

# **BRAZIL FOUNDATION**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED**

**DECEMBER 31, 2017 and 2016**

## BRAZIL FOUNDATION

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Statements of Combining Financial Position as of December 31, 2017 (with comparative totals as of December 31, 2016)	3
Statements of Combining Activities and Changes in Net Assets for the Years Ended December 31, 2017 and 2016	4
Statements of Combining Cash Flows for the Years Ended December 31, 2017 and 2016	5
Notes to Financial Statements	6-11
Additional Information	
Independent Auditors' Report on Additional Information	12
Statements of Functional Expenses for the Year Ended December 31, 2017	13-14

# Michael S. Libock & Co., LLC

Certified Public Accountants

## Independent Auditors' Report

To the Board of Directors  
Brazil Foundation

### Report on the Financial Statements

We have audited the accompanying financial statements of Brazil Foundation (a nonprofit organization), which comprise the combining statements of financial position as of December 31, 2017 and 2016 and the related combining statements of activities and changes in net assets, and combining cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Associacao Brazil Foundation, an affiliated non - government organization organized under the laws in Brazil (see Note 9) and combined with Brazil Foundation. Those financial statements reflect total assets of \$1,717,330 and \$1,503,502 as of December 31, 2017 and 2016, respectively, and total revenues of \$1,194,734 and \$1,812,576 for the years then ended. Those financial statements were audited by other auditors in accordance with Brazilian statutes, whose report has been furnished to us; and our opinion, insofar as it relates to the amounts included for Associacao Brazil Foundation, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**Auditors' Responsibility - continued**

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Brazil Foundation as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Michael S. Libock & Co., LLC*

Michael S. Libock & Co., LLC  
July 5, 2018  
Westwood, NJ

**BRAZIL FOUNDATION**  
Combining Statements of Financial Position

	December 31,				Total	Total	Total
	2017			2016			
	Brazil Foundation	Associacao Brazil Foundation (a)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Assets</b>							
Current Assets							
Cash	\$ 557,894	\$ 1,624,879	\$ 1,585,983	\$ 107,404	\$ 489,386	\$ 2,182,773	\$ 2,097,664
Investments	1,242,233		99,767		1,142,466	1,242,233	1,030,130
Prepaid expenses and other current assets	105,208	88,214	136,487	56,935		193,422	48,993
Total current assets	<u>1,905,335</u>	<u>1,713,093</u>	<u>1,822,237</u>	<u>164,339</u>	<u>1,631,852</u>	<u>3,618,428</u>	<u>3,176,787</u>
Property and equipment, at cost, (net of accumulated depreciation of \$ and \$)	13,928	4,237	18,165			18,165	27,072
Security deposit	<u>15,600</u>		<u>15,600</u>			<u>15,600</u>	<u>15,600</u>
Total Assets	<u>\$ 1,934,863</u>	<u>\$ 1,717,330</u>	<u>\$ 1,856,002</u>	<u>\$ 164,339</u>	<u>\$ 1,631,852</u>	<u>\$ 3,652,193</u>	<u>\$ 3,219,459</u>
<b>Liabilities and Net Assets</b>							
Liabilities							
Accounts payable and accrued expenses	\$ 4,234	\$ 32,806	\$ 37,040			\$ 37,040	\$ 36,282
Deferred rent	6,127		6,127		6,127	6,127	5,061
Grants payable		18,772	18,772			18,772	117,778
Total liabilities	<u>10,361</u>	<u>51,578</u>	<u>61,939</u>			<u>61,939</u>	<u>159,121</u>
Net Assets	<u>1,924,502</u>	<u>1,665,752</u>	<u>1,794,063</u>	<u>164,339</u>	<u>1,631,852</u>	<u>3,590,254</u>	<u>3,060,338</u>
Total Liabilities and Net Assets	<u>\$ 1,934,863</u>	<u>\$ 1,717,330</u>	<u>\$ 1,856,002</u>	<u>\$ 164,339</u>	<u>\$ 1,631,852</u>	<u>\$ 3,652,193</u>	<u>\$ 3,219,459</u>

(a) Brazilian reais converted into United States dollars using the rate of 3.3124 reais per USD. The rate is provided by Oanda.com at December 31, 2017.

