




United States Olympic and Paralympic Endowment

Independent Auditor's Report and Financial Statements

December 31, 2023 and 2022



United States Olympic and Paralympic Endowment
December 31, 2023 and 2022

Contents

Independent Auditor’s Report..... 1

Financial Statements

 Statements of Financial Position 4

 Statements of Activities..... 5

 Statements of Cash Flows 6

 Notes to Financial Statements 7

Supplementary Information

 Cumulative Grants Approved Information..... 20



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Independent Auditor's Report

Board of Directors
United States Olympic and Paralympic Endowment
Colorado Springs, Colorado

Opinion

We have audited the financial statements of United States Olympic and Paralympic Endowment (the Endowment), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Endowment as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Endowment and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Endowment's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the 2023 financial statements as a whole. The cumulative grants approved information, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information for the years December 31, 2004 through 2023 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information for the years December 31, 2003 and prior were audited by other auditors whose report dated May 19, 2004 expressed an unqualified opinion on such information in relation to the financial statements for the year ended December 31, 2003, taken as a whole.

FORVIS, LLP

**Colorado Springs, Colorado
May 29, 2024**

United States Olympic and Paralympic Endowment
Statements of Financial Position
December 31, 2023 and 2022

Assets

	2023	2022
Cash in bank – interest-bearing	\$ 49,235	\$ 85,258
Investments – endowment	240,131,935	228,620,182
Investments held solely as agent for sports organizations	436,646,349	209,623,382
Interest and dividends receivable	1,305,219	57,064
Other assets	88,019	75,653
Total assets	\$ 678,220,757	\$ 438,461,539

Liabilities

Grants payable	\$ 11,962,839	\$ 11,608,196
Investments held solely as agent for sports organizations	436,646,349	209,623,382
Payables for investments purchased	223,510	223,510
Accounts payable and accrued expenses	162,924	162,805
Total liabilities	448,995,622	221,617,893
Net assets		
Without donor restrictions	116,437,835	104,065,196
With donor restrictions – perpetual in nature	112,787,300	112,778,450
Total net assets	229,225,135	216,843,646
Total liabilities and net assets	\$ 678,220,757	\$ 438,461,539

United States Olympic and Paralympic Endowment
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions	\$ -	\$ 8,850	\$ 8,850	\$ -	\$ 2,596	\$ 2,596
Contributed nonfinancial assets	7,464	-	7,464	7,085	-	7,085
Investment income, net	1,823,995	-	1,823,995	1,691,641	-	1,691,641
Net gain (loss) on investments						
Realized	3,101,984	-	3,101,984	4,359,050	-	4,359,050
Change in unrealized	19,963,193	-	19,963,193	(42,694,742)	-	(42,694,742)
Total revenues, gains (losses) and other support	<u>24,896,636</u>	<u>8,850</u>	<u>24,905,486</u>	<u>(36,636,966)</u>	<u>2,596</u>	<u>(36,634,370)</u>
Expenses						
Program						
Grants approved	11,962,839	-	11,962,839	11,608,196	-	11,608,196
Support services - general and administrative						
Salaries and benefits	306,289	-	306,289	289,923	-	289,923
Other	254,869	-	254,869	212,411	-	212,411
Total expenses	<u>12,523,997</u>	<u>-</u>	<u>12,523,997</u>	<u>12,110,530</u>	<u>-</u>	<u>12,110,530</u>
Change in Net Assets	12,372,639	8,850	12,381,489	(48,747,496)	2,596	(48,744,900)
Net Assets, Beginning of Year	<u>104,065,196</u>	<u>112,778,450</u>	<u>216,843,646</u>	<u>152,812,692</u>	<u>112,775,854</u>	<u>265,588,546</u>
Net Assets, End of Year	<u>\$ 116,437,835</u>	<u>\$ 112,787,300</u>	<u>\$ 229,225,135</u>	<u>\$ 104,065,196</u>	<u>\$ 112,778,450</u>	<u>\$ 216,843,646</u>

