

**BRAZIL FOUNDATION**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2016 and 2015**

## BRAZIL FOUNDATION

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Statements of Combining Financial Position as of December 31, 2016 (with comparative totals as of December 31, 2015)	3
Statements of Combining Activities and Changes in Net Assets for the Years Ended December 31, 2016 and 2015	4
Statements of Combining Cash Flows for the Years Ended December 31, 2016 and 2015	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, 2016	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, 2016 and 2015 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 and combined with Brazil Foundation. Those financial statements reflect total assets of \$1,503,502 and \$1,252,397 as of December 31, 2016 and 2015, respectively, and total revenues of \$1,812,576 and \$1,581,042 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.

- 1 -

349 Kinderkamack Road • Westwood, NJ 07675-1652

---

Tel: 201-263-1333 • Fax: 201-263-1334 • Email: [mike@libock.com](mailto:mike@libock.com) • [www.libock.com](http://www.libock.com)

**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, 2016 and 2015, 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 20, 2017

Westwood, NJ

**BRAZIL FOUNDATION**  
**Combining Statements of Financial Position**

	December 31,							2015
	Brazil Foundation	Associacao Brazil Foundation (a)	Total	2016			Total	
			Unrestricted	Temporarily Restricted	Permanently Restricted		Total	
<b>Assets</b>								
Current Assets								
Cash	\$ 602,582	\$ 1,495,082	\$ 2,097,664	\$ 516,381	\$ 174,976	\$ 1,406,307	\$ 2,097,664	\$ 1,925,173
Investments	1,030,130		1,030,130	1,030,130			1,030,130	922,781
Prepaid expenses and other current assets	47,227	1,766	48,993	48,993			48,993	34,828
Total current assets	<u>1,679,939</u>	<u>1,496,848</u>	<u>3,176,787</u>	<u>1,595,504</u>	<u>174,976</u>	<u>1,406,307</u>	<u>3,176,787</u>	<u>2,882,782</u>
Property and equipment, at cost, (net of accumulated depreciation of \$58,606 and \$47,203)	20,418	6,654	27,072	27,072			27,072	37,367
Security deposit	<u>15,600</u>		<u>15,600</u>	<u>15,600</u>			<u>15,600</u>	<u>15,600</u>
Total Assets	<u>\$ 1,715,957</u>	<u>\$ 1,503,502</u>	<u>\$ 3,219,459</u>	<u>\$ 1,638,176</u>	<u>\$ 174,976</u>	<u>\$ 1,406,307</u>	<u>\$ 3,219,459</u>	<u>\$ 2,935,749</u>
<b>Liabilities and Net Assets</b>								
Liabilities								
Accounts payable and accrued expenses	\$ 5,126	\$ 31,156	\$ 36,282	\$ 36,282			\$ 36,282	\$ 29,014
Deferred rent	5,061		5,061	5,061			5,061	2,012
Grants payable		117,778	117,778	117,778			117,778	228,322
Total liabilities	<u>10,187</u>	<u>148,934</u>	<u>159,121</u>	<u>159,121</u>			<u>159,121</u>	<u>259,348</u>
Net Assets	<u>1,705,770</u>	<u>1,354,568</u>	<u>3,060,338</u>	<u>1,479,055</u>	<u>\$ 174,976</u>	<u>\$ 1,406,307</u>	<u>3,060,338</u>	<u>2,676,401</u>
Total Liabilities and Net Assets	<u>\$ 1,715,957</u>	<u>\$ 1,503,502</u>	<u>\$ 3,219,459</u>	<u>\$ 1,638,176</u>	<u>\$ 174,976</u>	<u>\$ 1,406,307</u>	<u>\$ 3,219,459</u>	<u>\$ 2,935,749</u>

(a) Brazilian reais converted into United States dollars using the rate of 3.2591 reais per USD. The rate is provided by Oanda.com at December 31, 2016.

