



Financial Statements and Report of Independent
Certified Public Accountants

United States Olympic and Paralympic Foundation

December 31, 2016 and 2015

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Report of Independent Certified Public Accountants

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Board of Directors
United States Olympic and Paralympic Foundation

Report on the financial statements

We have audited the accompanying statements of financial position of the United States Olympic and Paralympic Foundation (the "Foundation"), as of December 31, 2016 and 2015 and the related statements of activities and cash flows for the years ended December 31, 2016 and 2015, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the restricted investment in USOE pooled fund of the Foundation, which constitutes 12.8% and 13.0% of total assets as of December 31, 2016 and 2015, respectively, or investment return which constitutes approximately 1% of total revenues for both the year ended December 31, 2016 and 2015. The restricted investment in USOE pooled fund and investment return were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for investments and investment return, 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 from 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 Foundation'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 Foundation'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.

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

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Olympic and Paralympic Foundation as of December 31, 2016 and 2015, and changes in its net assets and its cash flows for the years ended December 31, 2016 and 2015 in accordance with accounting principles generally accepted in the United States of America.

GRANT THORNTON LLP

Denver, Colorado
June 9, 2017

December 31, 2016 and 2015

Statements of financial position

	As of December 31,	
	2016	2015
	(in thousands)	
Assets		
Cash and cash equivalents	\$ 3,479	\$ 4,028
Restricted investment in USOE pooled fund	4,248	3,650
Investments	(5)	76
Accounts receivables, net		
Pledges	25,318	20,315
Split interest agreements	46	51
Total assets	\$ 33,086	\$ 28,120
Liabilities and net assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 113	\$ 65
Grant payable to USOC	1,396	627
Net operating payable due USOC	5,818	4,008
Total liabilities	7,327	4,700
Net assets (deficit)		
Unrestricted	(4,334)	(904)
Temporarily restricted	23,017	19,989
Permanently restricted	7,076	4,335
Total net assets	25,759	23,420
Total liabilities and net assets	\$ 33,086	\$ 28,120

December 31, 2016 and 2015

Statement of activities - 2016

	Year ended December 31, 2016			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
	(in thousands)			
Support and revenue				
Contributions	\$ 8,195	\$ 6,482	\$ 2,741	\$ 17,418
Less direct donor benefits	(18)	-	-	(18)
Net contribution income	8,177	6,482	2,741	17,400
Investment return	2	202	-	204
Equity loss from equity investee	(41)	-	-	(41)
Net assets released from restrictions	3,656	(3,656)	-	-
Total support and revenue	11,794	3,028	2,741	17,563
Expenses				
Program services				
Grants to the USOC	3,656	-	-	3,656
Total program services	3,656	-	-	3,656
Supporting services				
Fundraising	9,789	-	-	9,789
General and administrative	1,779	-	-	1,779
Total supporting services	11,568	-	-	11,568
Total expenses	15,224	-	-	15,224
Changes in net assets	(3,430)	3,028	2,741	2,339
Net assets (deficit), beginning of period	(904)	19,989	4,335	23,420
Net assets (deficit), end of period	\$ (4,334)	\$ 23,017	\$ 7,076	\$ 25,759

December 31, 2016 and 2015

Statement of activities - 2015

	Year ended December 31, 2015			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
	(in thousands)			
Support and revenue				
Contributions	\$ 9,235	\$ 16,746	\$ 2,586	\$ 28,567
Less direct donor benefits	(175)	(10)	-	(185)
Net contribution income	9,060	16,736	2,586	28,382
Investment return	10	(51)	-	(41)
Net assets released from restrictions	3,321	(3,321)	-	-
Total support and revenue	12,391	13,364	2,586	28,341
Expenses				
Program services				
Grants to the USOC	3,321	-	-	3,321
Total program services	3,321	-	-	3,321
Supporting services				
Fundraising	6,626	-	-	6,626
General and administrative	1,305	-	-	1,305
Total supporting services	7,931	-	-	7,931
Total expenses	11,252	-	-	11,252
Changes in net assets	1,139	13,364	2,586	17,089
Net assets (deficit), beginning of period	(2,043)	6,625	1,749	6,331
Net assets (deficit), end of period	\$ (904)	\$ 19,989	\$ 4,335	\$ 23,420

