IMAZON - Instituto do Homem e Meio Ambiente da Amazônia

Financial statements
December 31, 2015

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

KPDS 163255

Contents

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Independent auditors' report

To
The Managers of
Instituto do Homem e Meio Ambiente da Amazônia - IMAZON
Belém - PA

We have audited the financial statements of Instituto do Homem e Meio Ambiente da Amazônia - IMAZON ("Institute"), which comprise the statement of financial position as at December 31, 2015 and the respective statements of income, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies adopted in Brazil and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures presented in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements of the Institute, in order to design the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Institute. An audit also includes the evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Instituto do Homem e Meio Ambiente da Amazônia - IMAZON as of December 31, 2015, the performance of its operations and its cash flows for the year then ended, in accordance with the accounting policies adopted in Brazil.

Other matter

The values for the year ended December 31, 2014, presented for comparison purposes were previously audited by other independent auditors that issued a report dated July 8, 2015, which has not been changed.

Belém, August 26, 2016

Original report in Portuguese signed by
KPMG Auditores Independentes
CRC 2SP014428/O-6
Luciano Medeiros
Accountant CRC SP-138148/O-3 T-AM

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Instituto do Homem e Meio Ambiente da Amazônia - IMAZON

Statements of financial position for the years ended December 31, 2015 and 2014

(In thousands of Real)

Assets	Note	2015	2014
Current assets			
Cash and cash equivalents	4	200	548
Restricted funds related to projects	5	6,078	2,437
Advances	6	188	328
Credits from cooperation contracts and terms		90	1
Prepaid expenses		-	24
Total current assets		6,556	3,338
Non-current assets			
Property, plant and equipment	7	330	425
Intangible assets	8	110	219
Total non-current assets		440	645
Total assets		6,996	3,982

Liabilities and net equity	Note	2015	2014
Current liabilities			
Trade payables		89	118
Employee benefits	9	828	711
Current tax liabilities		81	28
Advances received	10	101	101
Obligations with project funds	11	4,687	2,054
Total current liabilities		5,786	3,012
Non-current liabilities			
Loans with directors	13	130	-
Total non-current liabilities		130	-
Net equity	14		
Capital		1,080	970
Total equity		1,080	970
Total equity and liabilities		6,996	3,982

The accompanying notes are na integral of these financial statements.

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Instituto do Homem e Meio Ambiente da Amazônia - IMAZON

Statements of income

For the years ended December 31, 2015 and 2014

(In thousands of Real)

	Note	2015	2014
Revenue			
Revenue without restriction	15	2,716	4,594
Revenue with restriction	15	11,150	15,623
Total revenue		13,866	20,217
Costs			
Cost without restriction	16	(1,795)	(2,062)
Cost with restriction		(11,150)	(15,623)
Total costs		(12,945)	(17,685)
Gross surplus		**921**	**2,532**
Administrative expenses	18	(745)	(2,386)
Operating surplus		**176**	**146**
Financial income	19	31	42
Financial expenses	19	(97)	(87)
Net financial cost		(66)	(44)
Surplus for the year		**110**	**101**

The accompanying notes are na integral of these financial statements.

Instituto do Homem e Meio Ambiente da Amazônia-IMAZON

Statements of other comprehensive income

For the years ended December 31, 2015 and 2014

(In thousands of Real)

	2015	2014
Surplus for the year	110	101
Other comprehensive income	-	-
Total comprehensive income	110	101

The accompanying notes are na integral of these financial statements.

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Instituto do Homem e Meio Ambiente da Amazônia - IMAZON

Statements of changes in equity

For the years ended December 31, 2015 and 2014

(In thousands of Real)

	Capital	Retaing earnings	Total
Balances at January 1st, 2014	**968**	**(99)**	**869**
Merger of deficit	(99)	99	-
Surplus for the year	-	101	101
Capital increase with surplus	101	(101)	-
Balances at December 31, 2014	**970**	**-**	**970**
Surplus for the year	-	110	110
Capital increase wiht surplus	110	(110)	-
Balances at December 31, 2015	**1,080**	**-**	**1,080**

The accompanying notes are na integral of these financial statements.