**BRAZIL FOUNDATION**  
**Combining Statements of Activities and Changes in Net Assets**

	For the Year Ended December 31,					2016		
	2017					As restated		
	Brazil Foundation	Associacao Brazil Foundation (a)	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Public Support and Revenue</b>								
Contributions								
Foundations	\$ 77,164	\$	\$ 77,164	\$ 77,164		\$	\$ 77,164	\$ 20,284
Corporations	33,629	2,069	35,698	35,698			35,698	79,033
Individuals	49,027	293	49,320	49,320			49,320	46,262
Investment income (loss)	219,734	110,864	330,598	105,053		\$	330,598	244,355
Fundraising gala income (net of expenses of \$509,241)	608,898	292,090	900,988	849,203	\$ 51,785		900,988	1,139,678
Donor advised fund income	1,891,680		1,891,680		1,891,680		1,891,680	959,911
Partnership income		226,906	226,906	327,465	226,906		226,906	380,192
Events income and other income (net of expenses of \$41,426)	297,387	30,078	327,465				327,465	178,149
Contributed services		532,434	*		532,434		*	9,021
Contributions from Brazil Foundation					(2,909,658)			*
Net assets released from restriction				2,909,658				
<b>Total Public Support and Revenue</b>	<u>3,177,519</u>	<u>1,194,734</u>	<u>3,839,819</u>	<u>4,353,561</u>	<u>(206,853)</u>	<u>225,545</u>	<u>3,839,819</u>	<u>3,056,885</u>
<b>Expenses</b>								
Program Services								
Associacao Brazil Foundation		408,083	408,083	408,083			408,083	353,684
Grants to Associacao Brazil Foundation	532,434	*	532,434				*	*
Discretionary grants	1,785,024	514,384	1,785,024	514,384			514,384	794,162
Donor advised grants	230,799		230,799	1,785,024			1,785,024	1,029,146
Other	2,548,257	922,467	2,938,290	230,799			230,799	243,216
<b>Total Program Services</b>			<u>2,938,290</u>	<u>3,470,724</u>			<u>2,938,290</u>	<u>2,420,208</u>
Supporting Services								
Management and general	218,163	99,989	318,152	318,152			318,152	320,385
Fundraising	192,367		192,367	192,367			192,367	196,415
<b>Total Supporting Services</b>	<u>410,530</u>	<u>99,989</u>	<u>510,519</u>	<u>510,519</u>			<u>510,519</u>	<u>516,800</u>
<b>Total Expenses</b>	<u>2,958,787</u>	<u>1,022,456</u>	<u>3,448,809</u>	<u>3,981,243</u>			<u>3,448,809</u>	<u>2,937,008</u>
Other items								
Temporarily restricted grant income		670,791	670,791		670,791		670,791	448,901
Temporarily restricted grant expense		(474,575)	(474,575)		(474,575)		(474,575)	(88,536)
Total Other items		196,216	196,216		196,216		196,216	360,365
Changes in net assets before foreign exchange loss	218,732	368,494	587,226	372,318	(10,637)	225,545	587,226	480,242
Foreign exchange loss		(57,310)	(57,310)	(57,310)			(57,310)	(96,305)
Changes in net assets	218,732	311,184	529,916	315,008	(10,637)	225,545	529,916	383,937
Net assets, beginning of year	1,705,770	1,354,568	3,060,338	1,479,055			1,406,307	2,676,401
<b>Net Assets, End of Year</b>	<u>\$ 1,924,502</u>	<u>\$ 1,665,752</u>	<u>\$ 3,590,254</u>	<u>\$ 1,794,063</u>	<u>\$ 164,339</u>	<u>\$ 1,631,852</u>	<u>\$ 3,590,254</u>	<u>\$ 3,060,338</u>

\*Interfund transfers of \$532,434, and \$862,969 are eliminated in the combination of the funds for the years ended December 31, 2017 and 2016, respectively.

