



# FINANCIAL STATEMENTS 2017

**BRAZILIAN FOOTBALL CONFEDERATION**



# TABLE CONTENT



## **FINANCIAL STATEMENTS BRAZILIAN FOOTBALL CONFEDERATION**

December 31, 2017 and December 31, 2016 Independent  
Auditor's Report on the Financial Statements

<b>I.</b>	<b>Management Report</b>	<b>4</b>
<b>II.</b>	<b>Independent Auditor's Report on the Financial Statements</b>	<b>6</b>
<b>III.</b>	<b>Audit Committee Report</b>	<b>9</b>
<b>IV.</b>	<b>Financial Statements</b>	<b>10</b>
	Balance Sheet	<b>10</b>
	Income Statements	<b>12</b>
	Statement on Net Equity Changes	<b>13</b>
	Cash Flows Statement	<b>14</b>
	Management's Explanatory Notes on the Financial Statements	<b>15</b>
	2018 Budget	<b>25</b>



# I. MANAGEMENT REPORT

## Consolidation of high performance level

Through these Financial Statements, CBF introduces results of its operations regarding the fiscal year of 2017.

It is important to note that these Financial Statements have been audited by independent auditors registered at the Brazilian Securities Commission (CVM), which approved it without exceptions.

The Entity's Management strengthens its guidance aimed at attaining transparency, hereby disclosing its equity position and financial results in detail with objective and clear explanatory notes, which are also disclosed comprehensively and transparently at CBF's website.

Between 2010 and 2017, CBF's total assets increased by 287%, a R\$ 656.538 million raise in 7 years, from an average increase of 20% per year. This is a significant number given an inflation of approximately 63% in this period.

CBF's Total Revenue was around R\$ 590.217 million, whose main sources of income were the following: Sponsorship, Broadcasting Rights and Sale of Tickets for Brazil National Team matches. In comparison with the total 2016 revenue, there was a 9% decrease due to low exchange rates of foreign currencies, since, according to accounting rules, sponsorships are provisioned for the current financial year in accordance with exchange rates concerning the first day of the year.

The Entity's total Expenditure also decreased in comparison to the previous year, reaching the sum of R\$ 539.512 million and representing a 11% drop. This provided an income of R\$ 50.704 million in the fiscal year (a 16% increase compared to the 2016 result) and demonstrates CBF Management's high performance level in recent years. Results related to this reflected this trend in 2017, with the maintenance of positive results obtained by the Men's Brazil National Team, which was the first team in the world to qualify for the 2018 FIFA World Cup, ending the year undefeated and at the top of the South American Qualifiers.

In 2017, CBF expanded the percentage of investments directly applied in Brazilian football from 60% to 61%, reaching the total amount of R\$ 281.709 million. When adding indirect investments estimated on services provided by supporting departments in the development of key activities (national teams, competitions, registration and transfer, and refereeing commission departments), we reach the a percentage of approximately 84% of total expenditures for fostering football.

In 2017, we must highlight CBF's performance, which led negotiations with the network holding Brazil Cup broadcasting rights. This, it was possible to significantly increase figures relating to participation and prize money concerning this competition deemed the country's most democratic. Combining sums of shares of each stage with championship prize money, the winning side could

earn up to R\$ 67.300 million, representing an increase of 425.78% in comparison with the sum received by the 2017 victors.

The Governance and Compliance Board was also established, and is responsible for the control framework for assessing potential risks the Entity faces and for maintaining compliance and best corporate governance practices in its operations.

CBF's Governance, Risk Management and Compliance (GRC) Program, whose implementation status increased from 46% to 83% in 2017, was the base for introducing the Entity Integrity System approved at the General Meeting held in April/17. This resulted in drafting of the Brazilian Football Code of Ethics and Behavior, in addition to the Ethics Channel and Ethics Committee.

With the consolidation of its governance and compliance structure, as well as solid management performances by other boards, CBF secured FIFA and CONMEBOL funds, such as the FIFA Forward Programme and Evolución – CONMEBOL Program.

Following its commitment to an enhanced performance, latest standards and ethics, CBF's Management wishes to continue attaining a solid and sustainable growth in its operations, with the purpose of achieving even better results in 2018.