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Instituto do Homem e Meio Ambiente da Amazônia-IMAZON

Statement of cash flows

For the years ended December 31, 2015 and 2014

(In thousands of Real)

	2015	2014
Cash flows from operating activities		
Surplus for the year	110	101
Adjustments due to:		
Depreciation and amortization	138	317
Depreciation and amortization of transferred assets/rights	-	(602)
Residual cost of disposed of fixed assets	116	261
	364	77
Changes in assets and liabilities		
Decrease (increase) in funds related to projects	(3,641)	2,994
Decrease (increase) in advances paid	140	62
Decrease (increase) in credits from cooperation contracts and terms	(89)	-
Decrease (increase) in prepaid expenses	24	(4)
Increase (decrease) in suppliers	(29)	11
Increase (decrease) in social security and labor obligations	117	(101)
Increase (decrease) in tax payable	53	2
Increase (decrease) in advances received	-	(64)
Increase (decrease) in obligations with project funds	2,633	(2,558)
	(792)	342
Net cash (used in) from operating activities	(428)	419
Cash flow from investment activities		
Acquisition of property, plant and equipment	(35)	(253)
Acquisition of intangible assets	(15)	-
Net cash used in investment activities	(50)	(253)
Cash flow from financing activities		
Funds from loans with directors	130	-
Net cash from financing activities	130	-
Net (decrease) increase in cash and cash equivalents	(348)	166
Cash and cash equivalents at January 1	548	382
Cash and cash equivalents at December 31	200	548

The accompanying notes are na integral of these financial statements.

Notes to the financial statements

(In thousands of Real)

1 Operations

Instituto do Homem e Meio Ambiente da Amazônia - IMAZON ("Institute") is a private association established under Civil Law, with non-economic and not-for-profit purposes, created on July 10, 1990, headquartered at Travessa Dom Romualdo de Seixas, 1698, 11° andar, bairro Umarizal, Belém, state of Pará. The Institute has as institutional mission the promotion of the sustainable development in the Amazon by means of studies, support to the formulation of public policies, wide dissemination of its results and professional training, and as main objectives:

- Develop studies and researches on the sustainable use of the natural resources of the Amazon's region;
- Contribute to the effective adoption of sustainable uses and quality life in the Amazon's region; and
- Promote educative programs and capacity-building courses with emphasis on the regional sustainable development.

The Institute is generally referred to as Civil Society Organization of Public Interest (OSCIP), and its activities are performed in the academic, cultural and scientific scope, aimed at encouraging the involvement of the Brazilian civil society in attaining sustainable development and biodiversity conservation.

The intrinsic characteristics of the social programs are based on the following main factors: (i) raising financial funds for implementing the programs through donation contracts and long-term international cooperation agreements, and (ii) formulating and managing long-term programs. In this context, attaining the program goals is directly related to devising the long-term technical-operational and financial planning and its governability.

The financial funds that the Institute receives provide financial support to both programs and strategic planning established by Management. The existing strategies meet the programs in progress, which had continuity in 2015 and will go on in the following years.

For this reason, a surplus and/or deficit in the programs should not be analyzed as their economic and financial viability or unfeasibility, because these programs require long-term implementation and the Institute's strategic planning takes into account the total financial funds receivable, as well as the timing and how the funds will be spent.

The main risks are related to the Institute's donor base, and the strategic actions aim at growing this base to minimize them, by institutional actions guided by transparency of activities, in the use of financial funds, quality of projects, institutional image to the society, partners and donors, and technical skills of all employees.

To broaden its activities, the Institute is adjusting its activities as follows: (i) strategic planning of each program in the long-term horizon, without being necessarily guided by the horizon of fiscal year and/or calendar year, and (ii) governability of programs by scheduling activities based on the project's needs.

2 Presentation of the financial statements

a. Statement of conformity

The financial statements were prepared in accordance with accounting practices adopted in Brazil applicable to not-for-profit entities, including the changes introduced by Law No. 11.638/07 and NBC ITG 2002, approved by CFC Resolution No. 1.409/2012 - in the cases not covered by the ITG 2002, the NBC ITG 1000 was applied.

