



Annual Report
Fundación Carrvajal
Abriéndole caminos a la equidad
..... 2014 - 2015



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We are grateful to all the people of the Carvajal Foundation for their support in providing information and graphic material pertinent to this report, as well as to Roberto Pizarro Mondragon, Maria Emma Jaramillo Valli, Maria Victoria Londoño Velez and Alvaro Hernán Dulce Pereira, who were members of the management team during the period of 2014 to 2015 and contributed to achieving the results presented in this report.

Fundación Carvajal
Abriéndole caminos a la equidad

ANNUAL
REPORT | **2014-2015**

Contents

1. Letter from the President of the Administrative Council	6
2. Letter from the Executive President	8
3. Corporate Government	10
4. Our contributors and partners	12
5. Strategic direction	13
6. Portfolio of programs and products of the Foundation	19
6.1 Business development	22
6.2 Education and Culture	36
6.3 Social and community development	46
6.4 Community and housing infrastructure	54
6.5 Transfers and scalability	60
7. Financial statements	62

1. Letter from the President of the Administrative Council



Alfredo Carvajal Sinisterra
President of the Administrative Council

During 2014 and 2015, we continued our work in the fields of education, community development and income generation in previously selected areas located in some of the poorest sections of the city, following our tradition of making an in-depth and comprehensive search for social solutions, keeping resource limitations in mind. This way, we fulfill our primary mission: concentrate our attention on helping the population of the city that saw the birth of this company.

We would like to highlight the construction, much to our delight, of one hundred (100) houses in El Salado, Department of Bolivar. Before we began construction, we had the opportunity to speak with the communities that would be receiving the homes, who shared their joy for this opportunity. We verified, once again, that building the social fabric between neighbors and allowing them to present their opinions prior to the construction, and taking their needs into account, is fundamental to the success of these housing projects. This was an exception that we made from the work we had completed in Cali, always thinking of it as if it was a new initiative, conceived by the Fundacion Semana, in alliance with the National Government, the Department of Bolivar and the Carvajal Foundation, in order to provide a comprehensive solution and include all the characteristics of everyday life in a community massacred by the deeds of criminal groups.

We continue making alliances with public companies to expand the benefits of our work. The government is an excellent multiplier of our tasks. We make the best use of the natural limitations we have with the resources available.

We also continue expanding our work in Buenaventura, whose population is immersed in a universe of

shortages, deprived of essential elements to survive with dignity, a situation that produces a constant displacement of citizens towards the interior of the country, which negatively impacts on the wellbeing of the communities where we fulfill our social programs on a daily basis.

To allow us to improve our mission, we presented our governability outline for a comprehensive analysis, aware of the times we are living in and the projects that we are hoping to fulfill. After the appropriate consultations, we reached an agreement among the present members of the Foundation Council that an agreement was to be developed into a statutory reform, which will be placed in the hands of the members for their consideration and approval next year. In this way, we hope to give the Foundation more appropriate tools to reach better results.

Mr. Roberto Pizarro, our Executive President, after many fruitful achievements completed in ten years of work at the Foundation, decided to retire at the end of 2015 and in his place, Mrs. Maria del Rosario Carvajal, who worked as substitute president, was elected and was unanimously approved by all members.

2. From the President's Office – Letter of the Executive President



María del Rosario Carvajal Cabal
Executive President

During 2014 and 2015, the Carvajal Foundation continued their work in the most vulnerable populations of the city using the Comprehensive Social Intervention Model, in alliance with over 50 partners and associates per year, boosting sustainable programs of organization and community participation in the priority territories.

During 2015, the Carvajal Foundation took up the challenge to continue the evolutionary process and maximize the completion of the programs and products that support the development of the most vulnerable communities from different knowledgeable areas.

As an intervention strategy, the Foundation expanded their radius of action in territories outside the Valle del Cauca, participated in the implementation of the public policy through inter-institutional partnerships and encouraged the transfer of methodologies to those local organizations that were willing to work on leading social processes within their own territories.

Much of the dynamics for social innovation managed by the Foundation seek to impact public policies in order to make them scalable to other vulnerable communities. It is important to note, that the efforts made in early childhood with the "Saberes" program were outstanding and managed to contribute to the construction of a public policy with different social innovations in the areas of nutrition, family and culture.

The distinctive characteristic of the Foundation is the integral intervention in the areas of social priority. Our programs are organized around the community with their family being the main focus of our attention, as was defined at the beginning of our endeavors.

In the beginning, we worked out of the parish centers; now we fulfill our mission in the community service centers in the District of Aguablanca and the hillside area (Ladera) of Cali, in the Comuna 18. These centers have contributed, in a fundamental manner, to generate conditions for the transformation of communities by bringing in services such as the National Registry, the notaries, the Chamber of Commerce, commercial

banks, micro-finance institutions, the shopkeepers' supplies and library services by using the didactic centers, among others.

In 2015, the Business Development area will focus on supporting the growth and sustainability of business grassroots organizations, to strengthen the possibilities of work for the population in vulnerable areas, through partnerships between the public employment system and the companies doing business in the area, as well as to strengthen productive units in different stages of growth.

The area of Education and Culture continued to improve the quality of education, strengthening the Flexible Methodologies and Educational Environments programs with its early childhood strategy called "Saberes" regarding the formation process of community mothers and educators. It also supported the educational institutions by incorporating new strategies for handling overage children in the classroom, literacy of children and adults, after school complementary activities and didactic centers located in our service centers.

The Foundation has a Classical 88.5 FM radio station that celebrated its 36th birthday this year, and during all this time it has made classical music very well known in the area. During 2015, the radio station was awarded the "Medal of Cultural Merit" and a plaque of honor from the governor of the Valle del Cauca in recognition of the artistic and cultural development the station has demonstrated, motivating us to save this cultural heritage for all the citizens of the southwestern area of Colombia.

Among the projects in the area of Community Infrastructure we would like to highlight the Foundations' participation in the construction of 100 rural houses, part of the free housing program decreed by the national government, which contributed to the strengthening of the social fabric of victims of violence in the village of El Salado, municipality of Carmen de Bolívar, in the department of Bolívar.

I believe that this intervention is an important contribution to the peace process and the restoration of territories that have been affected by violence. It was vitally important to support the families when they returned to their territory, especially to strengthen their skills and abilities in order for them to feel comfortable in their new role as owners. This work became the first

national free housing project in rural areas.

The process of accompaniment that we completed yielded an opportunity to reflect on the thoughts that our Council President Alfredo Carvajal Siniserra, shared with us in 2013: "the home is a source of well-being and prosperity. It is both refuge and heritage. It has an invaluable meaning for the family's self-esteem. It is in the home, in the neighborhood streets, in the parks and in the schools, that friendships are forged and the importance of community life is recognized".

On the other hand, building spaces to play and equipping same with full participation of the community (in Cali) obtained excellent results, which we especially adapted when we decided to use it in Buenaventura, which led us to overcome adverse conditions, typical of a territory affected by conditions of vulnerability.

In 2015, we decided to focus the Foundations' efforts on Business Development, Education and Culture, as well as continuing with Social and Community Development as our most important directive. Although the Foundation will not continue working in the field of Community Infrastructure and Housing, we will continue to offer our expertise in that area, through the transfer of methodologies and knowledge of building social fabric based on the transformation of urban and rural environments with community participation.

Taking a mental tour of the achievements in recent years, I would like to gratefully thank the dedicated employees who transformed the realities of the families and communities involved in this process, and to the Administrative Council who, through their wisdom, supported us in defining and achieving the mission objectives. Heartfelt thanks go to the partners and corporate sponsors who generated sustainable opportunities for inclusion, and to the communities, who managed to get involved in their own development.

I take this opportunity to recognize the management of this entity by Dr. Roberto Pizarro Mondragon, who led the Carvajal Foundation for the past 10 years.

3. Corporate Government

The Administrative Council oversees the preservation and application of the principles underlying the creation of the Carvajal Foundation. For this reason, besides ensuring that the legacy of its founders is preserved, they make decisions regarding the investments, the strategy and the management of social development programs. Its members are:

President: Alfredo Carvajal Sinisterra

Alternate to the President: Maria del Rosario Carvajal Cabal

Principals	First Alternates	Second Alternates
1. Monseñor Darío de Jesús Monsalve Mejía		
2. María del Rosario Carvajal Cabal	Diego Felipe Llano Carvajal	Alberto Carvajal Cabal
3. Gustavo Adolfo Carvajal Sinisterra	María Paula Carvajal Vanegas	Amparo Carvajal Sinisterra
4. Jorge Hernando Carvajal Sinisterra	Juan Martín Carvajal Leib	Beatriz Castro Carvajal
5. Alfredo Carvajal Sinisterra		Alfonso Carvajal Valli

Outside Consultants: Álvaro José Cobo Soto, Gustavo De Roux Rengifo y Ricardo Villaveces Pardo.

Auditor: Deloitte & Touche Ltda.

Steering Group

Executive President

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Classic Radio Station 88.5 FM

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Administration and Finance

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Investigation and Development

Mario José González Mora
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Operational Efficiency

Pablo José Vernaza Pacheco
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4. Our Partners and Sponsors

Public

- Agencia Nacional para la Superación de la Pobreza Extrema – ANSPE
- Alcaldía Distrital de Buenaventura.
- Archivo General de la Nación, Colombia
- Biblioteca Departamental
- Biblioteca Nacional
- Departamento para la Prosperidad Social – DPS
- ECOPETROL
- Empresas Municipales de Cali – EMCALI
- Empresas Públicas de Medellín – EPM
- Esenttia (Propilco)
- Gobernación de Bolívar
- Instituto Colombiano de Bienestar Familiar
- Ministerio de Cultura
- Ministerio de Educación Nacional
- Ministerio de Salud y Protección Social
- Presidencia de la República de Colombia
- Red de Bibliotecas Públicas Comunitarias de Cali
- Servicio Nacional de Aprendizaje – SENA
- Unidad Administrativa para la Consolidación Territorial – UACT

Private

- Caja de Compensación Familiar Comfandi
- Caja de Compensación Familiar Comfenalco
- Caja de Compensación Familiar del Cauca
- Cámara de Comercio de Cali
- Carvajal Educación
- Carvajal Empaques
- Centro Educativo Fé y Alegría Pedregosa y Santa Teresa
- CIAMSA
- C.I Peñatex
- Colaboradores de la Organización Carvajal.
- Compas
- COOLIMVA
- Coopcarvajal
- Corona
- Cosmos Hoteles
- Corporación Viviendo
- Corporación Señor de los Milagros
- Diamante
- EPSA
- Eternit
- Fundalectura
- Fundación Bancolombia
- Fundación Bavaria
- Fundación Buenamar
- Fundación Caicedo González
- Fundación Colombina
- Fundación Corficolombiana
- Fundación Corona
- Fundación Dividendo por Colombia
- Fundación Escuela Taller de Bogotá
- Fundación Familia
- Fundación Gases de Occidente
- Fundación John Ramírez Moreno
- Fundación Moisés Seinjet
- Fundación Nelly Ramírez Moreno
- Fundación Notas de Paz – Orquesta Sinfónica Juvenil
- Fundación Orbis
- Fundación Plan de Apoyo Familiar
- Fundación Propal
- Fundación Puerto de Cartagena
- Fundación Saldarriaga Concha
- Fundación Scarpetta Gnecco
- Fundación Semana
- Fundación Sociedad Portuaria Regional de Buenaventura
- Hotel Hilton
- IMPALA
- Incauca S.A.
- Ingenio Providencia S.A.
- JYC Export & Import
- Marriott Hoteles
- Mexichem
- Pontificia Universidad Javeriana, Cali
- Proartes
- Seterport
- Sky Group BPO
- Sociedad Colombiana de Ortodoncia Capítulo del Valle y del Cauca
- Supertex
- Unilever
- Unipalma
- Universidad Autónoma de Occidente
- Universidad de los Andes
- Universidad de San Buenaventura
- Universidad del Valle
- Universidad ICESI

International Cooperation

- ACDI VOCA
- AECID
- AMCHAM US Embassy
- Banco de Desarrollo de América Latina – CAF
- Centro Cultural Colombo Americano
- Children Change Colombia
- Comité Internacional de la Cruz Roja – CIRC
- Embajada del Japón
- Fight For Peace
- Ford Foundation
- Fundación Ayuda en Acción
- Fundación Limmat Stiftung
- Fundación Mainel
- Fundación Mapfre
- Genesis Foundation
- GIZ
- Hábitat para la Humanidad Colombia
- Junta Castilla y León
- OIM
- Trafigura Foundation

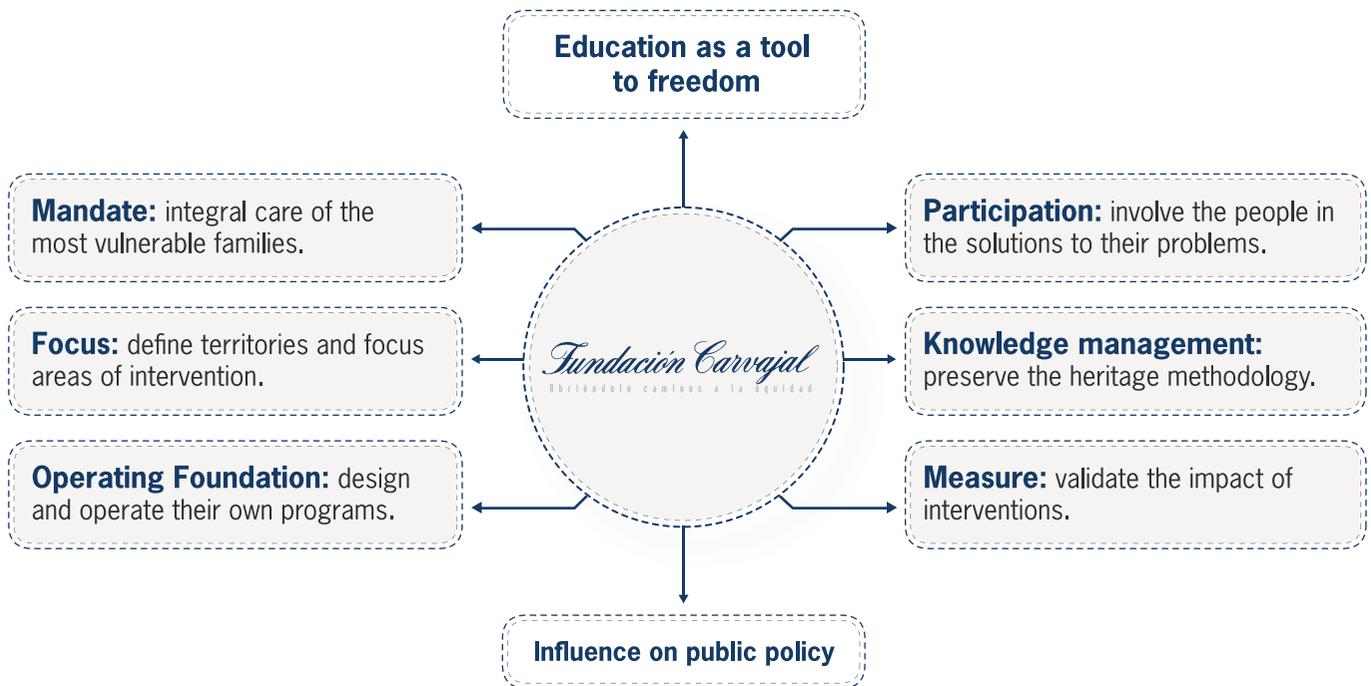
5. STRATEGIC DIRECCION

“A healthy company cannot survive in an unhealthy social environment, because sooner or later, the ills of the environment will impact on their performance. Therefore, the responsible entrepreneur must engage in solving social problems.”

Manuel Carvajal Sinisterra, 1960.

The Carvajal Foundation is a non-profit organization, created with the purpose of improving the quality of life in the most vulnerable communities in Cali, its surrounding areas and the rural lands of the Valle del Cauca, in Colombia.

Our Guiding Principles



Mission:

The Carvajal Foundation is a company of social justice and Christian charity expressing the desire for solidarity of all Colombians.

Vision:

The Carvajal Foundation contributes to the human, social and economic development in vulnerable communities, with emphasis in Cali and Buenaventura, implementing methodologies that enable changes and empowering families and collectives*, through comprehensive social interventions that describe the program areas: income generation, education and culture, housing and environment, including public policy to achieve greater coverage and impact, with strategic allies and partners. Strengthen management's knowledge through the continuous improvement and development of new skills of all employees, ensuring quality and replication of the interventions.

* Collective refers to communities in general, represented by community-based organizations and associations, among others.

