

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, 2015, 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) **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, 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, 2015, the performance of its operations and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

São Paulo - SP, March 4th, 2016.

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



Alexandre Chiaratti do Nascimento

Accountant

CRC/SP "S" "RJ" 187.003/ O- 0

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ASSOCIAÇÃO BRAZIL FOUNDATION (BRAZIL FOUNDATION ASSOCIATION)
CNPJ 04.839.572/0001-10

Balance Sheet

(Values in US\$)
 For the financial year ended 31st of December 2015

	Note	2015	2014
ASSETS			
CURRENT ASSETS		1.242.998,03	1.905.970,53
CASH AND EQUIVALENTS	4a	1.219.785,21	1.902.988,73
ACCOUNTS RECEIVABLE	4c	18.834,69	-
OTHER CREDITS	4e	1.981,15	1.187,10
PREPAID EXPENSES	4f	2.396,98	1.794,70
NON-CURRENT ASSETS		4.628,69	7.563,12
PROPERTY & EQUIPMENT	5	21.728,44	31.185,99
(-) ACCUMULATED DEPRECIATION		-17.458,23	-24.413,43
INTANGIBLES	5	896,33	1.317,67
(-) ACCUMULATED AMORTIZATION		-537,86	-527,12
TOTAL ASSETS		1.247.626,72	1.913.533,64

The accompanying notes are an integral part of the financial statements

Rio de Janeiro, 31st of December 2015.

 LUCIANE DE ALMEIDA DINIZ
 ACCOUNTANT CRC-RJ: 065502/O-9
 CPF: 763.782.767-49 RG: 066584343 - IFP-RJ

 ASSOCIACAO BRAZIL FOUNDATION
 MONICA FARIA DE ROURE
 EXECUTIVE DIRECTOR CPF: 773.163.717-49



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Balance Sheet

(Values in US\$)
 For the financial year ended 31st of December 2015

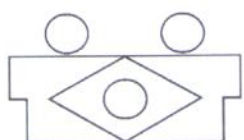
LIABILITIES	Note	2015	2014
CURRENT LIABILITIES		651.038,75	1.278.439,76
SUPPLIERS AND CONTRACTORS		76,76	0,00
PAYROLL AND RELATED CHARGES	4i	4.407,23	6.725,78
TAXES PAYABLE	4j	3.823,75	3.244,18
PROVISIONS FOR VACATIONS AND CHARGES	4l	16.939,70	19.930,84
PROJECTS TO UNDERTAKE	6	625.791,30	1.248.538,96
NET ASSETS	7	596.587,97	635.093,89
CONTRIBUTED CAPITAL		444.035,94	652.763,93
RETAINED SURPLUSES (DEFICITS)		152.552,02	-17.670,04
TOTAL LIABILITIES AND NET ASSETS		1.247.626,72	1.913.533,64

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ASSOCIAÇÃO BRAZIL FOUNDATION (BRAZIL FOUNDATION ASSOCIATION)

CNPJ 04.839.572/0001-10

Income Statement

(Values in in US\$)

For the financial year ended 31st of December 2015

	Note	2015	2014
Gross Operating Revenue		1.792.617,02	2.280.610,85
Operating and Program Revenue - BF Rio		340.918,52	1.630.627,77
Operating and Program Revenue - BF NY		157.266,06	
Revenue for Donations		755.954,09	
Partnership Revenue		46.097,11	
Financial Revenue		115.165,39	129.595,81
Revenue from Services Rendered		369.840,31	520.387,27
Other Operating Revenue		7.375,54	-
Revenue from Voluntary Services Rendered		7.375,54	
Deductions from Gross Revenue		(17.361,38)	(26.019,34)
ISS (Service Tax) on Services Rendered		(17.361,38)	(26.019,34)
Net Operating Revenue		1.775.255,64	2.254.591,51
Expenses		(1.610.683,75)	(2.215.000,65)
Expenses - BF Rio		(128.578,87)	(327.723,19)
Program Expenses		(102.381,62)	(287.715,13)
Personnel and Related		(60.185,15)	(235.003,01)
Annual Project Selection		(3.053,17)	(11.850,54)
BF Manager Training		(38.892,15)	(40.045,91)
Project Monitoring		(251,16)	(815,68)
Institutional Development Expenses		(26.197,25)	(40.008,06)
Institutional Visits and Events		(8.405,15)	(22.512,76)
Institutional Structuring		-	(1.577,44)
Printed Material - Institutional Development		(3.272,99)	(6.919,66)
Technology/Website		(14.519,11)	(8.998,19)
Gala Expenses		(160.039,70)	(310.896,71)
NY Gala		(6.411,90)	(30.830,46)
Miami Gala		(3.939,20)	(9.387,30)
SP Gala		(141.365,51)	(270.678,95)
Other Expenses - BF NY		(8.323,09)	-
Operating Expenses		(318.530,89)	(394.852,56)
Operating Expenses		(318.530,89)	(394.852,56)
Personnel		(73.011,31)	(79.897,30)
Benefits		(26.618,79)	(50.647,35)
Payroll Taxes and Charges		(45.529,45)	-
Service Providers		(121.900,33)	(204.609,79)