## II. INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To  
The Board of Directors of the  
**BRAZILIAN FOOTBALL CONFEDERATION**  
Rio de Janeiro / RJ

**ADV-R-003/2018**

### OPINION

We have examined the financial statements of the Brazilian Football Confederation ("Entity"), which cover the balance sheet on December 31, 2017 and the respective income statements, changes in net equity and cash flows for the fiscal year ended on this date, as well as corresponding explanatory notes, including an overview on the main accounting practices. In our opinion, the aforementioned financial statements adequately introduce, in all material respects, the equity and financial position of the Brazilian Football Confederation on December 31, 2017, performance of its operations and its cash flows for the fiscal year ended on that date, according to the accounting practices adhered to in Brazil.

### GROUNDINGS FOR OUR OPINION

We carried out our audit in accordance with Brazilian and international auditing standards. Our responsibilities, in compliance with such standards, are described in the following section, entitled "Responsibilities of the auditor for audit of financial statements". We are completely independent in regards to the Confederation, pursuant to relevant ethical principles set forth under the Professional Accountant Ethics Code and in professional standards issued by the Federal Accounting Council, and we comply with further ethical responsibilities according to such standards.

We believe that the audit evidence obtained is sufficient and appropriate to justify our opinion.

### ADDITIONAL INFORMATION ON THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Entity's management is responsible for additional information comprising the management report. Our opinion on the accounting statements does not cover the management report and we do not express any form of audit conclusion on this report.

In connection with auditing the financial statements, our responsibility is to read the management

report and, by doing so, consider whether this report is relevantly consistent or inconsistent with the financial statements or with our knowledge obtained through the audit or, otherwise, if it seems to be distorted in any significant way. If, based on the work carried out, we concluded that the management report featured significant distortions, we would be required to communicate this fact. We have nothing to report in this regard.

## OTHER ISSUES

The financial statements of the Brazilian Football Confederation (“Entity”) for the year ended on December 31, 2016 were audited by another independent auditor, which issued a report on January 27, 2017 without any changes to these financial statements.

## MANAGEMENT AND GOVERNANCE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Entity’s management is responsible for preparing and introducing these financial statements in accordance with accounting practices adopted in Brazil, and for such internal control, it considered necessary to prepare financial statements free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the administration is responsible for evaluating the ability of the Confederation to remain operating, disclosing, when applicable, issues related to its operational continuity and use of such accounting base in preparing the financial statements, unless management aims to wind up the Entity or cease its operations, or if there is no realistic alternative to prevent closure of operations.

Those responsible for the Entity’s governance are in charge of supervising the drafting of the accounting statements.

## INDEPENDENT AUDITOR’S RESPONSIBILITY IN AUDITING THE FINANCIAL STATEMENTS

Our responsibility is to convey an opinion on these financial statements based on our audit, which was carried out in accordance with Brazilian and international auditing standards. These standards require fulfillment of ethical requirements by auditors as well as for the audit to be planned and performed with the goal of obtaining reasonable assurances that the financial statements are free from significant distortions.

As an audit carried out in compliance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Moreover:



- We identified and evaluated significant distortion risks in the financial statements, regardless if caused by fraud or error, and planned and carried out audit procedures in response to such risks, as well as securing evidence of appropriate and sufficient audits to justify our opinion. The risk of failing to identify significant distortions resulting from fraud is higher than the one resulting from error, since fraud may relate to the act of deceiving internal controls, colluding, falsification, omission or false intentional representations.
- We obtained relevant internal controls for the audit, with the purpose of planning adequate audit procedures within the context, however, not with the purpose of expressing opinions on the effectiveness of the Confederation's internal controls.
- We evaluated suitability of accounting policies used and good judgement of accounting estimates and respective disclosures made by management.
- We concluded that management's use of the accounting base of operational continuity was suitable and based on audit evidences, whether there is or isn't a significant uncertainty regarding events or circumstances that may cause significant doubt regarding the Confederation's operational continuity capability. Our conclusions are based on audit evidences obtained effective the date of our report. Nevertheless, events or future conditions may result in the company failing to remain in operational continuity.
- We evaluated the financial statements' general presentation, structure and content, including disclosures and whether the financial statements represent corresponding transactions and events in a compatible manner with the purpose of an appropriate presentation.

We notified management on, among other issues, the expected scope, audit time and significant audit observations, including possible significant shortcomings in internal controls we identified during our work.

Rio de Janeiro, March 05, 2018

**ADVANCE Auditores Independentes**

**SS CRC/RJ 007.276/O-0**

CVM Registry 1266

**Nelson Fernando Marques Pfaltzgraff**

Accountant CRC/RJ 028.998/O Registry CNAI 209

Partner in Charge



## III. AUDIT COMMITTEE REPORT

**To Members of the General Meeting**

### **BRAZILIAN FOOTBALL CONFEDERATION**

The Finance Committee of the BRAZILIAN FOOTBALL CONFEDERATION, in performing its legal and statutory powers, has examined the financial statements relating to the fiscal year ended on December 31, 2017.

