

Financial Statements

ASSOCIAÇÃO BRAZIL FOUNDATION

December 31st 2019 and 2018

with a Report from the Independent Auditors

SÃO PAULO

Alameda Rio Negro, 503
1º And. Conj. 108/109
Alpaville - 06454-000
saopaulo@grupoaudisa.com.br
Fone: (11) 3661-9933

PORTO ALEGRE

Av. Getúlio Vargas, 1157
13º And. Conj. 1316
Menino Deus - 90150-005
portoalegre@grupoaudisa.com.br
Fone: (51) 3062-8902

RECIFE

recife@grupoaudisa.com.br

RIO DE JANEIRO

riodejaneiro@grupoaudisa.com.br

 grupoaudisa
 @grupo_audisa
 grupoaudisa.consultores

São Paulo, March 18th, 2020.

To the members of the board and management of

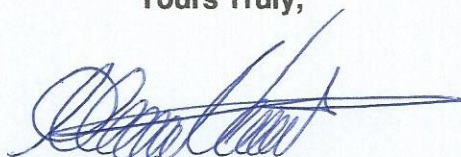
ASSOCIAÇÃO BRAZIL FOUNDATION
A/C Sra. Cátia Costa
México Street, 31, room 1003 – City Center
Rio de Janeiro/RJ
Postcode: 20.510-060

Re.: Independent Auditor's Report on the Financial Statements

Dear Airs and Madams,

We hereby submit to your care Independent Auditor's Report of the Financial Statements for the year ended on December 31st 2019 and 2018 of **ASSOCIAÇÃO BRAZIL FOUNDATION.**

Yours Truly,



AUDISA AUDITORES ASSOCIADOS

('AUDISA ASSOCIATED AUDITORS')

(Regional Accounting Board No) CRC/SP 2SP "S" "RJ" 024298/O-3

SÃO PAULO

Alameda Rio Negro, 503
1º And. Conj. 108/109
Alpaville - 06454-000
saopaulo@grupoaudisa.com.br
Fone: (11) 3661-9933

PORTO ALEGRE

Av. Getúlio Vargas, 1157
13º And. Conj. 1316
Menino Deus - 90150-005
portoalegre@grupoaudisa.com.br
Fone: (51) 3062-8902


RECIFE

recife@grupoaudisa.com.br

RIO DE JANEIRO

riodejaneiro@grupoaudisa.com.br

 grupoaudisa

 @grupo_audisa

 grupoaudisa.consultores

ASSOCIAÇÃO BRAZIL FOUNDATION

Financial Statements

December 31st 2018 and 2017

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	4
BALANCE SHEET	7
INCOME STATEMENT	9
STATEMENT OF CHANGES IN NET ASSETS	10
STATEMENT OF CASH FLOW	11
ACCOMPANYING NOTES.....	12



SÃO PAULO

Alameda Rio Negro, 503
1º And. Conj. 108/109
Alpaville - 06454-000
saopaulo@grupoaudisa.com.br
Fone: (11) 3661-9933

PORTO ALEGRE

Av. Getúlio Vargas, 1157
13º And. Conj. 1316
Menino Deus - 90150-005
portoalegre@grupoaudisa.com.br
Fone: (51) 3062-8902

RECIFE

recife@grupoaudisa.com.br

RIO DE JANEIRO

riodejaneiro@grupoaudisa.com.br

 grupoaudisa

 @grupo_audisa

 grupoaudisa.consultores

ASSOCIAÇÃO BRAZIL FOUNDATION

CNPJ (Legal Entity Registration No.) : 04.839.572/0001-10

"INDEPENDENT AUDITORS' REPORT OF THE FINANCIAL STATEMENTS"

Report on the Financial Statements

We have audited the accompanying financial statements of **ASSOCIAÇÃO BRAZIL FOUNDATION**, which comprised the balance sheet as of 31 December 2019, and the corresponding statements of income, changes in net assets, and cash flows, for the financial year then ended, as well as the accompanying notes, including a summary of significant accounting policies.

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Entity as of 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with accounting standards and practices generally accepted in Brazil.

Basis for Opinion on Financial Statements

Our audit was conducted in accordance with Brazilian and International audit standards. Our responsibilities, under such standards, are described in the section "Auditor's responsibilities for the audit of the financial statements", below. We are independent with relation to the Entity, in accordance with the applicable ethical principles of the Accountant's Professional Code of Ethics ('Código de Ética Profissional do Contador') and professional standards issued by the Federal Accounting Board ('Conselho Federal de Contabilidade'), and we comply with the other ethical requirements of these standards. We believe that the audit evidence that has been obtained is a sufficient and appropriate basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices accepted in Brazil, and for such internal controls it has deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



SÃO PAULO

Alameda Rio Negro, 503
1º And. Conj. 108/109
Alpaville - 06454-000
saopaulo@grupoaudisa.com.br
Fone: (11) 3661-9933

PORTO ALEGRE

Av. Getúlio Vargas, 1157
13º And. Conj. 1316
Menino Deus - 90150-005
portoalegre@grupoaudisa.com.br
Fone: (51) 3062-8902

RECIFE

recife@grupoaudisa.com.br

RIO DE JANEIRO

riodejaneiro@grupoaudisa.com.br

 grupoaudisa
 @grupo_audisa
 grupoaudisa.consultores

In preparing the financial statements, management is responsible for assessing the Entity's capacity to continue operating, disclosing, when appropriate, issues related to its operational continuity and the use of that assumption as an accounting basis for the preparation of the financial statements, unless management intends to liquidate the Entity or to cease its operations, or does not have any realistic alternative to avoid the end of operations.

