

ASSOCIAÇÃO BRAZIL FOUNDATION

Independent Auditor's Report on Financial Statements – Year ended December 31, 2014.

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ASSOCIAÇÃO BRAZIL FOUNDATION Financial Statements

To The Board of Directors
ASSOCIAÇÃO BRAZIL FOUNDATION
Rio de Janeiro - RJ

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a flourish.

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ASSOCIAÇÃO BRAZIL FOUNDATION

CNPJ. : 04.839.572/0001-10

"INDEPENDENT AUDITORS' REPORT"

To

The Board of Directors

- 1) We have audited the Financial Statements of **ASSOCIAÇÃO BRAZIL FOUNDATION**, which comprises the Balance Sheet as of December 31st, 2014, and the related Statements of Income for the Period, of Changes in Equity and Cash Flow for the year then ended, and a summary of significant accounting policies and other Accompanying Notes.
- 2) **2) Management's responsibility for the Financial Statements:** Management Entity is responsible for the preparation and fair presentation of these Financial Statements in accordance with accounting practices adopted in Brazil for Small and Medium Enterprises (NBC TG 1000), and for such internal control as management determines is necessary to enable the preparation of Financial Statements free from material misstatement, whether due to fraud or error.
- 3) **Responsibility of the Independent Auditors:** Our responsibility is to express an opinion on these Financial Statements based on our audit conducted in compliance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements by auditors and the audit is planned and performed in order to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the Financial Statements, whether due to fraud or error. In this risk assessment, the auditor considers internal control relevant to the preparation and fair presentation of the Financial Statements of the company to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal company controls. An audit also includes evaluating the adequacy of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements taken as a whole.

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

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- 4) **Opinion on Financial Statements:** In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of **ASSOCIAÇÃO BRAZIL FOUNDATION** December 31st, 2014, the performance of its operations and its cash flows for the year then ended in accordance with accounting practices for small and medium enterprises (NBC TG 1000).

São Paulo - SP, February 27th, 2015.

AUDISA AUDITORES ASSOCIADOS
CRC/SP 2SP "S" "RJ" 024298/O-3



Alexandre Chiaratti do Nascimento
Accountant
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Balance Sheet

ASSOCIAÇÃO BRAZIL FOUNDATION

CNPJ: 04.839.572/0001-10

Accounting period in 12/31/2014

		<u>2014</u>	<u>2013</u>
		US\$	US\$
ASSETS		1.913.533,64	1.732.261,29
CURRENT ASSETS	2	1.905.970,53	1.719.549,16
CASH AND CASH EQUIVALENT	2.A	1.902.988,73	1.717.644,11
OTHER RECEIVABLES		1.187,10	1.700,29
RECOVERABLE TAXES			140,02
PREPAID EXPENSES		1.794,70	64,75
NON-CURRENT ASSETS	3	7.563,12	12.712,12
PROPERTY	3.1	31.185,99	31.185,99
INTANGIBLE	3.2	1.317,67	225,89
(-) DEPRECIATION / AMORTIZATION		-24.940,55	-18.699,76
LIABILITIES		1.913.533,64	1.732.261,29
CURRENT LIABILITIES	4	1.278.439,76	1.149.043,86
SUPPLIERS		0,00	3.499,19
PROJECTS		1.248.538,96	1.139.368,34
LABOR OBLIGATIONS		26.656,62	4.908,32
TAX OBLIGATIONS		3.244,18	1.268,01
EQUITY	5	635.093,89	583.217,42
SOCIAL EQUITY		652.763,93	652.763,93
SURPLUS / DEFICIT ACCUMULATED		-57.260,90	60.243,50
SURPLUS / DEFICIT FOR THE PERIOD		39.590,86	-129.790,00

NOTE: For conversion of costs for dollar was used the rate of R\$ 2.6562 (Central Bank PTAX) on 12/31/14.