United States Olympic and Paralympic Endowment
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 12,381,489	\$ (48,744,900)
Items not requiring (providing) operating activities cash flows		
Depreciation	5,190	1,547
Net realized gain on investments	(3,101,984)	(4,359,050)
Net unrealized (gain) loss on investments	(19,963,193)	42,694,742
Contributions restricted for long-term investment	(8,850)	(2,596)
Changes in		
Interest and dividends receivable	(1,248,155)	(54,802)
Other assets	(17,556)	(6,462)
Accounts payable and accrued expenses	119	(51,651)
Grants payable	354,643	673,775
Investments held solely as agent for sports organizations	209,515,014	20,640,872
Net cash provided by operating activities	197,916,717	10,791,475
Investing Activities		
Purchases of investments – Endowment	(9,382,414)	(47,527,386)
Purchases of investments held solely as agent for sports organizations	(239,231,832)	(21,106,393)
Proceeds from sales of investments – Endowment	13,931,167	53,531,172
Proceeds from sales of investments held solely as agent for sports organizations	36,721,489	4,256,565
Net cash used in investing activities	(197,961,590)	(10,846,042)
Financing Activities		
Proceeds from contributions to investment in endowment	8,850	2,596
Net cash provided by financing activities	8,850	2,596
Decrease in Cash in Bank – Interest-bearing	(36,023)	(51,971)
Cash in Bank – Interest-bearing, Beginning of Year	85,258	137,229
Cash in Bank – Interest-bearing, End of Year	\$ 49,235	\$ 85,258

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

United States Olympic and Paralympic Endowment (the Endowment) was incorporated on July 2, 1984 as a not-for-profit organization. The Endowment provides a permanent endowment to foster the United States of America's participation in national and international sports competition. The Endowment supports national, regional and local sports organizations who, in turn, support and develop athletes for national and international competition.

The United States Olympic and Paralympic Committee (the Committee) is the designated recipient of the net assets of the Endowment in the unlikely event that the Endowment is dissolved. Such dissolution would require the approval of two-thirds of the votes cast at two successive regularly called meetings of the Committee's Board of Directors (the Directors) at which a quorum is present. The Committee has no rights to any sports organization funds held by the Endowment as agent for the sports organizations as principals.

Use of Estimates

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

Cash in Bank – Interest-bearing

At December 31, 2023 and 2022, cash resided in interest-bearing money market and demand deposit accounts. Uninvested cash and cash equivalents included in the investment portfolio are not considered to be cash equivalents for purposes of the statements of cash flows.

Investments

The Endowment measures securities at fair value. Alternative investments are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments.

Net Investment Return

Investment return includes dividend, interest and other investment income, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return is reflected in the statements of activities without donor restrictions based upon the absence of donor or legally imposed restrictions.

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

The Endowment maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Grants Payable

The Endowment recognizes a liability for grants upon approval by the Directors.

Payables for Investments Purchased

Payables for investments purchased at year-end represent investment transactions in which securities are purchased but payment has not yet been made. These transactions are reported on the statements of financial position as a liability.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions and are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Gifts of cash and other assets received are reported as revenue and net assets with donor restrictions as defined in the Endowment's Articles of Incorporation. Contributed nonfinancial assets consist of donated office and storage space at below-market rates.

Functional Allocation of Expenses

As the programmatic activities of the Endowment are limited to the appropriation and distribution of endowment funds, no personnel or other costs have been allocated to program services. As such, a separate statement of functional expenses is not presented.

Income Taxes

The Endowment is exempt from income taxes under Sections 501(c)(3) and 509 of the Internal Revenue Code and a similar provision of state law. However, the Endowment is subject to federal or state income taxes on unrelated business taxable income.

