

## **BAOBÁ – RACIAL EQUITY FUND**

### **Audit of Financial Statements base year 2019**

## INDEX

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS	03
I. INTRODUCTION	06
II. LEGAL ASPECTS	07
III. TRIBUTARY ASPECTS	09
IV. ECONOMIC AND FINANCIAL SITUATION	11
V. ASPECTS OF ADMINISTRATIVE, FINANCIAL AND EQUITY CONTROLS	16
VI. HUMAN RESOURCES	18

### ANNEXES:

Annex I - Financial Statements of the year ended on December 31<sup>st</sup>, 2019 (Balance Sheet, Income Period Statement; Statement of Cash Flow; Statements of Changes in net Equity and Explanatory Note);  
Annex II - Certificate of Professional Regularity - Control nº 9172.9172.9486.9486

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board members of **BAOBÁ – RACIAL EQUITY FUND**

### Opinion

We have audited the accounting statements and financial reports of **BAOBÁ – RACIAL EQUITY FUND**, comprising: the balance sheet on December 31<sup>st</sup> of 2019, and related income statements, changes in net equity and cash flows for the year ended on that date, as well as a summary of the main accounting practices and other explanatory notes.

In our opinion, the aforementioned financial statements properly present, in all relevant aspects, the equity and financial condition of **BAOBÁ – RACIAL EQUITY FUND**, on December 31<sup>st</sup> of 2019, and the performance of its operations for the year ended on that date, in accordance with International Accounting Standards (IFRS) and accounting practices adopted in Brazil.

### Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards, in particular NBC TA 800 and 805, issued by CFC – Federal Accounting Council, in convergence with the international auditing standards issued by IFAC - International Federation of Accountants. Our responsibilities, in accordance with such standards, are described in the following section entitled “Auditor’s responsibilities for auditing financial and accounting reports”. We are independent from the company, in accordance with the relevant ethical principles set out in the Accountant’s Code of Professional Ethics And in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the obtained audit evidence is sufficient and appropriate to support our opinion.

### Management and governance responsibility for financial reports and accounting statements

The administration of **BAOBÁ – RACIAL EQUITY FUND** is responsible for the properly preparation and presentation of these financial reports and accounting statements in accordance to accounting practices adopted in Brazil, and for such internal controls it determined as necessary to allow the preparation of the accounting records free of material misstatement, regardless if it was caused by fraud or error.

In the preparation of the financial statements, the administration is responsible for assessing the company’s ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis on preparation of the financial statements, unless the administration intends to liquidate the company or cease its operations, or doesn’t have a realistic alternative to avoid closing operations.

Those responsible for the company's governance are those responsible for supervising the process of preparing the financial statements.





### **Auditors' responsibility for auditing the accounting reports of financial statements**

Our goals are to obtain a reasonable assurance that the accountability financial reports and statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high level of security, but there is not guarantee that the audit carried out in accordance to Brazilian and International Auditing Standards Always detects any relevant distortions. The distortions can be due to fraud or error and are considered relevant when, individually or jointly, they can influence, within a reasonable perspective, the user's economic decisions made based on the referred financial and accounting reports.

As part of an audit, in accordance to Brazilian and International Auditing Standards, we exercise professional judgment and we maintain professional skepticism throughout the audit. Besides that:

- We identify and assess the risks of material misstatement in the accounting financial reports, whether caused by fraud or error; we plan and execute audit procedures in response to such risks; and we obtained sufficient and appropriate audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that arising from error, since fraud can involve the act of circumventing internal controls, collusion, forgery, omission or intentional misrepresentation.
- We obtained and understanding of the relevant internal controls to the audit to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion about the effectiveness of the Entity's internal controls.
- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates, and the respective disclosures made by the administration.
- We conclude about the adequacy of the administration use of the accounting basis for operational continuity, and, based on the audit evidence obtained, if there is significant uncertainty in relation to events or conditions that may raise doubts related to the company's operational continuity capacity. If we conclude that there is a significant uncertainty, we must draw attention in our audit report to the respective disclosures in the financial and accounting reports, or include changes in our opinion if the disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to no longer remain in business continuity. We have communicated with those charged in governance, regarding, among other things, the planned scope at the time of the audit and the significant audit findings, including any significant deficiencies in internal controls that we have identified during our job.