December 31, 2016 and 2015

Statements of cash flows

	Year ended December 31,	
	2016	2015
	(in thousands)	
Operating activities		
Changes in net assets	\$ 2,339	\$ 17,089
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Net realized gain on investments	(67)	(97)
Net unrealized (gain) loss on investments	(107)	148
Contributions restricted for investment in endow ment	(2,741)	(2,586)
Contributions of investment securities	-	(76)
Changes in assets and liabilities		
Increase in pledges receivable	(5,003)	(13,527)
Decrease in receivable from split interest agreements	5	18
Increase (decrease) in accounts payable and accrued liabilities	2,627	(85)
Net cash (used in) provided by operating activities	<u>(2,947)</u>	<u>884</u>
Cash flow s from investing activities		
Purchase of investment securities	(419)	(2,174)
Proceeds from sale of investment securities	76	-
Net cash used in investing activities	<u>(343)</u>	<u>(2,174)</u>
Cash flow s from financing activities		
Contributions restricted for investment in endow ment	2,741	2,586
Net cash provided by financing activities	<u>2,741</u>	<u>2,586</u>
Net (decrease) increase in cash and cash equivalents	(549)	1,296
Cash and cash equivalents, beginning of period	4,028	2,732
Cash and cash equivalents, end of period	<u>\$ 3,479</u>	<u>\$ 4,028</u>

Notes to financial statements

Note A - Summary of significant accounting policies

Nature of activities

The United States Olympic and Paralympic Foundation (the “Foundation”) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation was organized in 2013 to provide philanthropic support for the United States Olympic Committee (USOC). The USOC’s mission is to support U.S. Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating the values of the Olympic Movement, thereby inspiring all Americans. Resources for the Foundation’s activities are provided by contributions from the general public, and total return on investments. In accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 958, Reporting of Related Entities by Not-for-Profit Organizations, the USOC has an economic interest in the Foundation, and has control over the Foundation. Therefore, the financial statements of the Foundation are consolidated into the financial statements of the USOC.

Basis of accounting

The accounts of the Foundation are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Contributions

Contributions represent donations from the general public. The Foundation reports contributions of cash and other assets as temporarily restricted 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 the donor stipulations have been met, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statement of activities.

Unconditional and irrevocable promises to give the Foundation cash or other assets in the future are recorded at estimated fair value when the pledges are made by the donor. Fair value is determined by computing the present value of future cash flows discounted at the prevailing interest rate as of the period in which the agreement was received. An allowance for uncollectible pledges is provided based on specific circumstances and estimated rates based on historical patterns.

Cash and cash equivalents

Cash and short-term investments with original maturities of three months or less from the date of acquisition are considered cash and cash equivalents. The Foundation maintains its deposits in multiple financial institutions, which, at times, may exceed the federally insured limits. Management does not believe that the Foundation is exposed to any significant interest rate or other financial risk as a result of these deposits.

December 31, 2016 and 2015

Note A - Summary of significant accounting policies (continued)

Fair value of financial instruments

The Foundation's financial instruments consist of cash and cash equivalents, investments, receivables, and payables. The carrying values of cash and payables approximate fair value due to their short term nature. Investments are reported at fair values based upon quoted market prices or as determined by fund managers (Note A, restricted investment in USOE pooled fund). For pledge and split-interest receivables, fair value is determined by computing the present value of future cash flows discounted at the prevailing interest rate as of the period in which the agreement was received (Note A, pledges, and split-interest agreements receivable).

Restricted investment in USOE pooled fund

The Foundation has an agreement with the United States Olympic Endowment (USOE) whereby endowed assets contributed to the Foundation can be invested and managed by the USOE as part of its pooled investment portfolio. These endowed investments are restricted for specific purposes according to donor intent (See Note D).

The USOE was incorporated in 1984 to foster the United States participation in national and international amateur sports competition. The USOC is the designated recipient of the net assets of the USOE in the event that the USOE is dissolved. The USOC also consolidates the accounts of the USOE due to its deemed control of the USOE.

The Foundation's restricted investments are pooled with other funds managed by the USOE on behalf of amateur sports organizations. Income from the pooled funds is allocated to the various funds each month at the pro-rata basis of each fund's principal balance as a percentage of the total pooled investments of the USOE. Investment expenses of \$11,000 and \$12,000 for the years ended December 31, 2016 and 2015, respectively, were absorbed by the USOE.

Investments are recorded at fair value, which is an allocation of the Foundation's portion of the pooled fund, determined on the following basis:

- Investments in equity securities, including mutual funds, with readily determinable fair values and all investments in debt and convertible securities are reported based upon quoted market prices as of the date of the statement of financial position with realized and unrealized gains and losses included in the statement of activities.
- Alternative investments, which include hedged equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts, and funds of funds, are reported based on estimates reported by fund managers where quoted market prices do not exist. Consideration is given to several factors, including type of investment, risks, marketability, restrictions on dispositions, quotations from other market participants and values of similar investments. The Executive Vice President/Chief Operating Officer's office of the USOE challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with US GAAP.

December 31, 2016 and 2015

Note A - Summary of significant accounting policies (continued)

Restricted investment in USOE pooled fund (continued)

The Foundation estimates the value of Level 3 investments based on net asset values provided by the USOE.