This Committee met regularly during the calendar year of 2017 and examined the Entity's balance sheets and documents, proving the integrity and authenticity of its bookkeeping practices.

Based on the evaluation we made, as well as in the independent auditors' report, the Finance Committee understands that the financial statements for the year ending on 12/31/2017 are sound and can be submitted to the General Meeting for proper approval.

Rio de Janeiro, March 19, 2018.

**Antônio Carlos de Oliveira Coelho**

Coordinator

**Arthur Carlos Briquet Junior**

Standing Member

**Mauro de Moraes**

Standing Member

## IV. FINANCIAL STATEMENTS

### Balance Sheet

December 31, 2017 and December 31, 2016

(in thousands of reais)

Assets	Grades	2017	2016
<b>Current</b>			
Cash, Banks and Cash Equivalents	3	360,879	245,343
Accounts Receivable	4	109,135	116,107
Advance payments to Suppliers		13,306	5,317
Taxes Recoverable	5	392	25,590
<b>Total Current</b>		<b>483,712</b>	<b>392,356</b>
<b>Non-Current</b>			
Long-term Assets			
Judicial Deposits	6	175,224	137,436
Accounts Receivable	4	19,555	19,555
<b>Total Long-term Assets</b>		<b>194,779</b>	<b>156,991</b>
<b>Permanent</b>			
Net Fixed Assets	7	205,886	214,895
Net Intangible Assets	8	867	599
<b>Total Permanent Assets</b>		<b>206,753</b>	<b>215,494</b>
<b>Total Non-Current Assets</b>		<b>401,532</b>	<b>372,485</b>
<b>Total Assets</b>		<b>885,244</b>	<b>764,842</b>

Management's explanatory notes are a key part of the financial statements.

## Balance Sheet

### December 31, 2017 and December 31, 2016

(in thousands of reais)

Liability	Grades	2017	2016
<b>Current</b>			
Suppliers		12,377	15,773
Labor, Tax and Social Security Obligations	9	10,226	10,147
Income Tax and Social Contributions		1,107	29,233
Provisions for Vacations and Charges		2,635	1,747
Deferred Revenue	10	27,426	22,191
Other Liabilities		111	36
<b>Total Current Liabilities</b>		<b>53,882</b>	<b>79,126</b>
<b>Non-Current</b>			
Long-term Liabilities			
Deferred Revenue	10	71,224	255
Provisions for Contingencies	11	166,380	142,406
<b>Total Long-term Liabilities</b>		<b>237,604</b>	<b>142,661</b>
<b>Equity</b>			
Accumulated surplus	7	543,054	499,333
Net Intangible Assets	8	867	599
<b>Total Net Equity</b>		<b>593,758</b>	<b>543,054</b>
<b>Total Liabilities</b>		<b>885,244</b>	<b>764,842</b>

Management's explanatory notes are a key part of the financial statements.



## Income Statement for the Fiscal Year On December 31, 2017 and December 31, 2016

(in thousands of reais)

<b>Gross Revenue</b>	<b>Grades</b>	<b>2017</b>	<b>2016</b>
Sponsoring	12a	353,379	410,988
Broadcasting and Commercial Rights	12b	95,888	117,264
Ticketing and National Teams' Prize Money	12c	56,748	43,342
Enrollment Fees		13,346	12,906
Permits and Transfers		2,420	2,266
Others		22,691	10,912
<b>Total Current</b>		<b>544,472</b>	<b>597,678</b>
Revenue Deductions		(32,831)	(34,558)
<b>Football Costs</b>			
Main National Team	13a	(95,582)	(98,575)
Youth and Female National Teams	13a	(27,352)	(48,696)
Contributions to foster football in States and Competitions	13b	(158,775)	(140,901)
<b>Total Costs with Football</b>		<b>(281,709)</b>	<b>(288,172)</b>
<b>Gross Surplus</b>		<b>229,932</b>	<b>274,948</b>
<b>Operating Expenses</b>			
Financial Expenses		(9,407)	(20,998)
Financial Revenues		43,428	49,294
Exchange Variations		2,316	(39,022)
<b>Total Financial Income</b>		<b>36,337</b>	<b>(10,726)</b>
Other Non-Operating Income and Expenses		-	(178)
<b>Result Before Tax Estimates</b>		<b>82,703</b>	<b>72,004</b>
Income Tax and Social Contribution		(31,999)	(28,283)

Management's explanatory notes are a key part of the financial statements.