The individuals responsible for the Entity's management are those with responsibility for the supervision of the preparation of financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable confidence that the financial statements, taken as a group, are free of material distortion, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable confidence is a high degree of confidence, but not a guarantee that an audit carried out in line with Brazilian and International audit standards always detects material distortions that may exist. Distortions may result from fraud or error, and are deemed material when, individually or as a group, they may reasonably influence economic decisions based on the financial statements.

As part of the audit that was carried out, in line with Brazilian and international audit standards, we exercised professional judgement and maintained professional skepticism throughout the audit. In addition to this:

- We identified and assessed risks of material distortion in the financial statements, whether caused by fraud or error; planned and executed audit procedures in response to such risks; and obtained appropriate and sufficient audit evidence on which to base our opinion. The risk of not detecting material distortion resulting from fraud is greater than that resulting from error, as fraud can involve deliberate circumvention of internal controls, collusion, forgery, omission or intentionally false representation.
- We obtained an understanding of the internal controls that were relevant to the audit, to plan audit procedures that were appropriate in the circumstances, but not with the objective of expressing an opinion on the efficacy of the Entity's internal controls.



SÃO PAULO

Alameda Rio Negro, 503
1º And. Conj. 108/109
Alpaville - 06454-000
saopaulo@grupoaudisa.com.br
Fone: (11) 3661-9933

PORTO ALEGRE




Av. Getúlio Vargas, 1157
13º And. Conj. 1316
Menino Deus - 90150-005
portoalegre@grupoaudisa.com.br
Fone: (51) 3062-8902

RECIFE

recife@grupoaudisa.com.br

RIO DE JANEIRO

riodejaneiro@grupoaudisa.com.br

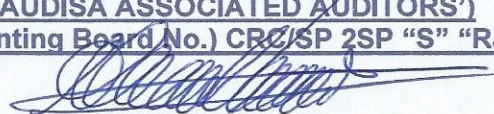
 grupoaudisa
 @grupo_audisa
 grupoaudisa.consultores

- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates and the corresponding disclosures made by management.
- We reached a conclusion on the adequacy of management's use of the accounting basis of operational continuity and, based on audit evidence obtained, whether there is material uncertainty with relation to events or conditions that may raise significant doubts regarding the Entity's capacity to continue operating as a going concern. If we conclude that there is material uncertainty, we must draw attention in our audit report to the corresponding disclosures in the financial statements, or, if the disclosures are inadequate, qualify our opinion. Our conclusions are based on the audit evidence obtained until the date of our report. However, future events or conditions may cause the Entity to cease operating.
- We evaluate the overall presentation, structure and content of financial statements, including disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of adequate presentation.

We communicated with management regarding, among other topics, the planned reach, the period of the audit and the significant audit findings, including possible significant deficiencies in internal controls identified during our work.

São Paulo - SP, March 18th, 2020.

AUDISA AUDITORES ASSOCIADOS
("AUDISA ASSOCIATED AUDITORS")
(Regional Accounting Board No.) CRC/SP 2SP "S" "RJ" 024298/O-3


Alexandre Chiaratti do Nascimento
Accountant

(Regional Accounting Board no) CRC/SP "S" "RJ" 187.003/ O-0
CNAI – SP – 1620

SÃO PAULO

Alameda Rio Negro, 503
1º And. Conj. 108/109
Alpaville - 06454-000
saopaulo@grupoaudisa.com.br
Fone: (11) 3661-9933

PORTO ALEGRE

Av. Getúlio Vargas, 1157
13º And. Conj. 1316
Menino Deus - 90150-005
portoalegre@grupoaudisa.com.br
Fone: (51) 3062-8902

RECIFE

recife@grupoaudisa.com.br

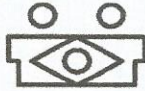
RIO DE JANEIRO

riodejaneiro@grupoaudisa.com.br

 grupoaudisa

 @grupo_audisa

 grupoaudisa.consultores



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ, CEP: 20031-144
tel +55 21 2532-2998 . 2532-3029
info@brazilfoundation.org

ASSOCIAÇÃO BRAZIL FOUNDATION
CNPJ 04.839.572/0001-10

Balance Sheet

(Amounts shown in Dollars)

Year ended on December 31, 2019

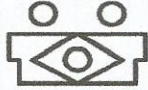
	Note	<u>2019</u>	<u>2018</u>
ASSET			
CURRENT		3.401.552,62	1.535.882,88
CASH AND CASH EQUIVALENTS	4a	1.573.031,63	1.521.789,29
OTHER RECEIVABLES	4e	1.827.074,97	12.630,55
PREPAID EXPENSES	4f	1.446,03	1.463,04
NONCURRENT		894,29	948,68
FIXED ASSETS	5	21.281,63	21.944,31
(-) ACCUMULATED DEPRECIATION		(20.387,34)	(20.995,64)
INTANGIBLE	5	868,34	903,27
(-) ACCUMULATED AMMORTIZATION		(868,34)	(903,27)
TOTAL - ASSET		3.402.446,91	1.536.831,56

Accompanying notes are part of the Financial Statements.

Rio de Janeiro, December 31, 2019.