**Another subjects**

In accordance with the results of our audit exams, specifically with regard to the project now audited, we conclude that:

- 1) The funds received were used exclusively for the purposes of the projects, in accordance with the Partnership Contract;
- 2) The accountability financial report now audited is a true and fair testimony concerning the Project's incomes and expenditure documentation.

Due to the confidential nature of the purpose of this job, this audit report should only be used **BAOBÁ - RACIAL EQUITY FUND**, and cannot be disclosed or referenced in any other way, without the prior authorization of the interested Organizations.

Recife, June 26<sup>th</sup> of 2020.

**ARV - AUDITORES E CONSULTORES INDEPENDENTES LTDA.**  
Registered with CRC / PE under nº 706

**Alexandre Tavares da Silva**  
CRC/PE 018748/O  
CPF: 836.102.434-49

**AUDIT REPORT Nº 025/2020**

**ENTITY**      **BAOBÁ - RACIAL EQUITY FUND**

**PERIOD**     **01/01/2019 to 12/31/2019**

**I. INTRODUCTION**

Due to the Covid-19 pandemic and the social isolation measures in Brazil, it was not possible to do the auditor's visit to Baobá Entity based in São Paulo. We are going to present the results of the audit carried out in Recife/PE on the financial and accounting reports of **BAOBÁ - RACIAL EQUITY FUND**, on May 19<sup>th</sup> to May 31<sup>st</sup> 2020, related to the period January 1<sup>st</sup> to December 31<sup>s</sup> of 2019, whose headquarter is based in São Paulo/SP. Our exams covered transactions realized with financial and economic resources administered by **BAOBÁ - RACIAL EQUITY FUND**, during the referred period mentioned.

The financial and accounting reports audited were prepared under the **BAOBÁ - RACIAL EQUITY FUND** management, and it is up to the audit to express an opinion, if they accurately represent the audited Entity's financial and equity position .

Then, there will be discussed topics of interest related to the Entity's operational structure:

- II. **Legal Aspects** -The Entity's internal and external legal situation is focused.
- III. **Tax Aspects** – Focuses on provisions of the relevant legislation in force compliance.
- IV. **Economic and Financial Situation** – The Institution's financial transaction (the project, in particular), the accountability financial reports of received support.
- V. **Administrative, Accounting and Equity Aspects** – Analyzes the Entity's internal controls over the discussed areas.
- VI. **Human Resources** – Issues related to the workforce and labor standards compliance.



## II. LEGAL ASPECTS

On this topic, issues related to the Entity's situation in terms of current legislation, from an institutional and external perspective are discussed.

### 1. Legal-Institutional Situation

**BAOBÁ - RACIAL EQUITY FUND** is legally constituted and registered with the legal entities, and its registrations and licenses are updated. They are meeting the legal and relevant demands in force in country. It is registered in the National Register of Legal Entities under nº 13.674.255/0001-81.

### 2. Current Administration

We present below the Board members' names, the Executive Board, The Executive Committee and the Baobá Audit Council, elected according to the minutes of the Board Annual Meeting held on March 16<sup>th</sup> 2017, for 3 years term, started on April 1<sup>st</sup> 2017 and ended on March 31<sup>st</sup> 2020.