## Statement on Net Equity Changes

		<b>Accumulated Surpluses</b>	<b>Total</b>
Balance on 12/31/2015		499,332	499,332
Income for the fiscal year		43,721	43,721
Balance on 12/31/2016		543,054	543,054
Income for the fiscal year		50,704	50,704
Balance on 12/31/2017		593,758	593,758

Management's explanatory notes are a key part of the financial statements.



## Cash flow Statement On December 31, 2017 and December 31, 2016

(in thousands of reais)

	2017	2016
<b>I) Operating Activities Cash Flow</b>		
Fiscal Year Net Profit Before Income Tax/Social Contributions	50,704	72,004
Adjustments to reconcile results generated by operating activities	38,850	147,467
Provisions for contingencies	23,974	132,308
Losses during period	-	178
Other provisions	888	443
Depreciation	13,988	14,538
<b>Gross Operating Profit before Changes in Working Capital</b>	<b>89,554</b>	<b>219,471</b>
<b>Variations in Assets (increase) Decrease:</b>	<b>(13,607)</b>	<b>(108,885)</b>
Accounts Receivable	6,972	(8,713)
Advancements to Suppliers	(7,989)	(2,520)
Taxes Recoverable	25,198	8,349
Judicial Deposits	(37,788)	(106,001)
Other Assets	-	-
Variations in Liabilities Increase (decrease):	44,836	(62,555)
Suppliers	(3,396)	9,807
Taxes and Social Security Contributions	(28,047)	(64,828)
Advancements of Broadcasting and Sponsorship Rights	5,235	(3,852)
Deferred Revenue	70,969	(3,433)
Other Liabilities	75	(249)
Income Tax and Social Contributions Paid	-	(28,283)
<b>II) Net Cash Generated by Operating Activities</b>	<b>120,782</b>	<b>19,748</b>
Investment Activities Cash Flow		
Purchase of Fixed Assets	(5,609)	(1,628)
Fixed Asset Write-Off	362	33
<b>III) Net Cash Used In Investment Activities</b>	<b>(5,247)</b>	<b>(1,596)</b>
<b>INCREASE OF CASH AND CASH EQUIVALENTS</b>	<b>115,536</b>	<b>18,152</b>
At the Start of the Period	245,343	227,191
At the End of the Period	360,879	245,343

# MANAGEMENT'S EXPLANATORY NOTES ON THE FINANCIAL STATEMENTS

**On December 31, 2017 and December 31, 2016**

(in thousands of reais)

## 1. Operating context

The BRAZILIAN FOOTBALL CONFEDERATION-CBF is a sports association governed by private law in charge of Brazilian football, affiliated to FIFA and CONMEBOL.

CBF, supported by item I of article 217 of the Federal Constitution and in accordance with federal sports legislation, possesses a unique autonomy concerning its organization and operations and is not subject to State interference, according to sections XVII and XVIII of article 5 of the Federal Constitution.

CBF, comprising all its powers, entities and leaders, does not exercise or delegate duties of Public Authorities nor is characterized as an entity or public authority, under article 82 of Law No. 9615/98.

CBF's activities are of private nature and deemed economic activity entirely funded through its own resources, without contributions from public funds of any kind, whether directly or indirectly. CBF is not benefitted from, nor contemplated with subsidies, tax exemptions or public company sponsorships, in addition to direct or indirect government, State or municipal resources, that is, CBF supports all its expenses through its own means, without public aid, benefits or collaboration.

### MAIN GOALS:

- To manage, foster, disseminate, encourage, enhance and monitor formal practice of non-professional and professional football throughout national territory;
- To coordinate football association competitions, in any of its forms in national territory, including participation of foreign or regional representatives or football entities affiliated to State football-managing entities;
- To uphold order within football and ensure rigour in State management entities and football-practicing entities;
- To regulate legal provisions relating to non-professional and professional athletes, as well as any other career or profession, governing, in the performance of their autonomy, enrollments and registrations, including work or service contracts, transfers, removals and reversals, temporary or definitive assignments;

- To fully decide on organization, promotion, regulation, access qualification, operation and any other activity related to interstate, regional or national football competitions, whether official or friendly, undertaken by State management authorities, football-practicing entities or leagues, setting forth guidelines, criteria, conditions and restrictions, without prejudice to being exclusively responsible for authorizing such sports entities to participate in international competitions, and this assignment is not transferable, either in whole or in part;
- To represent Brazilian football in any international activity, subject to the assigned scope, within the limits of sports legislation, before the Brazilian Olympic Committee, with powers to enter into covenants and agreements, as well as to guide, coordinate and supervise activities of State football management and football-practicing entities internationally;
- To perform, in its duty of developing Brazilian football, all necessary measures aimed at achieving its goals, and may, among other activities, through the CBF Social program, undertake efforts towards integrating CBF and other football-related entities through numerous social actions both in the country and abroad, so as to contribute to public awareness on the importance of this sport and to create favorable conditions to its continuous development.

