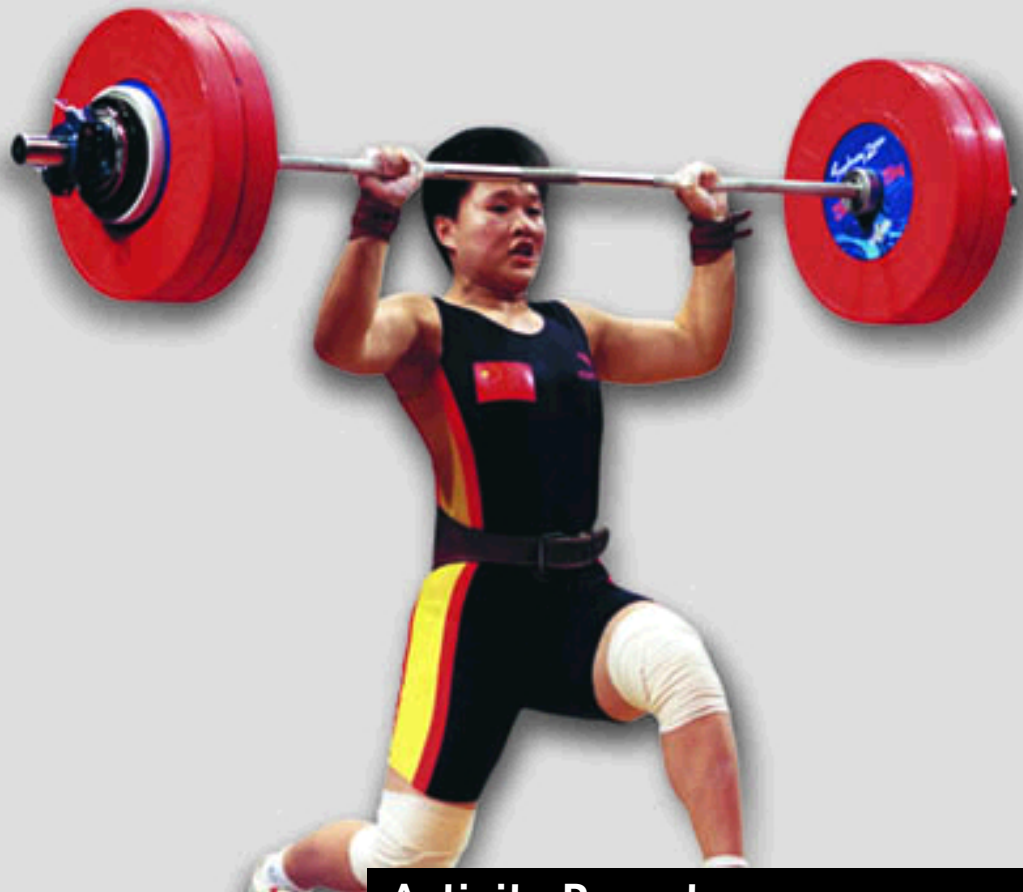


International Olympic Committee



Activity Report

Financial Statements

International Olympic Committee



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Report of auditors and financial statements December 31, 2000

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To the President, Executive Board and Session of the International Olympic Committee Lausanne

We have audited the accompanying financial statements of the International Olympic Committee as at December 31, 2000, comprising the statements of financial position as at that date, the related statements of activities, cash flows and changes in fund balances for the year then ended and the notes to the financial statements, set out on pages 64 to 84. These financial statements are the responsibility of the Executive Board of the International Olympic Committee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements give a true and fair view of the financial position of the International Olympic Committee as of December 31, 2000, and of the results of its activities, cash flows and changes in fund balances for the year then ended in accordance with International Accounting Standards.