**Table I – Deliberative Council**

Name	Position
Giovanni Benigno Pierre da Conceição Harvey	President
Tais Bianca Gama de Araújo Ramos	Member
Amália Eugênia Fischer Pfaeffle	Member
Edson Lopes Cardoso	Member
Luiz Alberto de Oliveira Gonçalves	Member
Aparecida Sueli Carneiro	Member
Joel Zito de Araujo	Member
Elizabeth Lima da Silva	Member
Marcelo Côrtes Neri	Member
Trícia Viviane Lima Calmon	Member

**Table II – Executive Board**

Name	Occupation
Selma da Costa Moreira	Executive director

**Table III – Executive Committee**

Name	Position
Giovanni Benigno Pierre da Conceição Harvey	President
Aparecida Sueli Carneiro	Member
Amália Eugênia Fischer Pfaeffle	Member

**Table IV– Fiscal Council**

Mario Nelson da Costa Carvalho
Fábio Santiago da Silva
Marco Antônio Fujihara

**Notes:**

- The Executive Board is responsible for the bank accounts financial transactions bank, which are always realized through its signature. quitted
- About the changes that occurred in the Deliberative Council: Ana Amélia Toni quitted and Edson Cardoso joined into the council, and the terms of Luiz Alberto and Aparecida Sueli Carneiro were renewed.
- A Denise Kauzue Hirao, which was part as a Deliberative Council member, announced her quitting on January 29<sup>th</sup> of 2019.

**3. Investment Committee**

The investment committee is an advisory body Conse of Deliberative Council and it is guided by the Executive Board related to the linked Endowment Fund, as described in Art. 34 of the Bylaws.

In the Board's Regular Meeting Minutes happened on March 16<sup>th</sup> 2017, it was defined the Investment Committee members composition:

**Table V – Investment Committee**

Name	Office
Felipe Linetzky Sotto Maior	President
Edison Carlos Dias	Member
Leonardo Nicolas Letelier Pimstein	Member

**Note:**

After the Board's Regular meeting' minutes on 12/04/2019, the Executive Board remembered that the current investment committee members' mandate would end on 12/17/2019, to begins a new mandate on 12/18/2019. The Deliberative Council decided the continuance of Felipe Linetzky Sotto Maior as the president, Leonardo Letelier Pimstein as a member, and Edison Carlos Dias would not be a member of the Investment Committee anymore.

**4. Commercial Contracts**

BAOBÁ maintained the following commercial contracts during the audited period, duly supported by the current legislation:

**Table VI – Commercial Contracts**

Item	Providers	Description of services	Start Date	End Date
1	Ana Carolina Silva Nascimento	Analysis and Evaluation of submitted projects by organizations, groups and collectives in the public notice.	11/29/2019	01/29/2020
2	Ana Celia Minuto de Campos	Analysis and Evaluation of submitted individual development plans by enrolled candidates in the public notice.	11/06/2019	01/06/2020
3	Baduzin Produções Cinematográfica Ltda	Hiring a renowned and nationally recognized journalist.	08/26/2019	09/15/2019
4	Duetto Comunicação e Produções Artísticas Ltda.	Specialized service in communication and press relations.	08/21/2019	11/21/2019
5	Banora, Serviços de Treinamentos e Desenvolvimento Ltda-ME	Specialized service in training and managerial and professional development to hold meetings with the entire Baobá team.	09/17/2019	12/17/2019
6	Ubuntu Produções Culturais e Artísticas Ltda-ME	Specialized service in production and event logistics.	08/21/2019	11/21/2019





### III. TAX ASPECTS

In this topic, we emphasize the tax aspects that had an impact on BAOBÁ's operations during the examined period.

#### 1. Deadlines for delivery of Accessory Obligations

According to the performed tests, we realized that the Entity is up to date with the pertinent accessory obligations, among which we mention:

DIRF – Statement of Income Tax Withheld at 2020, calendar year 2029 was sent to Brazil Federal Revenue Department on 02/28/2020.

RAIS – Annual Social Information in 2019 was sent to the Labor's Department on 03/17/2020.

DCTF – Declaration of Federal Tax Debts and Credits was transmitted to Brazil Federal Revenue Secretariat, according to the DCTF Extract.

ECF – Tax Accounting Deed for the 2019 calculation period is within the legal term, according to the audit base date.

ECD – Digital Bookkeeping of 2019 calculation period is within the legal term, according to the audit base date after extension to 07/31/2020, according to IN 1950/2020.

#### 2. Social Security, FGTS, PIS and IRRF

The Entity has been proceeding in accordance with the relevant legislation in force, respecting levied taxes on the payment of Social Security, FGTS, PIS and IRRF taxes on monthly paid remunerations.