GRACILANE DA SILVA RODRIGUES
ACCOUNTANT CRC RJ 109.635/0-4
CPF.: 072.550.767-50

ASSOCIACAO BRAZIL FOUNDATION
MARIA CECÍLIA OSWALDO CRUZ
EXECUTIVE DIRECTOR CPF: 884.775.337-68



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ, CEP: 20031-144
tel +55 21 2532-2998 . 2532-3029
info@brazilfoundation.org

ASSOCIAÇÃO BRAZIL FOUNDATION
CNPJ 04.839.572/0001-10

Balance Sheet

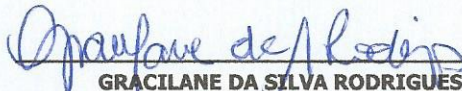
(Amounts shown in Dollars)

Year ended on December 31, 2019

	Nota	<u>2019</u>	<u>2018</u>
LIABILITIES			
CURRENT		2.558.603,01	667.044,57
VENDORS	4i	3.971,97	1.362,70
PAYROLL	4j	5.569,50	7.355,75
TAX LIABILITIES	4k	4.840,57	3.908,30
SOCIAL PROVISIONS (SOCIAL SECURITY LIABILITIES)	4m	19.639,97	18.969,62
PROJECTS TO BE EXECUTED	6	708.670,35	635.448,19
RESTRICTED PROJECT FUNDS	6	1.815.910,65	-
PATRIMONIO LÍQUIDO	7	843.843,90	869.786,99
SOCIAL EQUITY		603.587,90	632.960,77
EQUITY EVALUATION ADJUSTMENT		414,53	862,36
ESTABLISHED RESERVES		232.143,06	241.483,11
ANNUAL SURPLUS / DEFICIT		7.698,41	(5.519,25)
TOTAL LIABILITY AND NET EQUITY		3.402.446,91	1.536.831,56

Accompanying notes are part of the Financial Statements.

Rio de Janeiro, December 31, 2019.


GRACILANE DA SILVA RODRIGUES

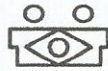
ACCOUNTANT CRC RJ 109.635/0-4

CPF.: 072.550.767-50


ASSOCIACAO BRAZIL FOUNDATION

MARIA CECÍLIA OSWALDO CRUZ

EXECUTIVE DIRECTOR CPF: 884.775.337-68



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ, CEP: 20031-144
tel +55 21 2532-2998 . 2532-3029
info@brazilfoundation.org

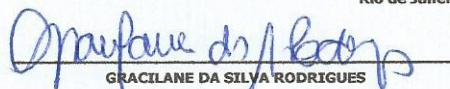
ASSOCIAÇÃO BRAZIL FOUNDATION
CNPJ 04.839.572/0001-10

Year's Income Statement
(Amounts shown in Dollars)
Year ended on December 31, 2019

	Note	2019	2018
Operational Gross Income	8	2.129.391,59	1.655.038,00
Operational and Programmatic Income – BF Rio		225.986,27	173.205,85
Income - Donations BF Rio		-	163.481,47
Contribution – Operational Sponsors		7.288,82	34.478,30
Income for Donations		1.429.245,29	1.013.401,25
Income - Partnerships		256.444,07	191.484,31
Income - Partnerships Mubadala		119.423,44	-
Investment Revenues		80.634,13	69.870,53
Other Operational Revenues		10.369,56	9.116,29
Income - Voluntary Services		10.369,56	9.116,29
Operating Net Income		2.129.391,59	1.655.038,00
Expenses		(2.121.693,17)	(1.660.557,25)
Expenses BF Rio		(143.702,70)	(142.986,35)
Programmatic expenses		(130.566,91)	(130.424,23)
Associated Payroll		(98.956,27)	(101.938,00)
Annual Project Selection		(5.672,95)	(896,60)
Training – BF Managers		(25.937,69)	(27.589,63)
Expenses – Institutional Development		(13.135,78)	(12.562,13)
Institutional Visits/Events		(4.859,55)	(4.215,12)
Graphic Material- Institutional Development		(2.024,21)	(1.843,45)
Technology/Website		(6.252,02)	(6.503,56)
Expenses - Gala		(186.654,14)	(183.564,94)
Gala NY		(14.496,80)	(6.227,64)
Gala Miami		-	(5.135,26)
Gala SP		(143.738,82)	(134.709,47)
Other expenses - BF NY		(2.431,34)	(8.461,11)
Dinner Minas - Expenses		(25.987,18)	(29.031,47)
Operating expenses		(265.797,71)	(281.407,31)
Operating expenses		(265.797,71)	(281.407,31)
Associated Payroll		(101.629,45)	(105.280,93)
Benefits		(35.435,78)	(36.130,30)
Charges/Taxes		(57.582,03)	(63.469,59)
Service suppliers		(34.043,20)	(30.896,00)
Expenses with Voluntary Services		(10.369,56)	(9.116,29)
Operating Expenses		(23.820,84)	(28.652,05)
Depreciation/Ammortization		(203,77)	(938,22)
Finance Expenses		(2.713,07)	(6.721,23)
Other Operating Expenses		-	(202,70)
Expenses - Partnerships		(96.293,34)	(39.197,40)
Other Partnerships		-	(13.387,13)
Partnership BOVESPA		-	(18,92)
Open House and Lectures		-	(556,93)
Interchange Fund - Traveling		(659,58)	(3.447,58)
Support Fundação Itaú Social		(13.739,43)	(12.870,20)
Partnership Fundação Renova		(42.175,68)	(8.916,65)
Partnership Porticus Foundation		(6.269,60)	-
Partnership Mubadala		(33.449,05)	-
Expenses with Donations		(1.429.245,29)	(1.013.401,25)
Donations Expenses		(1.429.245,29)	(1.013.401,25)
Annual Surplus / Deficit		7.698,41	(5.519,25)

Accompanying notes are part of the Financial Statements.

Rio de Janeiro, December 31, 2019.