(a) Brazilian reais converted into United States dollars using the yearly average rate of 3.312408 reais per USD. The rate is provided by Oanda.com for the fiscal year-end 2017.

(b) The discretionary grants disbursed by Brazil in 2017 have been reduced due to the currency conversion rates and adjustments necessary to conform to US GAAP guidelines. Total Brazilian grants disbursed in 2017 were R\$3,275,836

**BRAZIL FOUNDATION**  
Combining Statements of Cash Flows

For the Year Ended December 31,

	2017				2016		
	Brazil Foundation	Associacao Brazil Foundation	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Cash Flows from Operating Activities</b>							
Changes in net assets	\$ 218,732	\$ 311,184	\$ 529,916	\$ 315,008	\$ (10,637)	\$ 225,545	\$ 529,916
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:							
Depreciation expense	8,379	2,417	10,796	10,796			10,796
(Increase) decrease in cash attributable to changes in assets and liabilities:							
Prepaid expenses and other current assets	(57,981)	(86,448)	(144,429)	(87,494)	(56,935)		(144,429)
Accounts payable and accrued expenses	(892)	1,650	758	758			758
Deferred rent	1,066		1,066	1,066			1,066
Grants payable		(99,006)	(99,006)	(99,006)			(99,006)
<b>Net cash provided by (used in) operating activities</b>	<u>169,304</u>	<u>129,797</u>	<u>299,101</u>	<u>141,128</u>	<u>(67,572)</u>	<u>225,545</u>	<u>299,101</u>
<b>Cash Flows from Investing Activities</b>							
Capital expenditures	(1,889)		(1,889)	(1,889)			(1,889)
Purchase of investments-net	(236,742)		(236,742)	(40,691)		(196,051)	(236,742)
Proceeds from sale of investments	24,639		24,639	24,639			24,639
<b>Net cash used in investing activities</b>	<u>(213,992)</u>		<u>(213,992)</u>	<u>(17,941)</u>		<u>(196,051)</u>	<u>(213,992)</u>
Net (decrease) increase in cash	(44,688)	129,797	85,109	123,187	(67,572)	29,494	85,109
Cash, beginning of year (As restated)	602,582	1,495,082	2,097,664	1,462,796	174,976	459,892	2,097,664
<b>Cash, End of Year</b>	<u>\$ 557,894</u>	<u>\$ 1,624,879</u>	<u>\$ 2,182,773</u>	<u>\$ 1,585,983</u>	<u>\$ 107,404</u>	<u>\$ 489,386</u>	<u>\$ 2,182,773</u>
<b>Non-cash operating activities</b>							
Foreign exchange loss recorded arising from contributions made that were converted into Brazilian currency		\$ (57,310)	\$ (57,310)	\$ (57,310)			\$ (57,310)
<b>Supplementary Cash Flow Disclosures:</b>							
Cash paid during the period for							
Interest	\$ 0	\$ 0	\$ 0	\$ 0			\$ 0
Income tax	\$ 0	\$ 0	\$ 0	\$ 0			\$ 0

See independent auditors' report and accompanying notes to financial statements.

**BRAZIL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 1 – Nature of Organization**

Brazil Foundation (the “Foundation”) promotes and raises awareness of education, health, economic and social justice in Brazil and within Brazilian communities. The Foundation consists of two (2) separate entities. Brazil Foundation is established as a New York not-for-profit organization and Associacao Brazil Foundation is a not-for-profit public interest organization under the laws of Brazil. Brazil Foundation raises funds through various U.S. initiatives and the Associacao Brazil Foundation carries out and oversees the implementation of the Brazilian programs.

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Service Code and has been classified as a publicly supported organization as described in Code sections 509(a)(1) and 170(b)(A)(VI).

**Note 2 – Summary of Significant Accounting Policies**

Accounting Method

The financial statements of the Foundation have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

Net Asset Accounting

The Foundation’s net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Permanently Restricted – Net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

Temporarily Restricted – Net assets resulting from contributions and other inflows of assets whose use is limited by the donor or have imposed stipulations that either expire by the passage of time or can be fulfilled and removed by the actions of the organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

Unrestricted – The part of the net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.



