating costs related to this contract.
- In 2019 the **FUNDO SOCIOAMBIENTAL CASA** jointly supported the organizations **RainForest Action Network – RAN, Fondo de Acción Urgente FAU, FREEDOM HOUSE, APPLETON, Rudolf Social Finance RSF, FRONT LINE, CHARITABLE GIFT FUND** emergency projects directed by these funders, was an amount in total of US\$ 220,417 (two hundred and twenty thousand four hundred and seventeen reais) equivalent to R\$ 922.905,00 (nine hundred and twenty-two thousand nine hundred and five reais) making 33 grants in 2019.
- **RUDOLF SOCIAL FINANCE RSF** signed a donation contract called TAMALPAIS with the **FUNDO SOCIOAMBIENTAL CASA** whose total value is US \$ 50,000 (fifty thousand dollars) in 2019, equivalent to R\$ 204,627 (two hundred and four reais and six hundred and twenty-seven) of which R\$ 163,800 (one hundred and sixty-three thousand eight hundred reais) were allocated to the transfer of support in 2020.
- The **FUNDO SOCIOAMBIENTAL CASA** named Fiscal Sponsor of the **REDE DE FILANTROPIA DE JUSTIÇA SOCIAL** received a total value of US\$ 100,754 (one hundred thousand seven hundred and fifty-four dollars) equivalent to R\$ 410,503 (four hundred and ten thousand five hundred and three reais) through the contracts with **IAF – INTER-AMERICA FOUNDATION, GLOBAL FUND FOR COMMUNITY FONDATION, INSTITUTO C&A and SABIN**. This amount is intended for the functioning and articulation of the REDE.

#### **14. TAX IMMUNITIES**

##### **14.1. TAX IMMUNITIES - IRPJ E CSLL.**

The **FUNDO SOCIOAMBIENTAL CASA**, for its purpose and objectives and to meet the requirements of the legislation in force, enjoy immunity from Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) on eventual surpluses of the fiscal years, as determined the article 150 of the Federal Constitution.

##### **14.2. TAX IMMUNITIES - PIS E COFINS**

The **FUNDO SOCIOAMBIENTAL CASA** for its purpose and objectives and to meet the requirements of current legislation, enjoy exemption from PIS and COFINS on billing, according to Article 46 of Decree N° 4.524/2002. The Foundation collect only the PIS / PASEP-Social Integration Program and Public Server Training in the percentage of 1% of the payroll.

**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

**14.3. TAX IMMUNITIES AND AUFERID CONTRIBUTIONS**

In accordance with the disclosures required by NBC ITG 2002 - "Non-Profit Entities" if the Entity were not exempt the current rates for collection would be as follows:

<b>Description</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Income tax + additional	261.452,46	189.919,62
Social Contribution on Net Income	102.762,89	77.011,06
	<b>364.215,35</b>	<b>266.930,68</b>
Contribution to Social Security Financing - COFINS	302.716,27	235.107,00
	<b>302.716,27</b>	<b>235.107,00</b>
<b>Total the Tax Immunities and Auferid Contributions</b>	<b>666.931,62</b>	<b>502.037,68</b>

**15. RISK MANAGEMENT**

The main risk factors to which the **FUNDO SOCIOAMBIENTAL CASA** is exposed are the following

**(a) Capital management**

The **FUNDO SOCIOAMBIENTAL CASA** manages its capital to ensure the continuity of its normal activities, while at the same time seeking to maximize the return of its operations, through the optimization of the use of debt and equity instruments.

**The indebtedness index at December 31 are as follows:**

<b>Descrição</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Debt (*)	(8.218.163,91)	(3.311.239,53)
Cash and cash equivalents	11.561.427,48	5.748.151,20
Accounts receivable and other receivables	-	-
	<b>3.343.263,57</b>	<b>2.436.911,67</b>
Social equity	3.479.696,44	2.466.286,59
<b>Total net debt</b>	<b>Zero</b>	<b>Zero</b>

(\*) Debt is defined as the sum of current liabilities and non-current liabilities

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

**a) Valuation of financial instruments**

The main financial instruments of assets at December 31, 2019 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, 2019 and 2018 there were no asset or liability balances backed by derivatives.



**FUNDO SOCIOAMBIENTAL CASA**  
**Notes to the Financial Statements at**  
**December 31, 2019 and 2018**

**17. FINANCIAL RATIOS**

<b>Description</b>	<b>In Real</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>CURRENT LIQUIDITY</b>			
Current assets	11.642.992,22	1,44	1,82
Current liabilities	8.068.163,91		
<b>GENERAL LIQUIDITY</b>			
Current assets + long-term receivables	11.697.860,35	1,42	1,74
Current liabilities + long-term	8.218.164,91		

**18. VOLUNTARY WORK**

The Organization, following the guidelines of item 19 of CFC Resolution No. 1,409 / 2012, which approves ITG 2002 - Entity with No Purpose of Profit, amended in 2015 by DOU 09/02/2015, recognized in its financial statements the voluntary work, of members of management bodies, in the exercise of their functions, at the fair value of the provision of the service as if the financial disbursement had occurred.

**19. 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**.

\* \* \*