GRACILANE DA SILVA RODRIGUES
ACCOUNTANT CRC RJ 109.635/0-4

CPF.: 072.550.767-50


ASSOCIAÇÃO BRAZIL FOUNDATION
MARIA CECÍLIA OSWALDO CRUZ

EXECUTIVE DIRECTOR CPF: 884.775.337-68



Brazil Foundation

BrazilFoundation
 Rua México, 31 sala 1003 - Centro
 Rio de Janeiro, RJ, CEP: 20031-144
 tel +55 21 2532-2998 . 2532-3029
 info@brazilfoundation.org

ASSOCIAÇÃO BRAZIL FOUNDATION
 NPJ 04.839.572/0001-10

Net Equity Mutation Statement
 (Amounts shown in Dollars)
 Year ended on December 31, 2019

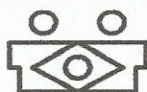
	Social Equity	Equity Evaluation Adjustments	Accumulated Surplus / Deficit Acumulados	Constituted Reserves	Adjustments from Previous Years	Year's Surplus / Deficit	Net Equity
Balance on December 31, 2017	207.471,91	5.126,31	410.518,18	287.103,48	10.012,89	105.050,51	1.025.283,28
Incorporation of the 2017 Income	515.568,69	-	(410.518,18)	-	-	(105.050,51)	-
Net Equity Adjustment	3.449,45	(3.449,45)	-	-	-	-	(0,00)
Annual Deficit	-	-	-	-	-	(5.519,25)	(5.519,25)
Adjustment from previous years	10.012,89	-	-	-	(10.012,89)	-	-
Difference due to Currency Conversion	(149.977,04)	-	-	-	-	-	(149.977,04)
Balance on December 31, 2018	586.525,90	1.676,86	-	287.103,48	-	(5.519,25)	869.786,99
Incorporation of the 2018 Income	(5.519,25)	-	-	-	-	5.519,25	-
Net Equity Adjustment	414,48	(414,48)	-	-	-	-	-
Annual Surplus	-	-	-	-	-	7.698,41	7.698,41
Difference due to Currency Conversion	22.166,77	(847,90)	-	(54.960,42)	-	-	(33.641,55)
Balance on December 31, 2019	603.587,90	414,48	-	232.143,06	-	7.698,41	843.843,85

Accompanying notes are part of the Financial Statements.

Rio de Janeiro, December 31, 2019.

Cracilane da Silva Rodrigues
 CRACILANE DA SILVA RODRIGUES
 ACCOUNTANT CRC RJ 109.635/0-4
 CPF.:072.550.767-50

Maria Cecília Oswald Cruz
 ASSOCIAÇÃO BRAZIL FOUNDATION
 MARIA CECÍLIA OSWALDO CRUZ
 EXECUTIVE DIRECTOR CPF: 884.775.337-68



BrazilFoundation

BrazilFoundation
 Rua México, 31 sala 1003 - Centro
 Rio de Janeiro, RJ, CEP: 20031-144
 tel +55 21 2532-2998 . 2532-3029
 info@brazilfoundation.org

ASSOCIAÇÃO BRAZIL FOUNDATION
CNPJ 04.839.572/0001-10

Cash Flow Statement – Indirect Method

(Amounts shown in Dollars)

Year ended on December 31, 2019

Accompanying Note 11

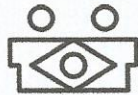
	2019	2018
Annual Surplus / Deficit	7.698,41	(5.519,25)
Depreciation and Ammortization	203,77	766,71
Social Provisions	1.404,05	4.212,59
Adjusted Year's Income	9.306,23	(539,95)
Cash Flow – Operating Activities		
Variation in Current Assets		
(Increase) /Reduction of Other Receivables	(1.816.155,02)	60.902,49
(Increase) /Reduction of Other Credit	1.222,09	217,47
(Increase) /Reduction of Prepaid Expenses	(39,57)	96,83
Variation in Current Liabilities		
Increase/ (Reduction) of Vendors	2.661,97	(572,25)
Increase/ (Reduction) of Labor Charges	(1.501,74)	794,94
Increase/ (Reduction) of Tax Liabilities	1.083,43	(847,16)
Increase/ (Reduction) of Accounts Payable - Projects	97.799,94	74.508,19
Increase/ (Reduction) of Accounts Payable - Resources	1.815.910,65	-
Net cash generated by operating activities	110.287,98	134.560,56
Cash Flow - Investment Activities		
Fixed Asset – Acquisition	(186,07)	(339,28)
Fixed Asset – Write off	-	374,21
Net cash (consumed) / generated by investment activities	(186,07)	34,94
Net Increase of Cash and Cash Equivalentes	110.101,91	134.595,50
Cash and Equivalentes in the beginning of the year	1.462.929,72	1.387.193,79
Cash and Equivalentes in the end of the year	1.573.031,63	1.521.789,29
Variation in the period	110.101,91	134.595,50

Accompanying notes are part of the Financial Statements.

Rio de Janeiro, December 31, 2019.

GRACILANE DA SILVA RODRIGUES
 CONTADORA CRC RJ 109.635/0-4
 CPF.: 072.550.767-50

ASSOCIACAO BRAZIL FOUNDATION
MARIA CECÍLIA OSWALDO CRUZ
 EXECUTIVE DIRECTOR CPF: 884.775.337-68



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ 20031-904
Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

ASSOCIAÇÃO BRAZILFOUNDATION
CNPJ – 04.839.572/0001-10
ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
Year ended on December 31, 2019

NOTE 01- OPERATIONAL CONTEXT

Associação Brazil Foundation is an educational, social welfare nonprofit institution qualified as a Public Interest Civil Society Organization (OSCIP), located at México Street, 31, room 1003, Center – Rio de Janeiro/RJ, Postcode 20031-144, whose objectives are sponsoring and/or promoting projects in the fields of education, health, human rights, citizenship and culture; searching for resources to fund its activities, such as contributions, donations or subsidies, in Brazil and abroad, with the private and public sectors, as well as multilateral parties or nongovernmental organization; organizing meetings and seminars, as well as financing studies that aim at develop, within several sectors of Brazilian society, initiatives encouraging donations and volunteer work for projects which aim at improving the Brazilian social reality; supporting and providing technical assistance to organizations that are interested in developing projects that are compatible with the objectives of the Association.