Corporate Values

Respect

We recognize the work and functions in each discipline, the knowledge and the culture of these communities and the rights and virtues of each individual.

Equity

Our interventions are equitable for the vulnerable populations, regardless of differences in social condition, religion, sexual orientation, race or gender, among others.

Social commitment

We identify the needs of the communities and work together with them to empower and assist them to become managers of their own development.

Honesty

We work with transparency and consistency, while respecting justice and truth.

Simplicity

We clearly understand the people and their environment and strengthen our actions of generosity and solidarity.

Transparency

Our actions are founded on policies and procedures for the proper management of resources and the fulfillment of commitments.

We have permanent, open channels to our partners and the community that creates trust and credibility.

Creativity and innovation

We continuously create and develop new knowledge adapting ourselves to the environment and its conditions.

Strategic Objectives

The Carvajal Foundation fulfills its integral social intervention programs keeping in mind the strategic plan formulated for the period of 2014 and 2015 as a navigational chart.

Throughout the document, we will present the results of programs that contribute to the achievement of the following objectives:

- 1 : Contribute to the reduction of poverty in prioritized territories.
- 2 : Sign agreements to strengthen the process of comprehensive social intervention.
- 3 : Financial sustainability.
- 4 : Customer Satisfaction.
- 5 : Development of new technological platforms.
- 6 : Qualification of human talent.
- 7 : Maintain a good working environment.
- 8 : Encourage knowledge management for the preservation of methodological heritage.
- 9 : Replication and scalability of institutional experiences.
- 10 : Contribute to the design and implementation of public policy.

Quality Management system

To obtain complete client satisfaction and constant improvements of our Integral Social Integration Model of the strategic management process, the Foundation led and supervised the Implementation of the Quality Management System, by awarding three (3) Quality Certifications.

Renovating certificate ISO 9001:2008

Design a program and offer training services in the areas of processing and manufacturing of food and beverages. Design a program and provide training services in the areas of processing and manufacturing for academic use and the appropriation of technologies for information and communication in teaching and learning processes.

NTC certification 5555: 2011

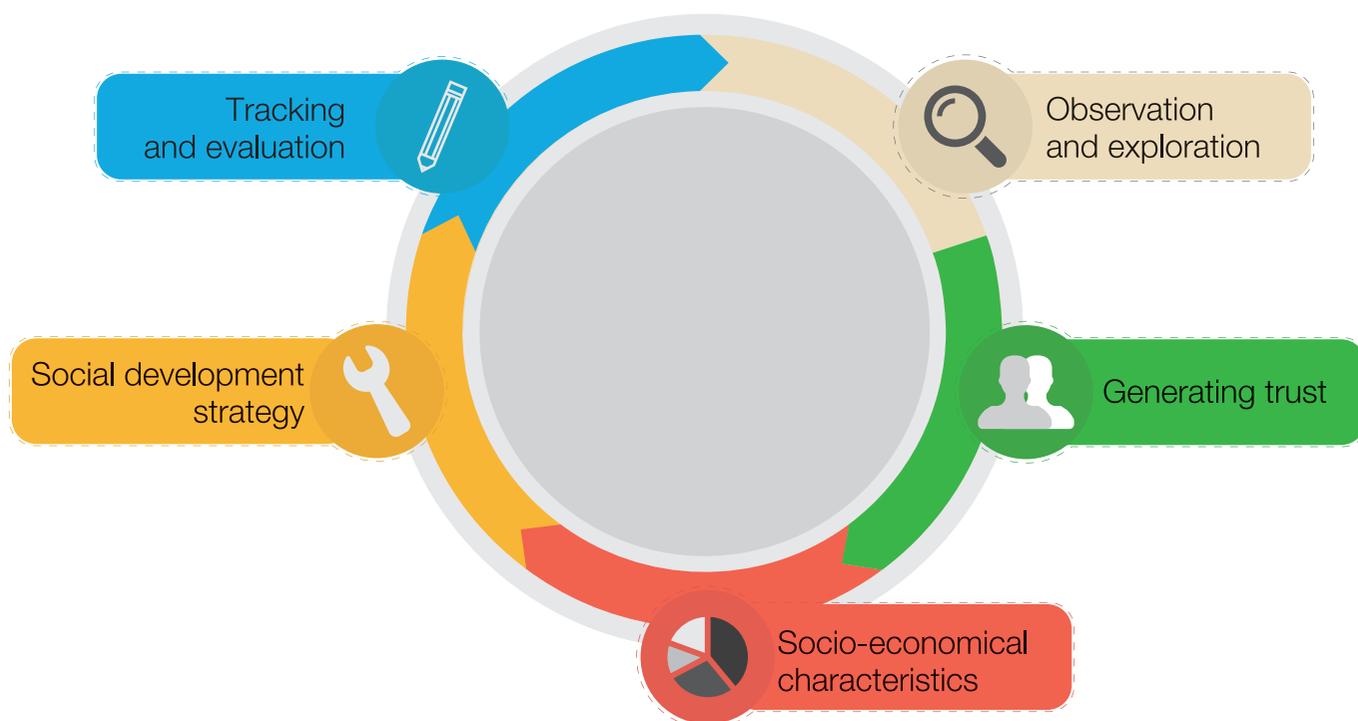
Design a program and offer training services in the areas of processing and manufacture of food and Beverages. Design a program and provide training services in the areas of processing and manufacturing for academic use and the appropriation of technologies for information and communication in teaching and learning processes.

NTC certification 5581: 2011

Training programs for the position as an Assistant Work Technician in the development and preparation of dairy products.

Comprehensive social intervention process

The comprehensive social intervention process outlined by the Carvajal Foundation, identifies specific needs in vulnerable populations and together, come up with new ideas, develop strategies, support their exploration and empower the community in its vown development.



6. Portfolio of programs and products

Based on its Integral Social Intervention Model, the Carvajal Foundation hopes to ensure that the skills of its management, in terms of social and community development, are the correct and strategic manner in which to address and serve the most vulnerable communities in their development processes on an individual, family and/or community level.

The Integral Social Intervention Model is built on the methodological platform that guides the actions of the Organization, in order to support and/or fulfill any social reality, allowing adjustments and adaptations be based on the particular characteristics of communities and/or social interest groups.

Area of Knowledge	Programs	Products
Carvajal Foundation	Integral social intervention model	Development of management skills in terms of social and community development
Business development	Income generation support on a rural and urban level	Business Strengthening: individual–collective
		Entrepreneurship: individual–collective
		Skills for inclusive employment
Education and culture	Flexible methodologies	Brújula
		“Saberes”: Early childhood education
		Inclusive education
	Cultural and educational environments	Complementary extra-curricular activities
		Aula Global
		Archive and photograph files
		Llave de saber
Community development	Family care program	Family support to beneficiaries of the program
		The family as a pillar of development
	Community organization and participation	Strengthening leadership skills on individual and collective levels
		Golazo – Social reconciliation strategy through sports
Community and housing infrastructure	Transformation of urban environments with community participation	New housing or improvements/community facilities and public areas.
		Support during infrastructure work

The Carvajal Foundation in numbers:

	Results to December 2015
Families supported in Cali and Buenaventura	2.249
Interventions completed with all beneficiaries*	678.936
Persons benefitted	26.592
Projects completed during the year	88
Partners or corporate sponsors (12 public, 23 national, 13 international)	48

*On average, we serve each beneficiary 26 times a year.

Our cultural radio station

In 2015, the Clásica 88.5 FM radio station of the Carvajal Cultural Foundation celebrated its 36th birthday. This anniversary was celebrated with a concert by the Philharmonic Orchestra of Cali at the Teatro Municipal Enrique Buenaventura on October 29. On this occasion, the orchestra was directed by the maestro Jorge Mario Uribe performing Alexander Borodin's "In the Steppes of Central Asia" of Edvard Grieg's Peer Gynt Suite #1, and Piotr Illich Tchaikovsky's String Serenade. It was a beautiful evening where guests could attend free of charge with a companion.

During this same year, a special show called "Pathways to Equity" was presented on Wednesdays at 4:30 pm (Colombian time) which expanded information on the projects being created by the Carvajal Foundation, their partners and corporate sponsors as well as sharing information regarding social responsibility initiatives being fulfilled by other public and private entities. This program is being presented to raise awareness in its listeners regarding the needs and challenges faced by the most vulnerable communities of our region.

Clásica 88.5 FM joined the clamor for peace, with an educational campaign called "Peace the yearning of a people". A micro section of one (1) minute and four (4) daily broadcasts invite the listener to reflect and understand the importance of peace from a more human perspective.

Every Saturday morning at 10:00 am listeners are invited to take a musical journey through different countries and continents in the program called "Musical Geography". It is a time to share the musical wealth of many nations, complemented by information about its geographical location, history, culture, gastronomy and tourism. On Sundays at 8:00 pm, there is a new musical hour for rock music with a program called "Tears of Steel" whose main objective is expanding the range of musical genres, but above all, to approach a new generation of listeners.

In November of 2015, Cali enjoyed one of the most important events of the country: "The Second Biennial International Dance Festival of Cali". It was a wonderful festival, designed to go beyond temporary time limitations and remain in the attendants' memory through new experiences that connect with other dances. This city event was made possible thanks to the efforts of Proartes, with the support of the Ministry of Culture, the Municipality of Cali, the Governor's office of the Valle del Cauca as well as the overwhelming support of private businesses on a local and national level. The Clásica 88.5 FM radio station played an important role in the promotional and programming activities of the different shows and became known as the "official radio station" of the event.

Clásica 88.5 remains true to its "raison d'etre", which is to spread the music of great composers, without forgetting the great challenges facing our country and society, providing programming and content with social responsibility.

6.1 Business Development

In our experience we have found that the lack of socio-technical training needed to perform a task is one of the main reasons why a person becomes a victim of economic exclusion. We consider this situation a basic element of vulnerability and one of the main poverty traps that must be overcome to strengthen productive abilities, promote social inclusion and improve the quality of life of the population.

For this reason the Foundation focuses on the following programs:

Support of income generation

Through the training, guidance and support of people in vulnerable situations, and taking advantage of the partnerships between the public and private sectors, the Carvajal Foundation promotes the development of socio-entrepreneurial and socio-labor skills that improve not only individual income, but family income as well, raising the standard of living of families served.



Business strengthening - collective

The process of individual and collective business development faces major challenges, but when approached from the Integral Formation Model developed by the Carvajal Foundation, it contributes to effectively expand businesses and makes it easier to integrate the highly vulnerable population into the local and regional economic dynamics and value chains of large companies.

Businesses are born from ideas that answer specific needs of the community. During the first year, they are supported by entrepreneurship methodologies and the following years with strengthening and consolidation processes.

During 2014 and 2015, we advised and supported, through our collective enterprise product, the strengthening of 14 business associations that employed a significant number of employees in those types of jobs. This can be seen by the following table.

Year	Companies supported	Participating business partners	Additional jobs generated	Sales*
2014	14	210	170	\$8.458
2015	14	195	191	\$6.840

*In millions of pesos

Product 2015-2014 COOLIMVA C.T.A. – EMCALI Cleaning services

COOLIMVA is a working cooperative, created in 2006 and certified with the ISO 6001 certificate. The company provides cleaning services of drainage ditches and canals in Cali. This association handled major challenges regarding the contractual requirements of the current market. The support of the Carvajal Foundation has been vital for sustaining and increasing the monthly income of its associates.

Supported by: EMCALI

Year	Associates	Additional jobs generated	Investment*
2014	29	25	\$991
2015	29	6	\$907

*In millions of pesos.



COOLIMVA Team in Action – Cali

ASOCIACIÓN HOJA DE CAÑA – Incauca Improvement of business skills.

This project was born at Incauca, with the purpose of stimulating respect for the environment and creating new options of income generation for the community. The methodology used by the Carvajal Foundation focused on the exploration of new business opportunities.

Supported by: INCAUCA

Year	Associates	Sales*
2014	27	\$464
2015	27	\$469

*In millions of pesos.



Open fields – Padilla, North of Cauca

MUNDO MADERAS y GANCHOS Y AMARRAS. Reconstruction of the social fabric of the community through inclusion

The development of these two companies is a clear example of the potential that exists for the reconstruction of the social fabric by involving people who used to belong to illegal armed groups by bringing them back into civilian life.

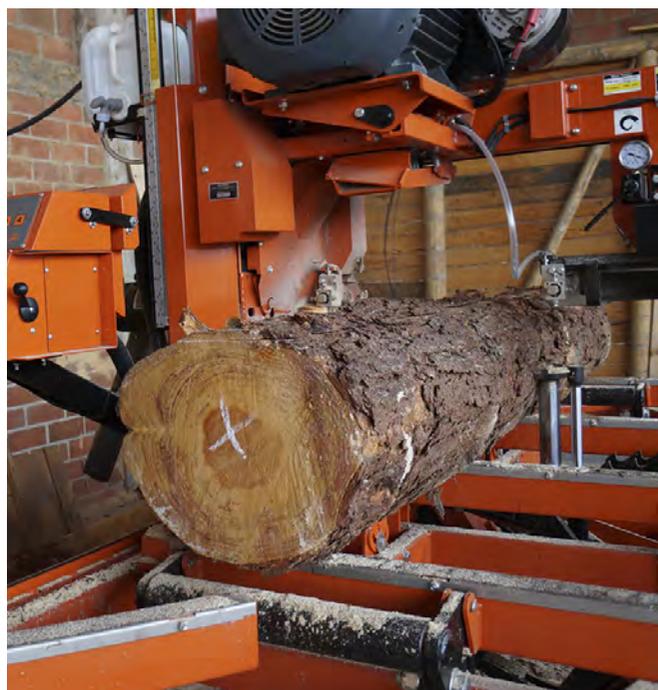
MUNDO MADERAS C.T.A. Strengthening – Collective

MUNDO MADERAS has reached a very high standard in the production of quality pallets, and for this reason were awarded a special recognition by one of its customers. Bavaria presented an award to the company as the best supplier delivering Quality Improvement in their category. Similarly, it has increased the efficiency and volume of production by implementing new technical resources.

Supported by: Organización Internacional para las Migraciones OIM and Bavaria

Year	Associates	Additional jobs generated	Pallets produced	Sales*
2014	9	25	26.031	\$1.283
2015	6	14	28.500	\$1.416

*In millions of pesos.



Production process. Yumbo

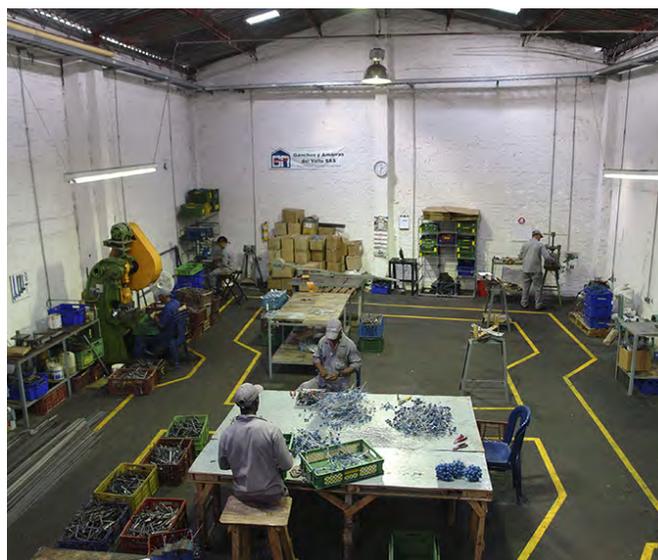
GANCHOS y AMARRAS DEL VALLE S.A.S. Strengthening productivity and competitiveness

Ganchos y Amarras del Valle S.A.S. has managed to expand its portfolio of clients, consolidating a large group of 70 trading partners. Their sense of commitment has presented considerable growth. In 2014, one of its members was elected manager of the operation. It currently has 70 clients.

Supported by: Organización Internacional para las Migraciones OIM and Eternit.

Year	Associates	Additional jobs generated	Sales*
2014	8	2	\$401
2015	7	2	\$281

*In millions of pesos.



Panoramic view of the plant. Cali

SERLIMA TOTAL Cleaning and maintenance services.

This company was created in 2011 as a company specializing in cleaning and maintenance services. By 2015, it had consolidated its portfolio of services, allowing for the financial sustainability of the company, the main source of income of the families involved.

Supported by: Carvajal Foundation

Year	Associates	Additional jobs generated	Sales*
2014	4	6	\$102
2015	4	5	\$147

*In millions of pesos.



A Serlima associate. Cali

SOPRESBUN S.A.S. y SOTRAPORT S.A.S.