PricewaterhouseCoopers SA

F. Roth J.B. Conne

Lausanne, April 12, 2001

Statements of financial position

at december 31, 2000 and 1999 (In thousands of U.S. dollars)

ASSETS	Notes	2000	1999
UNRESTRICTED			
Current assets			
Cash and cash equivalents	3	78 047	4 165
Receivables and other current assets	4	30 546	20 393
Deferred expenditure, current portion	5	-	15 280
		<u>108 593</u>	<u>39 838</u>
Non-current assets			
Investment securities	6	54 602	42 054
Deferred expenditure	5	9 458	6 518
Receivable from Salt Lake City OCOG	8	10 042	5 840
Fixed assets	7	<u>36 865</u>	<u>35 455</u>
		<u>110 967</u>	<u>89 867</u>
RESTRICTED			
Restricted bank deposits, investment securities and television broadcasting rights installments held in trust	9	<u>129 834</u>	<u>270 527</u>
Total assets		<u><u>349 394</u></u>	<u><u>400 232</u></u>
LIABILITIES AND FUND BALANCES			
Current liabilities			
Accounts payable and accrued expenses	10	18 605	13 542
Deferred income, current portion	11	-	10 017
Television broadcasting rights to be allocated, current portion	12	-	201 615
Guarantee deposits, current portion	13	<u>5 918</u>	<u>5 399</u>
		<u>24 523</u>	<u>230 573</u>
Non-current liabilities			
Bank loans	14	1 861	8 514
Deferred income	11	11 915	7 715
Television broadcasting rights to be allocated	12	76 141	45 351
Guarantee deposits	13	2 970	2 779
Amounts available for allocation to organizations of the Olympic Movement	15	27 463	15 383
World Anti-Doping Agency	16	17 342	-
Accrued pension costs	17	<u>3 246</u>	<u>3 537</u>
		<u>140 938</u>	<u>83 279</u>
Fund balances			
Undesignated		157 219	68 562
Designated		25 769	17 818
Revaluation reserve on investment securities		<u>945</u>	<u>-</u>
		<u>183 933</u>	<u>86 380</u>
Total liabilities and fund balances		<u><u>349 394</u></u>	<u><u>400 232</u></u>

Statements of activities

for the years ended december 31, 2000 and 1999 (In thousands of U.S. dollars)

	Notes	2000			1999
		Undesignated	Designated	Total	Total
REVENUES					
Television broadcasting rights	12	88 676	42 200	130 876	-
Other rights		48 862	149	49 011	9 384
Other		62	-	62	39
		<u>137 600</u>	<u>42 349</u>	<u>179 949</u>	<u>9 423</u>
EXPENDITURE					
Functional					
Salaries and social charges	17	10 988	-	10 988	11 043
Press, publications and public relations		3 574	-	3 574	2 243
External services		3 112	-	3 112	3 041
Session, commission and mission expenses		4 485	-	4 485	6 296
Transport, travel and residence expenses		1 434	-	1 434	1 901
Maintenance and supplies		3 038	-	3 038	3 204
Depreciation	7	2 354	-	2 354	3 621
Grants					
- Olympic Foundation		30 000	-	30 000	10 000
- Olympic Museum		2 838	-	2 838	3 407
- Olympic Studies and Research Centre		1 993	-	1 993	2 345
- Other		987	-	987	717
Allocation to designated funds		<u>2 214</u>	<u>(2 214)</u>	<u>-</u>	<u>-</u>
		<u>67 017</u>	<u>(2 214)</u>	<u>64 803</u>	<u>47 818</u>
Charges against designated funds	18	<u>-</u>	<u>37 893</u>	<u>37 893</u>	<u>19 510</u>
Excess of revenues (expenditure), before financial items		70 583	6 670	77 253	(57 905)
Finance income, net	19	<u>18 074</u>	<u>1 281</u>	<u>19 355</u>	<u>9 296</u>
Excess of revenues (expenditure)		<u><u>88 657</u></u>	<u><u>7 951</u></u>	<u><u>96 608</u></u>	<u><u>(48 609)</u></u>

Statements of cash flows

for the years ended december 31, 2000 and 1999 (In thousands of

U.S. dollars)