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Liquidity and Availability

Financial assets available for general expenditure within one year of December 31, 2023 and 2022 are comprised of the following:

	2023	2022
Financial assets at year-end		
Cash	\$ 49,235	\$ 85,258
Investments - Endowment	240,131,935	228,620,182
Interest and dividend receivable	1,305,219	57,064
Total financial assets	241,486,389	228,762,504
Net assets with donor restrictions	112,787,300	112,778,450
Financial assets available to meet general expenses within one year	\$ 128,699,089	\$ 115,984,054

Investments held by the Endowment as an agent are not included above as not available for general expenditure.

The Endowment manages its liquidity by operating within an approved investment policy to ensure the prudent management of funds as well as the availability of adequate resources to fund near-term operating needs.

Note 3: Grants

During 2000, the Directors of the Endowment adopted a policy whereby annual distributions of grants to the Committee and other similar organizations are to be based on 5% of the Endowment's average net assets over 12 fiscal quarters, subject to Director approval. On December 14, 2023, the Directors authorized a grant in the amount of \$11,962,839 payable to the Committee, of which \$150,000 was restricted by the Endowment for a designated purpose. On December 15, 2022, the Directors authorized a grant in the amount of \$11,608,196 payable to the Committee, of which \$150,000 was restricted by the Endowment for a designated purpose. Grants are expensed when approved by the Directors. Unpaid grants are recorded as a liability in the statements of financial position. The Endowment places no conditions on the grant awards.

United States Olympic and Paralympic Endowment
Notes to Financial Statements
December 31, 2023 and 2022

Note 4: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

United States Olympic and Paralympic Endowment
Notes to Financial Statements
December 31, 2023 and 2022

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

	2023			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents, held by brokerage firm	\$ 25,153,739	\$ 25,153,739	\$ -	\$ -
Domestic common stock	33,521,758	33,521,758	-	-
Mutual funds - domestic equity	79,046,628	79,046,628	-	-
Mutual funds - foreign equity	49,217,568	49,217,568	-	-
Mutual funds - bonds	66,908,140	66,908,140	-	-
U.S. Treasuries	205,561,920	-	205,561,920	-
Corporate bonds	29,887,431	-	29,887,431	-
Alternative investments, held at net asset value (A)	187,481,100	-	-	-
	<u>\$ 676,778,284</u>	<u>\$ 253,847,833</u>	<u>\$ 235,449,351</u>	<u>\$ -</u>
Statement of financial position Classification				
Investments	\$ 240,131,935			
Investments held for others	436,646,349			
	<u>\$ 676,778,284</u>			

United States Olympic and Paralympic Endowment
Notes to Financial Statements
December 31, 2023 and 2022

	2022			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents, held by brokerage firm	\$ 33,065,872	\$ 33,065,872	\$ -	\$ -
Domestic common stock	29,104,703	29,104,703	-	-
Mutual funds - domestic equity	89,611,987	89,611,987	-	-
Mutual funds - foreign equity	43,334,831	43,334,831	-	-
Mutual funds - bonds	92,140,713	92,140,713	-	-
Alternative investments, held at net asset value (A)	150,985,458	-	-	-
	\$ 438,243,564	\$ 287,258,106	\$ -	\$ -
Statement of financial position Classification				
Investments	\$ 228,620,182			
Investments held for others	209,623,382			
	\$ 438,243,564			

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques of assets, nor has the Endowment held liabilities reported as fair value on a recurring basis, during the years ended December 31, 2023 and 2022.

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

Traditional Investments

Where quoted market prices are available for identical securities in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash and cash equivalents, domestic and international equity and bond mutual funds, and U.S. Treasury notes. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows, and are classified as Level 2 securities and include United States Treasuries and Corporate Bonds. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At December 31, 2023 and 2022, the Endowment holds no traditional investments classified as Level 3 in the hierarchy.