Pledges receivable

Pledges receivable, net of an annual discount ranging from 0.46% to 2.04%, are shown net of estimated uncollectible amounts of \$526,000 and \$424,000 as of December 31, 2016 and 2015, respectively.

Pledges are due to be collected over the next five years in the following amounts:

	As of
	December 31, 2016
	(in thousands)
Year ending December 31,	
2017	\$ 11,145
2018	8,441
2019	3,492
2020	1,898
2021	342
Total	<u>\$ 25,318</u>

Pledges receivable are recorded net of estimated donor benefits to be provided in conjunction with these pledges, which include hospitality, ticket and apparel packages for the Olympic Games and Olympic Winter Games. Estimated donor benefits at December 31, 2016 and 2015 were \$0 and \$65,000, respectively. The unamortized pledge discount was \$455,000 and \$346,000 as of December 31, 2016 and 2015, respectively.

The Foundation reviews its allowance for doubtful accounts annually. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Split-interest agreements receivable

The Foundation is the beneficiary of a charitable gift annuity held and administered by a third-party. The net charitable balance of the annuity was \$46,000 and \$51,000 as of December 31, 2016 and 2015, respectively. The Foundation's interest is irrevocable under the terms of the gift. Assets of this gift are recorded at fair value less the liabilities incurred by the third party based on the arrangement's terms and actuarial assumptions.

Net assets

For financial reporting purposes, resources are classified into net asset categories according to the existence or absence of donor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets that are not subject to donor imposed stipulations.

December 31, 2016 and 2015

Note A - Summary of significant accounting policies (continued)

Net assets (continued)

- Temporarily restricted net assets – Net assets that are subject to donor imposed stipulations that may or will be met either with actions of the Foundation and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets – Net assets subject to donor imposed stipulations that are maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on the related investments for specific or general purposes.

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) requires management to make estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Income taxes

The Foundation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the Code. The Foundation has been classified as an organization that is not a private foundation under IRC Section 509(a)(1), and as such, contributions to the Foundation qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Foundation’s exempt purpose is subject to tax under IRC Section 511. The Foundation did not have a material unrelated business income tax liability for the years ended December 31, 2016 and 2015. No tax accrual for uncertain tax positions was recorded as management believes there are no uncertain tax positions for the Foundation.

The Foundation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Contributed services

The Foundation recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets, (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed. The Foundation did not receive any contributed services for the years ended December 31, 2016 and 2015.

December 31, 2016 and 2015

Note B - Fair value measurement

The Foundation follows certain guidance contained within ASC 820, *Fair Value Measurements and Disclosures* (“ASC 820”) which requires enhanced disclosures about investments that are measured and reported at fair value. ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the Foundation’s investments and liabilities. The inputs are summarized in three levels as outlined below:

- **Level 1 Inputs** - Quoted prices (unadjusted) in active markets for identical assets and liabilities. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.
- **Level 2 Inputs** - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.
- **Level 3 Inputs** - Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets in this category include beneficial interests held in trusts. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

The schedule below classifies the Foundation’s investments carried at fair value based upon the three-tier hierarchy required by ASC 820:

	As of December 31, 2016			
	Total fair value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(in thousands)			
Restricted investment in USOE pooled fund	\$ 4,248	\$ -	\$ -	\$ 4,248

	As of December 31, 2015			
	Total fair value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(in thousands)			
Restricted investment in USOE pooled fund	\$ 3,650	\$ -	\$ -	\$ 3,650

December 31, 2016 and 2015

Note B - Fair value measurement (continued)

The following schedule summarizes the changes in fair values associated with Level 3 assets for the year ended December 31, 2016 and 2015:

	As of December 31,	
	2016	2015
	(in thousands)	
Balance, beginning of period	\$ 3,650	\$ 1,527
Purchases	508	2,174
Interest and dividends	23	11
Net realized and unrealized gains (losses), net	179	(62)
Appropriated for expenditures	(112)	-
Balance, end of period	<u>\$ 4,248</u>	<u>\$ 3,650</u>

The following table provides additional information related to investments recorded at net asset value:

	As of December 31, 2016			
	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
	(in thousands)			
Restricted investment in USOE pooled fund ^(a)	<u>\$ 4,248</u>	<u>\$ -</u>	Held in perpetuity	N/A

	As of December 31, 2015			
	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
	(in thousands)			
Restricted investment in USOE pooled fund ^(a)	<u>\$ 3,650</u>	<u>\$ -</u>	Held in perpetuity	N/A

(a) This fund is composed of cash and cash equivalents, domestic common stocks, domestic and international equity and bond mutual funds, corporate bonds, U.S. Treasury note mutual funds, hedged equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts and fund of funds. Valuations are based on trade activity, estimates determined by investment management or estimates determined by USOE management.