## 2. Summary of main accounting practices

The financial statements of the Brazilian Football Confederation for the fiscal year ended on December 31, 2017 shall be approved by the Management during the general meeting that will take place.

Financial statements were prepared based on accounting practices introduced in Brazil, comprising statements, interpretations and guidelines issued by the Accounting Pronouncements Committee (CPC), and provisions set forth under corporate law (Law No. 9615/98 – article 46-A).

The significant accounting policies introduced by the Entity are described in the specific explanatory notes relating to the subjects herein. In general, those that apply to different scopes of the financial statements are described below.

### 2.1. CONVERSION OF BALANCES INTO FOREIGN CURRENCY

Financial statements are presented in thousands of reais (R\$), which is the functional currency used by the Entity.

Monetary assets and liabilities in foreign currencies are converted into reais using the exchange rate at the end date of the balance sheet and differences resulting from currency conversions currency were noted as financial expenses or revenue in the period.

### 2.2. ACKNOWLEDGMENT OF REVENUE, EXPENSES AND COSTS



Operating revenues, costs and expenses are acknowledged in accordance with the Entity's accounting system.

### **2.3. CASH AND CASH EQUIVALENTS**

Cash equivalents include cash, bank accounts and short-term investments (three months or less effective the date of hiring) with immediate liquidity in a known amount of cash and with low variation risk in market value, which are kept with the purpose of managing the Entity's short-term commitments. These investments are assessed in regards to cost, plus interest until the balance sheet date.

### **2.4 FINANCIAL INSTRUMENTS**

CBF labels financial assets recorded on December 31, 2017 and December 31, 2016 as financial assets at fair value through results or as receivables. This depends upon the purpose for which financial assets were acquired and is determined at the time of initial acknowledgment. CBF's financial assets include cash and cash equivalents, accounts receivable and other receivables.

CBF did not make transactions with derivative financial instruments in the financial year ended on December 31, 2017 and December 31, 2016.

### **2.5. CURRENT AND NON-CURRENT ASSETS AND LIABILITIES**

Assets and liabilities are deemed current wherever realizable or payable within a 12-month period. Current and non-current liabilities are disclosed as sums that will be settled, taking into account the date of each balance sheet, including accrued interest and monetary or exchange rate variations, in accordance with contractual conditions.

### **2.6. FIXED**

CBF's fixed assets are disclosed herein at their acquisition cost, net from the respective accumulated depreciation, and estimated using the straight-line method in accordance with the assets' estimated economic useful life. Assets' residual value and estimated useful life are reviewed and adjusted, if necessary, at the closing date of the fiscal year.

### **2.7. INCOME TAX AND SOCIAL CONTRIBUTIONS**

As per Law 9.532 of December 1997, CBF has been taxed based on Actual Profits since 1998. Provisions for income tax were undertaken based on the accounting profit, adjusted by additions and exclusions provided for by tax law at the rate of 15%, plus additional 10% on taxable bases according to the legislation in force. Social contributions were set forth at the rate of 9%. Since Management chose not to register tax credits, expenses with income tax and social contributions for the fiscal year were impacted by temporary non-deductible expenses additions, for which tax credits were not acknowledged.

Despite subsisting through own resources and not using public funds throughout 2017, the Brazilian Football Confederation paid the significant amount of R\$ 31.999 (thirty-one million, nine hundred and ninety-nine thousand reais) to public coffers relating to the Legal Entity Income Tax (IRPJ) and

Social Contributions on net profits (CSLL).

## 2.8. PROVISIONS

Provisions are acknowledged whenever there is a present obligation (legal or non-formalized) resulting from past events, and it is possible that economic benefits are required to liquidate obligations and to make a reliable estimates on the sum of the obligation. Whenever the Administration expects the value of a provision to be reimbursed, in whole or in part, for example, in regards to insurance contracts, reimbursement is acknowledged as a separate asset, but only when reimbursement is basically guaranteed. Expenses related to provisions are included in the income statement, net of any reimbursement.