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

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

	For the Year Ended December 31,							2015
			2016				Total	
	Brazil Foundation	Associacao Brazil Foundation (a)	Total	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>Public Support and Revenue</b>								
Contributions								
Foundations	\$ 20,284		\$ 20,284	\$ 20,284			\$ 20,284	\$ 19,141
Corporations	74,533	\$ 4,500	79,033	79,033			79,033	15,381
Individuals	41,941	4,321	46,262	46,262			46,262	49,689
Investment income (loss)	114,579	129,776	244,355	43,817		\$ 200,538	244,355	109,870
Fundraising gala income (net of expenses of \$578,074)	719,934	419,744	1,139,678	521,292	\$ 618,386		1,139,678	1,259,702
Donor advised fund income	1,169,536	239,276	1,408,812		1,408,812		1,408,812	1,197,731
Partnership income	251,200	128,992	380,192		380,192		380,192	481,219
Events income and other income (net of expenses of \$29,043)	164,172	13,977	178,149	178,149			178,149	122,769
Contributed services		9,021	9,021	9,021			9,021	8,304
Contributions from Brazil Foundation		862,969	*		862,969		*	*
Net assets released from restriction				3,356,523	(3,356,523)			
<b>Total Public Support and Revenue</b>	<u>2,556,179</u>	<u>1,812,576</u>	<u>3,505,786</u>	<u>4,254,381</u>	<u>(86,164)</u>	<u>200,538</u>	<u>3,505,786</u>	<u>3,263,806</u>
<b>Expenses</b>								
Program Services								
Associacao Brazil Foundation		353,684	353,684	353,684			353,684	493,778
Grants to Associacao Brazil Foundation	862,969		*	862,969			*	*
Discretionary grants		(b) 882,698	882,698	882,698			882,698	949,102
Donor advised grants	1,029,146		1,029,146	1,029,146			1,029,146	1,012,088
Other	243,216		243,216	243,216			243,216	226,830
<b>Total Program Services</b>	<u>2,135,331</u>	<u>1,236,382</u>	<u>2,508,744</u>	<u>3,371,713</u>			<u>2,508,744</u>	<u>2,681,798</u>
Supporting Services								
Management and general	196,236	124,149	320,385	320,385			320,385	322,084
Fundraising	196,415		196,415	196,415			196,415	194,594
<b>Total Supporting Services</b>	<u>392,651</u>	<u>124,149</u>	<u>516,800</u>	<u>516,800</u>			<u>516,800</u>	<u>516,678</u>
<b>Total Expenses</b>	<u>2,527,982</u>	<u>1,360,531</u>	<u>3,025,544</u>	<u>3,888,513</u>			<u>3,025,544</u>	<u>3,198,476</u>
Changes in net assets before foreign exchange loss	28,197	452,045	480,242	365,868	(86,164)	200,538	480,242	65,330
Foreign exchange loss		(96,305)	(96,305)	(96,305)			(96,305)	(463,684)
Changes in net assets	28,197	355,740	383,937	269,563	(86,164)	200,538	383,937	(398,354)
Net assets, beginning of year	1,677,573	998,828	2,676,401	1,209,492	261,140	1,205,769	2,676,401	3,074,755
<b>Net Assets, End of Year</b>	<u>\$ 1,705,770</u>	<u>\$ 1,354,568</u>	<u>\$ 3,060,338</u>	<u>\$ 1,479,055</u>	<u>\$ 174,976</u>	<u>\$ 1,406,307</u>	<u>\$ 3,060,338</u>	<u>\$ 2,676,401</u>

\*Interfund transfers of \$862,969 and \$769,674 are eliminated in the combination of the funds for the years ended December 31, 2016 and 2015, respectively.

(a) Brazilian reais converted into United States dollars using the yearly average rate of 3.632 reais per USD. The rate is provided by Oanda.com for the fiscal year-end 2016.