Note C - Restricted net assets

Temporarily restricted

As of December 31, 2016 and 2015, temporarily restricted net assets were \$23,017,000 and \$19,989,000, respectively. During the years ended December 31, 2016 and 2015, net assets of \$3,656,000 and \$3,321,000, respectively, were released from donor restrictions by incurring expenses that satisfied the related program stipulations or passage of time restrictions. Temporary restrictions of net assets primarily relate to USOC Olympic and Paralympic athlete and athletic-training grants. Temporarily restricted net assets consisted of the following:

December 31, 2016 and 2015

Note C - Restricted net assets (continued)

Temporarily restricted (continued)

	As of December 31,	
	2016	2015
	(in thousands)	
Balance, beginning of period	\$ 19,989	\$ 6,625
Investment return	202	(51)
Contributions	6,482	16,736
Appropriated for expenditure	(3,656)	(3,321)
Balance, end of period	<u>\$ 23,017</u>	<u>\$ 19,989</u>

Permanently restricted

At December 31, 2016 and 2015, all permanently restricted net assets relate to donations made by donors specifying that only the income from those investments be expended. Income generated from these donations is restricted to USOC Olympic and Paralympic athlete and athletic-training grants. Gains and losses on these investments are treated consistently with income designations.

	As of December 31,	
	2016	2015
	(in thousands)	
Balance, beginning of period	\$ 4,335	\$ 1,749
Contributions	2,741	2,586
Balance, end of period	<u>\$ 7,076</u>	<u>\$ 4,335</u>

Note D - Endowment

The Foundation's endowment consists of four individual funds established for Olympic and Paralympic athletes and athletic-training purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All Foundation endowments are invested and managed by the USOE. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature that are reported in temporarily and permanently restricted net assets as of December 31, 2016 and 2015.

December 31, 2016 and 2015

Note D – Endowment (continued)

Based on the interpretation of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) by the Board of Directors of the Foundation, the guidance in FASB ASC 958-205, *Not-for-profits Entities Presentation of Financial Statements*, and absent explicit donor stipulations to the contrary, the Foundation classifies the original value of gifts donated to the permanent endowment as well as accumulations to the permanent endowment made at the direction of the donor as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed in UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Changes in the Foundation’s endowment funds for the years ended December 31, 2016 and 2015 are as follows:

	As of December 31, 2016			
	Donor restricted endowment funds			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
		(in thousands)		
Balance, beginning of period	\$ -	\$ (79)	\$ 3,729	\$ 3,650
Contributions	-	-	508	508
Interest and dividends	-	23	-	23
Realized and unrealized gains (losses), net	-	179	-	179
Amounts appropriated for expenditure	-	(112)	-	(112)
Balance, end of period	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 4,237</u>	<u>\$ 4,248</u>

	As of December 31, 2015			
	Donor restricted endowment funds			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
		(in thousands)		
Balance, beginning of period	\$ -	\$ (28)	\$ 1,555	\$ 1,527
Contributions	-	-	2,174	2,174
Interest and dividends	-	11	-	11
Realized and unrealized gains (losses), net	-	(62)	-	(62)
Amounts appropriated for expenditure	-	-	-	-
Balance, end of period	<u>\$ -</u>	<u>\$ (79)</u>	<u>\$ 3,729</u>	<u>\$ 3,650</u>

December 31, 2016 and 2015**Note D – Endowment (continued)**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation follows spending policies dictated by each endowment agreement. These agreements are consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term.

Note E - Related-party transactions

During the years ended December 31, 2016 and 2015, the Foundation made grants to the USOC totaling \$3,656,000 and \$3,321,000, respectively. These grants were in accordance with the Foundation's policy to transfer assets to the USOC once the Foundation has received the contribution payments.

The Foundation has entered into a service agreement with the USOC for the purposes of receiving the use of certain services, personnel, assets and facilities, and the limited right to license and use certain intellectual property of the USOC, in order to assist and/or facilitate the Foundation in the performance of its fundraising mission in the most effective and efficient manner. The amount billed under the services agreement by the USOC to the Foundation was \$5,452,000 and \$4,972,000 for the years ended December 31, 2016 and 2015, respectively. The USOC conducts all day-to-day business activities and maintains books and records on behalf of the Foundation. Additionally, operating expenses are paid by the USOC on behalf of the Foundation and the Foundation is obligated to reimburse the USOC for these expenses. The grant payable to the USOC is \$1,396,000 and \$627,000 and the net operating payable due to the USOC is \$5,818,000 and \$4,008,000 as of December 31, 2016 and 2015, respectively.

Note F - Subsequent events

The Foundation evaluated its financial statements for subsequent events through June 9, 2017, the date the financial statements were available to be issued. The Foundation is not aware of any such events that would require recognition or disclosure in the financial statements.



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