Ciamsa, the sugar manufacturing company, within its framework of social responsibility, provided an opportunity for some of its employees to create their own company and become service providers to accept and load the sugar cane for the Ciamsa Company. The continued progress of these two companies has been possible thanks to the support of the Carvajal Foundation which has permitted the continuity of this program.

Supported by: CIAMSA

SOPRESBUN			
Year	Associates	Additional jobs generated	Sales*
2014	58	39	\$2.378
2015	58	28	\$1.975

*In millions of pesos.

SOTRAPORT			
Year	Associates	Additional jobs generated	Sales*
2014	44	77	\$2.105
2015	44	122	\$1.751

*In millions of pesos.



SOBRESBUN Work Team. Buenaventura

CULTURAL COMPANIES

These companies, formed by young entrepreneurs dedicated to cultural services, such as work at the didactic centers and cultural events with their communities, managed by local authorities, provide services as guidance counselors at the headquarters of the Carvajal Foundation. During this period, they have continued to show signs of a high degree of commitment, which has enabled them to expand their portfolio of clients and develop new services.

Supported by: Cavajal Foundation

Year	Associates	Additional jobs generated	Sales*
2014	16	11	\$523
2015	16	9	\$499

*In millions of pesos.



Creative Experience - La Casona Didactic Center



Kinray. Ladera Didactic Center



Culturarte. El Poblado Didactic Center



Culturarte. El Vallado Didactic Center

EL PROGRESO S.A.S.

This company is dedicated to the provision of bagging services, initially offered to Ciamsa, but market conditions led them to seek other opportunities and business strategies on how to approach new customers. During this period, they managed to offer their services to the Creceabro Company to pack a variety of agricultural products.

Supported by: CIAMSA

Year	Associates	Additional jobs generated	Sales*
2014	4	9	\$156
2015	4	5	\$108

*In millions of pesos.



El Progreso Team. Palmira



Collective entrepreneurship

Although collective entrepreneurship continues to gain importance in national economic development, it still faces great challenges that must be overcome by using institutional comprehensive support to come up with new and productive individual and collective business ideas.

ENSAMBLES Y TERMINADOS ENTER+ S.A.S. Collective entrepreneurship

This company, dedicated to graphic design services, was created by eight young entrepreneurs from El Retiro neighborhood in the District of Aguablanca in Cali. The company has increased its client base and has been joined by 20 more young people from the community.

Supported by: Fundación Bancolombia and Carvajal Educación.

Year	Associates	Additional jobs generated	Sales*
2014	8	2	\$172
2015	7	29	\$287

*In millions of pesos.



Enter+ team – Yumbo

RECICLOPLAS S.A.S. Plastic recuperation and processing company

The objective of this project is to offer services for the transformation and reuse of lightweight plastic to minimize the environmental impact and provide opportunities for income generation to three (3) recycling organizations. The Carvajal Foundation is supporting the kick-off process by strengthening its business plan in terms of quality service and operating costs.

Supported by: Carvajal Empaques

Year	Associates	Activities
2014	3	Three (3) partners established the company. They developed the first approach to business viability. They then created the baseline with information regarding pilot programs. They made their first approach to interest groups: Potential sources (city of Villavicencio). Defined the activities route for 2015.
2015	3	Completed the research and development regarding the uses of the product with Carvajal Empaques as the anchor company.



Recicopias Team. Cali



Individual business strengthening

Education, training, and counseling of micro-entrepreneurs from our territories and from the city allows the generation of income to become a reality for the families who develop this type of activity. During 2014 and 2015 several projects were developed with this purpose, connecting with micro-entrepreneurs with 1, 2 and 3 training levels.

WOMEN EMPOWER – AMCHAM Business strengthening, empowering women

In 2014, our partner AMCHAM (American Chamber of Commerce Colombo – Southwest Sectional) launched the Women Empower program, which promotes entrepreneurship and strengthens the business skills of women in the region. The Carvajal Foundation supports this business strategy in order to improve the skills of the population and strengthen their business and human relationships.

Supported by: AMCHAM Colombia US Embassy in Bogotá.

Year	Businesswomen in Cali and Buenaventura	Sales*
2014	100	\$200
2015	100	\$86

*In millions of pesos



Members of the Association of Traditional Keepers of Gastronomy of the Pacific (Integrantes de la Asociación Sabedoras Tradicionales de la Gastronomía del Pacífico.) Buenaventura.

Banking correspondents

Forty (40) micro-entrepreneurs from Cali from the second and third levels working as banking correspondents representing Bancolombia, conducted training and consulting procedures course that allowed them to grow their business significantly which contributed to the improvement of the financial conditions of their families and employees.

Two hundred and twenty (220) million pesos were provided for the development of this project.

Supported by: Fundación Bancolombia



Banking correspondents' workshop. Buenaventura



Banking correspondents' workshop. Cali



Employability

The demands of today's labor market make it difficult for some people to have access to a job when they do not have social, labor and/or the technical tools that confirm their skills and abilities. The employability program developed by the Carvajal Foundation provides all the necessary tools to strengthen personal skills prior to seeking a working position.

Skills for inclusive employment: training and support

The support program for income generation considers the importance of work schemes to promote skills for inclusive employment, which begins with a need felt by the regional business sector, where many positions are no longer being filled due to the fact that there are very few individuals with the appropriate abilities and required skills. The beneficiaries of this program are previously trained, not only in technical matters but also in social, individual and family guidelines that are required if they hope to fill a position with a specific profile.

Supported by: Comfenalco, ACDI VOCA and Comité Internacional de la Cruz Roja, CICR



Dressmaking/Tailoring. Comfenalco

Year	People Trained	Participating Companies	Investment*
2014	354 in different jobs. This allowed for the hiring of 244 of them at 10 different companies	Marriott Hotels:47 Deltec:7 Unilever: 22 Hotel Hampton by Hilton: 7 Hotel Cosmos Pacifico Buenaventura: 3 Supertex:7 Peñatex: 18 Brilladora El Diamante: 63 Maniobra Comercial 12 Datacontrol: 58	\$258
2015	765 in different jobs. This allowed for the hiring of 362 of them at 13 different companies	Summar:85 Olimpica: 13 Exito:19 Fortox:42 Diamane:54 STF Group:17 Carnes y Derivados:19 Sotraport:35 Penatedx:33 Hogaru:16 Mundo Maderas:18 Sociedad Portuaria:8 Ecsa: 3	\$1.004

*In millions of pesos



Hotel services training. Comfenalco CIRC. Buenaventura

Income generation program in the territory

We implemented strengthening programs for subsistence businesses and consolidation of small businesses, through training and psychosocial support in sectors served.

The subsistence businesses typically are described as small, generally stationary production units, run by people with low levels of education that include street sales of food/snacks and small neighborhood stores.

These small companies are engaged in selling clothing, apparel, handcrafts, leather goods and trinkets and usually stay in the business for a year or so and bring their family members in to work with them.

Supported by: Carvajal Foundation, Fundación Mainel, Embajada de España en Colombia and the Aecid Oficina Técnica de Cooperación.

Subsistence businesses served:

Cali	Benefitted
Comunas 15 y 13	13
Comuna 18	22

Small businesses served:

Cali	Benefitted micro businesses
Comunas 15 y 13	31
Comuna 18	19



Micro-businesses doughnuts. Cali



Alvaros Gym. Cali



Micro-businesses bread: Aliñado / Integral. Cali



Micro-businesses arepas La Victoria. Cali



Micro-businesses stuffed animals. Cali



Micro-businesses dressmaking. Cali

Productive subsistence businesses in Buenaventura

Thirty (30) entrepreneurs were part of a training and support process that is in the second phase of skills strengthening.

The most important achievement, to date, has been to keep the people working as entrepreneurs and to keep building up their businesses; a few of them have diversified and changed to different types of products. The investment amounted to 100 million pesos.

Supported by: Carvajal Foundation, Fundación Mainel, Junta Castilla y León y Fundación Saldarriaga Concha.



Micro-entrepreneurs in Buenaventura.



Micro-entrepreneurs in Buenaventura.

Special projects

Financial education

During 2015, we supported five (5) small groups working with community savings and credit entrepreneurs. With these resources, families paid for their financial and capital needs of their own production units, the acquisition of goods for the home and paid for their utilities, among others.

Supported by: Carvajal Foundation



Credit and Savings Group. Cali

Recycling and environmental management organizations in Cali

This strengthening process, allowed for the recognition of the work performed by the community, increased opportunities for generating income and expanded the possibility of offering this very important service to the city.

Supported by: Fundación Familia, Fundación Bavaria y la Corporación Autónoma Regional del Valle del Cauca CVC.

Year	Recycling organizations supported	Wages generated*	Permanent jobs	Temporary jobs
2014	4	247	7	13
2015	4	217	7	3

*Working at large events.



Versalles agro-ecological farm Valle del Cauca – Productive Model

This project permitted the economic recovery of the agro-ecological farm with the active involvement of 45 seniors.

Although weather conditions generated some difficulties in the production, the recommended good practices they learned, allowed this blackberry farm to achieve more than \$39 million in income in 2014 and to \$190 million in income in 2015.

Supported by: Fundación Saldarriaga Concha, la Corporación Diocesana and the Carvajal Foundation.

Year	Older adults and families benefitted	Sales*
2014**	45	\$39
2015	45	\$190

*In millions of pesos

**Consolidation of business partners (Productora de Jugos S.A.S., Cafenorte, Proficol)

6.2 Education and culture

Education as an instrument of liberation allows the human being to be fulfilled holistically and enables that individual, not only to grow, but to improve the society in which they live. The Carvajal Foundation, in its mission to contribute to the development of the human being and the reduction of poverty, developed partnership systems to improve the quality and coverage of education by using two (2) major programs: the "Flexible Methodologies" and "Educational and Cultural Environments". By using these methodologies, new opportunities are created for the reconstruction of the communities' social fabric through the acquisition of knowledge.

Coverage

Year	Early childhood beneficiaries	Qualified educational agents	Students served	Beneficiaries of the community	Trained teachers
2014	3.780	338	34.217	26.799	1.504
2015	10.288	2.021	41.908	72.892	1.170

Flexible methodologies

The implementation of methodologies to suit the specific needs of the population that is overage or outside the national education system is necessary to ensure the right to inclusive education for all. This work is part of the Sectoral Political Strategy issued by the Ministry of National Education and General Education Law - Law 115 of 1994 – described in its Regulatory Decree 1860 of 1994 and Law 715 of 2001.

In response to this need, the Carvajal Foundation, in coordination with the public and private sectors, created and developed different products that are listed below which were implemented in 2014 and 2015, with the following general results:

Brújula: life skills and more

Brújula is a comprehensive educational program for children between the ages of 9 and 14 who have not acquired the basic understanding of reading and writing. It contributes to reduce the index of overage students and prolongs the time the students stay in the formal educational environment.

Supported by: Fundación Dividendo por Colombia, Fundación Corficolombiana, Educación Cali y Secretaria de Educación Distrital de Buenaventura.



Students at the Corporación Señor de los Milagros. Cali

Year	Students served	Aulas (classrooms) served	Investment*
2014	1.810	57	\$213
2015	1.990	88	\$409

*In millions of pesos



Students at the Colegio Saleciano Jesús Adolescente. Buenaventura

Brújula: skills to learn and dream about the future, for young people and adults.

This program promotes literacy in vulnerable adult population.

Supported by: Fundación Ramírez Moreno and the Fundación Saldarriaga Concha.



Literacy for adults. Buenaventura

Year	Adults served*	Aulas (classrooms) served	Investment**
2014	220	10	\$100
2015	242	11	\$100

*46 enrolled in educational institutions

**In millions of pesos



Literacy for adults. Cali



Palabrario y numerario (Words and Numbers)

This methodology qualifies teachers' pedagogical practices so that they may help develop skills in reading, writing and logical-mathematical thinking in preschool children and in primary grades.

Supported by: Genesis Foundation, Inc., Fundación Corona y Fundación Scarpeta Gnecco.

Year	Benefitted students	Qualified teachers	Investment*
2014	18.811	698	\$165
2015	14.084	582	\$145

*Figures expressed in million pesos.



"Saberes" Initial education

"Saberes" promotes the training and transformation of the community mothers and the early childhood education teachers to encourage the strengthening of the bonds between the family and the community.

Supported by: Fundación Bancolombia, Fundación Limmat Stiftung de Suiza, Fundación Corficolombiana, Instituto Colombiano de Bienestar Familiar ICBF, Génesis Foundation Inc., Fundación Corona, Fundación Puerto de Cartagena, Secretaria de Educación Municipal de Cali.

Year	Children served	Trained educational agents	Investment*
2014	3.780	338	\$828
2015	10.288	2.021	\$829

**In millions of pesos



CDI Puertos de Infancia. Buenaventura



CDI Corporación Señor de los Milagros. Cali



Accelerated learning

Accelerated learning is an educational program based on the flexible models established by the Ministry of National Education, which addresses the needs of overage children and youth to encourage the development of necessary skills to promote young children to the sixth grade.

35% of educational institutions served in Cali exceeded the average math test score at regional and national levels and 85% of the students in each class were promoted two years ahead. In Cali 74% and in Buenaventura 87% of the children are still in the school system.

Source: SIMAT 2014

Supported by: Fundación Dividendo por Colombia, Fundación Corficolombiana, Educación Cali, Secretaria de Educación de Buenaventura y Gobernación del Valle.

Year	Students served	Aulas (classrooms) served	Trained teachers	Investment*
2014	2.575	105	103	\$384
2015	3.576	159	159	\$548

**In millions of pesos



Students at the Colegio Antonio Nariño. Buenaventura



Students at the Corporación Señor de los Milagros. Cali



Inclusive education

Inclusive and quality education is based on the rights of all students to receive quality education to meet their basic learning needs and enrich their lives. By paying special attention to marginalized and vulnerable populations, inclusive and quality education endeavors to develop the full potential of each person. The final goal is to end all forms of discrimination and promote social cohesion.

In the website called Colombia Learns by the Ministry of National Education there is an "edusitio" (educational site) that describes inclusive learning environments. In it, with the support of the Carvajal Foundation, new teaching tools are being incorporated to use in the classroom as part of the inclusive education program.

Supported by: Ministerio de Educación Nacional



Year	Benefited students	Teachers trained in flexible didactics	Teachers trained in RBC*	Investment**
2014	542	210	84	\$228

*Design of the didactic guide for "Rehabilitation based on the community" (CBR)
**In millions of pesos

Educational and cultural environments

These environments create a cultural, educational and technological strategy that expands conceptual references, services and infrastructure to allow access to information, understanding, use and appropriation of technology, to encourage new outlooks on life and strengthening of the social fabric of the communities served.



Complementary extra-curricular activities

Complementary extra-curricular activities encourage students to remain in the educational system while enrolled during the school year in contrast to the school day schedule. These activities take place in four (4) different areas: environmental, artistic and cultural training, science and technology, sports and recreation.

Supported by: Ministry of Education.

Year	Students served	Teachers trained	Investment*
2014*	4.578	65	\$1.762
2015	4.620	103	\$3.313

**In millions of pesos



Institución Educativa Las Américas. Buenaventura



Aula Global

The aula global supports improvements made to quality education by incorporating information communication and technologies (ICT) systems into educational environments, by providing technological methods, educational resources and teacher training in the use and integration of ICT in literacy, digital culture and educational software. At the same time, it unites the educational community with surrounding neighborhoods which in turn, promotes the understanding of culture and digital literacy.



Year	Students served	Teachers Benefitted	People served	Investment*
2014	3.526	195	677	\$262
2015	7.938	198	1.094	\$236

**In millions of pesos

Aula global reduces the digital gap, making it easier to access information by creating strengths within the social and institutional fabric of the community.

Supported by: Ingenio La Cabaña, Fundación Moisés Seinjet y Fundación Puerto de Cartagena.



Libraries and cultural centers

These buildings are cultural, educational and technological centers that contribute to the improvement of quality education to support and invigorate the community with the management of their proposals as well as the educational and occupational alternatives within a legal framework (Law of public libraries, 1379 of 2010).

Supported by: Fundación Ramírez Moreno, Secretaria de Educación Municipal Cali, Ministerio de Cultura, Fundación Culturarte, Asociación Create, Asociación Cultural Kinray y Asociación Experiencia Creativa.

