

# ANNUAL REPORT 2017



rede  
**Cidadã**

Vida e trabalho, um só valor



# Annual Report 2017

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Vida e trabalho, um só valor

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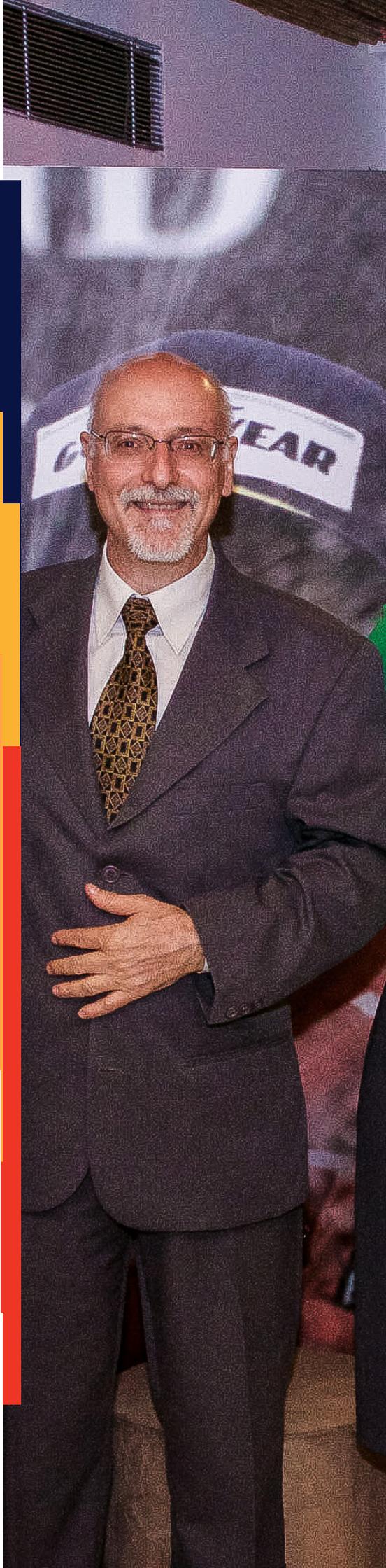
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**“One can not aspire to the fullness of life and to sustainable transforming development without seeing people in their entirety. It is the integrated and integrative interventions that will succeed in minimizing the inequalities that still persist in our country.”**

**Fernando Alves**  
CEO

# Word from the Executive Director

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The year of 2017 was very special for Rede Cidadã. It was when we completed 15 years of life and work, a single value. It is clear that this philosophy was created after the foundation of the organization, but I see clearly in our genes since the beginning.

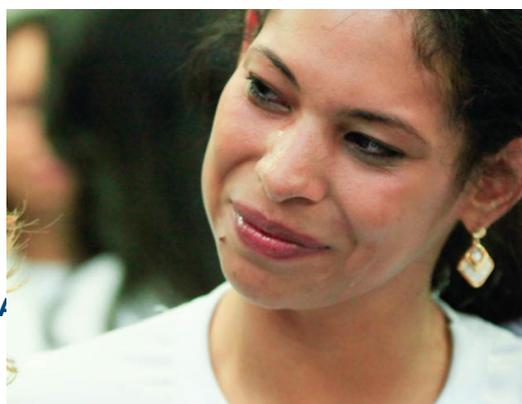
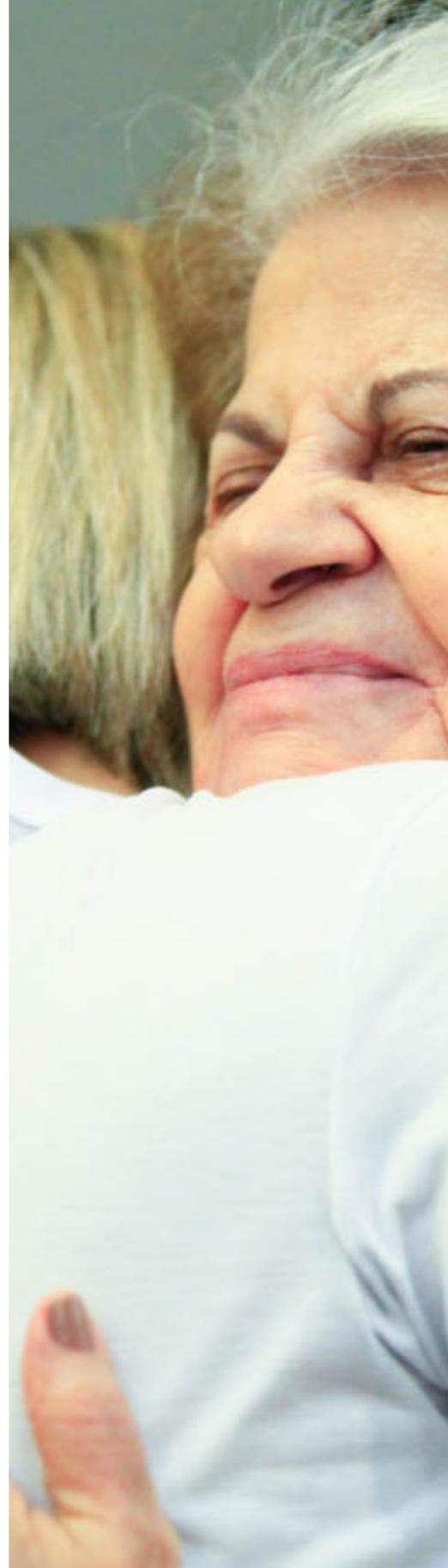
Navigate now through the pages of this report creates in me the great sensation of bringing to memory quite personal experiences, lived in the day to day of the organization, such as dialogues with people from all ages that went through our courses, learning in capacitating meetings from our collaborators, expanding the view of the world and the life achieved through the relations with all these people that is somehow part of the history Rede Cidadã.

In our Annual Report, we want to fulfill more than the important obligation of providing accounts. It is true that the numbers impress, however the most important are the stories. There were 68.464 people inserted in the work world: 34.029 apprentices that received the chance to live their first professional experience; 32.675 young people and adults who achieved autonomy through work; 1.546 people with disabilities who were able to discover their potential and show the productive capability; 214 seniors who.

Were able to share in the work place what life taught them; 1.294 homeless people who gained concrete hope of a new life.

We also conquered awards and recognition due to the way we conduct our work and treat the people from inside and outside of the organization: as human beings worthy of affection, respect and admiration. This demonstrates our commitment to an excellence that is based in the humanized treatment of everyone who is part of this Rede. We cannot aspire for plenitude in life and to transformative sustainable development without seeing people in their fullness. It is the integral and integrating interventions with a strategic focus, broad, multi-sector, without exclusions and participative that will have success to minimize inequalities that still persist in our country.

We now go ahead, open to what the Universe has to offer and always willing to experiment what's new. And we hope to count on you to broaden this Rede of transformations and evolution towards a less fragmented human being, more whole. Always through Life and Work, One Single Value.



# Who we are

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Rede Cidadã is a Social Service Entity that develops programs and projects in a continuous, permanent and planned manner, in the area of Social Assistance providing service primarily to the users described in Law nº 8.742/1993 – Organic Law on Social Assistance (LOAS).

Acting in compliance with regulations that govern the National Policy of Social Assistance, Rede Cidadã militates in the cause of social inclusion of vulnerable people, preventing social and personal risks, without discrimination and in a totally free way. Social-assistance offers promote integration to the work world, with social protection and guarantee of rights, in the terms of Resolution CNAS nº 33/2011.

One of the first organizations to invest in social work in network, since 2002 Rede Cidadã reunites the civil society, companies, public bodies and other social organizations, besides volunteers, to bring solutions in generation of work and income.

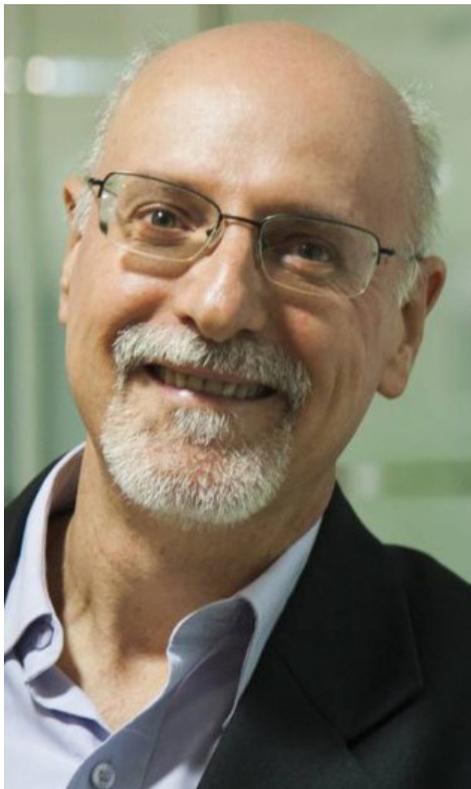
In 2004, the organization created the methodology of Network of Generation of Work and Income for young people coming from low income communities, perfected and applied until today.

We also developed a methodology of differentiated experiences practices, focused in singularity, in the essential competencies of the participant and the greater adaptation and permanence in work. Such practices promote self-knowledge through conscience of their own body and emotions, aiming at supporting themselves in the work world.