##### 2.1. INSS, FGTS and PIS

The Entity has been proceeding according to what was established in the pertinent legislation in force, respecting the levied taxes on the realized operations, such INSS (National Institute of Social Insurance) and Social Security Contributions: FGTS (Guarantee Fund for Length of Service) and PIS (Social Integration Program).

##### 2.2. Service Tax – ISS

Retention was normally realized during the audited period. We also noted the respective collections.



### 3. Negative Debt Certificates

**Table VII – Negative Certificates**

Specification	Issuing Agency	Date of Issue	Expiration Date	Situation
Debt Clearance Certificate related to Federal Taxes and the Union's Active Debt	Federal Revenue	29/05/2020	11/25/2020	Regular
FGTS Certificate of Regularity - CRF	Federal Savings Bank	06/1/2020	07/14/2020	Regular
Negative Certificate of Labor Debts	Labor Justice	06/03/2020	11/29/2020	Regular
Joint Tax Debt Certificate	City Hall of São Paulo	06/03/2020	09/01/2020	Regular
Negative Certificate of Tax Debts of the Active Debt of the State of São Paulo	State General Attorney	05/27/2020	30 days	Regular

**Table VIII – Declarations and Certificates**

Specification	Issuing Agency	Date of issue	Expiration date
Declaration of Recognition of Exemption from Tax on "Causa Mortis" Transmission and Donation of Any Goods or Rights	Tax Administration Coordination	16/05/2019	05/15/2022
Declaration of Recognition as an Human Rights Promoter	Justice and Citizenship Secretariat	25/04/2019	04/24/2022
An American Public Charity Company Equivalence Certification	NGO Source	02/02/2020	12/31/2020



#### IV. ECONOMIC AND FINANCIAL SITUATION

Statements of the received funds and expenses in the audited period are detailed.

##### 1. Available Resources on 12/31/2019

In the table below we show the available balances in bank accounts on December 31<sup>st</sup> of 2019.

**Table IX – Current Account Bank Balances on 31/12/2019 (in R\$)**

Project/Financier	Bank	Account	Balance	Note
PADLFN-MF Ibirapitanga	Itaú	12452-5	3.115,10	(a)
Baobá Reserve Fund	Itaú	02546-6	198.228,28	
PADLFN – Ford Foundation	Itaú	05260-1	13.238,25	
PADLFN - MF Open Society	Itaú	07439-9	274,50	(b)
PORTICUS LACL	Itaú	11877-4	16.237,98	
OAK Foundation	Itaú	07444-9	38,39	
Coke Institute	Itaú	02145-7	6,82	
C&A Institute - Institutional Development	Itaú	11778-4	122,10	
Lemann Foundation	Itaú	84711-6	3,65	
Provisions	Itaú	84740-5	28.314,10	
PADLFN - MF Kellogg	Itaú	84710-8	3.028,61	
Caixa Socioenvironmental Fund	C. E. F	4710-3	23.891,10	
Citibank - Já É	Itaú	84741-3	968.953,93	
<b>Total</b>			<b>1.255.452,81</b>	

#### Notes:

a) Account 12452-5 belonged to the Tides Center Project, which was closed in December 2018. The mentioned account started to be used by the PADLFN Project – MF Ibirapitanga, which started its activities in January 2019.

b) Account 07439-9 belonged to 1 Ford Edict Project, which was closed in December 2018. The mentioned account started to be used by PADLFN – MF Open Society Project, which started its activities in January 2019.

The full amount of the mentioned balances in Table VIII above compared to the Entity's accounting balance sheet with date base on 12/31/2019 and does not present divergences.