CBF is a party in legal and administrative proceedings. Provisions are established for all contingencies relating to court proceedings for which it is likely that an outflow of resources is made to settle the contingency/obligation and to make a reasonable estimate. Assessments on the likelihood of losses include evaluations on available evidence, hierarchy of laws, existing jurisprudence, latest court rulings and their importance in the legal system, as well as evaluations on third party lawyers.

Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable limitation periods, conclusions on tax inspections or verified additional exposures based on new issues or court rulings.

## 2.9. JUDGMENTS, ESTIMATES AND ACCOUNTING ASSUMPTIONS

Financial statements are prepared in accordance with accounting practices introduced in Brazil that require Managements to use judgments, estimates and assumptions that may impact on revenue, expenses, assets and liabilities introduced in financial statements and their explanatory notes. Significant items subject to such estimates and assumptions include fixed assets' economic useful life and residual value, definition of assets' recoverable, provision registrations and fair value of financial instruments, among others. Use of estimates and judgments is challenging and takes into account several premises and future projections and, therefore, settlement of transactions can result in different estimated values. Management reviews its estimates and assumptions annually.

## 3. Cash and cash equivalents

	2017	2016
Cash and Banks	7,344	4,389
Financial investments	353,535	240,954
	<b>360,879</b>	<b>245,343</b>

Financial investments are represented by conservative investment funds and bank deposit certificates (CDBs) issued by first-class financial institutions that register the amount of resources intended for financial remuneration of available capital, in addition to income earned at the closing date of the fiscal year, net, when appropriate, of provisions and withholdings.

#### 4. Accounts receivable

	2017	2016
Sponsors	21,775	44,745
Special affiliates	43,622	44,020
State federations	3,242	2,970
Broadcasting rights	31,822	16,825
Income and Prize Money	8,144	6,879
Other Accounts Receivable	530	668
	<b>109,135</b>	<b>116,107</b>

Long-term	2017	2016
Sponsors	19,555	19,555

#### 5. Recoverable taxes

	2017	2016
Withholding Income Tax without Financial Investments	-	7,773
IRPJ	2	10,897
CSLL	-	6,748
Withholding Tax – Refund requests	370	157
INSS recoverable	20	15
	<b>392</b>	<b>25,590</b>

## 6. Judicial deposits

	2017	2016
<b>Civil Deposits</b>		
Coca Cola Indústria Ltda. (a)	21,945	21,945
HB Cavalcanti e Mazzillo Adv. (b)	1,149	1,149
	<b>23,094</b>	<b>23,094</b>
<b>Judicial Deposits</b>		
Federal Revenue Secretariat (c)	439	572
Federal Revenue Secretariat (d)	7,918	4,173
Federal Revenue Secretariat (e)	137,107	106,910
	<b>145,464</b>	<b>111,655</b>
<b>Other Deposits</b>		
CEF and others	6,666	2,687
	<b>145,464</b>	<b>111,655</b>
	<b>175,224</b>	<b>137,436</b>

(a) Deposits made in the amount of R\$ 21,945 million concern process No. 2001001912576-B, with collateral made to ensure payment of fines as a result of unilateral contract termination with Coca-Cola Indústria Ltda. Given the probability of likely losses, the entity registered liability provisions amounting to R\$ 8.237, as advised by its legal consultants.

(b) Deposits made in the amount of R\$ 1,149 million concern attorney fees to the prevailing party that CBF was ordered to pay to Coca-Cola lawyers relating to process No. 2001001912576-C.

(c) Credit balance of R\$ 439.000 already acknowledged by the Treasury Attorney General and by DEMAC, granting rights to use the credit.

(d) Judicial deposit concerning process No. 2009.51.01.004605-8 in the original amount of R\$ 4,173 million, duly updated by the accumulated Selic rate and totaling R\$ 7.919 million, to suspend the requirement of IPI allegedly imposed on importation of the aircraft;

(e) Judicial deposits in the amount of R\$ 137,107 million made at the Federal Revenue of Brazil concern COFINS, pursuant to administrative processes case files No. 16682.722463/2015-29, 16682.721345/2016-84 and 16682.721695/2016-41.