With that, our organization sets itself apart for investing not only in technical formation of those who participate in its courses. We understand that as important as that, it is the recovery of people's dreams and their social-emotional and behavioral development. For us, life and work are only one value and shall walk together to promote the professional and personal realization of the human being.

# Our managers

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**Fernando Alves**

Diretor Executivo



**Keure Oliveira**

Gerente da  
Socioaprendizagem



**Jonacir**

Gerente de Rel  
e Parceria



**Dadalto**

acionamento



**Tatiana Carvalho**

Gerente da Empregabilidade



**Pedro Mosquim**

Gerente Administrativo  
Financeiro

# Voluntary Governance

## Board of Curators

### José Luciano Duarte Penido

President (Presidente of Fíbria Council)

### Murilo Araújo

Vice-presidente (President of Conselho de Administração da Nansen S/A)

### Emerson de Almeida

Fundação Dom Cabral

### Lúcio Leite de Melo

Asa Comunicação

### Cássio Azevedo

AeC

### Manoel Pereira Bernardes

Manoel Bernardes Joias

### Matthew John Govier

Accenture

### Wagner Furtado Veloso

Fundação Dom Cabral

## Board of Management

### Ângela de Alvarenga Batista Barros

President (Montreal Informática)

### José Domingos da Silva Júnior

Vice-president (Kamonga Desenvolvimento Empresarial)

### Maria Raquel Grassi Ferreira Marques

Fundação Dom Cabral

### Luiz Gonzaga Leal

Fundação Dom Cabral

### Theunis Baronto Marinho

ABRH - SP

### José Augusto Figueiredo

Lee Hecht Harrison

## Supervisory Board

### Marcelo Torres Motta

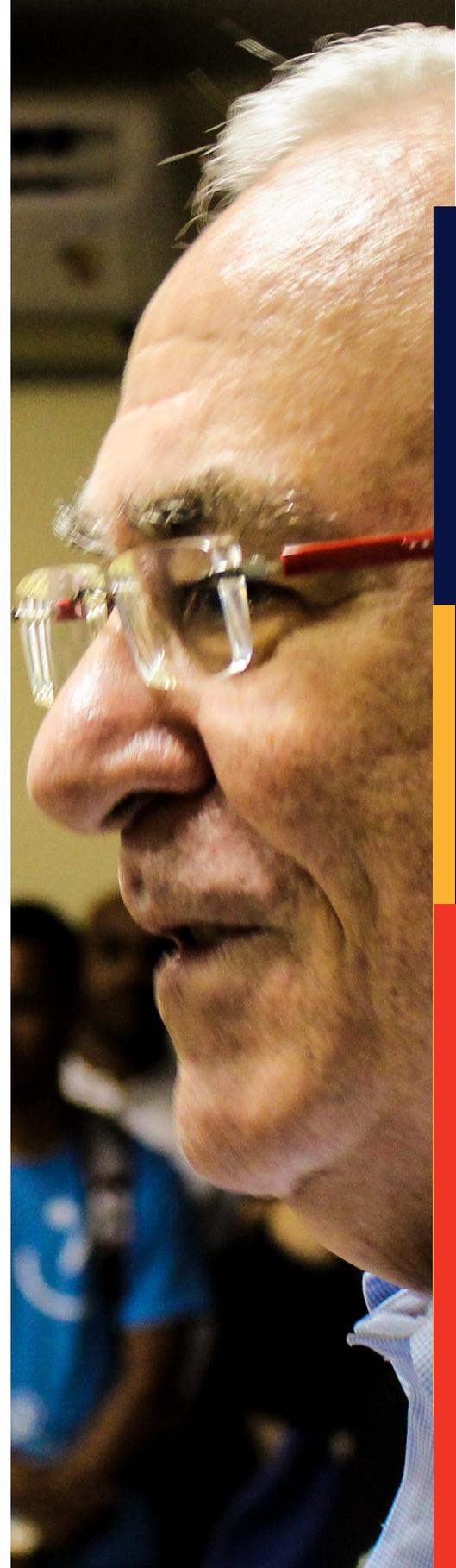
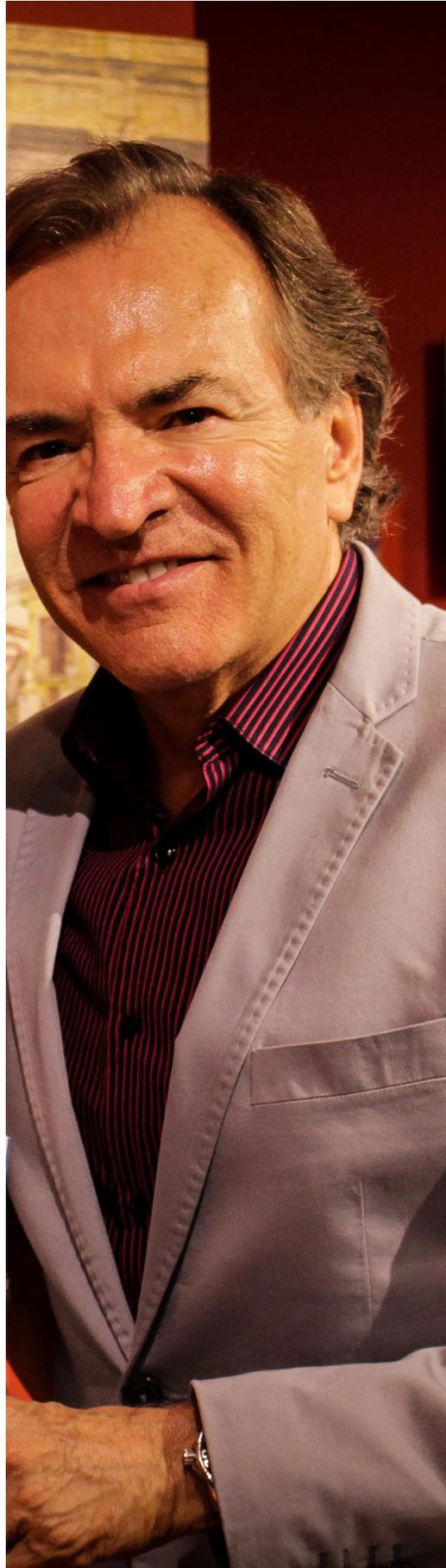
President (Motta Advogados)

### Hélio Geraldo de Souza

Banco Central

### Alexandre Rocha Resende

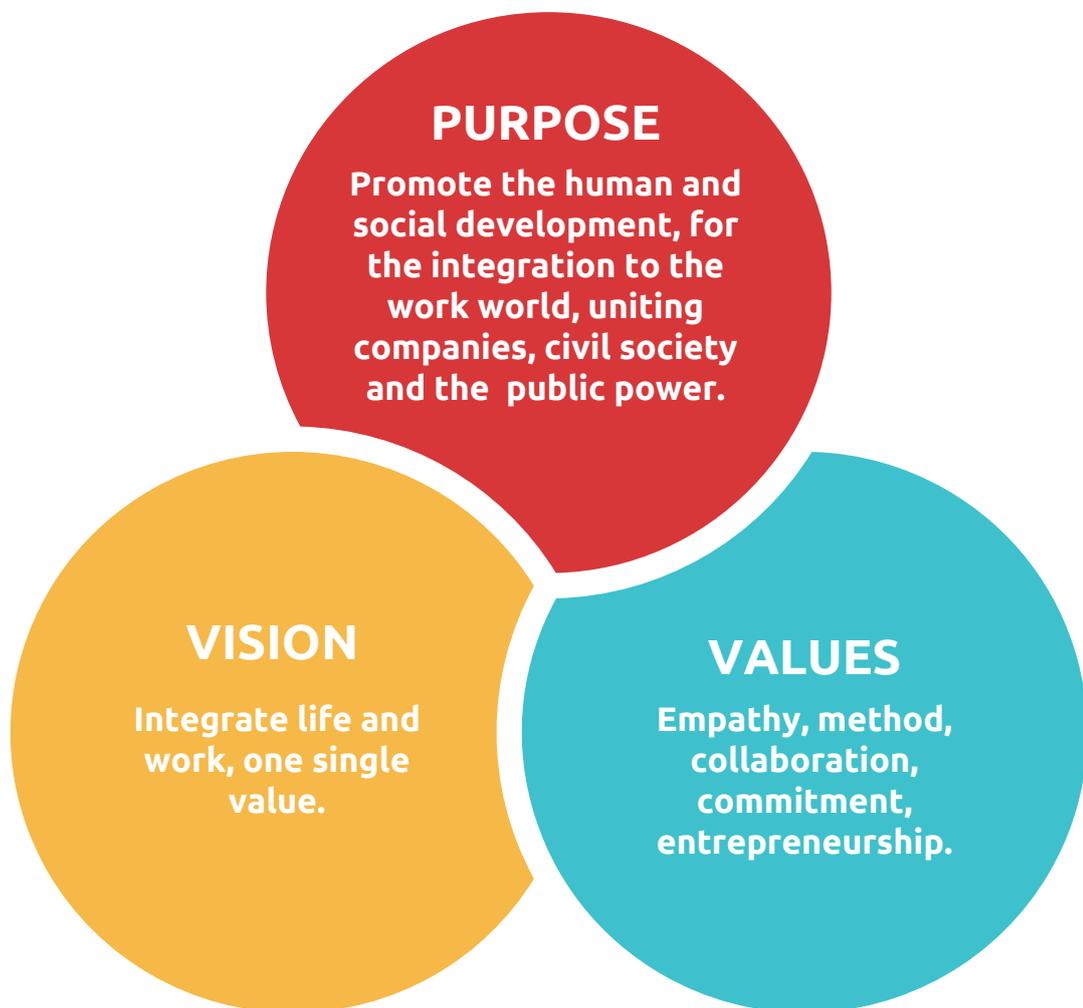
Companhia Brasileira de Trens Urbanos – CBTU





# Purpose, vision and values

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# Recognition



## 2011

Network of Generating Work and Income is recognized as a Social Technology by the Fundação Banco do Brasil.