NOTE 02 – PRESENTATION OF THE ACCOUNTING STATEMENTS

In the elaboration of the accounting statements of 2019, the institution adopted Law n. 11.638/2007, Law n. 11.941/2009, which changed articles in Law n. 6.404/1976 regarding the elaboration and publication of the financial statements.

The accounting statements were prepared in accordance with the accounting practices established in Brazil, qualitative characteristics of the accounting information, CFC Resolution N. 1.374/2011 (NBC TG), regarding the Conceptual Structure for the Elaboration and Presentation of the Accounting Statements, CFC Resolution n. 1.376/2011 (NBC TG 26), regarding the Accounting Statement Presentation, Deliberations of the Securities Commission (CVM) and the Rules issued by the Federal Accounting Council (CFC), especially regarding CFC Resolution N. 1.409/2012 for Nonprofit Organizations, which establishes specific criteria and procedures for the evaluation, recording of components and equity variations, and of the structure of the accounting statements, and the minimum information to be publicized in an explanatory note of the nonprofit organizations.

NOTE 03 – FORMALITY OF THE ACCOUNTING BOOKKEEPING – RESOLUTION N. 1.330/2011 (ITG 2000)

The institution maintains a uniform bookkeeping system of its administrative acts and facts, through an electronic process.

The accounting records contain the identification number of the entries related to the respective document of external or internal origin or, when there is not any, there are elements that can prove or show facts and the practice of administrative activity. The accounting statements, including explanatory notes, elaborated by legal and statutory provisions, will be transcribed in the "Diary" of the institution, and then registered in the Civil Registry of Legal Entities.

The accounting documentation of the Institution is composed of all documents, books, papers, records and other pieces that support or compose the accounting bookkeeping.

The accounting documentation is apt and has the essential intrinsic or extrinsic characteristics defined by law, in the accounting technique, or accepted by "uses and customs". The institution maintains its accounting documents in good order.



NOTE 04 – MAIN ACCOUNTING PRACTICES

- a) **Cash and Cash equivalents:** As determined by CFC Resolution n. 1.296/10 (NBC – TG 03) – Cash Flow Statement, and CFC Resolution n. 1.376 (NBC TG 26 R3) – Presentation of the Accounting Statements, the amounts accounted for in this subgroup represent currency in cash and deposits in the bank account, as well as resources with the same characteristics of cash liquidity and immediate availability, or up to 90 (ninety) days, which are subjected to insignificant risk of change in value:

Description	2019	2018
Petty Cash	33.41	166,20
Banks – Account movement	48,658.29	44,402.56
Investment Accounts	1,524,339.93	1,477,220.53
Total	1,573,031.63	1,521,789.29

In the conclusion of the year on December 31, 2019, BrazilFoundation had \$ **1,524,339.93 (one million, five hundred and twenty four thousand, three hundred and thirty nine dollars and ninety three cents)** invested for donations to the provisioned projects, as well as for the programmatic and operating costs of the institution and expenses with projects developed in partnerships, for 2020.

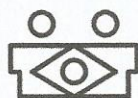
- b) **Liquid Investment Account:** The financial investments are demonstrated by the original amounts, plus the pro-rata yields until the date of the statement.
- c) **Current Assets –** The Receivables from Clients are registered according to our internal control. The amount on December 31, 2019, refer to the provisions from Gala SP, which will be received in 2020.
- d) **Estimated Credit Loss for Doubtful Debts:** This provision has not been constituted, since there is no estimation of loss of receivables.
- e) **Other Receivables –** This group consists of the provisions of GALA SP that will be received in 2020, as well as holiday advances, calculated until the end of the year.

Description	2019	2018
Other receivables	1,824,074.97	175.65
Vacation advances	-	1,095.61
Total	1,824,074.97	1,271.26

- f) **Prepaid Expenses –** This group is composed of amounts related to expenses regarding commuting and meal benefits for employees, with the period of duration of these benefits is the following year and is represented by its respective nominal value.

Description	2019	2018
Commuting benefit	490.86	514.61
Meal ticket	955.17	948.44
Total	1,446.03	1,463.04

- g) **Fixed Asset –** Fixed assets are registered by the cost of acquisition of construction, deducted from the depreciation calculated by the linear method based on the rates mentioned on Note 05. Other expenses are capitalized only when there is increase in the economic benefits of this item of the fixed asset. Any other type of expense is recognized in the income as an expense, when incurred.



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ 20031-904
Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

- h) Current Liability:** Current liabilities are demonstrated by the known amounts, or calculable ones, when applicable, of the corresponding charges incurred until the date of the equity balance. When applicable, current liabilities are registered based on interest rates reflecting the deadline, the currency and the risk of each transaction. – **Provisions** – A provision is recognized as a result of a past event that originated a liability. It is likely that an economic resource be required to liquidate the liability. Provisions are registered when judged as likely and based on the best estimations of the risk involved.
- i) Vendors** – Represents the credit balance of suppliers of services or purchases, whose due date falls in the following year.

Description	2019	2018
Vendors	3,971.97	1,362.70
Total	3,971.97	1,362.70

- j) Labor liabilities** – Represents the credit balance of fiscal labor charges and is composed of its nominal value.

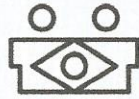
Description	2019	2018
FGTS	1,401.12	1,823.46
INSS	4,168.37	5,532.28
Total	5,569.50	7,355.75

- k) Tax liabilities** – Represents the credit balance of tax charges and is composed of its nominal value.