	<u>2000</u>	<u>1999</u>
Operating activities		
Excess of revenues (expenditure)		
before financial items	77 253	(57 905)
Adjustments for:		
- Depreciation	2 354	3 621
- Foreign exchange differences	(1 145)	(2 454)
Changes in:		
- Receivables and other current assets	(10 153)	12
- Accounts payable and accrued expenses	5 063	(4 026)
- Accrued pension costs	(291)	(407)
Interest received	24 051	15 371
Interest paid	(122)	(365)
	<u>97 010</u>	<u>(46 153)</u>
Net source (use) of cash from operating activities		
Investing activities		
Purchase of fixed assets	(3 764)	(1 844)
Purchase of investment securities	(11 186)	(5 931)
Proceeds from repayment of investment securities	-	6 951
Decrease (increase) in deferred expenditure	12 340	(9 411)
Decrease (increase) in restricted funds	140 693	(81 722)
	<u>138 083</u>	<u>(91 957)</u>
Net cash from / (used in) investing activities		
Financing activities		
Decrease of bank loans	(6 653)	(962)
Increase (decrease) of deferred income	(10 017)	1 404
Receipt of television broadcasting rights to be allocated	290 155	94 896
Allocation of television broadcasting rights received	(460 980)	-
Increase of guarantee deposits	710	3 877
Funds earmarked for the World Anti-Doping Agency	17 342	-
Increase (decrease) in amounts available for allocation to organizations of the Olympic Movement	12 080	(10 056)
	<u>(157 363)</u>	<u>89 159</u>
Net cash from / (used in) financing activities		
Increase / (decrease) in cash and cash equivalents	<u><u>77 730</u></u>	<u><u>(48 951)</u></u>
Movement in cash and cash equivalents		
At start of year	4 165	55 274
Increase / (decrease)	77 730	(48 951)
Effects of exchange rate changes	(3 848)	(2 158)
	<u><u>78 047</u></u>	<u><u>4 165</u></u>
At end of year		

Statements of changes in fund balances

for the years ended december 31, 2000 and 1999 (In thousands of U.S. dollars)

	Undesignated funds	Designated funds	Revaluation reserve on investment securities	Total
Balance at January 1, 1999	101 132	33 857	648	135 637
Revaluation of investment securities not recognized in statement of activities	-	-	(648)	(648)
Excess of expenditure recognized in statement of activities	(32 570)	(16 039)	-	(48 609)
Balance at December 31, 1999	68 562	17 818	-	86 380
Revaluation of investment securities not recognized in statement of activities	-	-	945	945
Excess of revenues recognized in statement of activities	88 657	7 951	-	96 608
Balance at December 31, 2000	<u>157 219</u>	<u>25 769</u>	<u>945</u>	<u>183 933</u>

Notes to the financial statements

at and for the years ended december 31, 2000 and 1999

NOTE 1 ACTIVITY

The International Olympic Committee (IOC), domiciled in Lausanne, Switzerland, is an international non-governmental non-profit organization in the form of an association. The mission of the IOC is to lead the Olympic Movement in accordance with the Olympic Charter. The Olympic Movement encompasses organizations, athletes and other persons who agree to be guided by the Olympic Charter, including, in addition to the IOC, the International Federations (IFs), the National Olympic Committees (NOCs) and the Olympic Solidarity (OS), the Organizing Committees of the Olympic Games (OCOGs), the Olympic Foundation (OF) and the Olympic Museum (OM).

These financial statements only include the activities of the IOC and do not incorporate the activities of the other organizations forming part of the Olympic Movement. Separate combined financial statements comprising the IOC, the OF and the OM have been prepared for the first time for the years ended December 31, 2000 and 1999. The revenues reflected in these financial statements are that part of the total revenues of the Olympic Movement which is allocated to the IOC. Grants and donations which the IOC allocates to other organizations within the Olympic Movement from its own part of the revenues of the Olympic Movement, are included in the financial statements as expenses.

The Olympic Movement's revenues are largely generated from royalties on licensing television broadcasting rights for Olympic Games, as well as revenues from the commercial exploitation of the Olympic symbol and Olympic emblems. The allocation of the revenues between the organizations making up the Olympic Movement is generally contractually based in respect of IOC and the OCOGs, and in respect of the IFs, the NOCs and the OS negotiated on an ongoing basis with the IOC.