Year	Services offered	Investment*
2014	204.051	\$640
2015	304.362	\$718

**In millions of pesos



La Casona



Ladera



El Vallado



El Poblado

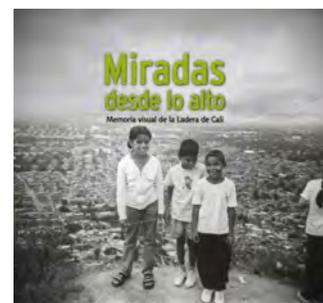
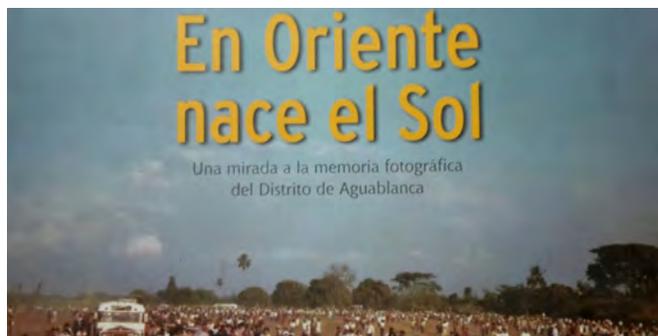
Photographic historical archive and management of cultural heritage of Cali and Buenaventura.

This site is a place for collaboration and training making it possible to recover the local and historical memory as well as the identity and intangible cultural heritage of the communities in Cali and Buenaventura.

In 2014

- 100 young people participated in Cali and Buenaventura
- 42 young people had comprehensive training in how to create digital files and how to arrange them into a system.
- Three (3) centers of photographic files in Cali and one (1) in Buenaventura were strengthened and equipped with technological infrastructure
- The photographic archive of Buenaventura was created, with 1,000 photographs describing the heritage of the community

Supported by: Ministerio de Cultura, Archivo General de la Nación and the Sociedad Portuaria de Buenaventura.



Llave del Saber

The "Llave del saber" is an information system that permits the management, evaluation and monitoring of library services through a unique strategy of data collection and analysis associated with library users and their preferences. The system has been used since 2010 at the Community Network of Public Libraries in Cali and beginning in 2014, was put into practice at the National Network of Public Libraries.

Supported by: Ministerio de Cultura

Year	Libraries benefitted	Trained individuals	Investment*
2014	1.404	1.500	\$1.650
2015	1.404	1.860	\$243

**In millions of pesos



La Casona Didactic Center



Ladera Didactic Center



Innovation and quality education

This program promotes quality education in thirteen (13) educational institutions in the Valle del Cauca, by improving strategies associated with educational quality factors, linked to the institutional educational project.

Supported by: Fundación Scarpetta Gnecco

Year	Students	Teachers	Investment*
2014	2.155	82	\$395
2015	908	82	\$395

*In millions of pesos



Institución Educativa Ana Josefa Morales Duque – Santander de Quilichao



Educational, cultural and social transformation based on the inclusion of the ICT

By including the ICT (information communication and technologies) in the educational process of vulnerable populations, it energizes their academic development processes and prepares the population served in how to use new technologies. A total of 22% of the people that use one of the four (4) didactic centers participate in this program.

Year	Community	Investment*
2014	23.930	\$72
2015	48.288	\$144

**In millions of pesos



6.3 Social and community development

The social and community development is the centerline that supports all the interventions that are developed and put into practice by the Carvajal Foundation. This creates healthy relationships within families; strengthens the social roles of their members as citizens, children, employees, employers, parents, among others, throughout their life cycle.

Social intervention also strengthens leadership and community organizations and reduces psychosocial risk factors in communities that are prioritized territories.

These operations are performed to fulfill the programs to assist families, organizations and expand community participation.

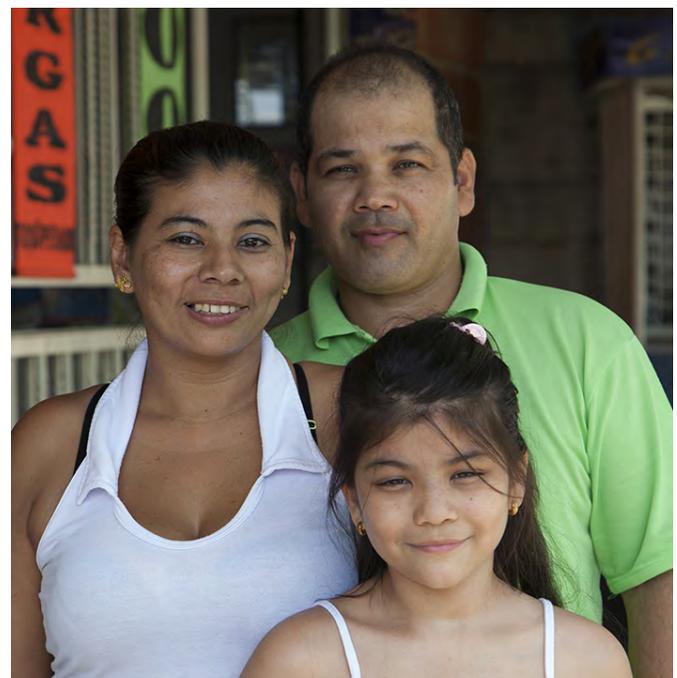


Family care program

The Carvajal Foundation understands that families are the fundamental pillar of social and community development. Therefore, through training and support, we help build and strengthen their potential environment. Basic needs are recognized, a family's life skills are developed and, depending on each situation, family relationships are strengthened, formal employment is located, educational abilities are expanded, productive units are strengthened and the physical environment is improved.



Supporting the development of these life skills, we focus on strengthening the relationships within the family itself, roles and functions are established, standards and limitations are agreed to and work is done to resolve conflicts. In this way, the family dynamics are improved.



Parenting skills

The first stage of childhood development is the opportunity to set up values and principles in children. For this reason, the parenting skills workshop focuses on improving the quality and effectiveness of the parents or heads of households.



Early childhood training workshops. Buenaventura

Year	Facilitators	Community
2014	97 trained facilitators	N/A
2015	9 Certified Professionals	480 people certified



Early childhood training workshops Taller. Cali

Elderly and adult community: city, inclusion and traditions

This program expands the efforts to improve the quality of life of the elderly from the individual, familiar and collective point of view, rescuing their knowledge, traditions and social values.

Supported by: Fundación Saldarriaga Concha y Fundación Nelly Ramirez Moreno.

Year	Older adults served	Community leaders trained in caring for adults	Investment*
2014	520	21	\$630
2015			

*In millions of pesos



Older adult. Buenaventura



Older adult. Cali



Organization and community participation

Golazo: Social reconciliation strategy through sports in Cali and Buenaventura.

The socio-sports program Golazo is a strategy that encourages social community development by training children and adolescents to play sports to reduce risk factors such as violence, psychosocial problems and substance use.

Golazo arrived in Buenaventura in 2012, based on the experience of three (3) successful years we had had of the program in Cali in the areas of El Retiro and Ladera. Just as in Cali, this program included training in basic football and human development skills to a group of community leaders interested in sports that are now known as the Golazo Sports Instructors.

Supported by: Trafigura Foundation, Banco de Desarrollo de América Latina CAF, ACIDI VOCA USAID, Fundación Bancolombia, Colaboradores de la Organización Carvajal, Cooperativa de Trabajadores de Carvajal Coopcarvajal, Cooperación Alemana GIZ, Unidad Administrativa para la Consolidación Territorial-UACT, Alcaldía Distrital de Buenaventura, EPSA, Fundación Orbis, Instituto Colombiano de Bienestar Familiar ICBF y JYC Export & Import.



Golazo. Cali



Golazo. Buenaventura

Year	Children and adolescents trained in social skills, through the "Peace Football" methodology	Socio-sports monitors who lead the training process	Families that participated in the training process	Investment*
2014	2.200	23	525	\$386
2015	2.450	29	550	\$630

*In millions of pesos

Strengthening leadership skills - individual and collective levels

This is a strengthening program that creates opportunities for participation and community encounters to encourage the creation of support networks and the identification of common initiatives, as well as provide tools to handle a more democratic and proactive leadership.

Hacia Allá Vamos, Buenaventura

This program to develop management and democracy skills in local leaders, was created hoping to inspire the community to actively participate in political and social change.

Supported by: Ford Foundation and the Fundación Corona

Year	Activities	Investment*
2014	Creation of the operative team Initiative was launched 578 leaders, trained in basic leadership skills based on emotional intelligence	\$55
2015	Consolidation of the offer for training in basic leadership skills based on emotional intelligence 151 leaders trained	\$242

**In millions of pesos



Working with Community Action Boards in Cali

The activities carried out in the last year are described as follows:

2015	<ul style="list-style-type: none"> • Process completed of how to approach, diagnose and support 16 community action board leaders • 39 leaders were trained in the course called "Leadership based on emotional intelligence". • Developed seven (7) profiles of community projects. • Supported three (3) community groups, mainly of young men and women
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Supported by: Carvajal Foundation



Strengthening the Centre for Community Development at El Retiro, Comuna 15 - Cali.

This center is working thanks to the commitment of its leaders. Through partnerships made with several companies, the library offers services to the community.

The most important results were:

	Achievements
2014	The number of services offered at this library: 9.945
2015	The number of services offered: 38.037 The Association of Young People called "Create" was born, which serves 30 young people in learning artistic expressions such as dance and graphic design.



Supported by: Secretaría de Bienestar Social de Cali, Fundación Gases de Occidente y Secretaria de Educación de Cali.

International partnerships

We have signed partnerships for development programs and projects with companies that have intervention programs in Cali in which they are also involved. This is the case of the Listening Center, Smiles of Life program and the Juvenile Symphonic Orchestra – "Notas de Paz", as described below. The activities that took place in the last couple of years are described below:

Listening Center - El Retiro neighborhood

Supported by: Fundación Gases de Occidente and the Corporación Viviendo, who operates the strategy.

Year	Activities
2014	Primary mental health care to 275 people. 54 cases of disability problems, intra-family violence and use of psychoactive substances.
2015	Primary mental health care to 275 people. 54 cases of disability problems, intra-family violence and use of psychoactive substances. 35 high risk young people who were motivated to practice boxing.



Programa Sonrisas de Vida (Smiles for Life Program)

This is an orthodontic program for young people, supervised by the Colombian Society of Orthodontics, Valle and Cauca chapters with the support of the Carvajal Foundation.

Year	Young people served
2014	20
2015	25



Orquesta sinfónica y juvenil – Notas de Paz

This initiative was developed by the Fundación Notas de Paz, with the support of the Carvajal Foundation and the Fe y Alegria Foundation.

Year	Participating children and young people
2014	52
2015	104

Optimization of informal housing

This is a program that seeks to optimize the informal housing, whose main purpose is to develop, with members of the community from the public and private sector, a proposal to improve access to housing for the neighborhoods in the social inclusion territories, a program supervised by the Mayor's office in Cali, Comuna 15.

The main activities were:

2015

- Construction of an inclusive, participative and sustainable model for improving housing possibilities in the territories of Comuna 15.
- Five (5) community action boards participated and 982 households were described. Seven (7) companies began working on a pilot program.
- Three (3) additional courses in painting and finishing's were taught - 46 people were certified in these trades.



Information gathering process in the community.

Supported by: Asociación Habitat para la Humanidad Colombia.

Corporación Señor de los Milagros

For more than five years, we have been supporting this organization founded by Father Alfred Walker, a Jesuit missionary. We developed programs for the care of children in the early childhood years, primary and secondary education and social projects.

We implemented quality programs, which included the strengthening of the management board as well as the administrative, academic and community programs. This program used various strategies to encourage teachers and teaching directors in order to improve the quality of education provided to children and youth, from preschool education through high school (10th and 11th grades).

By working together, we created training scenarios for teachers focused on abilities, not just for the classrooms but also those that had a relationship with learning practices and evaluation of the students and the projects being used. In the manager's case, we encouraged spaces for illustrations and discussion of strategies to lead the educational community, but above all, to monitor the development of the project to verify full compliance with the plans that had been set up.

This support yielded the following achievements:

- Definition of pedagogical focus
- Design of the curriculum by cycles
- Supported by the Japanese Embassy, equipment was received to implement the industrial type workshops.

Supported by: Mision Jesuita en Alemania



2015

- 516 girls and boys at the Child Development Center
- 60 early childhood educators
- 53 teachers and school administrators
- 1,081 students from pre-school, basic (grades 1-9) and middle school

6.4 Community and housing infrastructure

This program works on strengthening the families and encouraging them to develop life in their community and pays special attention to a clean and healthy environment, using a construction model and improving the houses with community participation, with a special emphasis made on family and community involvement with particular interest placed on creating homes, social community fabric and neighborhood.

Transformation of the urban environment with community participation

The equipping and repair of the urban environment to encourage the transformation on a family and community levels is an integral part of the intervention model proposed by the Carvajal Foundation. This offers decent housing, cultural services, sports activities and recreational services. All this is possible, thanks to the union of public and private sectors and the active participation of the community in its own development.



New housing or improvement and community facilities

Urbanización Nueva Independencia, Urbanización Guacarí

The second allocation phase of housing for the sugar cane cutters took place in 2014, in the town of Guacarí, Valle del Cauca, with the building of 24 priority interest houses.

Supported by: Provicosecha

Investment: \$ 716 million pesos



Urbanización El Samán: Priority Interest Housing

This priority interest housing project benefitted 156 sugar cane cutters families in the municipality of El Cerrito, in the Valle del Cauca. A total of 120 masters in construction and 156 assistant workers were trained during this project.

Supported by: Provicosecha

Investment: \$ 5.572 million pesos



Corregimiento El Salado, Carmen de Bolívar: Intervention in priority interest housing

Within the framework of the free housing program, the national government made the construction of 100 homes in El Salado a viable project, by uniting the Governor's office of Bolivar and the Semana and Carvajal Foundations. The latter assumed the organization of the project and its constructive methodology process in all its stages.

This project, the first rural housing endeavor in the country, contributed to the reconstruction of that territory creating the possibility for 100 families living in vulnerable conditions, to understand that this housing project was a development strategy for the strengthening of the family and the community.

Besides the intervention construction process, we developed a program for social strengthening, to contribute towards the expansion of public policies, by focusing on territorial development. The impact was overwhelming thanks to the execution of a training, organization and community participation process which, knowing they were going to receive a home of their own, stimulated their abilities, converting that feeling into a process that encouraged their own personal development.

Supported by: Gobernación del Bolívar, Fundación Semana, Agencia Nacional para la Superación de la Pobreza Extrema-ANSPE, Ministerio de Vivienda, Fundación Semana, Banco Agrario de Colombia, Eernit, Corona, Argos, Hilton, Mexicham y Orbis.



Investment: \$5.641 million pesos.

Expansion of the Infant Development Care Center - Ladera – Cali

In 2014, 572 m²m were built to expand the Infant Development Care Center called Ladera de Colores, located in the Comuna 18 (hillside area of Cali), which greatly expanded the coverage of children served, within the framework of the early childhood development program called "Saberes". Fifty additional children were served.

Supported by: Japanese Embassy and the Fundación Ramírez Moreno.

Investment: \$ 838 million pesos.



Transformation of the headquarters of the Corporación Señor de los Milagros.

This project permitted us to transform and improve two (2) educational centers in the district of Aguablanca, optimizing security conditions, open air activities and overall comfort of the young people and contributing to the sustainability of quality education.

Sede El Retiro

Investment: \$435 million pesos.

Supported by: Fundación Scarpeta Gnecco y Fundación Orbis.

Sede El Vergel

Investment: \$ 1.125 million pesos.

Supported by: Japanese Embassy and the Mision Jesuita in Germany.

Activities completed:

2014	Phase 1 - Remodeling of the original building.
2015	Improvement of existing infrastructure and socio-educational support for the appropriation of the learning areas.



El Retiro



El Vergel

Development of the Infant Development Center "Puertos de Infancia" in Buenaventura.

The construction of the Infant Development Center was the answer to the need of hundreds of vulnerable children under the age of five, belonging to the Community Homes Program supported by the Instituto Colombiano de Bienestar Familiar (ICBF) (Child Protective Services) in three (3) neighborhoods in the district of Buenaventura.

This construction has strengthened the image of that area of the city and today is a source of pride for its inhabitants.

Supported by: Instituto Colombiano de Bienestar Familiar-ICBF, ECOPETROL and Gases de Occidente.

Inversión: 2.991 millones de pesos.

2014	Barrios Carlos Holmes Trujillo, Caldas y Nuevo Amanecer • 160 cupos infantiles. • 12 agentes educativas a cargo. • 1.660 metros cuadrados construidos. Servicios de enfermería, baterías sanitarias, ocho aulas de aprendizaje, comedor, cocina y zonas verdes, entre otros.
------	--



Sports fields

Improvement of sport fields where children play during school activities and recreation. These spaces are used by the Golazo program.

Buenaventura: Delivery of two (2) courts, which the community uses for their sports practices. Caldas district court, 400 people benefited. Carlos Holmes Trujillo district court, 770 people benefited.