Description	2019	2018
IRRF	2,298.22	3,053.75
PIS/COFINS/CSLL	429.62	147.46
ISS	1,750.38	378.19
IRRF PJ	138.59	46.26
PIS	223.77	282.65
Total	4,840.57	3,908.30

- l) Deadlines:** The assets and liabilities required until the conclusion of the following year are classified as current.
- m) Vacation Provision and liabilities:** Those were provisioned based on the rights acquired by the employees through the date of the closing date and includes the corresponding social liabilities.

Description	2019	2018
Vacation Provision	14,601.97	14,103.68
INSS on the Vacation Provision	3,723.83	3,596.61
FGTS on the Vacation Provision	1,168.14	1,128.29
PIS on the Vacation Provision	146.02	141.04
Total	19,639.97	18,969.62



BrazilFoundation

BrazilFoundation
 Rua México, 31 sala 1003 - Centro
 Rio de Janeiro, RJ 20031-904
 Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

n) **Expenses and income:** These are appropriate according to the competency framework.

o) **Income Verification:** The balance was verified according to the Competency Framework. The revenues and charges related to the Assets and Liabilities are shown in the income statement.

NOTE 5 – NONCURRENT ASSET (FIXED AND INTANGIBLE)

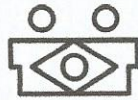
The Fixed and Intangible assets are accounted for by the cost of acquisition or construction, deducted from depreciation/amortization of the period, according to rates defined by the current legislation, resulting the net value.

FIXED AND INTANGIBLE ASSETS

	Annual Depreciation tax	2018	Purchase	Write off	Depreciation	Write off Depreciation	2019
Fixed							
Machinery and Equipment	10	-	-	-	-	-	-
Computer Equipment	20	332.27	-	-	(104.09)	-	228.18
Furniture and utensils	10	616.41	186.07	-	(99.68)	-	702.80
Difference due to Currency Conversion							(39.69)
Total		948.68	186.07	-	(203.77)	-	894.29
Cost		21,944.31					21,281.63
Accumulated depreciation		(20,995.64)					(20,387.29)
Net Fixed		948.68					894.29
Intangible							
Software	20	-	-	-	-	-	-
Total							
Cost	20	903.27					868.34
Accumulated amortization		(903.27)					(868.34)
Net Intangible		-					-

NOTA 06 – PROJECTS TO BE EXECUTED (CURRENT LIABILITY)

This group is composed of its nominal, original value, and represents the credit balance of projects to be executed. The amounts in Projects to be executed are obligations the Association maintains for institutions referring to transfer of donations, which are established according to contracts signed between the parties. Therefore, these amounts represent the recognition of the provisioned obligations according to donations received in 2014, 2015, 2016, 2017 and 2018, as well as amounts received as donations for allocation in Projects, which **Brazil**Foundation has not chosen yet, since these proposals are being analyzed by its technical staff.



BrazilFoundation

BrazilFoundation
 Rua México, 31 sala 1003 - Centro
 Rio de Janeiro, RJ 20031-904
 Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

Projects	2019	2018
Projects to distribute	589,014.14	614,414.85
Donations – Collaborative Fundação Renova e BrazilFoundation	5,250.51	-
Bank of Projects	6,921.88	4,955.09
Donations – Annual Selection	24,784.78	13,755.55
Donations – Collaborative Arrangements	-	2,322.70
Donations – Collaborative Mubadala Consultoria	82,699.05	-
Total	708,670.35	635,448.19
Resources	2019	2018
Resources to hold Mubadala Agreement	1,815,910.65	-
Total	1,815,910.65	-

NOTE 07 – NET EQUITY

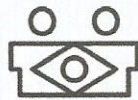
Net equity is presented in updated amounts and includes the Social equity, plus the year's income of USD 7,698.41, of the adjustments of equity evaluation, established reserves and accumulated income.

NOTE 08 – REVENUES

The revenues registered come from donations for operating and programmatic costs, from strategic partnerships, revenues from financial applications and donations for the annual project selection, restricted or not. Below, we show the amounts of revenues according to the categories presented.

	2019	2018
Operational Gross Income	2,129,391.59	1,655,038.00
Operating and Programmatic Income BF Rio	225,986.27	173,205.85
Income from Donations BF Rio	-	163,481.47
Contribution – Operating Sponsor	7,288.82	34,478.30
Donations Revenue	1,429,249.29	1,013,401.25
Partnerships Revenue	256,444.07	191,484.31
Mubadala Agreement Revenue	119,423.44	-
Investment Revenues	80,634.13	69,870.53
Other Operating Income	10,369.56	9,116.29
Revenue from Voluntary Services Rendered	10,369.56	9,116.29
Operating Net Income	2,129,391.59	1,655,038.00

The amounts presented in Donations Revenue refers to the amounts received for the cost of projects, and then transferred for purpose of their execution.



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ 20031-904
Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

NOTE 09 – APPLICATION OF RESOURCES

The institution has applied all of its resources to its institutional purposes, according to its Social Statute, and demonstrated it by its expenses and equity investments.

NOTE 10 – REGARDING THE ANNUAL INCOME

The 2019 Surplus USD 7,698.41 (deficit on 2018 USD 5,519.25) will be incorporated into Social Equity, according to the legal and statutory demands and CFC Resolution n. 1.409/2012, which approved ITG 2002 – Nonprofit Organizations.

NOTE 11 – CASH FLOW STATEMENT (CFS)

The Cash Flow Statement was prepared according to CFC Resolution n. 1.152/2009, which approved NBC TG 13 and, also, CFC Resolution n. 1.296/2010, which approved NBC TG 03 – Cash Flow Statements. The Method of the elaboration of the Cash Flow chosen by the institution was INDIRECT.

NOTE 12 – INSURANCE COVERAGE

To meet the permanently adopted preventive measures, the institution acquires insurance whose amount is sufficient to cover possible claims, therefore meeting the Accounting Principle of Continuity.