**Table X – Bank Account Balance on 12/31/2019 (in R\$)**

Project/Financier	Bank	Account	Balance	Note
PADLFN - MF Ibirapitanga	Itaú	12452-5	2.761.006,29	
Baobá Reserve Fund	Itaú	02546-6	1.334.590,24	
CCA Fronteiras – Ford Foundation	Itaú	00852-0	427.863,52	
PADLFN – Ford Foundation	Itaú	05260-1	144.210,31	
Endowment	Itaú	28392-8	27.319.530,21	(a)
Endowment	Itaú	28392-8	8.157.338,91	(a)
PADLFN - MF Open Society	Itaú	07439-9	899.343,07	
PORTICUS LACL	Itaú	11877-4	299.093,51	
OAK Foundation	Itaú	07444-9	145.434,95	
Coke Institute	Itaú	02145-7	40.752,29	
C&A Institute – Institutional Development	Itaú	11778-4	51.288,70	
Lemann Foundation	Itaú	84711-6	193.424,20	
Provisions	Itaú	84740-5	68.931,17	
PADLFN - MF Kellogg	Itaú	84710-8	6.343.151,35	
<b>Total</b>			<b>48.185.958,72</b>	

#### Comment

a) We have noted that the balance of the bank statement in the account 28392-8 financial investment has a trial balance divergence. According to the Explanatory Note in item 4 Noncurrent Liabilities in “Note 2”, that account had received incomes from foreign Exchange, which were welcomed by another bank account, then it was necessary an IOF deduction so that there was no discount on the wrong project.

#### 2. Availabilities

##### Projects Balances

We present below the balance in bank accounts for each project on December 31<sup>st</sup> of 2019, according to the Entity’s Bank reconciliations.

**Table XI– Available Balances according to the Balance sheet**

Description	Amount
Fixed Fund	2.000,00
Banks – Operational Account	1.255.452,81
Banks – Application Account	48.185.958,72
<b>Total</b>	<b>49.443.411,53</b>



### 3. Received Receipts

We show below the amounts of the received revenue and financial incomes for the audited period, based on the Entity's financial reports.

**Table XII – Revenue in 2019**

Description	Revenue				Comment
	Donation	Yield	Other revenue	Total	
Ford Consolidating Capabilities		29.829,79		<b>29.829,79</b>	
Lemann	193.000,00	427,85		<b>193.427,85</b>	
Citibank	972.650,00			<b>972.650,00</b>	
PMF Kellogg	6.332.148,28	14.034,10		<b>6.346.182,38</b>	
Labor provisions		152,47	97.092,80	<b>97.245,27</b>	
Porticus		8.517,16		<b>8.517,16</b>	
Caixa E. Federal	90.595,00	688,59	22.467,00	<b>113.750,59</b>	
Equity Fund	21.076.648,48	1.113.448,10		<b>22.190.096,58</b>	( a )
OAK Foundation	322.000,94	12.847,80		<b>334.848,74</b>	
C&A	140.000,00	1.530,64		<b>141.530,64</b>	
Coke	131.326,11	8.367,50		<b>139.693,61</b>	
PMF Ford		14.499,78		<b>14.499,78</b>	
Open Society	909.189,75	34.142,28		<b>943.332,03</b>	
PMF Ibirapitanga		188.440,67	5.784,01	<b>194.224,68</b>	
Reserve Fund	1.461.542,71	110.063,98	67.542,15	<b>1.639.148,84</b>	
<b>Total</b>	<b>31.629.101,27</b>	<b>1.536.990,71</b>	<b>192.885,96</b>	<b>33.358.977,94</b>	

- a) We found out that of the amount of R\$ 21.076.648,48 of received funds through donation, R\$ 100,690,16 refers to IOF as explained in the Explanatory Note below:

The Reserve Fund account held resources from other projects for a period of 2019, so the account balance does not correspond to the execution of the project, because it received and transferred resources from other projects. This explanation is described in the Explanatory Notes in NOTE - 04 OF THE ORIGIN AND NATURE OF THE MAIN DONATIONS AND RESOURCES- Item 3:

“The financial control system allocates a bank account to each project developed by the Baobá Fund. This allows a greater control over the financial expenses and income that occur. When there is no specific account, our Reserve Fund account is used to receive foreign exchange and other resources (administrative fees). This bank account housed resources for three projects for a period: Lemann Foundation (R\$193,000.00), PADLFN - MF Kellogg (R\$6,356,210.44) and Labor Provisions (R\$68,779.48) and the Foundation's counterpart Kellogg of the donation from PADLFN - MF Open Society (R\$1,022,500.00). These amounts were allocated to their respective bank accounts as soon as they were opened, except for the counterpart of the Kellogg Foundation related to the donation from the PADLFN - MF Open Society, which was transferred to the corresponding account in 2020, resulting in the 2019 balance of the Reserve Fund with a higher value to one million Reais. During the period that these amounts were in the Reserve Fund, they were invested in CDB DI securities. Income from this investment remained in the Reserve Fund.”