## 7. Fixed

	Depreciation Rate	2017	2016
<b>Reassessed Assets</b>			
Properties	-	1,255	1,255
Real estate	4%	4,519	4,519
Facilities	10%	879	879
Machinery and equipment	10%	578	578
Furniture and utensils	10%	1,436	1,436
Computers and peripherals	20%	47	47
(-) Depreciation		(5,264)	(5,084)
		<b>3,450</b>	<b>3,630</b>
<b>Non-Reassessed Assets</b>			
Properties	-	26,843	26,843
Headquarter Property	-	39,140	39,140
Legacy Properties	-	5,799	5,799
Facilities	10%	5,069	4,896
Furniture and utensils	10%	5,647	5,386
Vehicles	20%	2,540	2,282
Machinery and accessories	10%	6,289	5,704
Communication devices	10%	336	627
Computers and peripherals	20%	3,710	3,234
Aircrafts	10%	60,404	60,404
Building-Headquarters	4%	93,549	93,549
Building-Granja Comary	4%	32,976	32,976
Building-STJD Headquarters	4%	2,929	-
Collection - historical content	-	41	38
Constructions in progress	-	563	-
(-) Depreciation	-	(83,399)	(69,613)
		<b>202,436</b>	<b>211,265</b>
		<b>205,886</b>	<b>214,895</b>

## 8. Intangibles

	Depreciation Rate	2017	2016
<b>Non-Reassessed Assets</b>			
Software	20%	5,219	4,930
(-) Amortization		(4,352)	(4,331)
		<b>867</b>	<b>599</b>

## 9. Taxes and social security contributions

	2017	2016
Receivable INSS	3,606	3,407
Income Tax Withheld	3,272	3,132
Receivable COFINS	2,049	2,262
Receivable PIS	11	88
PIS, COFINS and CSLL Withheld	96	93
Receivable ISS Withheld	69	99
Receivable FGTS	853	796
Others	270	270
	<b>10,226</b>	<b>10,147</b>

## 10. Deferred revenue

	2017	2016
Short-term	27,426	22,191
Long-term	71,224	255
	<b>98,650</b>	<b>22,446</b>

They represent future revenues, in line with the accrual basis that will be carried out in subsequent years.

## 11. Provisions for contingencies

	2017	2016
<b>Judicial Deposits</b>		
Labor Lawsuits	6,090	6,090
Coca Cola Indústria Ltda. (a)	8,237	8,237
COFINS	141,781	109,701
	<b>156,108</b>	<b>124,028</b>
<b>Other Deposits</b>		
Others	260	239
	<b>260</b>	<b>239</b>
<b>Tax Contingencies</b>		
INSS	10,012	12,019
COFINS	-	6,120
	<b>10,012</b>	<b>18,139</b>
	<b>166,380</b>	<b>142,406</b>

CBF is implicated in tax, civil and labor lawsuits. Judicial deposits are only released in case of favorable decisions to counterparties. Based on the opinion of its internal and external legal consultants, Management provided for losses considered sufficient to cover likely losses, as shown below.

(a) In the fiscal year ended on December 31, 2011, Management established a provision for contingencies in the amount of R\$ 8,237 million concerning process No. 2001001912576-B, whereby CBF legally challenges the fine due to unilateral breach of the contract signed with Coca-Cola Indústria Ltda.

## 12. Gross Revenue

Gross Revenue	2017	2016
Sponsorships (a)	353,379	410,988
Broadcasting and Commercial Rights (b)	95,888	117,264
Ticketing and National Teams' Prize Money (c)	56,748	43,342
Enrollment Fees	13,346	12,906
Permits and Transfers	2,420	2,266
Others	22,691	10,912
<b>Total Revenue</b>	<b>544,472</b>	<b>597,678</b>

(a) Sponsorship contracts significantly originate from the Brazil National Team, representing 96% of the total revenue earned. These contracts originate from private companies, which are annually adjusted for inflation through previously established inflation indexes. Foreign currency contracts are recorded using exchange rates concerning the first business day in January.

(b) This heading is represented by commercial and broadcasting rights pertaining to Brazil National Team matches, in addition to CBF-promoted competitions.

(c) Sums earned through participation of the Brazil National Team in 2018 World Cup Qualifier and friendly matches.

### 13a. Costs with National Teams:

Expenditures paid by CBF are concern technical staff, delegations, travel, meals, accommodation and other items required for operations and development of National Teams in competitions and friendly matches played throughout the year, in addition to maintenance costs relating to Granja Comary. Currently, CBF has 10 National Teams: Male and Female National Teams (Main Team, U-23, U-21, U-15, U-13).