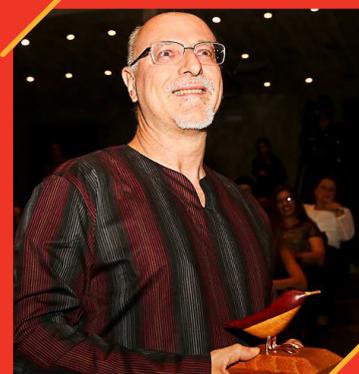
## 2014

Fernando Alves, one of the founders of Rede Cidadã eand also its Executive Director, receives the Visionaris Award for social entrepreneur.



## 2016

Rede Cidadã conquers the 124º position in the international ranking of NGO Advisor.





2017

Great Place To Work®

Certificado

14/09/2017 - 14/09/2018

BRASIL

## Prêmio Ser Humano

Rede Cidadã receives the Human Being Award, from the Associação Brasileira de Recursos Humanos.



## Prêmio Sabiá-Laranjeira

Rede Cidadã receives the Sabiá-laranjeira Award of sustainability, from Ideia Sustentável.

## 2017

Rede Cidadã achieves the 121<sup>o</sup> position in the international ranking of NGO Advisor.



## Great Place to Work

Rede Cidadã achieves the certificate of Great Place to Work by GPTW.

## Best NGOs

Rede Cidadã achieves the Best NGOs Award, from Época magazine and Instituto Doar, entering then the group of 100 best NGOs to invest in Brazil.

# Where are we?

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## Minas Gerais

Além Paraíba

Araguari

Arcos

Barão de Cocais

Belo Horizonte

Brumadinho

Caeté

Congonhas

Contagem

Curvelo

Diamantina

Formiga

Governador Valadares

Guaxupé

Ipatinga

Itabira

Itabirito

Iturama

Jeceaba

João Monlevade

Juiz de Fora

Lagoa da Prata

Montes Claros

Nova Serrana

Oliveira

Ouro Branco

Ouro Preto

Pará de Minas

Passos

Patos de Minas

Patrocínio

Pedro Leopoldo

Ponte Nova

Pompéu

Raposos

Santa Bárbara

São Sebastião do Paraíso

Sete Lagoas

Uberaba

Uberlândia

Unai

## Bahia

Salvador

## Rio de Janeiro

Rio de Janeiro

## Espírito Santo

Vitória

## Pernambuco

Recife

## São Paulo

São Paulo

Campinas

## Ceará

Fortaleza

# Partners

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and more 2.725

# Actions of promotion and integration to the work world

# Apprentice Program

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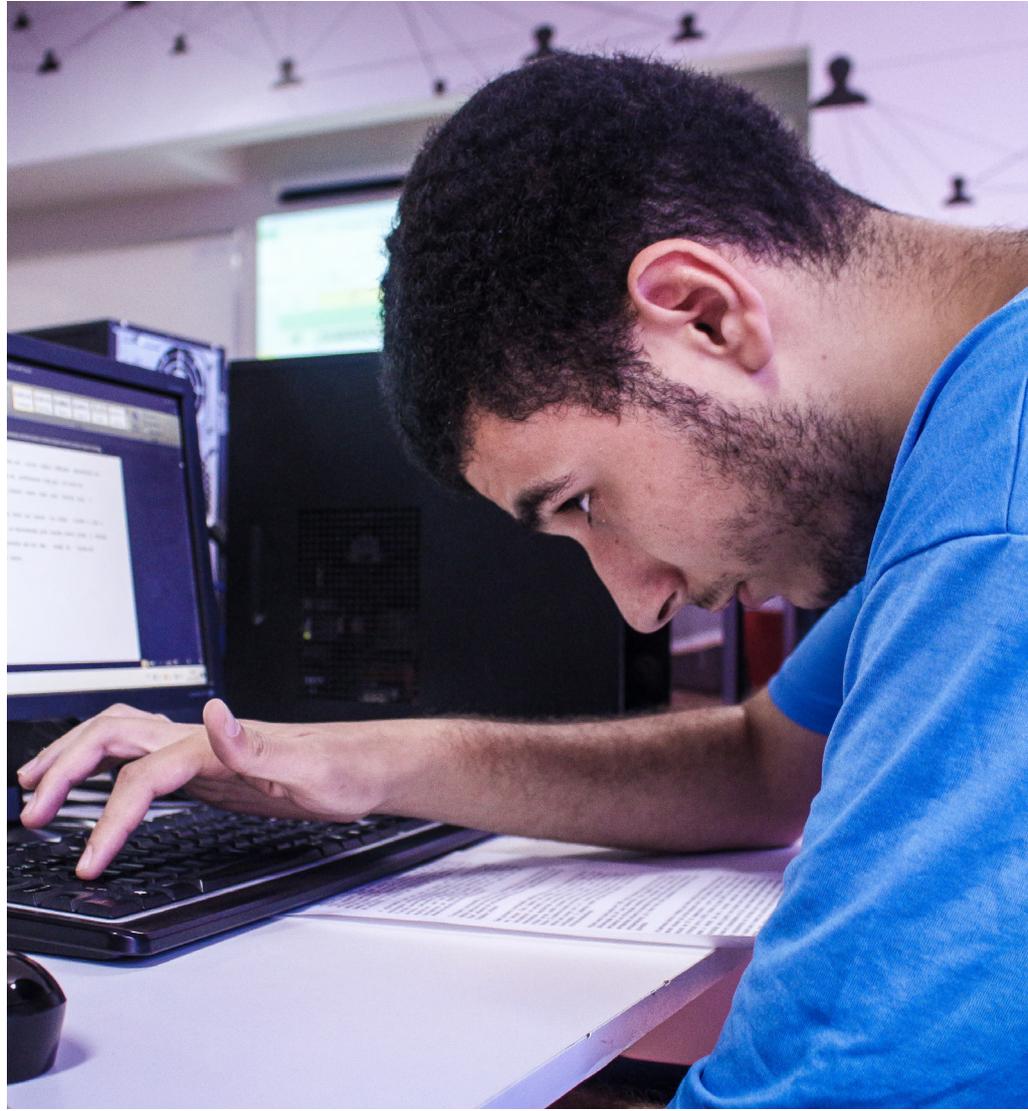
In 2017, Rede Cidadã promoted social assistance through actions of integration to the work world aimed at participants, developing in them autonomy and protagonism and ensuring their right to professionalization, to work and to income, respecting their labor and social security rights. The program provided a human, technical, social-emotional and political-citizenship formation, allied to the preparation to the work world in a structured and monitored manner.

Our Apprentice Program prepares participants to make an adequate transition from the school world to the labor world. Besides combining theoretical knowledge from formation meetings to the practicality in companies, we used the tool Profiler\* to map the behavioral competencies of the

young person and identify the profile of each apprentice, with the purpose of sending him to the most adequate vacancy. We also promoted self-knowledge and the development of their behavioral competencies, through Biocentric Education.

In 2017, 6.300 adolescents and Young people were hired, from which 181 were people with disabilities. This action reinforces the condition of fighting against child and informal labor through the Program of Social-learning, supported in the Apprenticeship Law and social inclusion.

*\*Profiler is a profile mapping tool created by Solides, a company that is specialized in Human Resources solutions and a partner of Rede Cidadã.*



# Project Rede Inclusiva

Rede Inclusiva (Inclusive Network) is a project from Rede Cidadã that aims to create opportunities, capacitate and support people with disabilities (PwDs) and rehabilitated to the work world. The project supports itself in the conviction that PwDs can and should develop their professional potential even further.

For that, processes and differentiated pedagogy actions are implemented, with partner institutions and companies and also with families, offering to apprentices with any kind of disability or limitation a specialized service. The objective is to go beyond the service to fulfill legal requirements, providing the apprentice with an effective inclusion in the work world and their personal and professional growth.

For people with intellectual disability and/or mental suffering, innovative pedagogy strategies are applied by qualified professionals that are familiarized with the subject, which enables the possibility of development of the apprentices in an integral way through experiences aimed at expanding abilities and consolidating competencies acquired in Social-learning.

Total of PwDs hired in 2017: 181.

A partnership established between Rede Cidadã and Carrefour enabled the professional formation of 17 people with disabilities and their insertion to the work world in São Paulo (SP). They are part of the Apprentice Program, and are being capacitated in a class of 30 students of the course of Commerce and Retail. The experience has been quite successful, promoting not only the professional development of PwDs, but also their integration with students that don't have disabilities. The initiative has destroyed barriers and demystified questions regarding the potential of people with physical, intellectual and visual disabilities.

“I was invited to act as an educator in the Project of inclusion for young PwDs in the Carrefour stores and I am in love! This is the best definition to describe this experience”, tells Márcia Oliveira, educator from Rede Cidadã. “At each new meeting I can see the importance of not only great companies investing in programs of integration and inclusion of collaborators, but also the whole sector of the economy having the same attitude, as to surpass barriers and make the work world fairer and more inclusive.”