The issue of such financial statements was authorized by the Executive Board on August 26, 2016.

b. Measuring basis

The individual and consolidated financial statements were prepared using historical cost as the value base, unless otherwise indicated.

c. Functional and presentation currency

These financial statements are being presented in Brazilian Real, functional and presentation currency of the Institute. All balances in thousands of Real have been rounded to the nearest value, except otherwise indicated.

d. Use of estimates and judgments

The preparation of the financial statements according to accounting practices adopted in Brazil requires management to make judgments, estimates and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Reviews in relation to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

2.1 Restatement of corresponding amounts for comparison purposes

Some balances of the financial statements for the year ended December 31, 2014, originally issued on July 8, 2015, were restated for purposes of comparison with the financial statements for the year ended December 31, 2015, in conformity with CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors.

The reclassifications were made to meet the provisions of Law No. 11.638/07, NBC ITG 2002 and NBC ITG 1000.

We present below a summary of the headings that had reclassifications, for better understanding of the effects:

	12/31/2014		
Statement of activities for the year	**Original**	**Adjustment**	**Restated**
Income with restriction	-	15,623	15,623
Cost with restriction	-	(15,623)	(15,623)

The reclassifications presented above were performed for the purpose of providing information more relevant related to the recognition of income from donation and subsidies received, according to the accrual basis of accounting. The statement of activities for the year did not undergo any change as a result of the reclassifications.

3 Significant accounting policies

The main accounting policies applied in the preparation of these financial statements are as follows: These policies were consistently applied in the years reported in these financial statements.

a. Foreign currency

Foreign currency transactions are translated into the functional currency of the Institute at the rate in effect on the date of transaction. Monetary assets and liabilities in foreign currencies at the reporting date are translated into the Institute's functional currency at the rate in effect on the base date of the reported period. Gains or losses on the translation of foreign currencies on monetary items are the difference between the value of the amortized cost in the functional currency at the beginning of the reported period, adjusted based on the rate and actual payments made during the period, and the value of the amortized cost in foreign currency translated based on the rate in effect at the end of the reported period. Exchange differences arising from the translated are recognized in income (loss).

b. Financial instruments

(i) Non-derivative financial assets

The Institute initially recognizes the loans, receivables and deposits on the date that they are originated. All the other financial assets are initially recognized on the date of the negotiation on which the Institute becomes one of the parties of the contractual provisions of the instrument.

The Institute derecognizes a financial asset when the contractual rights to the cash flow of the asset expire, or when the Institute transfers the rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net value reported in the statement of financial position when there is a legally enforceable right of the Institute to offset the amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Institute classifies its non-derivative financial assets and liabilities as loans and receivables.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. Such assets are initially recognized at fair value plus any transaction costs directly assignable. After their initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, reduced by any impairment losses.

The Institute has the following non-derivative financial assets: cash and cash equivalents.

Cash and cash equivalents
They comprise cash balances and financial investments with the original maturity of three months or less as from the contracting date. Which are subject to an insignificant risk of change in value and are used to manage short-term obligations.

(ii) ***Non-derivative financial liabilities***
The Institute recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the negotiation date on which the Institute becomes a party to the contractual provisions of the instrument. The Institution writes off a financial liability when its contractual obligations are discharged or canceled or expired.

The Institute classifies non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are initially recognized at fair value plus any transaction costs directly assignable. After the initial recognition, these financial liabilities are stated at amortized cost using the effective interest rate method.

The Institute has the following non-derivative financial liabilities: advance received, suppliers.

(iii) ***Derivative financial assets and liabilities***
The Institute did not have operations with derivative financial instruments in the years ended December 31, 2015 and 2014.

c. Property, plant and equipment

Recognition and measurement
The property, plant and equipment of the Institute includes goods acquired through partnership contracts exclusively aimed at the carry out of projects. These are separately classified in non-current assets as "assets with restriction on use".

The assets with restriction on use are recorded in the moment of their acquisition, and, in this same moment, a charge account is recorded as contra-entry to a charge account in the liabilities account "Obligations with project funds".

At the end of the project, the balance of property, plant and equipment with restriction on use is transferred to the property and equipment account of the Institute, and the charge account in liabilities is written-off as contra-entry to donation income, as the assets are historically donated to the Institute.

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses, when required.

The cost includes expenditures that are directly attributable to the acquisition of assets.

Gains and losses on disposal of a property, plant and equipment item are determined by comparing the proceeds from disposal with the book value of Property, plant and equipment and are recognized net within "Other income" in the statement of activities.