Alternative Investments

The Endowment's alternative investments, including investments held solely as agent for sports organizations, consist of hedge equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts, and fund of funds. As a group, the alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity and debt securities, foreign and domestic fixed income investments, domestic commercial and residential real estate, options, warrants, derivatives and contracts. To the extent possible, fair value is based on the last sale price for securities listed on national exchanges. For securities not listed on national exchanges, fair value is determined at the last bid or asking price depending on the long or short position of the security. Investments for which quotations are not available are valued at an estimated fair value by the fund managers using various models, comparisons and assumptions. Consideration is given to several factors, including the type of investment, risks, marketability, restrictions on disposition, quotations from other market participants and values of similar investments.

Alternative investments held at December 31 consist of the following:

	2023			Redemption Notice Period
	Fair Value	Unfunded Commitments	Redemption Frequency	
Limited partnership (A)	\$ 78,166,335	\$ -	Quarterly	10 - 60 days
Real estate fund (B)	18,719,919	8,635,683	Upon dissolution of fund	-
Private equity funds (C)	61,621,251	12,645,501	Upon dissolution of fund	-
Fund of funds (D)	<u>28,973,595</u>	<u>-</u>	Daily	-
	<u><u>\$ 187,481,100</u></u>	<u><u>\$ 21,281,184</u></u>		

United States Olympic and Paralympic Endowment
Notes to Financial Statements
December 31, 2023 and 2022

	2022			Redemption Notice Period
	Fair Value	Unfunded Commitments	Redemption Frequency	
Limited partnership (A)	\$ 51,530,609	\$ -	Quarterly	10 - 60 days
Real estate fund (B)	20,101,296	9,760,683	Upon dissolution of fund	-
Private equity funds (C)	63,995,916	16,252,663	Upon dissolution of fund	-
Fund of funds (D)	<u>15,357,637</u>	<u>-</u>	Daily	-
	<u>\$ 150,985,458</u>	<u>\$ 26,013,346</u>		

- (A) This class includes two limited partnerships that invest primarily in foreign and domestic common stocks and commodities. Based on the partnership agreement, the funds can invoke fund-level gates; however, none have been imposed to date.
- (B) This class includes seven real estate funds that invest in domestic and international commercial and residential real estate. These investments can never be redeemed with the funds. Distributions from each fund will be made upon dissolution of the fund.
- (C) This class includes eleven private equity funds that invest in domestic and foreign limited partnerships. These investments can never be redeemed with the funds. Distributions from each fund will be made upon dissolution of the fund.
- (D) This class includes two fund of funds that invests in foreign and domestic venture capital limited partnerships.

Note 5: Employee Retirement

The Endowment has a qualified pension annuity plan established under Section 401(k) of the Internal Revenue Code covering all employees. The Endowment made annual contributions in the amounts of 10% of gross wages. Contributions of approximately \$25,000 and \$11,000 were made during 2023 and 2022, respectively. Contributions are immediately vested.

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

Note 6: Investments Held Solely as Agent for Sports Organizations

The Endowment has an investment program, which allows the Committee and its affiliated sports organizations to pool their funds for investment with funds of the Endowment. The Endowment holds these funds solely as agent for these organizations. These sports organizations may request partial withdrawals (including allocated gains and interest once allocations are approved) following a 30-day notification period. Full or liquidating withdrawals may be processed following a 90-day notification period. The Endowment believes it maintains sufficient liquidity to meet such partial or full withdrawal requests within the 90-day notification period.

Investment income in the accompanying statements of activities does not include earnings or losses attributable to the participating affiliated sports organizations. Investments held as agent for sports organizations represents the program participants' pro rata share of investments and earnings thereon. Net investment income and market appreciation or depreciation are allocated based on the ratio of the sports organizations' invested funds to total invested funds. Investment expenses and general and administrative expenses are not allocated to the sports organizations. Approximately \$170,000 and \$185,000 of direct investment expenses were absorbed by the Endowment for the benefit of the affiliated sports organizations during the years ended December 31, 2023 and 2022, respectively.