**BRAZIL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 – Summary of Significant Accounting Policies – continued**

Income Taxes

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740, *Income Taxes*, the Foundation applies the “more likely than not” threshold to the recognition and derecognition of tax positions for its financial statements. Using that guidance, the Foundation believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of December 31, 2017 and 2016.

The Internal Revenue Service (“IRS”) has determined that the Foundation is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code (the “Code”) and from state and local income taxes under comparable laws. As a not-for-profit entity, the Foundation is subject to unrelated business income tax (“UBIT”), if applicable. For the tax years ended December 31, 2017 and 2016, the Organization did not owe any UBIT.

Management has evaluated the Foundation’s tax positions for all open tax years and has concluded that the Foundation had taken no uncertain tax position that require adjustment to the financial statements to comply with the provisions of GAAP. Generally, the Foundation is no longer subject to income tax examinations by U.S. Federal, State or Local tax authorities for years before 2013, which is the standard statute of limitations look-back period.

Unconditional Promises to Give and Contributions

Unconditional grants, contributions, and gifts including promises to give cash and other assets, are reported at fair value at the date the contribution is received or unconditionally promised. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

**BRAZIL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 – Summary of Significant Accounting Policies - continued**

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis.

Fair Value Measurements

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under the new standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets or liabilities have a specified (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**BRAZIL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 – Summary of Significant Accounting Policies - continued**

Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset. Expenditures for repairs and maintenance are charged to expense as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and support services in reasonable ratios determined by management.

Subsequent Events

The Foundation has evaluated subsequent events through July 5, 2018, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure on these financial statements.

Financial Statement Presentation

The financial statements are presented in accordance with ASC subtopic 958-205 (formerly SFAS No. 117), *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Comparative Financial Statements

The 2016 financial statements were restated to conform to the 2017 Financial Statement format.

**BRAZIL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3 – Concentration of Credit Risk**

The Foundation maintains cash amounts with several financial institutions in Brazil and the United States. As of December 31, 2017, accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 and by the Fundo Garantidor de Creditos up to R\$250,000. At December 31, 2017, the uninsured cash balances aggregate approximately \$1,597,487.

**Note 4 – Restriction on Assets**

Temporarily restricted net assets in the amount of \$174,976 were restricted in 2016 for operations until 2017, when they were released from restriction.

Additionally, contributions received in Brazil of \$670,791 that have not been completed or expended as of December 31, 2017, are classified as temporarily restricted revenues for 2017.

The Foundation has secured long-term grants for an endowment fund for which the principal will be permanently restricted. As of December 31, 2017, \$1,631,852 has been collected for this fund.

Donor restricted grants paid to Brazil Foundation aggregated \$1,891,680 for the year ended December 31, 2017.

**Note 5 – Lease Commitments**

The Foundation renewed a five-year lease for office space in New York City under a non-cancelable operating lease that expires in June 2020.

Future minimum lease payments under the non-cancelable operating lease as of December 31, 2017 are as follows:

<u>Year Payable</u>	<u>Operating Lease</u>
2018	\$ 70,100
2019	72,204
2020	36,635
	<u>\$ 178,939</u>

Future minimum lease payments are expensed on a straight-line basis over the life of the lease term.

**BRAZIL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 6 – Foreign Currency Translation**

The Brazilian part of the Foundation translates its Brazilian reals into U.S. dollars based upon a yearly average exchange rate. The value of the Brazilian reals declined in relation to the U.S. dollar with an average exchange rate of 3.632 in 2016 to 3.312 in 2017. Therefore, for the years ended December 31, 2017 and 2016, Brazil Foundation realized a foreign exchange loss of \$57,310 and \$96,305, respectively.

**Note 7 – Related Party Transactions**

During the years ended December 31, 2017 and 2016, the Foundation transferred \$532,434 and \$862,969, respectively, in funds to Associacao Brazil Foundation, an affiliate, for support of ongoing projects.