The initiative is part of the Diversity Platform, a project from Carrefour that prioritizes seven subjects to guide the conduct of leaders of the company and their teams. They are: aesthetic diversity, ethnic diversity, people

with disabilities, sexual diversity, religious diversity, age diversity and gender diversity. Carrefour that transversally, as they believe in the wholeness of people.



# Trabalho Novo

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The City Hall of São Paulo, through the Municipal Secretary of Social Assistance, launched in January of 2017 the Trabalho Novo (New Job) Program, with the objective of promoting the integration of homeless people into the work world, in an articulate manner with other public policies.

Rede Cidadã was invited to develop some actions, becoming responsible for the execution of the activities of promoting

the integration to the work world, such as: workshops to develop abilities and attitudes; promoting access to professional opportunities; monitoring the journey and articulation and monitoring of homeless people.

At the end of 2017, 3.286 people had participated in the workshops of Development of Abilities and Attitudes, and from those, 1.544 were working.





INOVA, a company of conservation and janitor services responsible for part of the services of Urban Cleaning in the city of São Paulo, started a partnership with the New Job Program in March of 2017 and currently has 28 active collaborators from the program. From those, 15 participated in a meeting to celebrate one year in the company, that had a tone of retrospective and victory. The life stories came to light, narrating moments of great suffering, the strategies for survival created and the achievement reached. “Today I walk with my head held high, because the work developed my dignity”, said one of the presents.

The company SOMA also adhered the program and one year later reaps the benefits. From the 19 hired, 14 remain in their Jobs. From the active collaborators in both companies, 80% are in autonomous housing, facing challenges to resume affective bonds and

Rescue forgotten dreams. “Today I can arrive in my house and watch my TV. I have a fridge to open and choose what to eat. And I know I can buy my food. I feel like a magnate”, tells one of SOMA’s collaborators.

Participants of the New Job Program tell how the adaptation process they went through was, until they felt they belonged in the work world. There were long months feeling that they were treated as suspicious people and subject to labels of the common sense. But some mentioned with pride that the discrimination they felt made them reflect about who they really are and how today they find ways of placing themselves in the world. And all, without exception, brought in their speeches gratitude and a lot of respect for the project. They conveyed with care the feeling of hope and welcome they felt since the capacity building provided by Rede Cidadã.

# Diversidade Project

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The Diversidade (Diversity) Project was developed to welcome transgender people at risk and social vulnerability and promote their integration in the work world. The public served was often homeless, having prostitution as their main source of income. The larger part of this group, also, has suffered physical, moral and psychological aggressions, being considered a profile in social vulnerability from medium to high complexity.

According to the National Association of Transvestites and Transgenders (ANTRA), 90% of transvestites and transgenders are inserted in prostitution and only 10% are in formal work activities or acting as autonomous professionals. It is estimated

That, due to transphobia, the work world has been more restrictive each day for this population. However, with capacity building and preparation of young people and adults that belong in this group, it was possible to think in actions of awareness to companies that will allow access from the transgender community into the work world, promoting, with that, personal growth and the construction of autonomy, for the social coexistence.

In 2017, 102 trans people were capacitated through the Diversity Program and other 109 through the New Job project, totaling 211.





Partner of Rede Cidadã in the Retail Connection Project, Instituto Carrefour invests in the trans public through professional and social emotional capacity building, and preparing the work environment in the Carrefour hypermarkets, to enable their hiring. A work of awareness was made, which helped these professionals to deal with conflicts in the work place and with prejudice.

“We have adopted a different approach for the LGBTI community, with trainings and searching for opportunities in partner

companies”, says Fernando Alves, Executive Director of Rede Cidadã. “After getting the job, we monitor the adaptation to the corporate environment.”

“We established a management model that actually allows hiring without discrimination by sexual orientation, social origin or any other condition”, completes Paulo Piazuez, Carrefours’s Sustainability Director.

# J.Legal



The J.Legal Project began in 2016, in a partnership between Rede Cidadã and the company J.Macêdo with subsidy from the Banco Nacional de Desenvolvimento, as a project of social responsibility, citizenship and social inclusion. This partnership was established aiming the generation of income, the strengthening of social and family coexistence and the development of the beneficiary's autonomy.

Through social and behavioral formation, offered in its axis "Social Employability", Rede Cidadã Works appropriate contents with groups of young people and adults, with an experience methodology, favoring self-knowledge and the construction and reaffirmation of affective and social bonds among the participants.

Working personal issues, the participant creates subsidies to overcome possible adversities that present themselves in the social, personal or professional spheres, becoming more capable of expressing their individuality and their being with more fullness, despite the unfavorable scenario that grows before them.

In the axis of the Apprentice Program, J.Legal assists young people in the same

unfavorable conditions. All the contents of the program follow the guidelines and decrees from the Ministry of Labor and also incorporate some elements that work on behavioral and social-emotional issues, enriching the contents which are given to the youngsters, making him ready not only for the technical challenges of the work world, but also for the emotional challenges.

To continue the assistance to beneficiaries of the project, the J.Legal team offers quarterly meetings post-hiring. The meetings follow the experience-based methodology of the project and also count on a moment of qualified listening and welcoming of each beneficiary by the team, so that each case can be individually analyzed. It is believed that with this monitoring for the period of one year, the beneficiary will grow emotionally and professionally and be able to face the challenges imposed by the work world and by the social coexistence, thus conquering his position as a protagonist in the social construction around him.



“My name is Aline, I come to share this moment of joy: thank God and to project J.Legal I got my first job. The greatest lesson that this project gives us is of seeking our capacity building, seeking to develop ourselves, seeking to always better capacitate ourselves for the employment market. Thank God and through this project I got my first job, and I am very thankful for the opportunity that they gave me. Today I work at Hotel Praiano,

I am very happy and pleased by this opportunity that they gave me. Thank you so much for those that were a part of this, because we know that there is a whole team behind. So thank you so much, my feeling is of gratitude, thank you to everyone, and especially to the J.Legal project, that helped inset me into the work world.”

**Maria Aline Sousa Freitas**

# Conexão 3.0

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Conexão (Connection) 3.0 is a pilot project celebrated between Rede Cidadã and Accenture, which aims for the employability of youngsters through the development of behavioral and social-emotion skills, based in self-knowledge and the expansion of conscience. Through it we also seek to establish partnerships with social organizations and companies for the strengthening of the network, increase in social value, cost reduction and greater impact reach.

Conexão 3.0 was executed in 2017 in Rio de Janeiro and São Paulo, as a pilot for the practical application of a new social-emotional methodology of Rede Cidadã. This methodology aims to not only capacitate

the beneficiaries technically, but to prepare them through experiences and therapeutic techniques (such as connected circular breathing) to face the emotions and relationship difficulties of the work world, in the Family and society as a whole.

The partnership with Accenture serves as support for this early phase of the new methodology, and gives support in the form of consulting for the monitoring and mapping of the project's indicators. In 2017, the project assisted and capacitated 192 beneficiaries, in the two cities.





“I want to thank the project from Rede Cida- dã that provided me with such wonderful knowledge in issues of work, resourcefulness, the necessary tools which provided me with a good presentation in the labor market. Through this Project, I also got a job that met my needs and difficulties with adjustments in time. I thank all the educators that have given themselves, were our friends and conveyed information in the best possible

way. The project is, without a doubt, incredible! God bless everyone and that this project grows and reaches thousands of young people!”.

**Jhuliana Isabella Basílio  
Bruner, hired by PC Service as  
administrative apprentice**

# Conexão Varejo

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Conexão Varejo (Retail Connection) is a project undertaken in partnership with Carrefour which started in 2012. Since then, it is becoming stronger and diversifying its target public, allowing to assist various social cuttings. The evolution is perceptible in the analysis of the quantitative indicators, regarding the number of capacitated people it forwards to the employment Market, and especially qualitative ones, with the development of projects that value social

and human development, respecting each person's individuality.

The work proposal here it to promote, besides the practical formation in retail, self-knowledge and the development of people's emotional coefficient, providing balance between personal, social and professional identity. In the year of 2017, 1.729 people were assisted in this project.



# Jovens Profissionais do Futuro

Jovens Profissionais do Futuro (Professionals of the Future) is a project that meets the guidelines of basic and special social protection by offering actions that aim to enable the promotion of protagonism, social interaction and human development of young people and adolescents that are completing correctional measures of restraint of freedom (closed), having executed its 2017 edition in the municipalities of Belo Horizonte and Ribeirão das Neves, both in Minas Gerais state.

The work plan of JPF contemplates a different pedagogic structure, which implements a new way of learning, through “learning by doing”, using a theoretical informative approach, with dialogue exposition, individual and group works, exercises, text reading, dynamics, simulated and playful. Practical activities are also executed, aiming to develop the group in a more complete and effective way, which allows that at the end of every module, the tee-

nager is capable of performing activities of construction using the knowledge acquired in the meetings.

“It was very good to learn how to have an interview, how to behave in a job interview. I learned social adequacy, empathy, I learned to know who I am, what my capabilities are, what to do that is good or bad, I learned to better know myself”, tells Mauri Júnio, participant from Belo Horizonte. “I was satisfied by the attention of the teachers, by their patience with the class and by them believing that we are capable of living in a new world in the life of work and personally and that we are some teenagers that have the capability of changing our lives. That really encouraged me to think of a better future for myself. Thank you for believing we are capable of changing. Wonderful course”, he concluded.