Amounts contributed by the affiliated sports organizations and earnings thereon for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Investments held as agent for sports organizations, beginning of year	\$ 209,623,382	\$ 215,537,108
Net additions/withdrawals	202,510,343	16,849,828
Interest	1,881,689	65,791
Dividends	5,122,982	3,725,253
Net realized gain	205,727	1,198,573
Net unrealized appreciation (depreciation)	<u>17,302,226</u>	<u>(27,753,171)</u>
Investments held as agent for sports organizations, end of year	<u>\$ 436,646,349</u>	<u>\$ 209,623,382</u>

Note 7: Donor Restricted Endowment

The Endowment's endowment primarily consists of the excess funds generated from the Games of the XXIII Olympiad held in 1984 for the Committee. In addition, in accordance with the Endowment's Articles of Incorporation, other contributions received without donor stipulations are considered net assets with donor restrictions and included in the endowment. The purpose of the Endowment is to manage and invest the funds of the endowment to foster the United States of America's participation in national and international sports competition.

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

The donor has explicitly stipulated that the original gift amount be preserved as an endowment. As a result of this stipulation, the Endowment classifies the original value of the gift donated to the endowment as net assets with donor restrictions. Investment returns (losses) earned by the investment portfolio are recognized as net assets without donor restrictions in accordance with the Articles of Incorporation. The Endowment considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund;
2. Purposes of the Endowment and the fund;
3. General economic conditions;
4. Possible effect of inflation and deflation;
5. Expected total return from investment income and appreciation or depreciation of investments;
6. Other resources of the Endowment; and
7. Investment policies of the Endowment.

Changes in donor restricted endowment funds and composition of net assets by type of endowment fund for the years ended December 31, 2023 and 2022 were:

	2023	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	\$ -	\$ 112,778,450
Investment income (A)	948,644	-
Net appreciation	11,995,993	-
Contributions	-	8,850
Other – transfer (B)	(12,944,637)	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 112,787,300</u>
	2022	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	\$ -	\$ 112,775,854
Investment income (A)	718,315	-
Net depreciation	(16,278,339)	-
Contributions	-	2,596
Other – transfer (B)	15,560,024	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 112,778,450</u>

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

- (A) Excludes external investment expenses as these are not absorbed by endowment net assets
- (B) Endowment bylaws do not attribute unspent (in 2023) or overspent (in 2022) investment appreciation/depreciation to the perpetual endowment fund. As a result, there are no net assets without donor restrictions allocated to the perpetual endowment fund.

Investment and Spending Policies

The Endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Endowment must hold in perpetuity. Under the Endowment's policies and together with a professional advisor, endowment assets are invested in a manner that is intended to produce results that exceed a nominal return of the consumer price index, plus 5%, net of fees and operating expenses. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Endowment relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Endowment 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. Equity-based investments include large-cap, small-cap and international equities. The Endowment also uses fixed income securities and alternative investments to achieve its objectives.

The Endowment has a policy (the spending policy) of granting to the Committee each year 5% of the average of its total net assets over the prior 12 quarters adjusted for any outstanding grants payable. Any remaining income is appropriated to net assets without donor restrictions as shown on the previous tables. In periods when the value of the Endowment's investments are in excess of its original balance, plus additional contributions, appropriations are made out of the Endowment to help fund the grants. In periods when the value is less than the original balance, plus additional contributions, no appropriations are made out of the Endowment. In establishing this policy, the Endowment considered the long-term expected return on its endowment. Accordingly, over the long-term, the Endowment expects the current spending policy to allow its investments to grow after giving effect to expenses, at the rate of the Consumer Price Index and the annual 5% of net assets distribution to the Committee. This is consistent with the Endowment's objective to maintain the purchasing power of assets held in perpetuity, or for a specified term, as well as to provide additional real growth through investment return.

United States Olympic and Paralympic Endowment

Notes to Financial Statements

December 31, 2023 and 2022

Underwater Endowments

The governing body of the Endowment has interpreted the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA) as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Endowment considers a fund to be underwater if the fair value of the fund is less than the sum of:

- a) the original value of initial and subsequent gift amounts donated to the fund and
- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument

The Endowment has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Endowment is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. No deficiencies are reported in net assets without donor restrictions at December 31, 2023 and 2022.