NOTE 2 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with and comply with International Accounting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of investment securities.

The amounts shown in these financial statements are presented in US dollars, in view of the international nature of the IOC's operations and due to the majority of its income being earned in that currency.

Restricted assets represent installments received on television rights royalties and funds managed by the IOC which are available for allocation to other organizations of the Olympic Movement. Such funds are held in bank deposit accounts, investment securities or in trust.

Fund balances include designated funds which are set aside through the allocation of a portion of the IOC's share of royalties on licensing television broadcasting rights and imputed interest on the available fund balance. The funds are designated to be available for the financing of expenditure other than functional expenditure. Such expenditure generally consists of costs directly related with the organization of the Olympic Games, assistance provided to sports organizations including disabled sports and sports for all events, special projects and non-recurring costs.

Foreign currencies

Foreign currency income and expenditure is accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of activities. Non-monetary items carried at historical cost denominated in a foreign currency are reported using the historical exchange rate at the date of the transaction.

Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, receivables, investment securities, restricted bank deposits and television broadcasting right installments held in trust, creditors, television broadcasting rights to be allocated, borrowings and amounts due to organizations of the Olympic Movement.

The IOC is also party to derivative financial instruments, which mainly comprise foreign currency option contracts and which are not recognized in the financial statements on inception. The purpose of these instruments is to reduce part of the IOC's exposure with respect to its Swiss franc functional expenditure base. In addition, the IOC makes certain US dollar bank deposits which offer a superior interest rate compared to ordinary US dollar deposits but which include an option to repay the deposit in Swiss francs rather than US dollars if, at the maturity of the deposit, the US dollar rate against the Swiss franc exceeds the strike price fixed at the inception of the deposit.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and unrestricted deposits held with banks with a maturity up to three months.

Notes to the financial statements

at and for the years ended december 31, 2000 and 1999

Investment securities

Investment securities consist of fixed and floating rate notes which are generally held to maturity. They are carried at market value. Market value is calculated by reference to Stock Exchange quoted selling prices at the close of business on the balance sheet date. Increases in the carrying amount of investment securities are credited to the revaluation reserve in the fund balances. Decreases that offset previous increases of the investment securities are charged against the revaluation reserve; all other decreases are charged to the statement of activities.

Fixed assets

Buildings and building installations, leasehold improvements, furniture and equipment and information technology systems are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Buildings	50 years
Building installations	25 years
Leasehold improvements, furniture and equipment	10 years
Information technology systems	5 years

Land and collections are not depreciated.

New facilities and major renewals are capitalized; maintenance, repairs and minor renewals are charged to the statement of activities as incurred.

Pension obligations

The IOC operates a defined benefit pension plan, the assets of which are held independently of the IOC's assets in a separate fund. The pension accounting costs of the plan are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of activities so as to spread the regular cost over the service lives of the employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans on a regular basis. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of employees.

Revenue recognition

Television broadcasting rights

Royalties from the licensing of television rights to broadcast Olympic Games, representing the IOC's final allocated share from the gross royalty proceeds, is recognized on the successful completion of the respective Olympic Games. Installments received prior to this date are accounted for on a cash basis and are deferred as they may be repayable, in whole or in part, to the television networks at any time up to the completion of the Games upon the occurrence, for any reasons, of one or several conditions specified in the agreements.

The gross proceeds from television rights royalties are allocated between the IOC, OCOGs, IFs, NOCs and OS. Installments which have been received by the IOC and which have yet to be allocated to the IOC, IFs, and OS are recorded as a liability and become payable on the successful completion of the Olympic Games. Interest earned on the installments received are of the benefit of the IOC and are recorded as interest income currently.

Other rights

Other rights include revenues from the commercial exploitation of the Olympic symbol and Olympic emblems. The revenues represent the IOC's share of the International Olympic Marketing Program (the TOP Program), the OCOGs marketing programs, as well as income from other sponsorship, suppliership and licensing agreements. Revenues which are related to Olympic Games are deferred until the year the Olympic Games are held; other revenues are recorded in the period the installments become due.