Investment: \$ 539.8 million pesos.

Supported by: Unidad Administrativa para la Consolidación Territorial, Grupo de Apoyo del Comandante del Ejército, EPSA y Fundación Orbis.

Cali: Located in the Comuna 18, (hillside). Benefiting about 500 families and 2,500 people located in the surrounding area. It is used as a sports field for physical education classes of a nearby school and is the training site for one of the Golazo groups in the area of Ladera.

Investment: \$ 106 million pesos.

Supported by: Die Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.



Court - Carlos Holmes Trujillo neighborhood. Buenaventura.



Court – Caldas neighborhood, Buenaventura



Court - Altos de la Cruz, Comuna 18.

Improvements made to the Carlos Holmes Trujillo school in Buenaventura.

Two (2) classrooms were built as well as lavatories, walkway areas, multiple sports areas and roadway/sidewalk access. The whole complex was also painted.

2014: the improvements began

2015: the work is delivered

Con el apoyo de: Unidad Administrativa para la Consolidación Territorial -UACT, Alcaldía Distrital de Buenaventura.

Investment: \$ 460.2 million pesos.



Improvement to the Incauca Houses – Cosecha

This project improved the housing of the sugar cane cutters and their families in seven (7) municipalities in southern Valle and northern Cauca. The community was strengthened in many ways especially in the area of healthy housing.

Supported by: Incauca – Cosecha

Investment: \$529 million pesos

2014

Improvement of the infrastructure: bathrooms, kitchen, electric installations, additional rooms and strengthening the housing structure and useful ideas for 100 healthy households

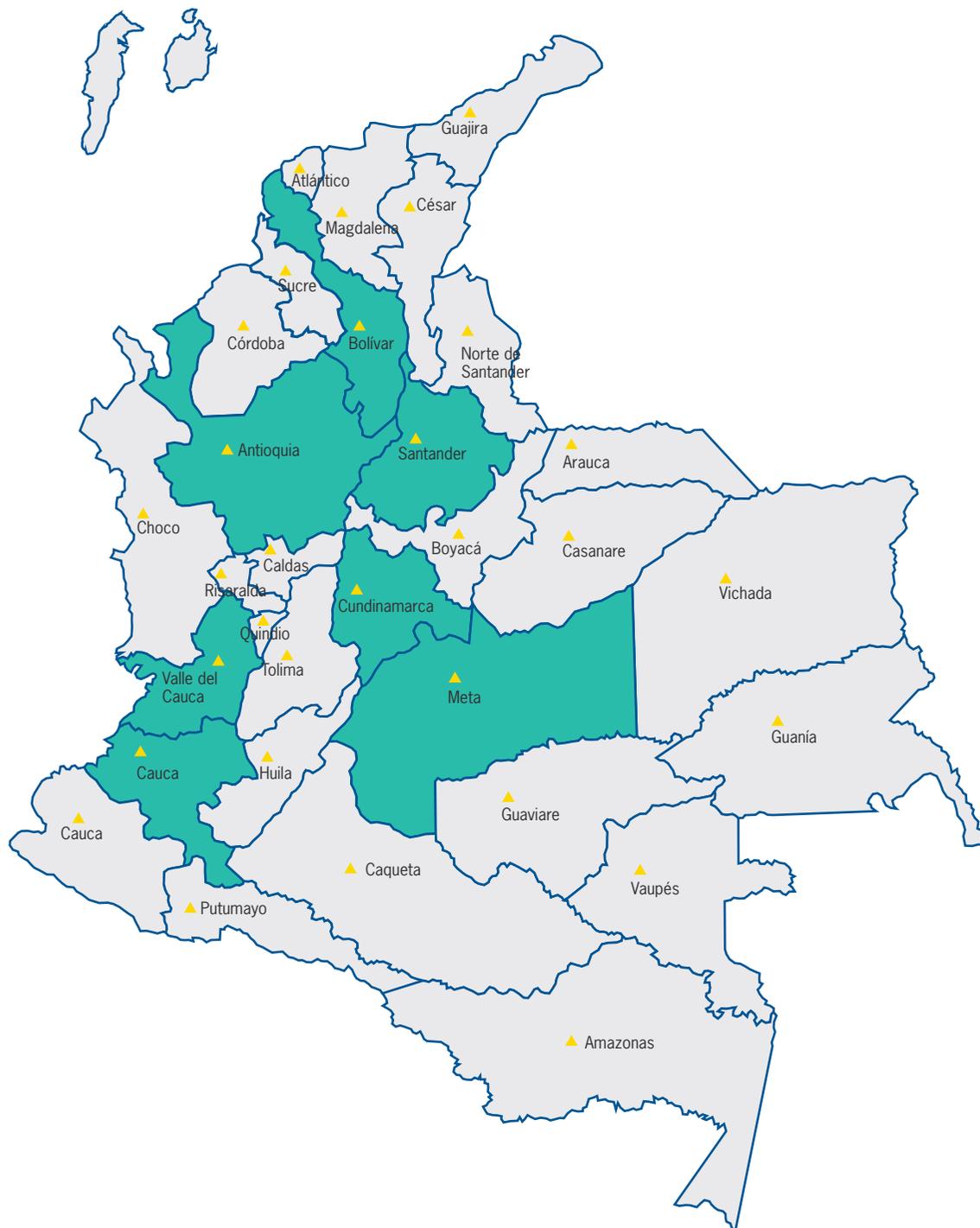


6.5 Transferences and scalability

Sharing experiences of success preserves and expands the knowledge acquired, taking it to other contexts of equal or greater vulnerability. In this way, the Carvajal Foundation, signs agreements with other companies who are also committed to social responsibility, adapts this knowledge and develops specific integrated intervention models for each situation, so that it may be used throughout the entire national territory.

Transferences completed	
2014	To eight (8) organizations: Fundación Semana, Gobernación de Bolívar, Corporación Diocesana, Fundación Puerto de Cartagena, Propilco, EPM, Unipoalma, Ministerio de Cultura – Llave del Saber
2015	Products to five (5) organizations: Impala Terminal Groups, Corporación Diocesana, Esentia by Propilco, Fundación Puerto de Cartagena y Tecsa.

▲ Transfer and scalability with “Llave del Saber” in partnership with the Ministry of Culture and National Library, was implemented in 1024 public libraries in the country.



7. Financial Statements



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INFORME DEL REVISOR FISCAL

A los miembros del Consejo Administrativo de
FUNDACIÓN CARVAJAL

He auditado los balances generales de FUNDACIÓN CARVAJAL al 31 de diciembre de 2015 y 2014, y los correspondientes estados de ingresos y egresos, de cambios en el patrimonio, de cambios en la situación financiera y de flujos de efectivo por los años terminados en esas fechas, y el resumen de las principales políticas contables y otras notas explicativas.

La administración de la Fundación es responsable por la preparación y correcta presentación de estos estados financieros de acuerdo con los principios de contabilidad generalmente aceptados en Colombia. Esta responsabilidad incluye: diseñar, implementar y mantener un sistema de control interno adecuado para la preparación y presentación de los estados financieros, libres de errores significativos, bien sea por fraude o error; seleccionar y aplicar las políticas contables apropiadas; así como efectuar las estimaciones contables que resulten razonables en las circunstancias.

Mi responsabilidad es expresar una opinión sobre estos estados financieros con base en mis auditorías. Obtuve las informaciones necesarias para cumplir mis funciones y llevar a cabo mi trabajo de acuerdo con normas de auditoría generalmente aceptadas en Colombia. Tales normas requieren que planifique y efectúe la auditoría para obtener una seguridad razonable acerca de si los estados financieros están libres de errores significativos. Una auditoría de estados financieros incluye examinar, sobre una base selectiva, la evidencia que soporta las cifras y las revelaciones en los estados financieros. Los procedimientos de auditoría seleccionados dependen del juicio profesional del auditor, incluyendo su evaluación de los riesgos de errores significativos en los estados financieros. En la evaluación del riesgo, el auditor considera el control interno de la Fundación que es relevante para la preparación y presentación razonable de los estados financieros, con el fin de diseñar procedimientos de auditoría que sean apropiados en las circunstancias. Una auditoría también incluye, evaluar los principios de contabilidad utilizados y las estimaciones contables significativas hechas por la administración, así como evaluar la presentación general de los estados financieros. Considero que mis auditorías me proporcionan una base razonable para expresar mi opinión.

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En mi opinión, los estados financieros antes mencionados, tomados de los libros de contabilidad, presentan razonablemente, en todos los aspectos significativos, la situación financiera de FUNDACIÓN CARVAJAL al 31 de diciembre de 2015 y 2014, los resultados de sus operaciones, los cambios en su patrimonio, los cambios en su situación financiera y sus flujos de efectivo por los años terminados en esas fechas, de conformidad con principios de contabilidad generalmente aceptados en Colombia, aplicados sobre bases uniformes.

Además, basado en el alcance de mis auditorías, informo que la Compañía ha llevado su contabilidad conforme a las normas legales y a la técnica contable; las operaciones registradas en los libros de contabilidad y los actos de los administradores se ajustan a los estatutos y a las decisiones del Consejo Administrativo; la correspondencia, los comprobantes de las cuentas y los libros de actas y de registro de aportes se llevan y se conservan debidamente; el informe de gestión de los administradores guarda la debida concordancia con los estados financieros básicos, y la Fundación no se encuentra en mora por concepto de aportes al Sistema de Seguridad Social Integral. Mi evaluación del control interno, efectuada con el propósito de establecer el alcance de mis pruebas de auditoría, no puso de manifiesto que la Fundación no haya seguido medidas adecuadas de control interno y de conservación y custodia de sus bienes y de los de terceros que estén en su poder.

ROBERTH ANDRÉS LONDOÑO
Revisor Fiscal
T.P. 160861.t
Designado por Deloitte & Touche Ltda.

01 de Abril de 2016

FUNDACION CARVAJAL

BALANCE GENERAL AL 31 DE DICIEMBRE DE 2015 y 2014
(Cifras en miles de pesos)

ACTIVO	2015	2014	PASIVO Y PATRIMONIO	2015	2014
ACTIVO CORRIENTE:			PASIVO CORRIENTE:		
Disponible (Nota 3)	\$ 2.418.131	\$ 1.323.104	Obligaciones financieras (Nota 10)	\$ 4.428.901	\$ 11.986.534
Inversiones (Nota 4)	2.158	622	Proveedores	685.048	1.783.687
Deudores (Nota 5)	13.227.045	27.876.083	Cuentas por pagar (Nota 11)	683.243	1.340.115
Inventarios (Nota 6)	397.927	302.074	Impuestos, gravámenes y tasas (Nota 12)	178.130	101.233
TOTAL ACTIVO CORRIENTE	16.045.261	29.301.883	Obligaciones laborales (Nota 13)	254.478	486.628
			Otros pasivos (Nota 15)	475.434	1.495.030
ACTIVO NO CORRIENTE			Ingresos recibidos por anticipado	2.489.850	1.295.195
Inversiones (Nota 4)	18.171.958	18.171.958	Provisiones	380.034	-
Deudores (Nota 5)	27.996.658	20.996.658	TOTAL PASIVO CORRIENTE	9.575.118	18.488.422
Diferidos	-	13.451	PASIVO NO CORRIENTE		
Propiedades muebles y equipo, neto (Nota 7)	12.666.858	12.771.116	Obligaciones financieras (Nota 10)	8.395.821	2.434.504
Intangibles	285.538	275.057	Pensiones de jubilación (Nota 14)	471.711	431.711
Otros activos (Nota 9)	1.045.846	1.118.250	Cuentas por pagar (Nota 11)	4.505.430	4.505.800
Valorizaciones (Nota 8)	343.841.145	343.841.145	Total pasivo no corriente	13.372.962	7.372.015
TOTAL ACTIVO NO CORRIENTE	404.008.003	397.187.635	TOTAL PASIVO	22.948.080	25.860.437
TOTAL ACTIVO	\$ 420.053.264	\$ 426.689.518	PATRIMONIO:		
CUENTAS DE ORDEN (Nota 17)	\$ 16.952.848	\$ 16.937.393	Aportes (Nota 16)	200	200
			Superavit de capital	1.216.692	1.216.692
			Reservas	10.983.091	10.983.091
			Revalorización del patrimonio (Nota 16)	16.437.319	16.437.319
			Excedente neto del ejercicio	(3.723.897)	104.444
			Excedente acumulado	28.350.634	28.246.190
			Superavit por valorizaciones (Nota 8)	343.841.145	343.841.145
			TOTAL PATRIMONIO	397.105.184	400.829.081
			TOTAL PASIVO Y PATRIMONIO	\$ 420.053.264	\$ 426.689.518
			CUENTAS DE ORDEN (Nota 17)	\$ 16.952.848	\$ 16.937.393

Las notas adjuntas son parte integral de los estados financieros

(*) Los suscritos Representante Legal y Contador Público, certificamos que hemos verificado previamente las afirmaciones contenidas en estos estados financieros y que los mismos han sido tomados fielmente de los libros de contabilidad.


Maria del Rosario Carvajal Cabal
 Representante Legal (*)


Rafael Ángel Yrullia Charry
 Contador (*)

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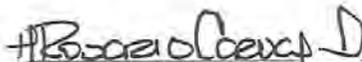
FUNDACION CARVAJAL

**ESTADO DE INGRESOS Y EGRESOS
 POR LOS AÑOS TERMINADOS EL 31 DE DICIEMBRE DE 2015 y 2014
 (Cifras en miles de pesos)**

	2015	2014
INGRESOS NETOS OPERACIONALES (Nota 18)	\$ 17.163.516	\$ 21.392.607
GASTOS OPERACIONALES (Nota 19)	<u>20.705.345</u>	<u>24.913.857</u>
DÉFICIT OPERACIONAL	(3.541.829)	(3.521.250)
INGRESOS NO OPERACIONALES (Nota 20)	1.751.412	7.282.208
GASTOS NO OPERACIONALES (Nota 21)	<u>1.933.480</u>	<u>3.656.514</u>
(DEFICIT) EXCEDENTE NETO DEL EJERCICIO	<u>\$ (3.723.897)</u>	<u>\$ 104.444</u>

Las notas adjuntas son parte integral de los estados financieros

(*) Los suscritos Representante Legal y Contador Público, certificamos que hemos verificado previamente las afirmaciones contenidas en estos estados financieros y que los mismos han sido tomados fielmente de los libros de contabilidad.


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FUNDACION CARVAJAL

ESTADOS DE CAMBIOS EN EL PATRIMONIO
POR LOS AÑOS TERMINADOS EL 31 DE DICIEMBRE DE 2015 y 2014
(Cifras en miles de pesos)

	Aportes	Superávit de Capital	Reserva	Revalorización del Patrimonio	Excedente neto del Ejercicio	Excedente de ejercicios anteriores	Superávit por Valorizaciones	Total
Saldos al 31 de diciembre de 2013:	\$ 200	\$ 1.216.692	\$ 10.983.091	\$ 16.437.319	\$ 48.535	\$ 28.197.655	\$ 343.851.451	\$ 400.734.943
Traslado de excedentes	-	-	-	-	(48.535)	48.535	-	-
Excedente del ejercicio	-	-	-	-	104.444	-	-	104.444
Ajuste por valorizaciones	-	-	-	-	-	-	(10.306)	(10.306)
Saldos al 31 de diciembre de 2014:	\$ 200	\$ 1.216.692	\$ 10.983.091	\$ 16.437.319	\$ 104.444	\$ 28.246.190	\$ 343.841.145	\$ 400.829.081
Traslado de excedentes	-	-	-	-	(104.444)	104.444	-	-
Pérdida del ejercicio	-	-	-	-	(3.723.897)	-	-	(3.723.897)
Ajuste por valorizaciones	-	-	-	-	-	-	-	-
Saldos al 31 de diciembre de 2015:	\$ 200	\$ 1.216.692	\$ 10.983.091	\$ 16.437.319	\$ (3.723.897)	\$ 28.350.634	\$ 343.841.145	\$ 397.105.184

Las notas adjuntas son parte integral de los estados financieros

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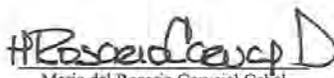

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FUNDACION CARVAJAL

**ESTADOS DE CAMBIOS EN LA SITUACION FINANCIERA
 POR LOS AÑOS TERMINADOS EL 31 DE DICIEMBRE DE 2015 Y 2014
 (Cifras en miles de pesos)**

	2015	2014
Capital de trabajo obtenido por las operaciones:		
Utilidad Neta	\$ (3.723.897)	\$ 104.444
Más partidas que no afectan capital de trabajo:		
Depreciación	\$ 772.476	\$ 791.300
Amortización intangibles	24.117	160.182
Otras amortizaciones	32.932	91.837
Aumento en pensiones de jubilación	40.000	40.050
Utilidad en la venta de activos fijos	(185.787)	(15.000)
Utilidad en la venta de inversiones	-	(109.025)
Total recursos financieros obtenidos por la operación	\$ (3.040.159)	\$ 1.063.788
Recursos financieros obtenidos por otras fuentes:		
Venta de propiedades, planta y equipo	\$ 196.377	\$ 15.000
Venta inversiones permanentes	-	130.389
Disminución de otros activos largo plazo	72.404	-
Aumento de obligaciones financieras largo plazo	5.961.317	-
Aumento de pasivos a largo plazo	-	4.505.800
Total recursos financieros obtenidos	\$ 3.189.939	\$ 5.714.977
Recursos financieros utilizados:		
Adiciones de planta y equipo	\$ (678.808)	\$ (1.453.499)
Aumento de cuentas por cobrar	(7.000.000)	-
Disminución cuentas por pagar	(370)	-
Aumento de intangibles	(34.598)	(194.019)
Aumento de otros activos largo plazo	-	(615.740)
Disminución de obligaciones financieras	-	(724.726)
Aumento de activos diferidos	(19.481)	(92.284)
Total recursos financieros utilizados	\$ (7.733.257)	\$ (3.080.268)
(Disminución) Aumento del capital de trabajo	\$ (4.543.318)	\$ 2.634.709

(* Los suscritos Representante Legal y Contador Público, certificamos que hemos verificado previamente las afirmaciones financieras y contenidas en estos estados que los mismos han sido tomados fielmente de los libros de contabilidad.