Note 8: Significant Estimates, Commitments and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates, commitments and current vulnerabilities due to certain concentrations. Those matters include the following:

Investments

The Endowment invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Valuation of Investments in Limited Partnerships

The Endowment's investments in limited partnerships are recorded at their estimated fair market value as determined by the partnerships (see Note 4). Actual fair value of investments upon liquidation could vary significantly from the current estimated fair value.

United States Olympic and Paralympic Endowment
Notes to Financial Statements
December 31, 2023 and 2022

Note 9: Subsequent Events

Subsequent events have been evaluated through May 29, 2024, which is the date the financial statements were available to be issued.

Supplementary Information

United States Olympic and Paralympic Endowment
Cumulative Grants Approved Information
Years Ended December 31

Year	United States Olympic and Paralympic Committee		National Governing Bodies of Sport and Other Affiliated Organizations		Total	
	Grants		Grants		Grants	
	Approved	Amount	Approved	Amount	Approved	Amount
1986	10	\$ 2,422,569	86	\$ 3,217,842	96	\$ 5,640,411
1987	13	2,290,531	131	5,575,476	144	7,866,007
1988	14	1,103,300	165	7,965,097	179	9,068,397
1989	7	2,596,500	92	3,183,056	99	5,779,556
1990	5	3,481,200	124	4,193,713	129	7,674,913
1991	4	7,421,415	1	31,027	5	7,452,442
1992	4	8,161,761	-	-	4	8,161,761
1993	4	8,417,883	-	-	4	8,417,883
1994	4	9,322,429	-	-	4	9,322,429
1995	5	19,004,167	-	-	5	19,004,167
1996	4	9,589,255	-	-	4	9,589,255
1997	6	23,423,868	-	-	6	23,423,868
1998	1	10,000,000	-	-	1	10,000,000
1999	3	11,643,012	-	-	3	11,643,012
2000	1	12,781,985	-	-	1	12,781,985
2001	1	10,705,048	-	-	1	10,705,048
2002	1	10,041,446	-	-	1	10,041,446
2003	1	9,005,175	-	-	1	9,005,175
2004	1	8,982,553	-	-	1	8,982,553
2005	-	-	-	-	-	-
2006	1	9,294,862	-	-	1	9,294,862
2007	2	20,401,594	-	-	2	20,401,594
2008	1	10,631,046	-	-	1	10,631,046
2009	1	9,771,489	-	-	1	9,771,489
2010	1	8,951,535	-	-	1	8,951,535
2011	1	8,576,768	1	100,000	2	8,676,768
2012	1	9,016,623	-	-	1	9,016,623
2013	1	9,309,931	-	-	1	9,309,931
2014	1	9,682,631	-	-	1	9,682,631
2015	1	11,083,540	-	-	1	11,083,540
2016	1	10,012,229	-	-	1	10,012,229
2017	1	9,817,189	-	-	1	9,817,189
2018	1	9,890,222	1	75,000	2	9,965,222
2019	1	10,162,464	1	400,000	2	10,562,464
2020	1	10,256,684	-	-	1	10,256,684
2021	1	10,934,421	-	-	1	10,934,421
2022	1	11,608,196	-	-	1	11,608,196
2023	1	11,962,839	-	-	1	11,962,839
Total	108	\$ 361,758,360	602	\$ 24,741,211	710	\$ 386,499,571

The Directors of the Endowment approved a change in the method of distributing grants in 1991. Beginning with the 1991 grant program, distributions were made directly to the Committee, which in turn will distribute grants to specific recipients.

Beginning in 2011, \$150,000 of the annual grant to the Committee has been restricted for the use of establishing and maintaining a department dedicated to historical records, memorabilia and documents, and staffing it with a Historian/Archivist.

In 2018 and 2019 the Endowment awarded grant funds to assist in the establishment of the United States Olympic and Paralympic Museum.