Part of these revenues are received in the form of goods or services (Value in Kind). These are recorded on receipt based on their underlying fair value. Fair value is considered to be the estimated market price of the goods or services had they been bought in a competitive market situation.

Deferred expenditure

Expenditure incurred by the IOC relating to Olympic Games not yet held is matched with the revenue from those Olympic Games. As a result such expenditure is deferred and recognized in the statement of activities on the successful completion of the Olympic Games.

Income taxes

The IOC is exempt from paying income taxes.

Notes to the financial statements

at and for the years ended december 31, 2000 and 1999

NOTE 3 CASH AND CASH EQUIVALENTS

	<u>2000</u>	December 31,
	US\$ 000	<u>1999</u>
		US\$ 000
Cash at bank and in hand	(102)	(1 656)
Unrestricted bank deposits		
- in US\$	54 149	-
- in Swiss francs	<u>24 000</u>	<u>5 821</u>
Total cash and cash equivalents	<u>78 047</u>	<u>4 165</u>

All bank deposits are made through major Swiss banks. In 2000 and 1999, respectively, the weighted average interest rates were respectively 6.78% and 5.58% for US\$ deposits, 3.95% and 1.89% for Swiss franc deposits.

NOTE 4 RECEIVABLES AND OTHER CURRENT ASSETS

	<u>2000</u>	December 31,
	US\$ 000	<u>1999</u>
		US\$ 000
Rights income receivable	1 517	729
Taxes recoverable	9 053	1 805
OS current account	251	201
Receivable from Athens OCOG	471	-
Advances to Technology partner on behalf of Athens OCOG	7 372	1 250
Receivable from Turin OCOG	44	-
Receivable from Sydney OCOG	1 991	-
Other receivables	1 270	998
Accrued interest receivable	5 618	7 362
Advance to Meridian Management SA	-	3 307
Prepaid expenses and advances	1 282	1 144
Olympic souvenirs and awards	1 677	1 329
Advance on reconstruction costs Sarajevo	<u>-</u>	<u>2 268</u>
Total receivables and other current assets	<u>30 546</u>	<u>20 393</u>

NOTE 5 DEFERRED EXPENDITURE

	<u>2000</u>	December 31,
	US\$ 000	<u>1999</u>
		US\$ 000
Olympic Winter Games		
- 2002	2 997	2 348
- 2006	<u>956</u>	<u>969</u>
	<u>3 953</u>	<u>3 317</u>
Olympic Games		
- 2000	-	14 204
- 2004	3 476	3 031
- 2008	<u>732</u>	<u>169</u>
	<u>4 208</u>	<u>17 404</u>
Other		
- Olympic results information services	986	1 077
- General Games knowledge program	<u>311</u>	<u>-</u>
	<u>1 297</u>	<u>1 077</u>
Total deferred expenditure	9 458	21 798
Of which current portion	<u>-</u>	<u>(15 280)</u>
Total long-term portion	<u><u>9 458</u></u>	<u><u>6 518</u></u>

NOTE 6 INVESTMENT SECURITIES

	<u>2000</u>	December 31,
	US\$ 000	<u>1999</u>
		US\$ 000
Maturing in		
- 2001	14 967	12 899
- 2002	13 917	11 832
- 2003	11 812	9 653
- 2004	6 988	3 912
- 2005	<u>6 918</u>	<u>3 758</u>
Total investment securities	<u><u>54 602</u></u>	<u><u>42 054</u></u>

In 2000 and 1999, respectively, the weighted average interest rates on the US\$ notes were 6.29% and 6.12%. The weighted average interest rate on Eurocurrency notes in 2000 was 5.25%.