“On the first day there was some resistance to wake them up, once they consider it outrageous to get to the school at 23h30min and to wake up at 6h. But after the first meeting, they were all calm and even excited! What happened? What was this that made them more enthusiastic? What happened there? I will describe...

The environment is different, happy, relaxed, comfortable! The day always started with a truthful good morning, a sincere hand shake, always looking in the eyes and a captivating smile. In the room, the lack of formality was amazing. Sitting on the floor, barefoot, with socks, trainers, caps, shorts, in a circle of conversation and at ease. All of that served to ‘break the ice’. The formality that creates bureaucracies must be removed by them.

When the activity started with those strange movements: lift the feet, lift the hands, lift the chin, walk how you want it, puff up your belly, crawls, etc., and shyness was fast present. But timidly they started doing it and becoming relaxed. Me, as a supervisor agent, tried to get out of that image, as I notices they were looking at me while doing it, I decided to play along, obviously a bit shy.

The respiration technique was something different, they had an introspective experience. When one of them was visibly touched by the memory of a cousin who died, I realized how much a technique can bring us to be more sensitive. A moment of reflection and thought. Something as normal and simple as breathing, at the same time is something so complex and unknown by us.

You managed to create a respectful, friendly, caring environment, of humility and companionship. They felt welcomed and more accepted. There was no shame,

meaning, rejection or resistance by you. I say that because they are “used” to this type of reception; you showed the contrary!

There was a clear reflex in their behavior. We did not have any occurrence of indiscipline, disrespect, disorder or attrition. No one was commissioned for any slip. They were calmer, more serene, more respectful. I congratulate all of you! For everything.

Anyway, that was my perception. Everything was very good. Your work is more than necessary, it is FUNDAMENTAL! I am grateful to you. For me, it was an honor to know you and a privilege to participate. I also have to be a better human being every day. Thank you!”

**Jorge Luiz de Souza Neves Dias,  
Correctional Security Agent  
and Supervisor of CSL São João  
Batista, in a report directed to  
the team of Rede Cidadã.**



# **Employability and generation of income actions**

# Accenture do Futuro

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Accenture do Futuro (Accenture of the Future) is an initiative that seeks to capacitate low income youngsters to occupy technical positions. The courses offered target people between 18 and 24 years of age, with family income below one minimum wage per capita, who have completed High School and that are not working nor going to university.

With Accenture's financing, the project capacitated in Belo Horizonte (MG) 30 young people in administrative practices related to acting in BPO (Business Process Outsourcing) and other 900 in technology, in Recife (PE), in the year of 2017.





“It is not every day that you are home and a company comes and tells you: ‘Look, I will give you a great course, you will learn everything, it will be free and, at the end, you will also run for a job opening’”, says Aroldo Cunha Andrade, participant of Accenture do Futuro in Recife.

“Through the Accenture do Futuro Program, we managed to unite the needs of the business and transform the ecosystem that we act in”, explains Flávia Picolo, leader of the Delivery Centers Northeast of Accenture. “We form young people, hire part of them and share the other part. We are very proud of this program because we enter to transform others and we leave it transformed ourselves.”





# Support activity

# Can I Help?

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The Posso Ajudar (Can I Help) Project is a service of public guidance, a way of taking quality service to clients of the Mineirão Stadium, in Belo Horizonte, MG. For Rede Cidadã, it is also an opportunity to form young people and adults in the

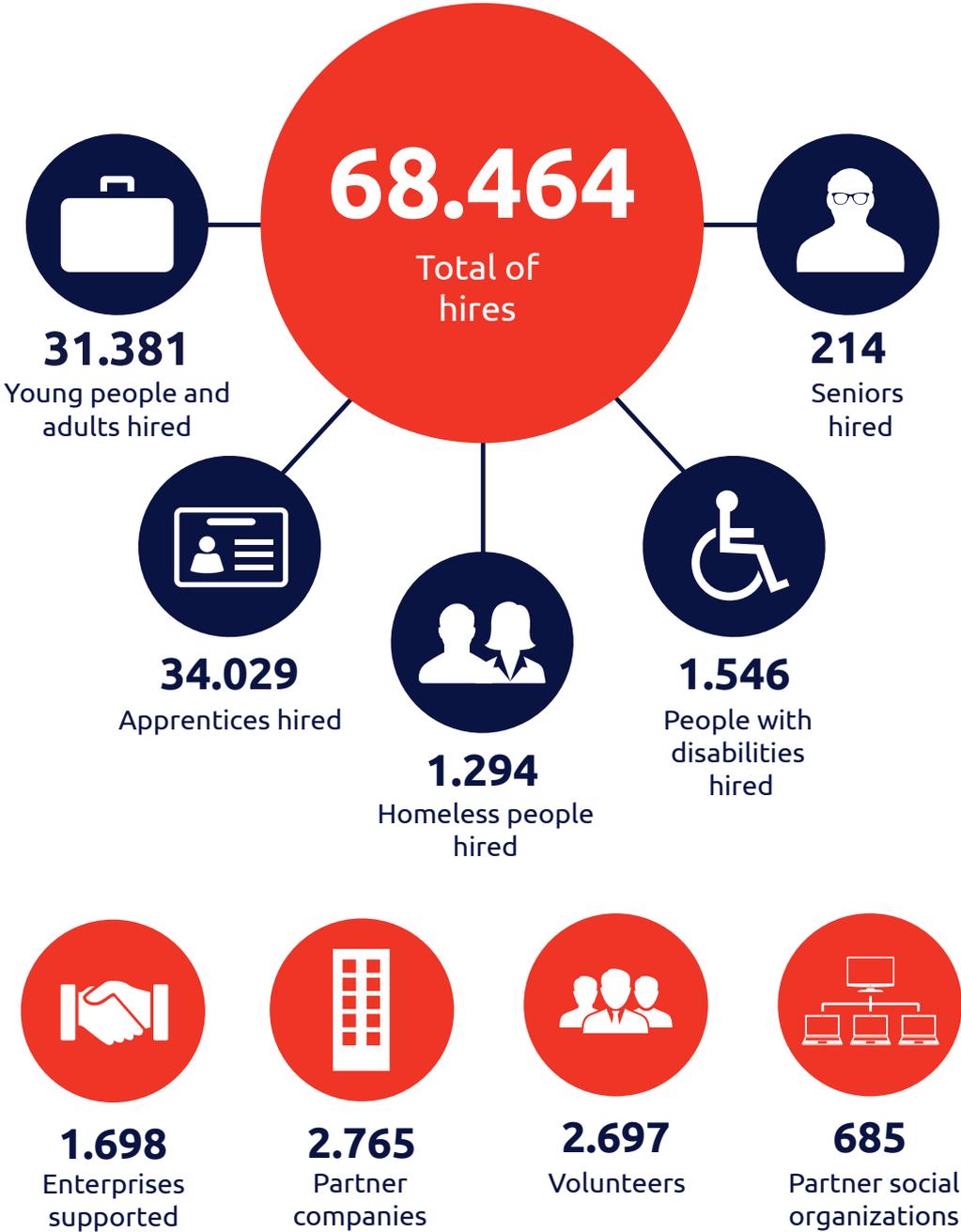
competencies and values of life and of work and an opportunity to form highly qualified professionals for quality service with different publics.





# Quantitative Impact

From May 2004 to December 2017



# Independent Auditor's report on the financial statements

To  
The Board of Directors of  
REDE CIDADÃ

## Opinion

We evaluated Rede Cidadã's accounting statements and the respective statements that comprise the balance sheet as of December 31 2017, and its respective income statement, statement of changes in equity and the statement of cash flows for the fiscal year ended on the aforementioned date, as well as the explanatory notes and a summary of the main accounting policies.

In our opinion, the aforementioned financial statements present fairly, in all material aspects, the equity and financial position of Rede Cidadã as of December 31 2017, the performance of its operations and its cash flows for the fiscal year ended on that date. These statements were produced in accordance with the accounting practices applicable to small and medium companies adopted in Brazil (NBC TG 1000) and non-profit entities (ITG 2002).

## Basis for our opinion

Our audit was conducted in accordance with the Brazilian and international standards on auditing. In accordance to these standards, our responsibilities are described in the section titled "Auditor's responsibilities over the audit of the financial statements". We are independent from Rede Cidadã, in accordance with the ethical principles laid down in the Accountant's Professional Ethics Code and in the professional standards issued by the Federal Accountancy Council and we comply with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to ground our opinion.

## Other information that accompanies the financial statements and the auditor's report

Rede Cidadã's management is responsible for the other information that comprise the Management Report.

Our opinion over the financial statement does not cover the Management Report and thus we do not express any audit conclusion over 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 during the audit or otherwise appears to be distorted in a relevant way. If, based on the work done, we conclude that there is a material misstatement in the Management Report, we are required to report this fact. We have nothing to report on this regard.

### Management and governance responsibilities over the 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 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 the Citizen Network 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 intends to liquidate Rede Cidadã or cease its operations, or has no realistic alternative to avoid ending its operations..

Those responsible for the governance of Rede Cidadã are those responsible for supervising the process of preparing the financial statements.