Subsequent costs
The replacement cost of a component of property, plant and equipment is recognized in the book value of the item when it is probable that the future economic benefits merged in the component will flow to the Institute and its cost can be reliably measured. The book value of the component that is replaced is written off. The maintenance costs of property, plant and equipment are recognized in the statements of activities as they are incurred.

Depreciation
The depreciation/amortization is calculated on the depreciable/amortizable value, which is the cost of an asset, or another amount that substitutes the cost over the useful life of the asset.

The depreciation/amortization of Institute's assets is recognized in the statement of activities using the straight-line method over the estimated useful life of each asset, since this is the method that best reflects the consumption pattern of the future economic benefits merged in the asset.

The depreciation/amortization of the assets exclusively allocated to carry out projects is recorded against the charge account of property, plant and equipment/intangible assets, recognized at the time of the recording of the property, plant and equipment/intangible assets with restriction, under the straight-line method in relation to the estimated useful lives of each item of property, plant and equipment/intangible assets.

Land is not depreciated.

The depreciation/amortization methods, useful lives and residual values are reviewed at each reporting date and potential adjustments will be recognized as a change in accounting estimates.

The estimated useful lives of the fixed assets are as follows:

Improvements and facilities	2.5%
Vehicles	10%
Machinery and equipment	10%
Communication equipment	10%
IT equipment	20-50%
Furniture and fixtures	20%

d. Intangible assets
Refers to software acquired by the Institute that is being amortized considering estimated useful life as 5 years. The trademarks and patents, which have indefinite useful lives, are also classified into intangible assets.

The assets with restriction on use are recorded in the moment of their acquisition, and, in this same moment, a charge account is recorded as contra-entry to a charge account in the liabilities account "Obligations with project funds".

At the end of the project, the balance of intangible assets with restriction on use is transferred to an intangible assets account of the Institute, and the charge account in liabilities is written-off as contra-entry to donation income, as the assets is historically donated to the Institute.

Intangible assets are stated at historical acquisition or construction cost, net of accumulated amortization and accumulated impairment losses, when required.

The cost includes expenditures that are directly attributable to the acquisition of assets.

Gains and losses on disposal of an intangible asset item are determined by comparing the proceeds from disposal with the book value of Property, plant and equipment and are recognized net within "Other income" in the statement of activities.

e. Impairment

The book values of the Institute's non-financial assets are reviewed at each reporting date for indication of impairment. If such indication exists, the asset's recoverable amount is determined. The recoverable value of an asset is the greater of its value in use and its fair value less sales expenses. An impairment loss is recognized when the book value of an asset exceeds its estimated recoverable value. Impairment losses (if any) are recorded in the statement of activities.

Management did not identify any situation that indicates impairment of its non-financial assets. Therefore, it was not necessary to estimate the recoverable value of assets.

f. Provisions

A provision is recognized in the statement of financial position when the Institute has a contractual or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recorded considering the best estimates of the risk involved.

g. Employee benefits

Obligations for short-term employee benefits are measured on a non-discounted basis and incurred as expenses as the related service is rendered.

The Institute does not grant long-term benefits to employees and management members.

h. Project funds

The obligations with project funds are recorded in the heading "Obligations with project funds" when the receipt of lenders' funds as contra-entry to the heading "Funds related to projects", and written-off at the incurrence and payment of expenditures related to the respective projects, these recorded on accrual basis of accounting.

i. Operating income

(i) Rendering of services

Income from services rendered is recognized in profit or loss based on the stage of completion of the service at the reporting date. The stage of completion is evaluated by reference to research on accomplished works.

(ii) ***Management fee***
The income from management rate is recognized in profit or loss based on the incurred management expenses, within the limit set in project contracts.

j. **Donations and subsidies received**
The subsidies are recognized in the statements of activities as income over the period, and compared to the expenses that they intend to offset, systematically, provided that there is reasonable assurance that the Institute will meet all the established conditions. The recognition of income from government donation and grants at the time of receipt is only permitted in cases where there are no grounds to allocate the grants over the periods that benefit from them.

k. **Taxation**
The Institute is a Civil Society Organization of Public Interest (OSCIP), and, accordingly, is exempt from income tax and social contribution on net assets.