#### 4. Expenses incurred

We present below the expenses incurred in the period covered by the audit, as shown in the Entity's financial reports for the period from 01/01/2019 to 12/31/2019.

**Table XII – Realized Expenses in 2019**

Description	Expenses									Total
	Personnel	Consultants	Contracted services	Administrative	Social Investment	Trips	Operational	Finance	Others	
Ford Consolidating Capabilities							4.442,91	1.360,34		<b>5.803,25</b>
Lemmann										-
Citibank								3.696,07		<b>3.696,07</b>
PMF Kellogg								2,42		<b>2,42</b>
Labor Provisions										-
Porticus							15.225,70	87,86		<b>15.313,56</b>
Caixa E. Federal								57,30	90.595,00	<b>90.652,30</b>
Equity Fund				426.810,36						<b>426.810,36</b>
OAK Foundation	62.345,99			40.000,00	228.041,00	7.000,98		1.500,52	56.630,30	<b>395.518,79</b>
C&A		3.100,00	40.000,00				42.912,23	97,61	4.000,00	<b>90.109,84</b>
Coca Cola (Coke)	6.084,89			117.412,70	181.909,08		52.867,83	413,16		<b>358.687,66</b>
PMF Ford	186.843,15	111.226,19		133.619,45		48.226,53		3.607,00		<b>483.522,32</b>
Open Society		40.000,00						3.839,87		<b>43.839,87</b>
PMF Ibirapitanga	903.475,02					71.315,12	131.916,15	8.176,50		<b>1.114.882,79</b>
Reserve Fund	52.941,15	93.500,00		62.760,46		876,00	62.504,87	2.343,08		<b>274.925,56</b>
<b>Total</b>	<b>1.211.690,20</b>	<b>247.826,19</b>	<b>40.000,00</b>	<b>780.602,97</b>	<b>409.950,08</b>	<b>127.418,63</b>	<b>309.869,69</b>	<b>25.181,73</b>	<b>151.225,30</b>	<b>3.303.764,79</b>

The expenses listed above were extracted from the Analytical Economic Result Balance from 01/01/2018 to 12/31/2018, separated by each financier of the audited projects.

5. Table showing the surplus between the Entity's revenues and expenses in the audit period.

Table XIII – Composition of Balances in 2019

<b>1. Opening Balance</b>	19.487.070,46
2. Revenue	33.258.287,78
3. Expenses	3.303.764,79
4. Final account balance	<b>49.441.593,45</b>
<b>5. Balance available at banks on 12/31/2019 – Table IX</b>	49.441.421,53
<b>6. Divergence</b>	<b>171,92</b>



**V. ADMINISTRATIVE, ACCOUNTING AND EQUITY CONTROLS ASPECTS.**

In accordance with the established rules by NBC (Brazilian Accounting Standard) TA N°. 315/2014 - of the Federal Accounting Council, we intend to identify and assess the risks of material misstatement regardless of whether fraud or error is caused, at the levels of the financial statements, through the understanding of the entity and its environment, including the Entity's internal control, providing a basis for planning and implementing responses to possible risks of material misstatement identified.

The internal controls implemented by the audited Entity's management were thoroughly evaluated, highlighting the administrative, financial, equity and accounting internal controls, and we concluded that the auxiliary internal management controls are sufficient and adequate to effectively meet the requirements made by the project financing agencies and the **BAOBÁ** management model - **RACIAL EQUITY FUND**, as well as allowing it to manage financial and material resources more efficiently.