The insured amounts are defined by the Institution's administrators based on market value or the value of the new asset, depending on the case, and are defined in Policy 0118.87.24.267-6, Porto Seguro Cia de Seguros Gerais.

NOTE 13 – MANAGERIAL INFORMATION

According to statutory objectives, we highlight the main activities carried out in 2019:

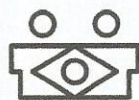
A) 2019 ANNUAL PROJECT SELECTION

The institutions selected by **BrazilFoundation**, in the 2019 Annual Project Selection, received the transfers from previous year's provisioned donations, throughout the year, while the technical and financial reports were approved by the Programs team.

B) ANNUAL PROJECT SELECTION 2019/2020

The institutions selected by **BrazilFoundation**, through the Annual Project Selection (2018/2019) and Partnerships, received the transfers from donations, while the work plans and technical and financial reports were being approved by the Programs team.

The Training event for the leaderships of the projects selected in the Annual Project Selection 2019 was held from June 8 to 11, in São Paulo, together with ABCR (Brazilian Association of Fundraisers). During the training, the leaders were able to acquire new knowledge and participated in fundraising, storytelling and social impact workshops, as well as communication and social marketing, among others.



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ 20031-904
Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

C) FINANCING NEW INICIATIVES

In 2019, **Brazil**Foundation financially supported 10 initiatives in the modalities "Community Innovation Award (OPS – Outras Paradas)", allowing organizations to work as financing entities for small initiatives in their territories, "Collaborative Arrangements" and "Interchange Program", which enabled the exchange of knowledge and the improvement of methodologies among organizations working in the same field of action.

The second edition of the "Abrace o Brasil" Campaign, another innovative action of **Brazil**Foundation initiated in 2017, mobilized donors from 300 cities, from nine countries, and received more than 5,800 donations, raising R\$ 1,400,000.00. The amount was passed on to 80 social organizations from 15 Brazilian states that work to transform communities by developing projects aimed at education, health, the environment, income generation and social inclusion.

D) EVENTS

BrazilFoundation held the following events for fundraising and for investing resources in social projects:

- Gala Minas, held on June 7th, 2019 at Casa Tua, Nova Lima/MG.
- Gala São Paulo, held on November 13th, 2019 at Casa Fasano, São Paulo/SP.
- **Brazil**Foundation also held events in the United States, such as Gala NY, among others, with the objective of generating resources for diverse programs which the Foundation supports in Brazil.

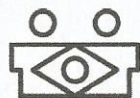
E) PARTNERSHIPS

In 2019, Strategic Partnerships were established or maintained with Instituto BM&FBovespa, Fundação Itaú Social, Fundação Renova, Porticus Foundation, Mubadala Consultoria Financeira and Gestora de Recursos Ltda.

F) 2019 REVENUE

In 2019, Associação Brazil Foundation obtained the following resources:

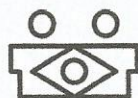
OBS: For the conversion of revenue to dollars, we used the rate of R\$ 4,019163 (X-Rates), current on December 31, 2019, except for the revenues received by **Brazil**Foundation NY, in which case the exchange rate at the end of day of the conclusion of the payment order from abroad was used.



BrazilFoundation

BrazilFoundation
Rua México, 31 sala 1003 - Centro
Rio de Janeiro, RJ 20031-904
Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

Public Support and Revenue / Receitas 2019			
Categorias da auditoria USA	Categorias no "Resultado" no Brasil	Valor em Reais	Valor em Dólar
Contributions	Doações Operacionais		
Foundations	Fundacao	R\$ 7.857,58	\$1.955,03
Corporations	Corporacao	R\$ 21.384,51	\$5.320,64
Individuals	Individuais	R\$ 699,10	\$173,94
Other income	Outras receitas	R\$ 21.076,90	\$5.244,10
Total Contributions/Doações Operacionais		R\$ 51.018,09	\$12.693,71
Investment income	Receitas sobre aplicações financeiras	R\$ 325.011,96	\$80.865,58
Fundraising Gala income	Receitas de Galas		
Gala NY Revenue	Receitas Gala NY	R\$ 47.370,00	\$11.786,04
Minas Dinner Revenue	Receitas Jantar Minas	R\$ 861.660,50	\$214.388,05
Gala SP Revenue	Receitas Gala SP	R\$ 1.477.321,65	\$367.569,48
Total Fundraising Gala income / Receitas Galas		R\$ 2.386.352,15	\$593.743,56
Donor advised fund income	Receitas Doações Recomendadas	R\$ 117.999,97	\$29.359,34
Partnership income	Receitas Parcerias	R\$ 4.646.263,75	\$1.156.027,70
Events income and other income	Receitas de outros eventos		
Abrace o Brasil Campaign Income	Receitas Campanha Abrace o Brasil	R\$ 973.638,79	\$242.249,14
Workshop/Event Income	Receitas Palestras/Eventos	R\$ 8.619,18	\$2.144,52
Total Events income and other income / Receitas de outros eventos		R\$ 982.257,97	\$244.393,66
Contributed services	Receita com Servicos Prestados	-	-
Contributions from Brazil Foundation	Receitas Operacional e Programatica BF	R\$ 424.195,27	\$112.776,70
Total Public Support and Revenue	Total Receitas no Brasil	R\$ 8.933.099,16	\$2.229.860,26



BrazilFoundation

BrazilFoundation
 Rua México, 31 sala 1003 - Centro
 Rio de Janeiro, RJ 20031-904
 Tel.: +55 21 2532-2998 / 2532-3029
info@brazilfoundation.org
www.brazilfoundation.org