A not-for-profit entity is the one that does not record surplus in its accounts, or, in case it records it for a certain year, it fully allocates such profit to the maintenance and development of its objectives (Law No. 9.532/97, article 15 paragraph 3, amended by Law No. 9.718/98, article 10).

The Institute also has exemption of the contribution to social integration program (PIS) on own income.

4 Cash and cash equivalents

	2015	2014
Fixed fund	-	1
Banks checking account	181	290
Interbank funds applied (a)	19	257
	200	**548**

(a) The invested funds are used in the operating and administrative maintenance of the Institute.

5 Restricted funds related to projects

	2015	2014
Banks checking account	2,656	1,736
Interest earning bank deposits	3,422	701
	6,078	**2,437**

The financial funds linked to projects have their use restricted to the projects, according to contractual provisions.

Financial investments refer substantially to Bank Deposit Certificates (CDI) and Fixed Income Funds, remunerated at rates which vary from 90% and 100% of the CDI.

	2015	2014
Bank deposit certificates (CDB)	3,285	699
Savings	137	2
	3,422	701

Management adopts a conservative cash management policy, investing the funds available in financial investment funds indexed to the CDI, savings, and CDB with short-term redemption when allowed by donors. The income from such financial investments is reinvested in the own Institute.

The interest income arising from the investment of the funds linked to the projects are recorded in liabilities, together with the inflow of project funds. The income from the Institute's funds, on the other hand, is recorded in profit or loss, as financial income.

6 Advances

Refer to advances to employees, suppliers and partners, comprising the following:

	2015	2014
Advances to employees	8	18
Advances to suppliers	70	167
Loan to employees	1	1
Reimbursements of other entities	75	87
Prepaid charges	15	-
Advances - Travel	19	55
	188	328

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7 Property, plant and equipment

a. Property, plant and equipment without restriction

Cost	Balance 01/01/2014	Additions	Write-offs	Transf.	Balance 12/31/2014	Additions	Write-offs	Balance 12/31/2015
Improvements and facilities	195	144	(208)	15	146	-	-	146
Vehicles	-	-	(54)	54	-	-	-	-
Machinery and equipment	104	-	(22)	47	131	-	(21)	110
Communication equipment	17	-	(1)	91	107	3	-	110
IT equipment	655	1	(365)	616	907	-	(120)	787
Furniture and fixtures	95	108	(82)	156	277	-	(45)	232
Total cost	1,066	253	(732)	979	1,568	3	(186)	1,385

Depreciation	Balance 01/01/2014	Additions	Write-offs	Transf.	Balance 12/31/2014	Additions	Write-offs	Balance 12/31/2015
Improvements and facilities	(19)	(5)	24	(2)	(2)	(4)	-	(6)
Vehicles	-	(5)	26	(21)	-	-	-	-
Machinery and equipment	(62)	(13)	13	(19)	(81)	(11)	17	(75)
Communication equipment	(8)	(11)	-	(32)	(51)	(11)	-	(62)
IT equipment	(580)	(56)	335	(549)	(850)	(23)	117	(756)
Furniture and fixtures	(73)	(47)	73	(110)	(157)	(36)	37	(156)
Total depreciation	(742)	(137)	471	(733)	(1,141)	(85)	171	(1,055)
Total property, plant and equipment	324	116	(261)	246	427	(82)	(15)	330

b. Property, plant and equipment with restriction

Cost	Balance 01/01/2014	Additions	Write-offss	Transf.	Balance 12/31/2014	Additions	Write-offss	Balance 12/31/2015
Improvements and facilities	104	104	(7)	(15)	186	-	(82)	104
Vehicles	172	-	-	(54)	118	-	-	118
Machinery and equipment	127	13	-	(47)	93	1	(16)	78
Communication equipment	130	10	-	(91)	49	7	(17)	39
IT equipment	1,224	77	(10)	(616)	675	24	(47)	652
Furniture and fixtures	238	-	(1)	(156)	81	-	(4)	77
Total cost	1,995	204	(18)	(979)	1,202	32	(166)	1,068