 Maria del Rosario Carvajal Cabal
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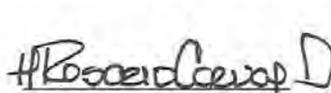

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FUNDACION CARVAJAL

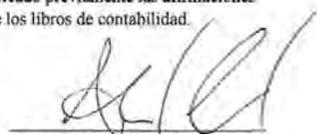
**ESTADOS DE CAMBIOS EN LA SITUACIÓN FINANCIERA
POR LOS AÑOS TERMINADOS EL 31 DE DICIEMBRE DE 2015 Y 2014
(Cifras en miles de pesos)**

	2015	2014
Cambios netos en los elementos del capital del trabajo		
Aumentos (disminuciones) en activo corriente:		
Disponible	\$ 1.095.027	\$ (1.521.012)
Inversiones temporales	1.536	(857.711)
Deudores	(14.649.038)	7.346.624
Inventarios	95.853	27.987
	<u>\$ (13.456.622)</u>	<u>\$ 4.995.888</u>
Disminuciones (aumentos) en pasivo corriente:		
Obligaciones financieras	\$ 7.557.633	\$ (5.892.609)
Proveedores	1.098.639	177.196
Cuentas por pagar	656.872	1.304.350
Impuestos, gravámenes y tasas	(76.897)	(26.695)
Obligaciones laborales	232.150	(106.922)
Otros pasivos	1.019.596	2.590.434
Ingresos recibidos por anticipado	(1.194.655)	(599.185)
Provisiones	(380.034)	-
	<u>\$ 8.913.304</u>	<u>\$ (2.553.431)</u>
(Disminución) y aumento en el capital de trabajo	\$ (4.543.318)	\$ 2.442.457
Capital de trabajo al inicio del periodo	11.013.461	8.571.004
Capital de trabajo al final del periodo	<u>\$ 6.470.143</u>	<u>\$ 11.013.461</u>

(*) Los suscritos Representante Legal y Contador Público, certificamos que hemos verificado previamente las afirmaciones financieras y contenidas en estos estados que los mismos han sido tomados fielmente de los libros de contabilidad.


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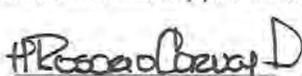

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FUNDACION CARVAJAL
ESTADOS DE FLUJOS DE EFECTIVO
POR LOS AÑOS TERMINADOS EL 31 DE DICIEMBRE DE 2015 Y 2014
(Cifras en miles de pesos)

	2015	2014
Flujos de efectivo de las actividades de la operación:		
Utilidad Neta	\$ (3.723.897)	\$ 104.444
Ajustes para conciliar la utilidad neta con el efectivo provisto por las operaciones:		
Depreciación	\$ 772.476	\$ 791.301
Amortización	57.049	160.182
Otras amortizaciones	-	91.837
Provisiones Jubilación	40.000	40.050
Provisión de cartera	(234.910)	145.583
Otras provisiones	380.034	-
Utilidad en la venta de activos fijos	(185.787)	(15.000)
(Utilidad) en la venta de inversiones	-	(109.025)
Subtotal	\$ (2.895.035)	\$ 1.209.372
Variación en activos y pasivos operacionales:		
Disminución (Incremento) en deudores	\$ 7.883.948	\$ (7.492.207)
Incremento en inventarios	(95.853)	(27.987)
Incremento en Activos diferidos	(19.481)	(92.284)
Incremento en otros activos	-	(120.246)
Incremento en pasivos diferidos	1.194.655	599.185
Disminución en proveedores	(1.098.639)	(177.196)
(Disminución) Incremento en cuentas por pagar	(657.242)	3.201.450
Incremento en impuestos, gravámenes y tasas	76.897	26.695
(Disminución) Incremento en obligaciones laborales	(232.150)	106.922
Disminución en otros pasivos	(1.019.596)	(3.278.180)
Flujo neto provisto (usado) en actividades de operación	\$ 3.137.504	\$ (6.044.476)
Flujos de efectivo de actividades de inversión:		
Adiciones de planta y equipo	\$ (678.808)	\$ (1.453.499)
Adiciones en intangibles	-	(194.019)
Venta de propiedades, planta y equipo	196.377	15.000
Venta de inversiones permanentes	-	130.389
Adiciones en intangibles	(34.598)	-
Disminución de otros activos	72.404	-
Flujo neto usado en actividades de inversión:	\$ (444.625)	\$ (1.502.129)
Flujos de efectivo de actividades de financiación:		
Préstamos obtenidos	8.625.005	8.595.594
Pago de obligaciones financieras	(10.221.321)	(3.427.711)
Flujo neto provisto por actividades de financiación:	\$ (1.596.316)	\$ 5.167.883
Incremento (Disminución) en efectivo y equivalentes de efectivo:	\$ 1.096.563	\$ (2.378.722)
Efectivo y equivalentes de efectivo al inicio del periodo:	\$ 1.323.726	\$ 3.702.448
Efectivo y equivalentes de efectivo al final del periodo:	\$ 2.420.289	\$ 1.323.726

Las notas adjuntas son parte integrante de estos Estados Financieros

(*) Los suscritos Representante Legal y Contador Público, certificamos que hemos verificado previamente las afirmaciones contenidas en estos estados financieros y que los mismos han sido tomados fielmente de los libros de contabilidad.



Maria del Rosario Carvajal Caba
 Representante Legal (*)



Rafael Angel Pinilla Charry
 Contador
 T.P. No. 68909 - T



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CARVAJAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED ON DECEMBER 31, 2015 AND 2014 (, with the exception of exchange rates and dollars)

1. CONSTITUTION, SOCIAL PURPOSE AND OPERATIONS

The Carvajal Foundation was founded on September 13, 1977, as a non-profit organization. Its corporate purpose consists of developing all kinds of charitable, social welfare, cultural, educational and scientific activities. The Foundation has been working with marginalized communities in the Department of Valle de Cauca especially in the city of Cali, with economically weak groups, supporting the pursuit of the common good and initiatives of self and socio-economic development, creating training methodologies and fostering a business spirit that has enjoyed a very favorable welcome on national and international levels. Their main headquarters is located in the city of Cali (Valle del Cauca).

The Foundation has experience and results in the fields of: families, education, health, work and the generation of jobs, cost housing, and culture, preserving the environment, participative investigation and sustainable development, among others.

The Foundation, while developing their corporate and social purpose has signed several agreements with national and international organizations whose characteristics are described below:

Cooperation Agreements

Nuevo Cerrito Housing Project: In January of 2011, the Carvajal Foundation signed an agreement with the Ingenio Providencia, with the objective of building 156 social interest houses in the Municipality of Cerrito (Valle del Cauca), which would take 12 months to build with a cost of \$5.271.911 (.). The entire agreement was completed on December 31, 2014.

Cooperante Ingenio del Cauca

Nueva Miranda Housing Project: In October of 2011, the Carvajal Foundation signed an agreement with the Ingenio del Cauca, to build 52 social interest houses in the Municipality of Miranda (Cauca), which would take 12 months to build at a cost of \$1.936.671 (.). The entire agreement was completed on December 31, 2014.

DPS Project: On April 30, 2013, the Carvajal Foundation signed an agreement with the Departamento para la Prosperidad Social DPS, joining forces of cooperation and

technical assistance, within the Marco de la Alianza por la Equidad in Buenaventura, hoping to improve living conditions of the prioritized families within the Comunas 3, 5, 10 and 12 of Buenaventura. The agreement had a completion date of December 31, 2013; total cost of the project is \$621.089 (C) of which \$310.866 would be paid for by the DPS and the other half would be paid for in goods and services. As of December 31, 2013, a total of \$279.779 had been received. This agreement had an addendum attached to it extending its validity to March 31, 2014. As of December 31, 2014, the agreement had been fulfilled completely.

Donation Agreements

Proyecto Educativo Scarpetta: On December 19, 2012 the Carvajal Foundation signed an agreement with the Fundación Scarpetta with the objective of promoting education in ten (10) locations in the Valle del Cauca through the improvement of strategies associated with the educational activity factors linked to the institutional education project; this agreement ran for three (3) years after signing same, total value of the project was \$1.610.993 (C), of which \$1,448.310 was the contribution made by the Fundación Scarpetta and the Carvajal Foundation contributed \$162.623. The entire agreement was fulfilled in December of 2014.

Inclusive Labor Project in Buenaventura: The Carvajal Foundation signed an agreement on August 3, 2015 with the ACIDI/VOCA with the purpose of placing 160 young people, in vulnerable conditions, to work in the District of Buenaventura, in areas of higher levels of specialization; this agreement had a length of nine (9) months, with a total cost of \$756.938 of which \$465.957 was the contribution made by the ACIDI/VOCA and counterpart contributions of \$290.981. As of December 31, 2015, a total of \$246.329 had been received.

Older Adult Project: In September of 2014, the Carvajal Foundation signed an agreement with the Fundación Nelly Ramirez Moreno, to improve the living conditions of 500 older adults working with individuals, families and collective groups by contributing to the rescue of traditions so as to dignify their value in society; this agreement had a duration of 36 months, a total cost of \$1,158.630 of which \$589.174 would be contributed by the Fundación Nelly Ramirez and \$266.436 by the Carvajal Foundation. On December 31, 2014 and 2015, the Carvajal Foundation had received \$55.368 and \$269.239 respectively, which were totally invested in the project.

Contracts for services

Emcali

Emcali VII Project: This project began on October 23, 2012, with a contract for cleaning services (300-GAA-CS-2012) signed between Emcali EICE ESP, for the cleaning of 158,500 catch basins in Comunas 1 through 12 and 17 to 22; the manual cleaning of 10,000 m³ of rainwater channels, the maintenance of 600 separator structures and the maintenance and landscape recovery of 14.4 km of the East channel and the channel on 48th Street. The length of the project is one (1) year. The total cost of the project is \$1,540.043 (in millions of pesos). The project was completed on December 31, 2014.

Emcali XI Project: This project began on May 19, 2015, with a contract for cleaning services (300-GAA-GG-PS0544 of 2015) signed between Emcali EICE ESP, to clean 160,001 drains/catch basins in Comunas 1 through 12 and 17 to 22; the manual cleaning of 9,994 m³ of rainwater channels, the maintenance of the Laguna Charco Azul, maintenance and landscape recovery of the East channel and the channel on 48th Street. The length of the project is seven (7) months. The total cost of the project is \$1,375.106.027 (in millions of pesos). The project was completed on December 31, 2015.

EPM Project: On January 22, 2013, the Carvajal Foundation signed an agreement with the Empresas Públicas de Medellín-EPM, to complete the evaluation of the participation process regarding the institutional and community development as well as the strengthening of the contracting organizations of the Subgerencia Ambiental (Environmental Management), with a project length of 24 months. The total cost to the contract is \$1,966.772. On December 31, 2014 a total of \$ 1,915.906 were received and \$1,869.603 were invested.

SENA Project (National Education Service): On November 10, 2015, the Carvajal Foundation signed an agreement with the Servicio Nacional de Aprendizaje (SENA), with the objective of taking action in training by combining efforts, skills and knowledge in the development of integrated vocational training programs, within the framework of expanding coverage, to train a greater number of Colombians. The length of the project is 12 months. The total cost of the contract is \$2,119.138 (in millions of pesos) of which \$1,513.670 corresponds to the contribution and \$605.468 to be made by the Carvajal Foundation (in goods and services). In December of 2015, a total of \$756.835 had been received.

Partnership Agreements

Partnership agreement with the Governor's office in Bolivar. On December 31, 2012, the Carvajal Foundation signed an agreement with the Gobernación de Bolívar to combine administrative and economic technical efforts in order to achieve technical assistance for the construction (on their own site) of 120 homes, the improvement of 50 homes and the optimization of the aqueduct as well as the construction of the drainage system and wastewater treatment plant at the village of San Basilio de Palenque, Municipality of Mahates, Department of Bolívar within the framework of the Palenque 2015 Strategy lasting 12 months. The cost of the agreement is \$7,941,584 (in millions of pesos) of which the Governor's office will contribute \$7,447,100 and the Carvajal Foundation will contribute \$494,484. On December 31, 2014 a total of \$744,710 were received and invested in full.

Cultural Equity in Buenaventura: On January 21, 2014, the Foundation signed an agreement with the Culture Ministry, with the purpose of sharing human, technical and financial efforts to develop a policy regarding the intangible cultural heritage and emphasizing activities allowing for the safeguarding, recognition and visibility of the existing intangible cultural heritage in Colombia associated with details on the list of intangible cultural heritage of the country and of humanity. The cost of the agreement is \$170,500 (in millions of pesos) of which \$155,000 was contributed by the Ministry and \$15,500 contributed by the Carvajal Foundation. This agreement ended on November 15, 2014.

National After-School Complementary Program: On January 27, 2014, the Carvajal Foundation signed a contract with the National Education Ministry, with the objective of combining efforts to support the Secretarías de Educación (Education offices) and the educational institutions focused on Buenaventura and Cauca to serve boys, girls and young people in situations of vulnerability through after-school complementary activities (JEC). The cost of the agreement was of \$1,017,762 (in millions of pesos) of which \$700,000 were contributed by the Ministry and \$314,762 by the Carvajal Foundation. This agreement ended on August 30, 2014.

Addendum to the National After-School Complementary Program: On September 1, 2014, the Carvajal Foundation signed an addendum to the association with the National Education Ministry, to combine efforts to support the Secretarías de Educación and the educational institutions focused on Buenaventura and Cauca to serve boys, girls and young people in situations of vulnerability through after-school complementary activities (JEC). The cost of this agreement is \$154,744 (in millions of

pesos) of which \$326.456 were contributed by the Ministry and \$128.288 by the Carvajal Foundation. This agreement ended on November 30, 2014.

National After-School Complementary Program: On March 9, 2015, the Carvajal Foundation signed an agreement with the National Education Ministry of Education, with the objective of combining efforts to support the Secretarías de Educación and the educational institutions focused on the Valle del Cauca, Cauca and Bolívar, to serve boys, girls and young people in situations of vulnerability through after-school complementary activities (JEC) and sharing in the cultural contexts of these regions. The cost of this agreement is \$2.690.720 (in millions of pesos) of which \$2.000.000 were contributed by the Ministry and \$690.720 by the Carvajal Foundation. This agreement ended on December 22, 2015.

Comprehensive Education: On August 10, 2015, the Carvajal Foundation signed an agreement with the National Educational Ministry and the International Organization for Migrations (IOM), with the main objective of sharing technical, institutional, administrative and financial efforts to improve the management, comprehensive teaching and learning environment being developed in the country, based on a differential and multi-cultural focus to restore the right to a quality education for all girls, boys, adolescents, young people and adults in this country. The cost of the agreement is \$2.067.941 of which \$1.508.224 were contributed by the Ministry, \$150.000 by the I.O.M. and \$409.717 by the Carvajal Foundation. This agreement ended on December 31, 2015.