## 13b. Contributions to fostering football in States and Competitions

	2017	2016
Development Projects, Agencies and Support Departments	38,970	30,756
CETRHEN - Granja Comary	8,541	6,585
Projects - Legacy	-	3,328
Contributions to fostering football in States	26,325	26,325
	<b>73,836</b>	<b>66,994</b>
	<b>2017</b>	<b>2016</b>
Brazilian Championship - A Series	2,733	3,846
Brazilian Championship - B Series	9,754	5,004
Brazilian Championship - C Series	26,963	25,163
Brazilian Championship - D Series	35,094	33,279
Brazil Cup - Male	1,222	178
Brazil Cup - Female	-	3,792
Northeast Cup	755	1,001
Women's Brazilian Championship	6,079	-
Green Cup	1,227	459
Other competitions	1,112	1,185
	<b>84,939</b>	<b>73,907</b>
<b>Total - Contributions to fostering football in States and Competitions</b>	<b>158,775</b>	<b>140,901</b>

Sums recorded as contributions to fostering football in States and competitions are divided into two groups:

(a) The first group regards costs related to contributions to fostering football in States, consisting of transfers to Federations concerning operating costs and aimed at fostering development of Regional Football, in accordance with article 12 of the CBF By-Laws.

(b) The second group regards costs relating to expenses with Competitions, which are significantly comprised by expenses with refereeing, doping exams, air and land transportation and accommodation concerning CBF promoted competitions.



## 14. Administrative expenses

	2017	2016
General and Administrative (a)	46,404	53,461
Legal Entities / Third Party Services (b)	35,455	32,516
Marketing Services and Activations (c)	37,021	33,194
	<b>118,880</b>	<b>119,171</b>

Administrative expenses are comprised of the following groups:

(a) General and Administrative – They correspond to general expenses relating to property administration, utilities and general services provided by back office departments;

(b) Professional services provided by legal entities/third parties – They correspond to expenses related to professional services, such as: accounting consultancy services, audits, consultancies, attorney fees and services, information technology services, and other specialized service providers.

(c) Marketing and activations – These correspond mainly to costs related to activations, operations, intermediation and overhead for marketing and advertising activities relating to

## 15. Term Result

In the fiscal year of 2017, CBF accounted for a surplus of R\$ 50,704 (fifty million, seven hundred and four thousand reais), while keeping financial reserves that reach the sum of R\$ 360,879 (three hundred and sixty million and eight hundred and seventy-nine thousand reais).

### **Antônio Carlos Nunes de Lima**

Acting President

### **Rogério Langanke Caboclo**

CEO

### **Gilnei Botrel**

Chief Financial Officer

### **Exame Assessoria Contábil**

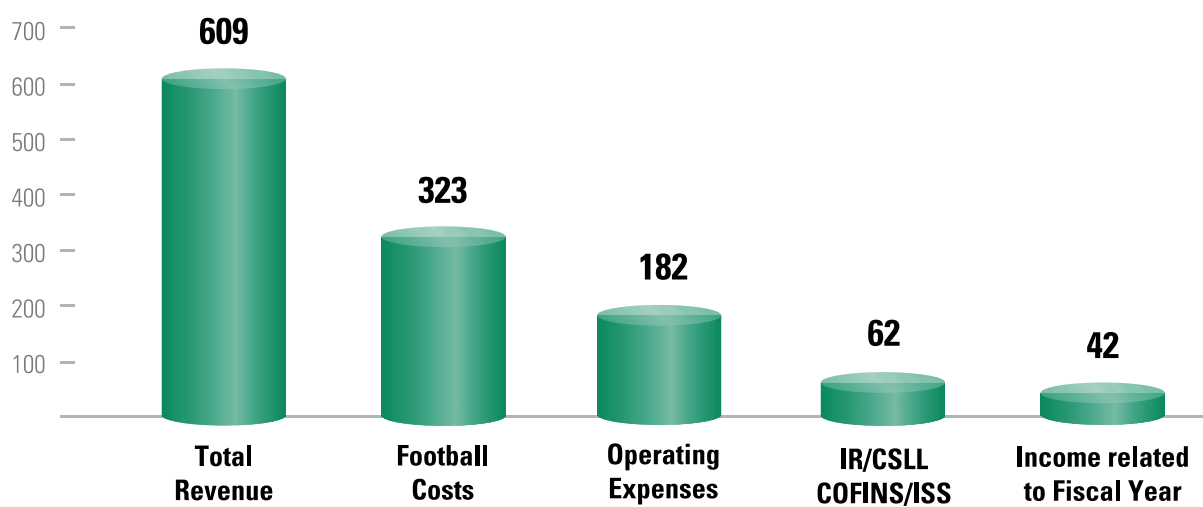
Rodney Monteiro Meles

Accountant

CRC 132.178/O-5

## 2018 Budget

Figures in millions of reais





**BRASIL**