Depreciation	Balance 01/01/2014	Additions	Write-offs	Transf.	Balance 12/31/2014	Additions	Write-offss	Balance 12/31/2015
Improvements and facilities	(8)	(3)	1	2	(8)	(3)	7	(4)
Vehicles	(47)	(12)	-	21	(38)	(12)	-	(50)
Machinery and equipment	(37)	(9)	-	19	(27)	(9)	7	(29)
Communication equipment	(42)	(4)	-	32	(14)	(4)	6	(12)
IT equipment	(814)	(124)	7	549	(382)	(113)	42	(453)
Furniture and fixtures	(149)	(15)	1	110	(53)	(15)	4	(64)
Total depreciation	(1,097)	(167)	9	733	(522)	(156)	66	(612)
Total Property, plant and equipment - with restriction	898	37	(9)	(246)	680	(124)	(100)	456

Useful life and depreciation rates

The assets with restriction on use have as economic useful life the duration of the asset. It occurs because the assets are acquired only for being used in projects, and do not have as characteristic the maintenance of the Institute's activities nor are used for this purpose, and are presented only for controlling the investments in property and equipment in projects. At the end of the projects, the assets are historically donated to the institution and used for administrative purposes.

The Institute has control over the assets until the completion of the project, when the residual balance of the asset, kept in a charge account in non-current assets, is transferred to the donation income.

The rendering of accounts of the Institute with its lenders, usually requires the evidence of the acquisition and effective use of the assets estimated for each project that receives a specific budget allocation.

8 Intangible assets

	Balances at 01/01/2014	Additions	Balances at 12/31/2014	Additions	Transfers	Balances at 12/31/2015
Cost						
Software	2,673	11	2,684	15	(2)	2,697
Patents and trademarks	1	-	1	-	-	1
	2,674	**11**	**2,685**	**15**	**(2)**	**2,698**
Accumulated amortization						
Amortization	(1,590)	(393)	(1,983)	(318)	2	(2,299)
Total amortization	**(1,590)**	**(393)**	**(1,983)**	**(318)**	**2**	**(2,299)**
Intangible assets without restriction, net	**1,084**	**(382)**	**702**	**(303)**	**-**	**399**
Intangible assets with restriction, net	(1,041)	202	(483)	194	-	(289)
Total intangible assets, net	**43**	**(584)**	**219**	**(109)**	**-**	**110**

9 Employee benefits

	2015	2014
Provision for vacation and social security charges	728	709
Other charges and provisions	100	2
	828	**711**

10 Advances received

	2015	2014
Vale Foundation	98	98
Golf and Ebata	3	3
	101	**101**

11 Obligations with project funds

The funds from agreements, contracts and arrangements that have specific allocation linked to the carry out of projects are classified, when received, in the group "Obligations from project funding", in current liabilities.

The respective incurred expenditures are recorded in the same group, under the heading as charge account in liabilities. The indirect expenditures of the Institute are allocated among the projects as provided in each agreement, contract or arrangement, and its share. The expenditures are segregated by donor, considering the use of human and material resources, not existing transfer between donors

	2015	2014
Opening balance	2,054	4,615
Receipts with restriction	15,362	13,062
(-) Salaries, charges and benefits from Projects	(7,369)	(9,114)
(-) Return of funds	(158)	-
	9,889	8,563
Consulting and services	(2,940)	(2,856)
Property, plant and equipment	(53)	(331)
Travel expenses	(950)	(1,268)
Publication, dissemination and events	(114)	(532)
Expenses with rental	(418)	(717)
Utilities and services	(111)	(340)
Taxes and rates	(30)	(13)
Communications expenses	(322)	(340)
Expenses with materials	(44)	(63)
Financial income - Investment interests	33	204
Financial income - Obtained discounts	1	1
Financial expenses	(99)	(126)
Insurance expenses	(29)	(53)
Maintenance expenses	(13)	(90)
Other expenditures with dining hall	6	4
Other operating expenses	(119)	116
Costs of capacity-building services - IMAZON's Geotechnology Center	-	(105)
Total project expenses	(5,201)	(6,509)
Closing balance	**4,687**	**2,054**

12 Contingencies

The Institute is subject to contingencies in courts and government bodies, arising from the normal course of operations involving tax and labor issues, civil aspects and other matters.

The Institute was not party in 2015 and 2014 to lawsuits of labor, civil or tax nature, involving risks of likely losses classified by Management as possible or probable, based on the evaluation of its legal advisors, and, therefore, did not recognize a provision nor is required to disclose anything.