Llave del Saber: On December 4, 2013, the Carvajal Foundation signed an agreement with the Ministry of Culture/National Library, to combine efforts to implement the library information system known as the "Llave del Saber", in five hundred (500) libraries belonging to the National Public Library Network – NPLN, strengthening abilities and skills of library staff in handling information for library management, to promote and manage the services that are a fundamental in making decisions. The cost of the agreement is \$1.648.719 of which \$1.262.631 were contributed by the Ministry/National Library and \$386.077 by the Carvajal Foundation. This agreement ended on July 31, 2014.

Early Childhood Education: On June 26, 2013, the Carvajal Foundation signed an agreement with the Ministerio de Educación Nacional, Ministerio de Salud y Protección Social, Ministerio de Cultura, Instituto Colombiano de Bienestar Familiar, Departamento para la Prosperidad Social, Agencia Nacional Para la Superación de la Pobreza Extrema, Gobernación de Antioquia, Distrito Especial, Industrial y Portuario de Barranquilla, Fundación Saldarriga Concha, Fundación Éxito, Fondo de Naciones Unidas para la

Infancia, Fundación Bancolombia, Caja de Compensación Familiar Comfenalco Antioquia, Fundación Corona, Fundación Calcedo González, Fundación Smurfit Cartón de Colombia, Fundación Restrepo Barco, Fundación Plan, Corporación Aldeas Infantiles SOS Colombia, Corporación Somos Más, Organización Internacional para la Migraciones, Visión Mundial Internacional Fundación Mario Santo Domingo y Fundación Génesis, to combine technical, physical, administrative and economical resources between all Parties, to support the design, implementation and sustainability, on a national and territorial level, of the comprehensive study regarding early childhood education defined within the framework of the "De Cero a Siempre" ("From Zero to Always") strategy, lasting nine (9) months. The cost of the agreement is \$30,232.123, of which the Carvajal Foundation in its capacity of executor-contributor received \$2,503.000. On December 31, 2014 the total amount of the agreement was received and invested.

ICC Project in Buenaventura: On November 7, 2013, the Carvajal Foundation signed an agreement with the Instituto Colombiano de Bienestar Familiar with the objective of sharing efforts directed towards the implementation of an appropriate infrastructure for the Infant Day Care Center for 160 children, as a strategy of caring for of children under the age of five belonging to the community welfare program run by the ICBF in the District of Buenaventura. This agreement ended on July 31, 2014 I, and the cost of the project is \$2.937.000 and the Carvajal Foundation will make an in-kind contribution concerning the delivery of architectural designs and technical studies required for the construction of the infrastructure for the IDC, and will also contribute the administrative costs inherent to the management of the agreement excluding the associated costs. As of December 31, 2015, a total of \$2.937.000 were received and totally invested. The Carvajal Foundation made additional contributions of \$312.041.

Somos Golazo Project in Buenaventura: On October 11, 2013, the Carvajal Foundation signed an agreement with the Corporación Andina de Fomento (CAF) to support the transfer of technology and start up of a comprehensive sports training program for the prevention and social inclusion of 1.500 girls, boys and adolescents in Buenaventura; total cost of the agreement is US\$101.000 and the Carvajal Foundation is committed to contribute the totality of the additional resources that are necessary for the fulfillment of this program; this agreement will last 14 months from the day of signature of same. On December 31, 2014, a total of \$208.163 had been received. This agreement ended on December 31, 2014.

100 Free Houses in El Salado. In September 2014, the Carvajal Foundation signed an agreement with the Governor's office in Bolívar and the Fundación Semana, to share in the construction of one hundred (100) priority interest housing in El Salado, Municipality Carmen de Bolívar, Depart Bolívar, with a construction time of three

(3) months and a cost of \$4,306,440. In 2015 several modifications were made to the agreement increasing the cost by \$139,040 plus a plot of land valued at \$67,500 and expanding the agreement time to 12 months. The Carvajal Foundation received \$4,445,480 on December 31, 2015 and had already invested the total amount of the resource. On December 31, 2015, the contribution made by the Carvajal Foundation amounted to \$1,258,206.

2. MAIN ACCOUNTING POLICIES

The accounting records of the Foundation follow the rules prescribed by Decrees No. 2649 and 2650 of 1993 and other additional rules.

- a. **Monetary Unit** – In accordance with the legal provisions, the monetary unit used by the Carvajal Foundation is the Colombian peso.
- b. **Accounting Period** – The Carvajal Foundation has prepared their general purpose financial statements for third Parties, for the period of twelve (12) months to December 31, 2015 and 2014.
- c. **Relative importance or materiality** – The economic facts are recognized and presented in accordance with their relative importance. In preparing the financial statements, the materiality is determined depending on the total current assets and liabilities, the total of assets and liabilities, work capital or the results of the year, whichever is appropriate. As a general rule, the 5% criterion of the total value of assets and 5% of the value of operating revenues was followed.
- d. **Recognition of Income** – The Foundation used the causation accounting system, except for the donations and dividends received that are recorded based on the cash system.
- e. **Investments** – Negotiable fixed income is recorded at cost and is valued by the accrual of income, tradable equity and non-permanent controls are valued at cost plus appreciation.
- f. **Provision for debtors** – Represents the estimated amount necessary to provide a suitable protection against losses in normal credits.
- g. **Intangibles** – Under this account, the Carvajal Foundation records assets acquired by the financial leasing system, and the appropriate amortization is applied.

- h. **Deferred charges** – The Carvajal Foundation describes deferred charges as those expenditures that represent costs applicable to several accounting periods that generate future benefits, amortizing in each one the amount that is due.
- i. **Property, furniture and equipment – Net** – The items are registered at cost, and are depreciated based on the straight line method over their estimated useful life, as is generally accepted for accounting purposes in Colombia. The annual depreciation rates used are as follows:

Construction and buildings	2.5%
Machinery and Equipment	10%
Office equipment	10%
Transportation equipment	20%
Computer equipment	20%

The Carvajal Foundation does not consider any residual value for its assets on the grounds that this is relatively unimportant, therefore they are depreciated in full. The repair and maintenance costs are expensed as incurred.

- j. **Appraisals** – The Carvajal Foundation applies the standards dictated by the Superintendencia de Sociedades*, where it states that the appraisals on the Property, Furniture and Equipment are determined by comparing the net book value with the value of the technical appraised value; when higher, the difference is recorded in a separate account within the assets as appreciation; when lower, a devaluation is generated which is registered directly in the income statement as an expense generated during that year. It also makes reference to the appraisal of investments which is the difference between the market value or intrinsic and its cost. In the case of permanent non-controlling investments, when the realizable value is lower than the book value, the difference decreases the appraisal to its amount; in the event that it is greater, this excess constitutes devaluation, without prejudice that the net balance has a different nature.
- k. **Work obligations** – The liabilities corresponds to the obligations that the Foundation has due to the legal and extralegal benefits to its employees.

The obligations due retirement/pensions represent the actual value of all future payments the Carvajal Foundation must make to those employees that meet or will meet certain requirements of law such as age, length of service and others.

*Superintendencia of Companies and Corpora

- as determined by actuarial studies that the Carvajal Foundation gets annually, as required by current regulations, with no specific funds invested. For those employees covered with the new Social Security requirements (Law 100 of 1993), the Carvajal Foundation fulfils its obligations for pensions by making payments to Colpensiones, and/or to other Private Retirement Funds within the terms and conditions required by the above mentioned law,
- i). **Provision for income tax** – The Carvajal Foundation, as a non-profit organization and belongs to the Régimen Tributario Especial (Special Tax Regime) in accordance with Article 19, Numeral 2 of the Estatuto Tributario. For this reason, the Foundation is subject to income tax and payments on net income or surplus at a flat rate of 20%. Should there be a surplus, these are reinvested and used to cover costs such as health, education, culture and social programs, as long as these are used in areas of general interest, to which the community has access, as defined in Decree 4400 of 2004.
 - ii). **Transactions in foreign currency** – The transactions and balances in foreign currency are converted to Colombian pesos at the rate represented in the market.

The difference that results by the exchange from debts in foreign currency due to the acquisition of inventories and properties, furniture and equipment are capitalized until said items are transferred or used. The differences in the rate of exchange originated by accounts receivable or payable that are not related to inventories or fixed assets are carried forward as results.

The rate of exchanged used to adjust the balance in United States dollars as of December 31, 2015 and 2014 was \$3.149.47 and \$2.392.46 per US\$1, respectively.

- iii). **Equivalents in cash** – In regards to the presentation of the cash flow statements, the Carvajal Foundation classifies cash equivalents as those investments that are three months or less from maturity, based on the initial date of issuance.
- iv). **Accounting Estimates** – The preparation of the financial statements in accordance with generally accepted accounting principles requires that Management makes some estimates and suppositions that affect the total assets, liabilities, income and expenses reported during the year.

- p. **Memorandum accounts** – Include contingent rights and differences between accounting and tax figures.
- q. **Cash flow statements** – The Carvajal Foundation prepares their cash flow statements based on the indirect method, using the temporary investments as cash equivalents.
- r. **Convergence to International Financial Reporting Standards** – In accordance to Law 1314 of 2009, the Regulatory Decree 2784 of December 2012 and Decree 3024 of 2013, the Carvajal Foundation belongs to Group 2 of those trained in how to prepare financial information. During 2015, the transition and application of the standards was completed.
- s. **Tax reform** – A summary of some of the modifications made to the Colombian Tax Regime for 2013 and following years is described below, introduced by Law 1607 of December 26, 2012: *Accounting standards* – It is established that for tax purposes only, referrals contained in the tax rules to the accounting standards rules, will remain in effect for the next four (4) years once they are put into effect by the International Financial Reporting Standards. Consequently, during that time, the tax basis of items to be included in the tax returns continues unchanged. Likewise, the demands will lose effectiveness from the date of the application of the new accounting regulatory framework.
- t. **Subsequent events** – According to the current regulations, the Foundation recognizes that on the cut-off date, the purpose of the information known after the closing date and before the issuance of the financial statements, when they supply additional information regarding existing conditions before the closing date.

3. AVAILABLE

As of December 31, this account is comprised as follows:

	2015	2014
General cash	\$ 12,057	\$ 4,710
Cash – foreign currency	3,989	1,848
Foreign banks – checking accounts	38,437	24,739
National banks – savings accounts	1,302,312	888,279
National banks – checking accounts	1,061,336	403,528
Total	\$ 2,418,131	\$ 1,323,104

Under this subtitle, there are other bank accounts that have specific destinations for handling agreements and projects being developed and signed by the Caryajal Foundation, as of December 31, 2015 and 2014 of \$2,151,520 and \$508,472 respectively. Bank balances as of December 31, 2015 and 2014 include totals in the amount of US\$12,204,14 and US\$12,199,08 respectively.

4. INVESTMENTS

As of December 31, this account is set up as follows:

	2015	2014
Temporary investments		
Certificates	\$ 1	\$ 1
Trust (*)	2,157	621
Total	\$ 2,158	\$ 622

(*) Corresponds to the balance in the trust fund to manage resources for the San Basilio del Palenque project.

Permanent investments

Shares	Percentage of Participation	2015	2014
Carvajal S.A.	23.14%	\$ 11,466,361	\$ 11,466,361
Carvajal Propiedades e Inversiones S.A.	20.95%	4,749,599	1,174,157
Macarval S.A.S.	35.95%	981,412	981,412
Inversantamonica S.A.	23.18%	605,448	605,448
Cartón de Colombia S.A.	0.25%	242,183	242,183
Fondo Regional de Garantías S.A.	3.48%	72,565	72,565
Herederos de Manuel Carvajal S.A. (*)	23.18%	-	3,575,447
Other		247	247
		<u>\$18,117,815</u>	<u>\$ 18,117,815</u>
Quotas or social interest parts		54,143	54,143
Total		\$18,171,958	\$18,171,958

5. DEBTORS

As of December 31, this account is set up as follows:

	2015	2014
Short Term Debtors		
Clients	\$ 522	\$ 319,348
Advance payments	500,143	678,938
Deposits	20,816	20,874
Accounts receivable (*)	3,917,349	10,852,264
Advance payments of taxes and contributions	1,898,510	1,596,211
Accounts receivables from employees	225,336	524,354
Cooperativa de Trabajo Asoc. Mundo Maderas	925,734	724,323
Accounts receivable from Herederos de Manuel Carvajal	173,370	173,370
Accounts receivable from Credinorma Ganchos y Amarras del Valle S.A.S.	102,737	102,737
	196,937	163,796
Inversantamonica (**)	4,849,650	12,422,650
Various debtors	537,850	654,037
Sub-total	\$13,348,954	\$28,232,902

	2015	2014
Less – Provision for doubtful debts	\$ (121.909)	\$ (356.819)
Total short-term debtors	\$ 13.2127.045	\$ 27.876.083
Long-Term Debtors:		
Account receivable from Inversantamonica (**)	<u>27.996.658</u>	<u>20.996.658</u>
Total Long-Term Debtors	\$ 27.996.658	\$ 20.996.658

(**) Mainly attributable to accounts receivable from: Departamento de Bolívar \$1.173.332, Ministerio Educación Nacional \$737.303, Fundación Bancolombia \$470.383, Biblioteca Departamental \$264.521, Fundación Mainel \$241.993, Municipio de Buenaventura \$195.397, Corporación Señor de los Milagros \$180.234.

(**) The account receivable from Inversantamonica is attributable to the buyback of shares in June 2008. The conditions established for this account are: (i) it agrees to recognize interest on the balance of the obligation, equivalent to the CPI rate, payable monthly; (ii) the deadline for payment of the obligation is 2029; (iii) payment to capital was made in the amount of \$ 1,851,592 in 2011, the balance is to be repaid in equal annual installments of \$ 1,749,722 beginning in 2018.

Movement of the provision for doubtful debts is as follows:

	2015	2014
Balance at the beginning of the year	\$ (356.819)	\$ (305.070)
Portfolio – bad debt write-off	328.393	93.834
Provisions	(93.483)	(145.583)
Balance at the end of the year	\$ (121.909)	(356.819)

6. INVENTORIES

As of December 31, this account is set up as follows:

	2015	2014
Materials for construction projects	\$ 397,927	\$ 302,074
Total	\$ 397,927	\$ 302,074

7. PROPERTIES, FURNITURE AND EQUIPMENT – NET

As of December 31, the account is set up as follows:

	2015	2014
Lands	\$ 2,812,311	\$ 2,812,311
Buildings (*)	17,221,419	16,793,875
Machinery and equipment	1,557,921	1,341,313
Computer equipment	1,395,468	1,374,560
Furniture and fixtures	1,535,744	1,521,995
Vehicles	827,244	1,402,559
Subtotal	\$25,350,107	\$ 25,246,613
(Less) Accumulated depreciation	(12,608,554)	(12,400,802)
(Less) Land provision	(74,695)	(74,695)
Net property, furniture and equipment	\$ 12,666,858	\$ 12,771,116

8. APPRAISALS

In 2014, a contract we signed with Antony Holliday Berón, to make an appraisal on the buildings at the centers in Poblado, Vallado, Ladera and Edificio El Castillo that belong to the Carvajal Foundation.

As of December 31, the account is set up as follows:

	2015	2014
Property and equipment		
Land	\$ 3.231.567	\$ 3.231.567
Buildings	2.647.327	2.647.327
Investments	<u>337.962.251</u>	<u>337.962.251</u>
Total	\$ 342.841.145	\$ 342.841.145

9. OTHER ASSETS

The other assets are set up as follows:

	2015	2014
Ingenio Providencia S.A. E.S.P.	-	\$ 492.356
Others (*)	<u>\$ 1.045.846</u>	<u>693.894</u>
	\$ 1.045.846	\$ 1.118.250

(*) Mainly covers a: (i) Books for equipping the didactic centers, libraries, schools and public high schools for \$323.012 located in the Valle del Cauca; (ii) outstanding balance for completion of the Colegio Señor de los Milagros in El Vergel for \$174.246; (iii) construction materials for future jobs.