(b) The discretionary grants disbursed by Brazil in 2016 have been reduced due to the currency conversion rates and adjustments necessary to conform to US GAAP guidelines. Total Brazilian grants disbursed in 2016 were R\$3,601,104.

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

**BRAZIL FOUNDATION**  
**Combining Statements of Cash Flows**

	For the Year Ended December 31,							2015
	2016							
	Brazil Foundation	Associacao Brazil Foundation	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
<b>Cash Flows from Operating Activities</b>								
Changes in net assets	\$ 28,197	\$ 355,740	\$ 383,937	\$ 269,563	\$ (86,164)	\$ 200,538	\$ 383,937	\$ (398,354)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:								
Depreciation expense	8,658	2,745	11,403	11,403			11,403	11,803
(Increase) decrease in cash attributable to changes in assets and liabilities:								
Prepaid expenses and other current assets	(35,611)	21,447	(14,164)	(14,164)			(14,164)	(30,196)
Accounts payable and accrued expenses	1,358	5,909	7,267	7,267			7,267	(3,415)
Deferred rent	3,049		3,049	3,049			3,049	2,012
Grants payable		(110,544)	(110,544)	(110,544)			(110,544)	(259,303)
<b>Net cash provided by (used in) operating activities</b>	<u>5,651</u>	<u>275,297</u>	<u>280,948</u>	<u>166,574</u>	<u>(86,164)</u>	<u>200,538</u>	<u>280,948</u>	<u>(677,453)</u>
<b>Cash Flows from Investing Activities</b>								
Capital expenditures	(1,108)		(1,108)	(1,108)			(1,108)	(5,039)
Purchase of investments-net	(133,241)		(133,241)	(133,241)			(133,241)	(856,626)
Proceeds from sale of investments	25,892		25,892	25,892			25,892	16,545
<b>Net cash used in investing activities</b>	<u>(108,457)</u>		<u>(108,457)</u>	<u>(108,457)</u>			<u>(108,457)</u>	<u>(845,120)</u>
Net (decrease) increase in cash	(102,806)	275,297	172,491	58,117	(86,164)	200,538	172,491	(1,522,573)
Cash, beginning of year	705,388	1,219,785	1,925,173	458,264	261,140	1,205,769	1,925,173	3,447,746
<b>Cash, End of Year</b>	<u>\$ 602,582</u>	<u>\$ 1,495,082</u>	<u>\$ 2,097,664</u>	<u>\$ 516,381</u>	<u>\$ 174,976</u>	<u>\$ 1,406,307</u>	<u>\$ 2,097,664</u>	<u>\$ 1,925,173</u>
<b>Non-cash operating activities</b>								
Foreign exchange loss recorded arising from contributions made that were converted into Brazilian currency	<u>\$</u>	<u>\$ (96,305)</u>	<u>\$ (96,305)</u>	<u>\$ (96,305)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (96,305)</u>	<u>\$ (463,684)</u>
<b>Supplementary Cash Flow Disclosures:</b>								
Cash paid during the period for								
Interest	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>					<u>\$ 0</u>
Income tax	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>					<u>\$ 0</u>

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, 2016 and 2015.

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, 2016 and 2015, 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 2012, 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 20, 2017, 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.

**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, 2016, 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, 2016, the uninsured cash balances aggregate approximately \$1,564,000.

**BRAZIL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 4 – Restriction on Assets**

Temporarily restricted net assets in the amount of \$261,140 were restricted in 2015 for operations until 2016, when they were released from restriction.

Additionally, contributions received in Brazil of \$566,679 that have not been completed or expended as of December 31, 2016, are classified as temporarily restricted revenues for 2016.

The Foundation has secured long-term grants for an endowment fund for which the principal will be permanently restricted. As of December 31, 2016, \$1,406,307 has been collected for this fund.

Donor restricted grants paid to Brazil Foundation aggregated \$1,408,812 for the year ended December 31, 2016.