Additionally, we inform that the Entity's accounting documentation has been made available to the auditors to realize the audit.

**1. Administrative and Financial Controls**

The financial control system is computerized and allows a greater speed in management information. The system includes information for financial and administrative control, presenting a reasonable level of security in accessing the processed data, as well as allowing the monitoring of the economic and financial resources administered, and the periodic verifications of revenues and expenses incurred.

**2. Equity Controls**

The Entity has a detailed and efficient control over the patrimonial assets, according to the Fixed Property Inventory Report, according to the procedures of the instructions resulting from Technical Pronouncement CPC 27 – Fixed Asset.

**2.1 Goods Acquisitions from 01/01/2019 to 12/31/2019.**

During the audited period, there were acquisitions of goods in the amount of **R\$ 42.724,49**, according to the internal control "Inventories – goods in use - Baobá – Racial Equity Fund", presented to the audit.

**Table XV – Goods Acquisitions in 2019**

Property Description	Date of Acquisition	Price R\$
1 Epson TX 235W HP LJ 4250 printer	08/01/2019	560,00
5 Notebooks, 1 Desktop, 1 Monitor and 1 Voltage Stabilizer	25/04/2019	26.799,99
6 Mouses pad and 5 keyboards	27/06/2019	1.014,00
MPB, USB, IPAD and Other Apple products	27/11/2019	14.350,50
<b>Total</b>		<b>42.724,49</b>





### 3. Accounting controls

The accounting aspect emphasizes that the **BAOBA - RACIAL EQUITY FUND** performs its bookkeeping externally through computerized accounting system that allows for reporting monthly and annual daily records.

The responsibility for its bookkeeping is accounting's office EDCONTAS, based in the city of Recife-PE, whose technical head is the counter Edvaldo Oliveira de Santana. It should be noted that the accounting records for the period covered by the audit are in accordance with the Accounting Practices Adopted in Brazil.

### Analytical summary of accounts

#### 1. Asset Accounts

Total assets at December 31<sup>st</sup>, 2019 amounted R\$ 49.519.640,65, which R\$ 49.449.195,54 were concentrated in current assets, represented by short-term assets. The non-current assets, more specifically the Fixed Assets Account, have the amount of R\$ 61.459,86.

#### 2. Liabilities Account

Liabilities Total on December 31<sup>st</sup> 2019 totaled the amount of R\$ 49.519.640,65, which noncurrent is the amount of R\$ 45.977.793,67, corresponding to long-term liabilities and social net equity an amount of R\$ 3.536.061,96.



## VI. HUMAN RESOURCES

### Employees

In the table below, we report only to personnel governed by the Consolidation of Labor Laws – CLT on 12/31/2014, according to the personnel list that was presented to us:

**Table XVI– Personnel List**

Name	Occupation	Admission	Resignation
Cristina Lopes da Silva	Project Coordinator	Jan/2019	Jul/2019
Eliane Maria Macedo	Executive assistant	Jan/2019	Jul/2019
Rejane Glauce de Santana	Administrative and Finance Coordinator	Jan/2019	Ago/2019
Christiane Hebe da Silva	Administrative and Finance Coordinator	Jul/2019	
Janaína Lopes Barbosa	Communication Coordinator	Jul/2019	
Claire de Souza Martins	Executive assistant	Jul/2019	

The General Register of Employed and Unemployed (**CAGED**) with the information above, was submitted to the Ministry of Labor in a timely manner.

### Comment:

Due to the Covid-19 pandemic and the social isolation measures adopted in Brazil, it was not possible the auditor to visit the headquarters of the Baobá Entity at the place where the projects are carried out. The onsite audit visit is important and aims to conduct physical examinations and tests on the information presented in the accountability report as the activities reports prepared by Baobá.

Recife, June 26<sup>th</sup> 2020



**ARV - AUDITORES E CONSULTORES INDEPENDENTES LTDA.**  
Registered with CRC / PE under nº 706



**Alexandre Tavares da Silva**  
CRC/PE 018748/O  
CPF: 836.102.434-49

A.T.V.S.