13 Related parties

The Institute defines as related parties the key management personnel, which transactions are summarized as follows:

Liability transactions with related parties	2015	2014
Loans with key personnel *(i)*	130	-
Total Loans with key personnel	**130**	**-**

(i) Refers to loans obtained with management members, which do not provide about the levy of interest or financial charges, which maturity is indefinite.

The remuneration of the key management personnel includes salaries, fees and variable benefits.

	2015	2014
Remuneration of key management personnel	723	640
Compensation of key management personnel	**723**	**640**

14 Net equity

Capital

The Institute's net assets are changed based on the merger of surplus and/or deficit for each year. The surpluses are merged into net assets as established in the by-laws.

15 Revenue

	2015	2014
Income with restrictions (i)		
Management rates of projects and programs (ii)	11,150	15,623
Sundry income	1,422	3,632
Donations	88	4
Income from services rendered	-	602
	1,311	387
Deductions		
COFINS	(105)	(12)
ISS	-	(19)
Total revenue	**13,866**	**20,217**

(i) Income with restrictions	2015	2014
Mercy Corps (b)	2,797	2,223
Gordon and Betty Moore Foundation (a)	2,361	2,105
Good Energies Foundation (c)	1,149	734
Skoll Foundation	1,000	3,291
Climate Works Monitoring (d)	742	2,117
WRI - World Resources Institute´s (f)	818	752
José Roberto Marinho (e)	528	-
Anonymous Donor	394	521
Fundácion Avina	207	-
Others	1,155	3,880
Total income with restrictions / donations	**11,150**	**15,623**

(ii) The management rates have the following characteristics:

- **Unexpected rates** - In this case the donor allows the allocation of certain expenditures, to the heading "Other direct and indirect costs";
- **Mixed rates** - These are established in contracts, and also with specification of certain expenditures in the heading of "Other direct and indirect costs"; and
- **Expected rates** - Administrative cost charged only through the Overhead rate.

Within the projects there is flexibility to use the funds above the expected amount in the categories, in approximately 10%, rate usually accepted by lenders, provided that it does not exceed the project's budget. The timeline of projects differs from the fiscal year, and, accordingly, there could be situations in which a fiscal year encompasses two financing periods of a same project.

(a) Gordon and Betty Moore Foundation
Many actions were undertaken: 1 - Support to the implementation of the protected area plan according to the targets of the state and federal authorities of such areas; 2 - Conserve 14.1 million hectares of the Calha Norte Mosaic, supporting the development of sustainable finance mechanisms and a territory monitoring program; 3 - Increase the effectiveness of the zero deforestation commitment of meat and grains in Amazon, increasing the transparency in its application, making the knowledge widely available in online data platforms, publications of learned lessons, and showing the state of Pará's leadership in the implementation of meat and grain commitments; 4 - support to the preparation, distribution and publication of interdisciplinary georeferenced analysis to assist decision-making by the government and for the use of the civil society in the nine Amazon countries, and support the consolidation of Indian territories, and protected areas in the Xingu corridor, Brazil.

(b) Mercy Corps
Reduction in deforestation in the Western Brazilian Amazon, through Environmental Management and Control at Municipal Level.

(c) Good Energies Foundation
Support the creation of the Entrepreneurship Center in the Brazilian Amazon; 2 - Environmental Regulation for Agrarian Reform Settlements; 3 - Zero Deforestation Strategy and consolidation of the protected areas in the state of Pará, Brazilian Amazon.

(d) Climate and Land Use Alliance
Reduce illegal deforestation associated with land speculation in the state of Pará, Brazil; 2 - Develop a strategy for implementing the Zero Net Deforestation commitment of the state of Pará from 2020.

(e) José Roberto Marinho
Support to the creation of the Amazon Gastronomy and Biodiversity Center - Pre-Investment Phase; 2 - Support to the Sustainable Entrepreneurship and Business Center of Amazon.

(f) WRI - World Resources Institute's
Instituto Centro Vida (ICV) signed a contract with the WRI on July 6, 2012, and subcontracted IMAZON, for joint execution of the GFI Brazil Project - Phase 6.

IMAZON was awarded with a contract of US$ 60.869 in the fiscal year of 2015 by Instituto Centro de Vida, in support to the GFI activities. IMAZON received R$ 195,327.22, used in 2015.