10. FINANCIAL OBLIGATIONS

As of December 31, the balance of the financial obligations is comprised of:

	2015	2014
Bancolombia (Credit Acct.) (1)	\$ 2.899.868	\$ 2.154.504
Bancolombia (Credit Acct.) (2)	-	700.000
Bancolombia (Credit Acct.) (3)	-	900.000
Bancolombia (Credit Acct.) (4)	500.000	500.000
Bancolombia (Credit Acct.) (5)	-	1.400.000
Bancolombia (Credit Acct.) (6)	-	72.901
Bancolombia (Credit Acct.) (7)	-	500.000
Bancolombia (Credit Acct.) (8)	-	500.000

	2015	2014
Banco de Occidente (Credit Acct.) (9)	-	16.865
Banco de Occidente (Credit Acct.) (10)	113.500	550.000
Banco de Occidente (Credit Acct.) (11)	-	250.000
Banco de Occidente (Credit Acct.) (12)	-	208.333
Banco de Occidente (Credit Acct.) (13)	392.729	1.000.000
Banco Davivienda (Credit Acct.) (14)	-	574.033
Banco Davivienda (Credit Acct.) (15)	-	1.000.000
Banco de Bogotá (Credit Acct.) (16)	1.000.000	1.000.000
Banco de Bogotá (Credit Acct.) (17)	-	1.000.000
Banco de Bogotá (Credit Acct.) (18)	-	600.000
Banco de Bogotá (Credit Acct.) (19)	-	600.000
Banco de Bogotá (Credit Acct.) (20)	110.005	-
Banco de Bogotá (Credit Acct.) (21)	500.000	-
Banco de Bogotá (Credit Acct.) (22)	3.099.287	-
Banco Davivienda (Credit Acct.) (23)	1.785.918	-
Bancolombia (Credit Acct.) (24)	499.797	-
Banco de Occidente (Credit Acct.) (25)	1.730.000	-
Banco de Bogotá (Overdraft)	-	387.327
Banco de Occidente (Overdraft)	3.984	-
Banco de Bogotá (Accrued interest)	38.566	6.515
Bancolombia (Accrued Interest)	15.866	42.123
Banco de Occidente (Accrued Interest)	4.476	9.023
Banco Davivienda (Accrued Interest)	5.598	25.392
Banco de Bogotá (Credit Card)	10.557	15.541
Bancolombia (Credit Card)	-	2.288
Total	\$ 12.824.722	14.421.038
(Less): Short term obligations	(4.428.901)	(11.986.534)
Long-term obligations	\$ 8.395.821	2.434.504

- (1) Crédito ordinario adjuando diciembre 2010 a 7 años, incluidos de gracia interes de IPC + 5,20%
- (2) Crédito ordinario para proyectos: DTF+2,6 T.A.
- (3) Crédito ordinario para proyectos de vivienda: DTF+2,5 T.A.
- (4) Crédito ordinario para proyectos de vivienda: DTF+2,5 T.A.
- (5) Crédito ordinario para proyectos de vivienda: DTF+2,30 T.A.
- (6) Crédito ordinario para proyectos de vivienda: DTF+2,30 T.A.
- (7) Crédito ordinario para proyectos: DTF+2,6 T.A.
- (8) Crédito ordinario para gastos funcionamiento: DTF+2,6 T.A.
- (9) Crédito ordinario para pago de cesantías a Porvenir: DTF+1,8 T.A.
- (10) Crédito ordinario para pago de compra lotes y vehículos: DTF+3,39 T.A.
- (11) Crédito ordinario para pago compra lotes y vehículos: DTF+3,39 T.A.
- (12) Crédito ordinario para cruce de pago de obligación 2012: DTF+2,85 T.A.
- (13) Crédito ordinario para proyectos: DTF+2,9 T.A.
- (14) Crédito ordinario para proyectos de vivienda A.

- (15) Crédito ordinario para proyectos de vivienda: DTF+2,25 T.A.
- (16) Crédito ordinario para cruce de pago de obligación: DTF+3,3 T.A.
- (17) Crédito ordinario para proyectos: DTF+2,75 T.A.
- (18) Crédito ordinario para gastos funcionamiento: DTF+2,75 T.A.
- (19) Crédito ordinario para proyectos de vivienda: DTF+2,75 T.A.
- (20) Crédito ordinario para funcionamiento: DTF+1,25 T.A.
- (21) Crédito ordinario para funcionamiento: DTF+3,35 T.A.
- (22) Crédito ordinario para funcionamiento: DTF+4,9 T.A.
- (23) Crédito ordinario para funcionamiento: DTF+4,00 T.A.
- (24) Crédito ordinario para funcionamiento: DTF+2,85 T.A.
- (25) Crédito ordinario para funcionamiento: DTF+4,25 T.A.

The financial obligations repayment plan is as follows:

2016	\$ 4,128,901
2017	\$ 479,480
2018	\$ 3,083,310
2019	\$ 2,134,729
Following years:	\$ 3,590,162

11. ACCOUNTS PAYABLE

As of December 31, the account is set up as follows:

	2015	2014
Withholding tax	\$ 101,366	\$ 103,966
Equity tax	93	93
Sales tax withheld	2,602	4,440
Industry and Trade – withheld tax	8,914	11,608
Payroll withholdings and contributions	212,127	395,082
Costs and expenses payable	5,829	-
Various creditors (1)	4,857,742	5,366,726
Total	\$ 5,188,673	5,845,915
Short-term accounts payable	\$ 683,243	1,340,115
Long-term accounts payable	4,505,430	4,505,800
Total accounts payable	\$5,188,673	5,845,915

(1) Comprised of: \$3,458,931 for a loan from Carvajal S.A. and \$1,046,869 to Macarval advance due to company liquidation.

12. TAXES, CHARGES AND FEES

The Carvajal Foundation is a non-profit organization and for this reason belongs to Special Tax Regime in accordance with Article 19 Numeral 2 of the Tax Code, therefore, the Foundation is subject to income and complimentary tax and on net income or surplus rate at a flat rate of 20%, net profit, which for the years 2015 and 2014 shall be considered exempt provided that: (i) the activities performed are fully intended for: health, amateur sports, education, culture, scientific and technological research and social development programs, provided that these same programs are of general interest and the community has access to same, as per terms defined by Decree 4400 of 2004, and (ii) that its financial surpluses are fully reinvested in the activities of its corporate purpose.

Tax returns for the years 2011, 2012, 2013 and 2014 are subject to review by the tax authorities. The administration of the Foundation and its tax advisors consider that no significant differences will be found as a result of those reviews.

As of December 31, 2015 and 2014 the balance corresponding to this account is the outstanding Value Tax Added (VAT) payable in the month of June.

	2015	2014
Taxes, charges and fees	\$ 178.130	\$ 101.233
Total	\$ 178.130	\$ 101.233

13. LABOR OBLIGATIONS

As of December 31, the account is set up as follows:

	2015	2014
Consolidated severance pay	\$ 170.806	\$ 165.220
Interest on severance pay	13.753	18.830
Consolidated vacations	88.857	119.516
Non-statutory benefits	31.062	183.062
Total	\$ 254.478	\$486.628

14. RETIREMENT PENSIONS

	2015	2014
Actuarial calculation of retirement pensions	\$ 770.423	\$ 1.053.487
(Less): Retirement pensions carried forward	(287.712)	(621.776)
Total retirement pensions	471.711	431.711

The reserve as of December 31, 2015 amounts to \$ 770,423 according to the mortality table of men and women established in Resolution No. 1555 of July 30, 2010 of the Superintendencia Financiera de Colombia.

As of December 31, 2015, the pension liability is amortized by 38.7%, in compliance with Decree No. 4565 dated December 7, 2010 issued by the Ministerio de Hacienda y Crédito Público, by which the liabilities must be amortized until 2029. The number of people covered under these obligations is 25 for 2015 and 25 for 2014.

15. OTHER LIABILITIES

As of December 31, the account is set up as follows:

	2015	2014
Advance payments received (1)	\$ 474.602	\$ 1.302.778
Other liabilities	832	192.252
Total other liabilities	\$ 475.434	\$ 1.495.030

(1) It corresponds to the monies received from third parties, mainly the Biblioteca Departamental, Fundación Semano, Banco de Desarrollo de América Latina - CAF, Corporación Señor de los Milagros, Ministerio de Educación Nacional y Ministerio de Cultura, for signing agreements for business development, education and housing programs.

16. EQUITY

Social Fund - The equity composition of the Foundation differs from other companies because, by virtue of their legal nature, they do not have shareholders or partners nor do they have the equity capital of commercial businesses, but it is limited to the equity of non-profit institutions. As of December 2015, the social fund is made up of \$ 200.

Revaluation of the Equity – The appraisal of the equity reflects the effect on the original equity due to the loss of purchasing power of money. This adjustment was utilized until December 2006 in accordance with the standard accounting principles of the day, at present the balance is of \$16.437.319.

17. MEMORANDUM ACCOUNTS

As of December 31, the memorandum accounts are set up as follows:

	2015	2014
Debtors:		
Fully depreciated accounts	\$ 3.117.276	\$ 3.101.821
Tax loss carried forward	13.835.572	13.835.572
Total	\$16.952.848	\$16.937.393

18. OPERATIONAL INCOME

As of December 31, the account is as follows:

	2015	2014
Dividends (iii)	\$ 5.828.691	\$ 2.115.969
Donations (ii)	5.225.076	8.554.705
Services (i)	3.113.535	3.103.807
Training	1.202.596	890.479
Rentals	1.148.962	1.018.727
Fees	494.656	1.733.643
Construction	150.000	3.975.277
Total	\$17.163.516	\$21.392.607

(i) Mainly due to the completion of the projects with the Empresas Municipales de Cali E.I.C.E. for \$1.358.406 for eleven (11) sewer drains, Escarpeta Project \$396.946, Saberes Limmat Project \$351.325, Golazo Trafigura Project \$288.816, Older Adult Project \$269.015, among others.

(ii) Mainly due to the completion of the projects with the Fundación Corficolombiana for \$863.466 for Saberes Limmat and Corficolombiana 2015, Fundación Bancolombia for \$643.809 for the projects Saberes Bancolombia, Comersponsales Bancarios, Ensemble Project, Escarpeta Project \$396.946,

Saberes Limmat Project \$351.325, Golazo Trafigura Project \$288.816, Older Adult Project \$269.015, among others.

(iii) Dividend income for the year ending December 31, are set up as follows:

	2015	2014
Carvajal S.A.	\$ 4.757.181	\$ 1.130.370
Inversantamonica S.A.	951.966	875.784
Cartón de Colombia, S.A.	88.609	60.402
Fondo Regional de Garantías S.A.	30.935	29.279
FiduColombia S.A.	-	20.134
Total	\$ 5.828.691	\$ 2.115.969

(iv) Income from donations as of December 31 are detailed below:

	2015	2014
Fundación Corficolombiana	\$ 863.466	\$ 847.822
Fundación Bancolombia	643.809	154.154
Fundación Scarpetta Grecco	396.947	885.798
Limmat Stiftung	351.325	-
Trafigura Foundation	288.816	-
Fundación Nelly Ramirez Moreno	269.015	69.055
Negocios Macarval S.A.S.	268.084	-
Carvajal Tecnología y Servicios S.A.S.	237.255	2.181.120
Fundación Ford	216.820	-
Fundación Maine	178.838	259.245
Fundación Dividendo por Colombia	176.058	132.304
Fundación Habitat Para La Humanidad Colombia	175.556	-
Corporación Señor de los Milagros	156.000	420.800
Contribuciones (*)	149.998	899.728
Fundación Génesis Para la Niñez	106.305	201.992
Accl Vocca	96.378	-
Carvajal Empaques S.A.	91.020	50.160
Fundación Corona	85.270	156.083
Fundación Puerto de Cartagena	63.502	-
Instituto Colombiano de Bienestar Familiar ICBF	56.374	-
Fundación Mapfre	56.000	46.236
Terminal Especializado de Contenedores	-	-

	2015	2014
De Buenaventura S.A.	44.333	-
Fundación Moisés Seinjet	41.950	124.962
Fundación Propal	40.252	-
Fundación Plan de Apoyo Familiar	39.136	-
Compañía Colombiana de Cerámicas	37.815	-
Fundación Saldarriaga Concha	29.976	100.000
Fundación Caicedo González	17.000	23.000
Deutsche Gesellschaft Fur Internationale Zusammenarbeit GIZ	15.000	=
CIAMSA	13.156	144.714
Coop. De Trabajadores de Empresas Grupo Carvajal	11.144	91.864
Donaciones varias	8.377	239.991
Ingenio Providencia S.A.	-	406.000
Embajada del Japón	-	234.851
Fundación John Ramírez Moreno	-	200.000
Corporación Andina de Fomento – CAF	-	151.022
Biblioteca Dptal. Jorge Garces Borrero	-	90.000
Fundación Escuela Taller de Bogotá	-	74.000
Ingenio de Cauca S.A.	-	73.500
Unidad Administrativa Especial para La Consolidación Territorial	-	67.000
ECOPETROL S.A.	-	53.000
Incauca Cosecha S.A.	-	41.130
Fundación Bavaria	-	38.013
Venus Colombia S.A.	-	29.182
Fundación Grupo Familia	-	28.249
Fundación Semana	-	20.300
Servicios Técnicos Portuarios S.A.	-	18.430
Total	\$ 5.225.076	\$ 8.554.705

(*) Corresponds mainly of contributions made to the Golazo project.

19. OPERATIONAL EXPENSES

As of December 31, the operational expenses are detailed below:

	2015	2014
Personnel Expenses	\$ 9,892,353	\$ 8,882,619
Services	3,646,504	5,345,430
Fees	1,394,354	1,529,809
Construction material supply	1,245,984	702,076
General supplies	925,360	628,109
Depreciation	772,476	791,301
Taxes	455,728	690,587
Food supply	362,717	436,460
Taxis and buses	254,345	327,291
Books, subscriptions, newspapers, magazines	232,318	167,500
Maintenance and repairs	222,971	237,336
Trip expenses	178,247	273,377
Housing construction expenses (VIP)	171,413	3,214,427
Rent	149,360	559,115
Legal expenses	133,637	98,337
Insurance	130,537	196,581
Provision debtors	77,503	87,408
Other provisions	46,413	58,175
Office supplies, stationary photocopies	86,785	75,056
Technology supply	86,639	213,661
Casino and restaurant	57,114	95,672
Amortizations	57,048	160,182
Fuel and lubricants	49,617	100,302
Contributions and affiliations	46,762	32,042
Other expenses	960	13
Parking fees	751	6,372
Cleaning and cafeteria supplies	450	2,604
Agricultural supplies	-	5
Total	\$ 20,705,345	\$ 25,913,857

20. NON-OPERATIONAL INCOME

Financial income and expenses are detailed below:

	2015	2014
Profit on vehicle sales	\$ 185.787	\$ 15.000
Various	120.201	3.028
Recuperations	94.069	66.069
Income from previous years	6.000	325
Fees	-	249.693
Profit on sale of shares	-	109.025
Sub-total	\$ 406.057	\$ 443.140
Financial Income:		
Interest	\$ 1.330.461	\$ 6.835.594
Difference in exchange	14.894	3.474
Sub-total	\$ 1.345.355	\$ 6.839.068
Total	\$ 1.751.412	\$ 7.282.208

21. NON-OPERATIONAL EXPENSES

The non-operational expenses are detailed below:

	2015	2014
Donations (*)	\$ 1.048.851	\$ 2.990.869
Extraordinary expenses	2.608	31.012
Sub-total	\$ 1.051.459	\$ 3.021.881
Financial expenses		
Interests	\$ 839.684	\$ 573.578
Commissions	38.998	42.657
Banking expenses	2.500	13.755
Differences in exchange	-	991
Conditioned trade discounts	839	652
Sub-total	\$ 882.021	\$ 631.633

Total	\$ 1,933,480	\$ 3,656,514
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(*) Expenditures for donations are detailed below:

	2015	2014
Donations in kind	\$ 234,830	\$ 2,377,837
Assistance to individuals (Assistance + scholarships)	434,376	222,402
Cooperativa de Trab. Asoc. Mundo Maderas	-	149,973
Fundación Notas de Paz	32,316	38,800
Fundación Culturarte	87,501	36,933
Other companies and individuals	1,761	29,899
Fundación Educativa Alberto Uribe Urdaneta	45,536	28,125
Asociación Lila Mujer	-	15,599
Vallenpaz	9,000	12,000
Jenny Rojas Berrio	6,142	11,995
Colegio María Auxiliadora	16,000	11,500
Asociación de Fundaciones Empresariales	12,370	10,194
Fundación Casa de Colombia	17,918	8,500
Asociación de Recicladores de Navarra	8,743	8,094
Corporación Redeamerica	-	7,434
Proartes	10,368	6,000
Asoc. Padres Flia Colegio María Auxiliadora	-	6,000
Fundación de Recicladores Ecofuturo	3,429	3,092
Asociación de Recicladores de Colombia	9,426	2,292
Centro Social y Educativo Hormiguero	-	2,000
Asociación Promotora de Vida Apostólica	-	1,200
Fundación Alvarallice	-	1,000
Experiencia Creativa	43,389	-
Asociación Krearte	39,117	-
Asociación Cultural Kinray	36,629	-
Total	\$ 1,048,851	\$ 2,990,869