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

Our purpose is to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable safety is a high level of security, but not a guarantee that the audit conducted in accordance with Brazilian and international auditing standards will always detect any relevant relevant distortions. 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 base on said financial statements.

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

- » We identified and evaluated the risks of material misstatement in the financial statements, whether caused by fraud or error, planned and performed audit procedures in response to such risks, and obtained audit evidence that is appropriate and sufficient to substantiate our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that of error, since fraud may involve the act of circumventing internal controls, collusion, forgery, omission, or false intentional representations.

» We have obtained an understanding of the internal controls relevant to the audit so that we could plan the audit procedures more appropriate to the circumstances, but our objective is not to express an opinion over the effectiveness of Rede Cidadã's internal controls..

» We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

» We conclude on the adequacy of the management's use of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may raise significant doubt regarding Rede Cidadã's operational continuity. If we conclude that there is material uncertainty, we should draw attention in our audit report to the respective disclosu-

res in the financial statements or include modification in our opinion if the disclosures are inadequate. Our findings are based on the audit evidence obtained up to the date of our report. However, future events and conditions may lead Rede Cidadã to no longer remain in operational continuity.

» We evaluate the overall presentation, structure and content of financial statements, including disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of adequate presentation.

We communicate with those responsible for governance regarding, among other aspect, the planned scope, timing of the audit, and significant audit findings, including any significant deficiencies in internal controls that we have identified during the course of our work.

**Belo Horizonte, April 10, 2018.**



Orplan Auditores Independentes  
CRCMG – 00478/0 - CVM – 3310  
Marco Aurélio Cunha de Almeida  
Accountant – CRCMG 56.290/0

# Balance Sheet On

(Values in Brazilian reais)

Assets

	Nota	31.12.2017	31.12.2016
<b>Current</b>			
Cash and cash equivalents	3	22.511.255	19.447.395
Credits receivable	4	65.090	77.275
Reimbursements	5	1.642.044	1.861.553
Advance		179.783	98.790
Anticipated expenditures		24.684	8.232
Total current assets		24.422.856	21.493.245
<b>Non-current</b>			
Fixed	6	1.256.142	825.910
Intangible assets	7	63.480	123.391
Total non-current assets		1.319.622	949.301
<b>Total Assets</b>		<b>25.742.478</b>	<b>22.442.546</b>

The notes are part of the financial statements.

## Equity and Liabilities

	Nota	31.12.2017	31.12.2016
<b>Current</b>			
Suppliers	8	388.823	367.369
Social and tax liabilities	9	2.589.560	1.889.359
Advances		-	5.841
Transfers to projects	10	2.089.490	318.577
Other judicial liabilities	11	9.000	-
<b>Total current liabilities</b>		<b>5.076.873</b>	<b>2.581.146</b>
Net Equity	12		
Equity		19.861.400	17.696.673
Income for the year		804.205	2.164.727
Total equity		20.665.605	19.861.400
<b>Total liabilities and equity</b>		<b>25.742.478</b>	<b>22.442.546</b>

The notes are part of the financial statements.

## Income Statement

(Values in Brazilian reais)

	Nota	31.12.2017	31.12.2016
<b>Revenue</b>			
Donations	13	1.655.964	3.349.666
Onlendings to be carried out	14	31.587.084	31.898.025
Reimbursement of training costs		41.440	-
Reimbursement of labor costs		118.817	405.394
Obtained gratuity		81.500	80.000
<b>Total revenue</b>		<b>33.484.805</b>	<b>35.733.085</b>

Costs and expenses			
Labor and benefits	15	(28.280.811)	(30.741.428)
Third-party services	16	(2.387.261)	(1.894.300)
Administrative expenses	17	(2.614.677)	(2.337.865)
Materials		(189.872)	(240.449)
Travels		(345.662)	(350.630)
Expenses with communication		(171.605)	(287.079)
Tax Expenses		(32.133)	-
Depreciation		(235.464)	(199.651)
PCLD		(139.817)	-
Provision for contingencies		(9.000)	-
Other expenses		(2.374)	(105.527)
Obtained gratuity		(81.500)	(80.000)
<b>Total costs and expenses</b>		<b>(34.490.176)</b>	<b>(35.113.532)</b>
Deficit before costs and expenses		(1.005.371)	(205.416)
Financial revenues		1.961.551	2.578.471
Financial expenses		(151.975)	(208.328)
<b>Total net financial revenues and expenses</b>		<b>1.809.576</b>	<b>2.370.143</b>
Income for the year		804.205	2.164.727

The notes are part of the financial statements.

# Statement of changes in equity

(Values in Brazillian reais)

	Equity	Accumulated surplus	Net Equity
<b>Balance at December 31, 2015</b>	<b>14.345.419</b>	<b>3.351.254</b>	<b>17.696.673</b>
Incorporation of income to equity	3.351.254	(3.351.254)	-
Surplus for the year		2.164.727	2.164.727
<b>Balance at December 31, 2016</b>	<b>17.696.673</b>	<b>2.164.727</b>	<b>19.861.400</b>
Incorporation of income to equity	2.164.727	(2.164.727)	-
Surplus for the year		804.205	804.205
<b>Balance at December 31, 2017</b>	<b>19.861.400</b>	<b>804.205</b>	<b>20.665.605</b>

The notes are part of the financial statements..

# Cash Flow Statement

(Values in brazillian reais)

	31.12.2017	31.12.2016
<b>Operational cash flow</b>		
Income for the year	804.205	2.164.727
<b>Adjustment of the Income for the year</b>		
Asset write-off	5.918	-
Depreciation	121.085	90.198
Amortization	114.469	109.454
	<b>1.045.677</b>	<b>2.364.379</b>
<b>(Increase) /reduction of asset accounts</b>	<b>134.249</b>	<b>517.682</b>
Credits receivable	12.185	(25.480)
Reimbursement	219.509	543.461
Advances	(80.993)	1.301
Anticipated expenditures	(16.452)	(1.600)

<b>Liability increase/ (decrease)</b>	<b>2.495.727</b>	<b>(1.750.157)</b>
Suppliers	21.454	(289.398)
Social and Tax liabilities	700.201	(34.071)
Advances	(5.841)	(10.742)
Transfers to future projects	1.770.913	(1.415.946)
Other judicial liabilities	9.000	-
<b>Proceeds from operational activities</b>	<b>3.675.653</b>	<b>1.131.904</b>
<b>Cash flow used in investing activities:</b>		
Asset acquisition	(557.235)	(350.282)
Sale of fixed assets	(54.558)	-
<b>Net proceeds from investing activities</b>	<b>(611.793)</b>	<b>(350.282)</b>
<b>Cash flow used in financing activities :</b>		
Loan – bank guaranteed account	-	(9.248)
<b>Net proceeds from financing activities</b>	<b>-</b>	<b>(9.248)</b>
<b>(=) Variation in cash and cash equivalents</b>	<b>3.063.860</b>	<b>772.374</b>
Net increase in cash and cash equivalents	3.063.860	772.374
Cash balance + cash equivalents in the beginning of the year	19.447.395	18.675.021
Cash balance + cash equivalents in the end of the year	22.511.255	19.447.395

The notes are part of the financial statements.

# Explanatory Notes to the financial statements for the year ended on december 31, 2017

## 1. Operational Context

Rede Cidadã is a non-profit civil association with its headquarters and activities in the city of Belo Horizonte/MG, and was founded in October, 2002.

It has a federal public utility title, municipal public utility title and registration in the Municipal Council of Social Assistance of Belo Horizonte / MG. The certification of Rede Cidadã as a philanthropic association is being processed by the Ministry of Social Development.

Rede Cidadã has the formation of networks, focused on the process of articulation and synergy between government, companies and associations from civil society as its line of action.

By integrating public and private social actions and investments, Rede Cidadã enables projects of social responsibility and volunteerism, bringing effective benefits to a large number of people.

The benefits of the actions developed are made free of charge, without any financial compensation from the beneficiaries and following the principle of universality, without discrimination of any nature.

The financial resources to promote their statutory goals come from donations, reimbursements of costs with the apprenticeship program and income from financial investments. All of its resources are invested in national territory and in the activities provided for in its bylaws and there is no distribution of financial surpluses.

Rede Cidadã is managed by its General Assembly, Curating Council, Administrative Board and Audit Committee. No member of these management bodies receives any kind of direct or indirect compensation for the functions assigned to them in the bylaws.

## 2. Presentation of the financial statements and main accounting practices

### 2.1. Basis of preparation

#### A. CONFORMITY DECLARATION (RELATING TO THE ACCOUNTING PRACTICES ADOPTED IN BRAZIL)

The financial statements were produced and are being presented in accordance to the accounting practices adopted in Brazil, based on the provisions contained on the ITG 2002 –Non-profit entities and the NBC TG 1000 – Accounting for small and medium enterprises.

### BASIS OF MEASUREMENT

The financial statements were prepared based on the historical costs, except for the financial instruments, which were measured by their fair value,

#### A. FUNCTIONING AND PRESENTATION CURRENCY

As defined by NBC TG 1000, Section 30, these financial statements are presented in Brazilian reais, which is the functional currency of the Association.

#### B. Comprehensive Income Statement

The comprehensive income statements are not being disclosed, since the Association did not enter into a transaction that involves recording other comprehensive income that impacts the surplus for the year ended on December 31, 2017.