16 Costs without restriction

	Note	2015	2014
Salaries and social security charges	17	(944)	(1,826)
Services rendered		(851)	(236)
		(1,795)	**(2,062)**

17 Salaries and social security charges

	2015	2014
Salaries	(377)	(711)
INSS	(129)	(267)
Meal vouchers	(104)	(289)
Medical care	(49)	(122)
Vacation	(55)	(79)
Bonuses	(44)	(99)
FGTS	(43)	(85)
13th salary	(31)	(78)
Life insurance	(9)	(27)
Internship compensation	(5)	(1)
PIS	(6)	(11)
Prior notice / indemnities	(3)	(9)
Termination fine	(89)	(19)
Transportation voucher	-	(1)
Training	-	(2)
Examinations and medications	-	(17)
	(944)	**(1,826)**

18 Administrative expenses

	2015	2014
Traveling	(1)	(55)
Events	(1)	(6)
Maintenance	(8)	(67)
Rent	(182)	(691)
Utilities and services	(62)	(222)
Dining hall	6	5
Taxes and rates	(18)	(14)
Depreciation and amortization	(192)	(317)
Insurance	(29)	(81)
Communication	(55)	(179)
Materials	(8)	(125)
Expenses with consulting and services	(164)	(243)
Other administrative expenses	(31)	(391)
	(745)	**(2,386)**

19 Financial income (expenses)

	2015	2014
Bank interest and expenses	(85)	(80)
IRRF (Withholding Income Tax) on interest from interest earning bank deposits	(1)	(2)
IOF	(1)	(3)
Foreign exchange variation	(10)	(1)
Total financial expenses	**(97)**	**(87)**
Interest from interest earning bank deposits	31	42
Total financial income	**31**	**42**
Financial expenses, net	**(66)**	**(44)**

20 Financial instruments

The Institute is exposed to the risks arising from the use of financial instruments. This note describes the Institute's objectives, policies and processes for managing these risks and the methods used to assess them. Further quantitative information in relation to these risks are presented in these financial statements.

The Institute's activities expose it to the following financial risks:

- Credit risk;
- Liquidity risk, and
- Market risk.

Main financial instruments

The main financial instruments used by the Institute, which generate financial instrument risks, are as follows:

- Amounts receivable
- Cash and banks
- Investments in financial investment funds
- Suppliers and other liabilities

Credit risk

The credit risk to the Institute mainly arises from available funds from bank deposits and financial investments in Financial Investment funds.

The Institute invests funds only in the investment funds managed by Banco do Brasil S.A or HSBC. The Institute does not purchase derivatives for managing credit risk. Below, the quantitative disclosures of the credit risk exposure in relation to financial assets, at book values.

	2015	2014
Financial assets		
Cash and cash equivalents	200	548
Accounts receivable and other credits	278	353
Total financial assets	**478**	**901**

Liquidity risk

Liquidity risk is the risk of the Institute encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Institute's approach in liquidity management is to guarantee, as much as possible, that it always has sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullying the Institute's reputation.

As of December 31, 2015, the payment flow to the financial liabilities of the Institute is shown as follows (carrying values):

	2015	2014
Financial liabilities		
Social, labor and tax obligations	909	739
Suppliers	89	118
Advances received	101	101
Obligations with project funds	4,687	2,054
Total financial liabilities	**5,786**	**3,012**

As of December 31, 2015, there is no default in payment of obligations by the Institute.

Market risk (interest rate)

This risk arises from the possibility that the Institute may incur losses (or gains) due to fluctuations in the interest rates that are applied to its liabilities and assets raised (invested) in the market. The financial instruments subject to market risk are represented by the securities in which it invests by means of the investment funds managed by Banco do Brasil and HSBC. As commented in Note 4, the investments by means of investment funds are made in federal government bonds, which index volatility is low.

The entity does not have transactions indexed to the foreign exchange rate variation.

21 Subsequent events

There was not any subsequent event that affected the asset and liability position of the Institute since the year ended December 31, 2015.

Gian Carlo Cruz Toppino
Accountant CRC/PA 011577/O-0

Verônica Oki Igacihalaguti
Administrative Officer

Andréia Cristina Brito Pinto
Executive Officer