We recognize the accuracy of this balance sheet, assets and liabilities which are uniform in the same importance in the year 2013 of US\$ 1,732,261.29 (one million, seven hundred and thirty-two thousand, two hundred sixty-one dollars and twenty-nine cents). Year 2014 of US\$ 1,913,533.64 (one million, nine hundred and thirteen thousand, five hundred thirty-three dollars and sixty-four cents). Pointing out that the responsibility of the professional accountant, is restricted to the purely technical aspect since admittedly operated with data elements and vouchers provided by management of the firm who is responsible for their accuracy and veracity, as well as the stocks considered raised by that management and under his full and sole responsibility.

INCOME STATEMENT FOR THE PERIOD

ASSOCIAÇÃO BRAZIL FOUNDATION
CNPJ: 04.839.572/0001-10

Accounting period in 12/31/2014

	<u>2014</u>	<u>2013</u>
	US\$	US\$
Gross Program and Operating Income 1-D	2.254.591,51	890.562,00
Income BF Rio	1.630.627,77	775.521,18
Income Net Interest	129.595,81	105.247,91
Income from services rendered	520.387,27	9.230,29
Other Operating Income	-	562,61
ISS s / Income Services Provided	- 26.019,34	-
Expenses	- 2.215.000,65	- 1.020.352,00
BF Rio expenses	- 327.723,19	- 186.006,00
Programmatic expenses	- 287.715,13	- 153.547,64
Personal Related 1.F.1	- 235.003,01	- 54.622,11
Annual Project Selection 1.F.9	- 11.850,54	- 11.709,74
Training Managers BF 1.F.10	- 40.045,91	- 55.649,57
Project Monitoring 1.F.11	- 815,68	- 1.833,56
Project 10 Years	-	- 29.732,67
Institutional Development Expenses 1.F.7	- 40.008,06	- 32.458,37
Institutional Visits / Events	- 22.512,76	- 8.372,84
Institutional Structuring	- 1.577,44	- 6.238,23
Graphic Material- Institutional Development	- 6.919,66	- 11.221,29
Technology / Website	- 8.998,19	- 6.626,01
Expenses Gala 1.F.8	- 310.896,71	- 13.574,79
NY gala	- 30.830,46	- 11.575,38
Gala Miami	- 9.387,30	- 1.999,42
Gala SP	- 270.678,95	-
Operational expenses	- 394.852,56	- 534.885,07
Salaries 1.F.2	- 79.897,30	- 115.228,44
Benefits 1.F.3	- 50.647,35	- 45.795,18
Service providers 1.F.6	- 204.609,79	- 317.037,91
Operating expenses 1.F.4	- 40.393,78	- 32.026,02
Depreciation 1.F.4	- 5.713,67	- 5.061,49
Financial taxes 1.F.5	- 13.590,68	- 19.736,03
Carioca Fund - Expenses 1.F.12	- 43.871,04	- 70.151,94
Carioca Fund - Operating Expenses	- 2.717,88	- 10.110,61
Carioca Fund - Project Tyco	- 4.428,18	- 31.582,48
Carioca Fund - Project LCM	- 31.141,45	- 28.458,85
Carioca Fund - My creative Rio	- 5.583,53	-
Expenses - Partnerships 1.F.13	- 422.645,02	- 215.734,19
HSBC Institute	- 44.010,39	- 102.908,36
Interamerican Foundation - DESP	-	- 6.136,02
Carlyle Partnership	-	- 1.138,35
ZBI Partnership	- 6.635,57	- 6.019,87
Rouanet Project	- 6.271,84	- 99.531,60
CSP Project	- 352.775,77	-
Votorantim Project	- 12.951,45	-
Grants 1.F.14	- 715.012,13	-
Grants	- 715.012,13	-
Surplus / Deficit Period 1.F.15	- 39.590,86	- 129.790,00

NOTE: For conversion of costs for dollar was used the rate of R\$ 2.6562 (Central Bank PTAX) on 12/31/14.