#### C. Main accounting judgments and sources of uncertainty in the estimates

In applying the accounting policies, Management must make judgments and prepare estimates regarding the book values of assets and liabilities that are not easily obtained from other sources. Estimates and assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The underlying assumptions and estimates are reviewed continuously. The effects of revisions to accounting estimates are recognized in the year in which the estimates are reviewed, if the revision affects only this year, or also in subsequent years if the revision affects both the present and future years.

The main estimates made by management when preparing the financial statements include the useful lives of fixed and intangible assets, the residual value of fixed assets, losses on the recoverable amount of receivables, probable disbursements arising from labor lawsuits and administrative, civil and fiscal proceedings, as well as claims, costs to be assessed and other risks directly related to its short and long term projects.

The depreciation rates applied to fixed assets are defined based on the useful life that the tax authority determines for these assets and does not consider the estimated residual values for its realization at the end of its useful life.

## 2.2. Main accounting practices aDOPTED

The Association adopts the accrual basis for registration of its transactions and considers the exercise of one year for the separation of assets and liabilities between current and non-current.

The main accounting practices adopted in the preparation of these financial statements are described as follow:

### 2.2.1. Financial applications

The Financial applications were recorded at the value of the investment, added to the income earned until the day of the balance. Rede Cidadã's Management has chosen financial applications of a conservative profile, aiming to diminish the risk of losses.

The values of financial assets and liabilities are determined based on available market information and appropriate evaluation methods, and do not significantly diverge from the accounting balances. The use of different market premises and/or measurement methodologies may cause different effects on the estimated market values.

### 2.2.2. Monetary assets and LIABILITIES

Non-current monetary assets and liabilities are adjusted to their present value. The adjustment to present value of current monetary assets and liabilities is calculated, and only recorded, if it is considered relevant in relation to the financial statements taken as a whole.

For purposes of recording and determining

relevance, the adjustment to present value is calculated taking into account the contractual cash flows and the explicit interest rate and, in certain cases, implicit of the respective assets and liabilities. Based on the analyzes made and the Management's best estimate, the Association concluded that the adjustment to present value of current monetary assets and liabilities is irrelevant in relation to the financial statements taken as a whole and, therefore, did not record any adjustments.

### 2.2.3. FIXED ASSETS

The Fixed Assets are stated at their cost value minus depreciation. The costs of the fixed assets include all expenses to place them in their place and conditions of use.

### 2.2.4. Revenues from donations

Donations to fund the activities of the Association are recorded in liability accounts and are recognized as revenue once there is reasonable assurance that the Association will meet the related conditions and that the donations will be received.

Simultaneously with the recognition of donation revenues, the Association recognizes the costs related to said donations as expenses

### 2.2.5. Social LIABILITIES

When negotiated in collective agreements, the wages, provisions for vacations, 13th salary and complementary payments, with the corresponding social charges, are appropriated on an accrual basis.

## 2.2.6. Recognition of revenues

Revenues are recognized when the projects are actually executed in the rendering of services. The cost of providing services is recorded in the same year in which they are recognized.

Expenses are recorded in the year in which they arise.

## 2.2.7. Recognition of liabilities

Liabilities are recognized in the balance sheet when the Association has a legal or constituted obligation as a result of a past event and it is probable that an economic resource will be required to settle it.

Some liabilities involve uncertainties regarding the term and value, and are estimated to the extent that they are incurred and recorded through a provision. Provisions are recorded based on the best estimates of the risk involved.

### 3. Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term commitments, not for investments or other purposes.

The cash balances refer to funds for application in the developed social projects, as shown on the dates of the balance sheets:

Description	31.12.2017	31.12.2016
<b>Banks (a)</b>	<b>42.246</b>	<b>343.248</b>
Banks – available resources	401	24.671
Banks – restricted resources	41.846	318.577
<b>Financial applications (b)</b>	<b>22.469.008</b>	<b>19.104.147</b>
Financial applications – available resources	20.421.365	19.104.147
Financial applications – restricted resources	2.047.643	-
<b>Total cash and cash equivalents</b>	<b>22.511.255</b>	<b>19.447.395</b>

(a) Refers to resources received from learning reimbursements that are applied on a timely basis;;

(b) The Association considers cash equivalents a financial application of immediate convertibility in a known amount of cash and subject to an insignificant risk of change in value.

Short-term investments are represented by bank deposit certificates and capitalization bonds issued by first-tier banks and are indexed to the interbank deposit rate (CDI), with daily liquidity.

The selection of the modality of application of the resources of Rede Cidadã is carried out within a conservative profile, seeking the reduction of risk of losses.

## 4. Credits receivable

The balance of receivable accounts is generated from the contracts of training services and donations receivable from partners:

Description	31.12.2017	31.12.2016
Minas Arena	9.710	10.150
Carrefour	40.880	-
MV Informática Nordeste	10.000	-
Trabalho Novo	4.500	-
Super Nosso	-	5.375
Renapsi	-	61.750
<b>Total credits receivable</b>	<b>65.090</b>	<b>77.275</b>

## 5. Reimbursement

The amounts receivable with the learning reimbursements are recorded under this caption

Description	31.12.2017	31.12.2016
Reimbursements receivable	2.064.025	2.143.716
Provision for bad credits	(421.981)	(282.163)
<b>Total reimbursement</b>	<b>1.642.044</b>	<b>1.861.553</b>

## 6. Fixed Assets

The breakdown and measurement of fixed assets are stated as follows:

31/12/2017	Furniture and appliances	Machine and equipment	Vehicles
Custos			
31/12/2016	421.339	319.298	53.280
Acquisitions	28.353	159.409	129.990
Low	(3.635)	-	(53.280)
<b>31/12/2017</b>	<b>446.057</b>	<b>478.707</b>	<b>129.990</b>
Depreciation			
31/12/2016	(137.702)	(78.733)	(44.690)
Depreciation	(43.380)	(43.160)	(12.716)
Low	91	-	50.906
<b>31/12/2017</b>	<b>(180.991)</b>	<b>(121.893)</b>	<b>(6.500)</b>
<b>Valor residual</b>	<b>265.066</b>	<b>356.814</b>	<b>123.490</b>
31/12/2016	Furniture and appliances	Machine and equipment	Vehicles
Costs			
31/12/2015	325.512	289.054	53.280
Acquisitions	95.827	30.244	-
<b>31/12/2016</b>	<b>421.339</b>	<b>319.298</b>	<b>53.280</b>
Depreciation			
31/12/2015	(100.589)	(48.426)	(34.130)
Depreciation	(37.113)	(30.307)	(10.560)
<b>31/12/2016</b>	<b>(137.702)</b>	<b>(78.733)</b>	<b>(44.690)</b>
<b>Valor residual</b>	<b>283.637</b>	<b>240.565</b>	<b>8.590</b>

Improvements on third-party real state	Elaboration of educational material	Total
278.431	36.240	1.108.588
239.483	-	557.235
-	-	(56.915)
<b>517.914</b>	<b>36.240</b>	<b>1.608.908</b>
(13.695)	(7.858)	(282.678)
(18.205)	(3.624)	(121.085)
-	-	50.997
<b>(31.900)</b>	<b>(11.482)</b>	<b>(352.766)</b>
<b>486.014</b>	<b>24.758</b>	<b>1.256.142</b>

Improvements on third-party real state	Elaboration of educational material	Total
89.980	36.240	794.066
188.451	-	314.522
<b>278.431</b>	<b>36.240</b>	<b>1.108.588</b>
(5.101)	(4.234)	(192.480)
(8.594)	(3.624)	(90.198)
<b>(13.695)</b>	<b>(7.858)</b>	<b>(282.678)</b>
<b>264.736</b>	<b>28.382</b>	<b>825.910</b>

## 7. Intangible

The breakdown and movement of the intangible asset accounts are as follows:

31/12/2017	Hardwares e softwares	License - Software Sankhia	Total
Costs			
31/12/2016	564.444	45.000	609.444
Acquisitions	54.558	-	54.558
31/12/2017	619.002	45.000	664.002
Amortization			
31/12/2016	(486.053)	-	(486.053)
Depreciation	(114.469)	-	(114.469)
31/12/2017	(600.522)	-	(600.522)
<b>Valor residual</b>	<b>18.480</b>	<b>45.000</b>	<b>63.480</b>
31/12/2016	Hardwares e softwares	License - Software Sankhia	Total
Costs			
31/12/2015	528.684	45.000	573.684
Acquisitions	35.760	-	35.760
31/12/2016	564.444	45.000	609.444
Amortization			
31/12/2015	(376.599)	-	(376.599)
Depreciation	(109.454)	-	(109.454)
31/12/2016	(486.053)	-	(486.053)
<b>Valor residual</b>	<b>78.391</b>	<b>45.000</b>	<b>123.391</b>

## 8. Suppliers

The obligations with suppliers are related to expenses with services and materials necessary to the activity.