**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, 2016 are as follows:

<u>Year Payable</u>	<u>Operating Lease</u>
2017	\$ 68,059
2018	70,100
2019	72,204
2020	<u>36,635</u>
	<u>\$ 246,998</u>

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

**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 3.468 in 2015 to 3.632 in 2016. Therefore, for the years ended December 31, 2016 and 2015, Brazil Foundation realized a foreign exchange loss of \$96,305 and \$463,684, respectively.

**BRAZIL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**Note 7 – Related Party Transactions**

During the years ended December 31, 2016 and 2015, the Foundation transferred \$862,969 and \$769,674, 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:

	<u>Life</u>	<u>2016</u>
Office Equipment and Furniture	5 to 7 years	\$85,678
Less: Accumulated Depreciation		<u>58,606</u>
		<u>\$27,072</u>

**ADDITIONAL INFORMATION**

# 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, 2016 and 2015, and have issued our report thereon dated July 20, 2017, 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 2016 and 2015, 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 20, 2017

- 12 -

---

349 Kinderkamack Road • Westwood, NJ 07675-1652

Tel: 201-263-1333 • Fax: 201-263-1334 • Email: [mike@libock.com](mailto:mike@libock.com) • [www.libock.com](http://www.libock.com)

**This page intentionally left blank.**

**BRAZIL FOUNDATION**  
**Statement of Functional Expenses - New York**  
**Year Ended December 31, 2016**

	Program Services			Supporting Services			2016
	New York Program Costs	Donor Advised Grants	Total Program Services	Management and General	Fundraising	Total	Total Expenses
Grants made	\$ 862,969	\$ 1,029,146	\$ 1,892,115				\$ 1,892,115
Salaries and fringe benefits	192,570		192,570	\$ 120,355	\$ 168,499	\$ 288,854	481,424
Professional fees	3,034		3,034	19,711	7,581	27,292	30,326
Travel	9,402		9,402		2,351	2,351	11,753
Utilities	3,344		3,344	3,762	1,254	5,016	8,360
Office equipment and supplies	6,844		6,844	7,673	6,222	13,895	20,739
Occupancy	28,022		28,022	31,525	10,508	42,033	70,055
Bank service charges				4,552		4,552	4,552
Total expenses before depreciation	1,106,185	1,029,146	2,135,331	187,578	196,415	383,993	2,519,324
Depreciation				8,658		8,658	8,658
Total Expenses	<u>\$ 1,106,185</u>	<u>\$ 1,029,146</u>	<u>\$ 2,135,331</u>	<u>\$ 196,236</u>	<u>\$ 196,415</u>	<u>\$ 392,651</u>	<u>\$ 2,527,982</u>

See independent auditors' report on additional information.

**BRAZIL FOUNDATION**  
**Statement of Functional Expenses - Brazil**  
**Year Ended December 31, 2016**

	Program Services			Supporting Services			2016
	Brazil Program Costs	Grants	Total Program Services	Management and General	Fundraising	Total	Total Expenses
Program Expenses							
Programmatic partnerships	\$ 29,817		\$ 29,817				\$ 29,817
Carioca fund	834		834				834
Grants		\$ 882,698	882,698				882,698
Annual selection, monitoring, capacity building	30,100		30,100				30,100
Salaries and fringe benefits	138,567		138,567	\$ 96,134		\$ 96,134	234,701
Professional fees	104,850		104,850	18,503		18,503	123,353
Occupancy	11,430		11,430	2,017		2,017	13,447
Office equipment and supplies	17,154		17,154	3,027		3,027	20,181
Other operating costs	20,932		20,932	3,694		3,694	24,626
Fundraising							
Total expenses before depreciation	353,684	882,698	1,236,382	123,375		123,375	1,359,757
Depreciation/Amorization				774		774	774
Total Expenses	\$ 353,684	\$ 882,698	\$ 1,236,382	\$ 124,149	\$	\$ 124,149	\$ 1,360,531

See independent auditors' report on additional information.