G) DONATIONS FOR PROJECTS IN 2019 AND PROVISION FOR 2020

DOAÇÕES FOR PROJECTS BRAZILFOUNDATION	TOTAL PROVISIONED FOR DONATIONS ON 12/31/18	RESOURCES TRANSFERRED FOR THE PROJECT ACCOUNT IN 2019	TOTAL – DONATIONS MADE IN 2019	CONCLUDED PROJECTS (*)	TOTAL PROVISIONED FOR DONATIONS ON 12/31/19
Donations – Recommended ones/Bank of Projects	\$ 4,955.09	\$ 96,513.42	\$ 94,354.98	-	\$ 6,921.88
Donations – Annual Selection (including donations of the Fundo Minas, Fundo Brumadinho and Itaú Partnerships)	\$ 13,755.55	\$ 405,212.60	\$ 691,418.46	\$ 2,232.86	\$ 24,784.78
Donations for Prêmio Inovação Comunitária	-	\$ 55,821.58	\$ 55,821.58	-	-
Donations – Collaborative Arrangements	\$ 2,322.70	-	\$ 2,232.86	-	-
Donations - Abrace o Brasil Campaign	-	\$ 324,825.00	\$ 324,825.00	-	-
Donations - Fundação Renova Partnership	-	\$ 183,143.86	\$ 177,893.36	-	\$ 5,250.51
Donations - Mubadala Partnership	-	\$ 165,398.09	\$ 82,699.05	-	\$ 82,699.05
Total 2019	\$ 21,033.34	\$ 1,530,914.55	\$ 1,429,245.29	\$ 2,232.86	\$ 119,656.21
Resources to be distributed in 2020					\$ 589,014.14
Final Balance – Projects Account to Distribute					\$ 708,670.35

(*) Concluded / canceled projects and resources returned to the Projects Account to Distribute

H) 2019 EXPENSES

OBS: For the conversion of the expenses for dollars, we used the rate of R\$ 4,019163 (X-Rates) on December 31, 2019.

DETAILED OPERATING/ADMINISTRATIVE EXPENSES IN 2019

OPERATING/ADMINISTRATIVE EXPENSES	TOTAL - IN REAIS	TOTAL – IN DOLLARS
Salaries and related Expenses	R\$ 677.341,54	\$ 168,528.01
Social Liabilities / Taxes	R\$ 193.569,43	\$ 48,161.63
Provisions of Labor Liabilities (13rd salary, vacation, charges)	R\$ 131.159,19	\$ 32,633.46
Benefits	R\$ 142.830,99	\$ 35,537.50
Rent and housing taxes	R\$ 52.913,20	\$ 13,165.23
Office expenses	R\$ 44.610,29	\$ 11,099.40
Services provided – Legal Person	R\$ 162.417,92	\$ 40,410.88
Institutional Development	R\$ 27.746,39	\$ 6,903.52
Banking Expenses	R\$ 10.935,56	\$ 2,720.86
Taxes on Investments	R\$ 38.526,44	\$ 9,585.69
TOTAL – OPERATIONAL EXPENSES	R\$ 1.482.050,95	\$ 368,746.17

DETAILED EXPENSES FOR THE GALAS AND OTHER FUNDRAISING EVENTS IN 2019

EXPENSES WITH GALAS / EVENTS	TOTAL - IN REAIS	TOTAL – IN DOLLARS
Gala NY - Expenses	R\$ 58.432,23	\$ 14,534.41
Gala Minas - Expenses	R\$ 104.746,50	\$ 26,061.77
Gala SP - Expenses	R\$ 579.367,99	\$ 144,151.40
Other Expenses NY	R\$ 9.800,00	\$ 2,438.32
TOTAL GALA EXPENSES	R\$ 752.346,72	\$ 187,189.90

EXPENSES WITH DONATIONS IN THE FISCAL YEAR OF 2019

EXPENSES WITH DONATIONS IN 2019	TOTAL - IN REAIS	TOTAL - IN DOLLARS
Expenses with donations in 2019	R\$ 5.760.858,17	\$ 1.433.347,73
TOTAL EXPENSES WITH DONATIONS	R\$ 5.760.858,17	\$ 1.433.347,73

SUMMARY - EXPENSES 2019

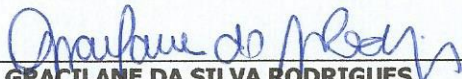
SUMMARY - EXPENSES IN 2019	TOTAL - IN REAIS	TOTAL - IN DOLLARS
TOTAL - OPERATING / ADMINISTRATIVE EXPENSES	R\$ 1.482.050,95	\$ 368.746.17
TOTAL - EXPENSES WITH THE GALAS	R\$ 752.346,72	\$ 187.189.90
TOTAL - PROGRAMMATIC EXPENSES AND PARTNERSHIPS	R\$ 515.542,51	\$ 128.271.11
TOTAL - EXPENSES WITH DONATIONS IN 2019	R\$ 5.760.858,17	\$ 1.433.347.73
TOTAL EXPENSES	R\$ 8.510.798,35	\$ 2,117,554.91

I) ENDOWMENT INCOME ON DECEMBER 31, 2019.

OBS: For the conversion to dollars, we used the rate of R\$ 4,019163 (X-Rates) on December 31, 2019.

ENDOWMENT	TOTAL - IN REAIS	TOTAL - IN DOLLARS
Balance - Investment Account	R\$ 1.798.170,99	\$ 447,399.37
TOTAL BALANCE	R\$ 1.798.170,99	\$ 447,399.37

Rio de Janeiro, December 31, 2019.



GRACILANE DA SILVA RODRIGUES
SOMAT CONTABILIDADE E GESTÃO
 ACCOUNTANT REGISTRATION N. CRC: 109.635/0-4
 CPF: 072.550.767-50



MARIA CECÍLIA OSWALDO CRUZ
ASSOCIACAO BRAZIL FOUNDATION
 EXECUTIVE DIRECTOR
 CPF: 884.775.337-68