**Note 8 – Property and Equipment**

Property and equipment consisted of the following:

	<b>Life</b>	<b>2017</b>
Office Equipment and Furniture	5 to 7 years	\$87,567
Less: Accumulated Depreciation		69,402
		\$18,165

**Note 9 – Associacao Brazil Foundation**

The financial statements of Associacao Brazil Foundation for 2017 and 2016 have been audited and accounted for in accordance with Brazilian laws and regulations. This reporting framework differs from US Generally Accepted Accounting Principles (GAAP) in the temporarily restricted income and expense are recorded as a liability for Brazilian regulatory purposes. For this report in accordance with US GAAP, the liability for temporarily restricted revenue and expense has been reclassified into Temporarily restricted revenues and expenses on the statement of Changes in net assets.

# Michael S. Libock & Co., LLC

---

Certified Public Accountants

---

## Independent Auditors' Report on Additional Information

To the Board of Directors of  
Brazil Foundation

We have audited the financial statements of Brazil Foundation as of and for the years ended December 31, 2017 and 2016, and have issued our report thereon dated July 5, 2018, which contained an unmodified opinion on those financial statements. Our report, along with other auditors' reports on the audits of the basic financial statements of Brazil Foundation for 2017 and 2016, appears on page 1. Our audit was performed for the purposes of forming an opinion on the financial statements as a whole.

The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Michael S. Libock & Co., LLC, CPA's*

Michael S. Libock & Co., LLC, CPA's  
New York, NY  
July 5, 2018

## **ADDITIONAL INFORMATION**

**This page intentionally left blank.**



**BRAZIL FOUNDATION**  
**Statement of Functional Expenses - New York**  
**Year Ended December 31, 2017**

	Program Services			Supporting Services			2017 Total Expenses
	New York Program Costs	Donor Advised Grants	Total Program Services	Management and General	Fundraising	Total	
Grants made	\$ 532,434	1,785,024	\$ 2,317,458				\$ 2,317,458
Salaries and fringe benefits	182,858		182,858	\$ 114,286	160,000	\$ 274,286	457,144
Professional fees	4,413		4,413	28,688	11,034	39,722	44,135
Travel	1,579		1,579		395	395	1,974
Utilities	3,930		3,930	4,421	1,474	5,895	9,825
Office equipment and supplies	9,752		9,752	10,934	8,864	19,798	29,550
Occupancy	28,267		28,267	31,801	10,600	42,401	70,668
Bank service charges				19,654		19,654	19,654
Total expenses before depreciation	763,233	1,785,024	2,548,257	209,784	192,367	402,151	2,950,408
Depreciation				8,379		8,379	8,379
Total Expenses	\$ 763,233	\$ 1,785,024	\$ 2,548,257	\$ 218,163	\$ 192,367	\$ 410,530	\$ 2,958,787

See independent auditors' report on additional information.

**BRAZIL FOUNDATION**  
**Statement of Functional Expenses - Brazil**  
**Year Ended December 31, 2017**

	Program Services			Supporting Services		2017 Total Expenses
	Brazil Program Costs	Grants	Total Program Services	Management and General	Fundraising	
Program Expenses	\$ 71,983		\$ 71,983			\$ 71,983
Programmatic partnerships						
Carioca fund			-			-
Grants		\$ 514,384	514,384			514,384
Annual selection, monitoring, capacity building			-			-
Salaries and fringe benefits	245,452		245,452	\$ 81,575	\$	\$ 81,575
Professional fees	43,482		43,482	7,673		7,673
Occupancy	13,634		13,634	2,406		2,406
Office equipment and supplies	15,463		15,463	2,729		2,729
Other operating costs	18,069		18,069	3,189		3,189
Fundraising						
Total expenses before depreciation Depreciation/Amorization	408,083	514,384	922,467	97,572		97,572
				2,417		2,417
Total Expenses	\$ 408,083	\$ 514,384	\$ 922,467	\$ 99,989	\$	\$ 99,989
						\$ 1,022,456

See independent auditors' report on additional information.