Descrição	31.12.2017	31.12.2016
Fornecedores diversos	388.822	367.369
<b>Total dos fornecedores</b>	<b>388.833</b>	<b>367.369</b>

## 9. Social and tax liabilities

The social liabilities are mostly composed of wages and provisions for labor charges, which are calculated according to the applicable legislation. The tax liabilities refer to current taxes and are shown at the balance sheet dates:

Description	31.12.2017	31.12.2016
Payable wages	230.230	-
Payable alimony	281	-
Payable intern stipends	11.582	-
Payable trainee wages	603.048	-
Payable wages and salaries	845.141	-
IRPF 0561 e 0588 – Folha	16.120	24.534
IRPF 1708 – serviços	415	179
ISSQN – Retenção	3.150	1.316
PIS/ COFINS/ CSLL	1.384	606
Total de obrigações tributárias	21.069	26.635
INSS to collect	443.133	498.305
FGTS to collect	76.773	78.056
PIS without payroll to collect	13.054	15.328
Union Contributions to collect	288	2.086
Total social liabilities	533.248	593.775
Provision for vacations	904.350	963.836
PIS provision without vacations	9.044	9.638
FGTS provision without vacations	37.560	40.067
INSS provision without vacations	239.148	255.408
Total vacations and social liabilities	1.190.102	1.268.948
<b>Total social and tax liabilities</b>	<b>2.589.560</b>	<b>1.889.359</b>

## 10. Transfers to projects to be carried out

The resources received from partners of the Association are registered to cover the costs of entrepreneurship and employability projects that are yet to be executed.

Description	31.12.2017	31.12.2016
Accenture	857.229	26
Carrefour	621	833
FIA	382.582	316.476
PFF	71	-
Accenture/PFF	82	1.242
FI	124.375	-
FBB	724.530	-
<b>Total transfers to projects to be carried out</b>	<b>2.089.490</b>	<b>318.577</b>

## 11. Other judicial liabilities

In the year of 2017 it was registered as provision for contingencies the amount of 9.000 (nine Thousand reais), whereas the parties are:

Claimant	Case	Loss expectation	Value
Anne Caroline da Silva	0001360- 86.2016.5.10.0007	Provável	5.000
Stefany Karoline Alves	0010734- 46.2016.5.03.0032	Provável	4.000
<b>Total da PROVISION</b>			<b>9.000</b>

Existe processo com a expectativa de possível perda conforme classificação do assessor jurídico:

Claimant	Case	Loss expectation	Value
Nanci Cristina Moreira	1001930- 18.2016.5.02.0059	Possível	8.000

## 12. Net Equity

In the period of 2016, Rede Cidadã had a surplus of R\$ 2.164.727, already incorporated to the social patrimony in the period of 2017. Additionally, the surplus to be incorporate to the social patrimony in the period of 2017 is of R\$ 804.205.

The equity as of December 31, 2017 amounts to R\$ 19.861.400. All the results obtained by the operations of Rede Cidadã are incorporated into its assets and used in the execution of its statutory objectives. In no case the proceeds are distributed as Rede Cidadã is a non-profit association.

## 13. Donations

The main donations are as follow:

Description	31.12.2017	31.12.2016
	991.406	709.245
Accenture Foundation Inc.	111.850	-
Trabalho Novo	131.261	-
Companhia Brasileira	35.156	34.538
Various Donations	40.880	-
Fundação Carrefour – França	7.884	42.365
Fundação ABRINQ	360.736	575.842
Minas Arena	316.800	-
FIA – Fundo da Infância e Adolescência	124.603	-
FI – Fundo do Idoso	720.148	126.808
FBB – Fundação Banco do Brasil	20.000	64.540
MV Informática Nordeste Ltda	-	154.500
Yci International Business	-	15.100
Super Nosso - Dahana	-	12.573
IHG	376.647	175.762
J.Macêdo	-	13.616
Anglogold Ashanti	189.505	8.831
Global Giving	(1.770.912)	1.415.946
Future transfers	1.655.964	1.933.720
<b>Total donations</b>	<b>1.655.964</b>	

## 14. Reimbursement of training costs

The training cost reimbursement comes from partners that use the labor management services from Rede Cidadã.

Description	31.12.2017	31.12.2016
Reimbursement of training costs	31.587.084	31.898.025
<b>Total transfers</b>	<b>31.587.084</b>	<b>31.898.025</b>

## 15. Labor and charges

Description	31.12.2017	31.12.2016
Wages and salaries		
Wages – workers and trainees	(13.542.759)	(14.503.374)
Intern`s stipends	(147.224)	(67.552)
13th salary – workers and trainees	(1.175.288)	(1.299.963)
Vacations – Workers and trainees	(1.662.965)	(2.165.918)
Labor rescission	(80.079)	(189.852)
Other wages and salaries	(8.859)	(1.372)
Total wages and salaries	(16.617.174)	(18.228.031)
Benefits and charges		
INSS	(4.347.764)	(4.614.310)
FGTS	(850.271)	(919.353)
PIS without payroll	(157.091)	(172.576)
Workers and trainees transportation vouchers	(3.074.063)	(3.462.645)
Workers and trainees meal vouchers	(1.793.585)	(1.387.468)
Labor rescission	(407.346)	(273.993)
Uniforms	(201.171)	(189.001)
Unions and associations	(405)	(3.600)
Workers and trainees health insurance	(423.830)	(620.367)
Other expenses with labor and charges	(408.111)	(870.084)
<b>Total charges and benefits</b>	<b>(11.663.637)</b>	<b>(12.513.397)</b>
<b>Total expenses with labor and benefits</b>	<b>(28.280.811)</b>	<b>(30.741.428)</b>

## 16. Third Party Services

Description	31.12.2017	31.12.2016
Accounting services	(65.225)	(60.998)
Audit services	(14.335)	-
Consulting Services	(272.474)	(501.456)
Legal services	(94.133)	-
Security services	(9.062)	-
Delivery Services	(15.443)	-
IT services	(61.566)	(53.264)
Services from autonomous workers – RPA	(371.056)	(412.599)
Third party services – PJ	(897.666)	(150.249)
Training services	(179.389)	(35.492)
ISSQN charged on the invoices	(30.254)	(23.096)
Workplace safety and work medicine	(89.438)	(96.812)
Employee's life insurance	-	(32.899)
Trainee's life insurance	(16.806)	(76.474)
Third party services – PF	-	(150)
Communication Services	(34.222)	(46.429)
Systems and internet providers	(54.901)	(58.467)
Advisory services	(128.867)	(146.340)
Elaboration of didactic material	-	(48.794)
Other services	(52.424)	(150.781)
<b>Total third party services</b>	<b>(2.387.261)</b>	<b>(1.894.300)</b>

## 17. Administrative Expenses

Description	31.12.2017	31.12.2016
Rents and condominium fees	(1.234.749)	(1.212.156)
Electricity	(96.972)	(75.405)
Landlines	(124.757)	(112.744)
Mobile phones	(189.434)	(145.352)
Trainee meals	(331.082)	(128.163)
Postal expenses	(67.588)	(69.762)
Internet	(24.503)	(31.920)
Reimbursement of expenses	(41.205)	(144.130)
Transfer of costs-CDI	-	(43.776)

Small value goods	(89.076)	-
Credit cards	(43.650)	-
Rental of equipment	(53.698)	(38.988)
Rental of parking spaces	(15.128)	1.734
Reimbursement of vehicle expenses	(102.003)	(144.130)
Reimbursement of taxi expenses	(53.948)	(53.663)
Other	(146.884)	(125.942)
<b>Total administrative expenses</b>	<b>(2.614.677)</b>	<b>(2.337.865)</b>

## 18. Financial Instruments – Risk Management

**Credit Risk** - The credit risk for the Association appears mainly of availabilities arising from deposits in banks and financial applications in certificate of bank deposit (CDB). The Association only applies resources in certificate of bank deposit (CDB) of Banco Santander and Bradesco. The Association does not contract derivatives to manage the credit risk.

**Business Risk** - The Business risk appears from the use of financial instruments that yield interest negotiable in foreign currency. It is the risk that the fair amount or future cash flows of a financial instrument will flow because of alterations to the interest rate (risk of the interest rate), exchange rate (exchange risk) or other business factors (other price risks). The Association does not have operations that can generate risks of that nature.

**Interest Rate Risk** - The Association does not have loans. Therefore, there is no risk of exposure to fluctuations of interest rates in the Market for burdening liabilities, and the financial applications are of a conservative profile, with small exposure to this nature of risk.

**Main Financial Instruments** - The financial instruments of the Society are registered in patrimonial accounts on 31 December 2016 and 31 December 2017 for values that are close to their fair values at those dates. The administration of these instruments is made through operational strategies that aim to obtain liquidity, profitability and safety. The policy of controls consists of permanent monitoring of the rates contracted against those in force in the market.

## 19. Insurance Coverage

The insurance policy on behalf of the Association covers the vehicle insurance and liability insurance.

Rede Cidadã implements a policy of monitoring the risks inherent to its operations. Therefore, it has insurance contracts that management considers sufficient to cover eventual claims and liability risks.

Given their nature, the adopted risk assumptions are not part of the scope of a financial report audit, hence, our independent auditors did not examine them.

**Management:**



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Ângela de Alvarenga Batista Barros  
President  
CPF: 056.279.586-34

**Responsible technician:**



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Abreu Barros Serviços Contábeis Ltda. – CRC/MG5472  
Adriana Maria Rocha – CRC/MG 78305  
Rosa Maria Abreu Barros – CRC/MG 59843

# How to support?

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Whoever decides to support the projects of Rede Cidadã, can do so in various ways

- **Through volunteer work;**
- **Through partnerships;**
- **Through donations, which are always welcomed to support the execution of our projects.**













# VIDA E TRABALHO, UM SÓ VALOR



[www.redecidada.org.br](http://www.redecidada.org.br)