ASSOCIAÇÃO BRAZIL FOUNDATION (BRAZIL FOUNDATION ASSOCIATION)
CNPJ 04.839.572/0001-10

Income Statement

(Values in in US\$)

For the financial year ended 31st of December 2015

	Note	2015	2014
Expenses with Voluntary Services		(7.375,54)	
Functioning Expenses		(30.131,45)	(40.130,21)
Depreciation/Amortization		(1.030,53)	(5.977,23)
Financial Expenses		(12.933,50)	(13.590,68)
Endowment Expenses		(1.003.534,28)	(1.181.528,18)
Fundo Carioca (Rio Fund) - Expenses		(2.090,12)	(43.871,04)
Fundo Carioca - Operating Expenses		(1.077,40)	(2.717,88)
Fundo Carioca - Tyco Project		(1.012,72)	(4.428,18)
Fundo Carioca - LCM Project		-	(31.141,45)
Fundo Carioca - Meu Rio Criativo (My Creative Rio)		-	(5.583,53)
Expenses - Partnerships		(245.490,07)	(422.645,02)
Instituto HSBC (HSBC Institute)		(7.129,58)	(44.010,39)
ZIFF Brothers Investments - ZBI		(2.915,56)	(6.635,57)
Lei Rouanet (Rouanet Law) Project		-	(6.271,84)
CSP Project		(220.500,54)	(352.775,77)
Votorantim Project		(13.564,91)	(12.951,45)
BOVESPA Partnership		(125,49)	-
Open House and Talks		(439,50)	-
Exchange Fund - Travel		(814,49)	-
Expenses with Donations		(755.954,09)	(715.012,13)
Expenses with Donations		(755.954,09)	(715.012,13)
Surplus for the Period		164.571,89	39.590,86

The accompanying notes are an integral part of the financial statements

Rio de Janeiro, 31st of December 2015.

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STATEMENT OF CHANGES TO NET ASSETS
 ASSOCIAÇÃO BRAZIL FOUNDATION (BRAZIL FOUNDATION ASSOCIATION) - CNPJ: 04.839.572/0001-10 - On the 31st of December 2015
 (Values in US\$)

	Contributed Capital	Accumulated Suprluses (Deficits)	Net Assets
On 31/12/2013	<u>652.763,93</u>	<u>-69.546,51</u>	<u>583.217,42</u>
Surplus/Deficit for the period		39.590,86	39.590,86
Adjustment for previous periods		12.285,61	12.285,61
On 31/12/2014	<u>652.763,93</u>	<u>-17.670,04</u>	<u>635.093,89</u>
Surplus/Deficit for the period		164.571,89	164.571,89
Translation Difference	- 208.727,99	5.650,18	-203.077,81
On 31/12/2015	<u>444.035,94</u>	<u>152.552,03</u>	<u>596.587,97</u>

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Rio de Janeiro, 31st of December 2015.

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ASSOCIAÇÃO BRAZIL FOUNDATION (BRAZIL FOUNDATION ASSOCIATION)
CNPJ 04.839.572/0001-10

Statement of Cashflows

(Values in US\$)

For the financial year ended 31st of December 2015

Note 11

	2015	2014
Surplus for the period	164.571,89	39.590,86
Adjustment for previous periods	-	12.285,60
Depreciation and Ammortization	1.030,53	5.977,23
Provisions for Vacations and Charges	3.381,95	
Adjusted Result for the Period	168.984,38	57.853,70
Cashflow from Operating Activities		
Changes in Current Assets		
(Increase)/Reduction in Accounts Receivable	(18.834,69)	-
(Increase)/Reduction in Other Credits	(1.173,64)	653,21
(Increase)/Reduction in Prepaid Expenses	(1.176,15)	(1.729,95)
Changes in Current Liabilities		
Increase/(Reduction) in Accounts Payable to Suppliers and Contractors	76,76	(3.499,19)
Increase/(Reduction) in Payroll and Related Charges Payable	(167,91)	
Increase/(Reduction) in Labor and Pension Obligations		19.930,84
Increase/(Reduction) in Tax Obligations	1.616,93	3.793,61
(Increase)/Reduction in Accounts Payable - Projects	(223.514,47)	109.170,62
CASH FROM OPERATING ACTIVITIES	(74.188,79)	186.172,84
Cashflow from Investing Activities		
(Increase)/Reduction in Property & Equipment	(514,49)	(1.091,79)
(Increase)/Reduction in Sales of Property & Equipment	-	263,56
Cash generated/(used) in investing activities	(514,49)	(828,23)
Increase (Reduction) in Cash and Equivalents	(74.703,28)	185.344,62
Cash and Equivalents at the beginning of the period	1.294.488,49	1.717.644,11
Cash and Equivalents at the end of the period	1.219.785,21	1.902.988,73
Increase/(Reduction) in Cash and Equivalents	(74.703,28)	185.344,62

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Rio de Janeiro, 31st December 2015.