Notes to the financial statements

at and for the years ended december 31, 2000 and 1999

NOTE 7 FIXED ASSETS

	Land, buildings and building installations	Leasehold improvements, furniture and equipment	Information technology systems	Collections	Total
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Year ended					
December 31, 1999					
Opening net book amount	19 531	4 435	3 424	9 842	37 232
Additions	-	338	774	732	1 844
Depreciation charge	<u>(292)</u>	<u>(905)</u>	<u>(2 424)</u>	<u>-</u>	<u>(3 621)</u>
Closing net book amount	<u>19 239</u>	<u>3 868</u>	<u>1 774</u>	<u>10 574</u>	<u>35 455</u>
At December 31, 1999					
Cost	22 798	8 409	11 265	10 574	53 046
Accumulated depreciation	<u>(3 559)</u>	<u>(4 541)</u>	<u>(9 491)</u>	<u>-</u>	<u>(17 591)</u>
Net book amount	<u>19 239</u>	<u>3 868</u>	<u>1 774</u>	<u>10 574</u>	<u>35 455</u>
Year ended					
December 31, 2000					
Opening net book amount	19 239	3 868	1 774	10 574	35 455
Additions	-	586	979	2 199	3 764
Depreciation charge	<u>(319)</u>	<u>(788)</u>	<u>(1 247)</u>	<u>-</u>	<u>(2 354)</u>
Closing net book amount	<u>18 920</u>	<u>3 666</u>	<u>1 506</u>	<u>12 773</u>	<u>36 865</u>
At December 31, 2000					
Cost	22 798	8 995	12 244	12 773	56 810
Accumulated depreciation	<u>(3 878)</u>	<u>(5 329)</u>	<u>(10 738)</u>	<u>-</u>	<u>(19 945)</u>
Net book amount	<u>18 920</u>	<u>3 666</u>	<u>1 506</u>	<u>12 773</u>	<u>36 865</u>

The IOC is the beneficiary of a free lease of the land on which the Olympic House in Vidy is built and of the Château de Vidy, which has been granted by the City of Lausanne and which expires in 2083. The free lease has not been reflected in the value of the fixed assets.

NOTE 8 RECEIVABLE FROM SALT LAKE CITY OCOG

The IOC has accepted to defer royalty payments due from the Salt Lake Organizing Committee (SLOC) until March 31, 2002. Interest at a rate of 6% p.a. will be payable on such royalties calculated from the date originally due under the Marketing Program Agreement through the date actually paid. Were such royalties not to be paid by SLOC by the deferred due dates, the IOC will have the right to set off such deferred royalties against payments due to SLOC under the TOP marketing program.

NOTE 9 RESTRICTED BANK DEPOSITS, INVESTMENT SECURITIES AND TELEVISION BROADCASTING RIGHTS INSTALLMENTS HELD IN TRUST

	<u>2000</u>	December 31, <u>1999</u>
	US\$ 000	US\$ 000
Restricted bank deposits	82 309	163 132
Investment securities maturing during the year 2000	-	6 995
Television broadcasting rights installments held in trust	<u>47 525</u>	<u>100 400</u>
Total restricted bank deposits, investment securities and television broadcasting rights installments held in trust	<u>129 834</u>	<u>270 527</u>

Bank deposits are made principally in US dollars through major Swiss banks. In 2000 and 1999, the weighted average interest rates on the restricted bank deposits were 6.78% and 5.58% and on television broadcasting rights installments 7.25% and 6.50%, respectively.

NOTE 10 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	<u>2000</u>	December 31, <u>1999</u>
	US\$ 000	US\$ 000
Rights income to be redistributed	4 249	-
Payable to Sydney OCOG	4 048	-
OM current account	33	945
Other payables	9 457	12 403
Accrued expenses	<u>818</u>	<u>194</u>
Total accounts payable and accrued expenses	<u>18 605</u>	<u>13 542</u>

Notes to the financial statements

at and for the years ended december 31, 2000 and 1999

NOTE 11 DEFERRED INCOME

	<u>2000</u> US\$ 000	December 31, <u>1999</u> US\$ 000
Olympic Winter Games - 2002	<u>11 915</u>	<u>7 715</u>
Olympic Games - 2000	<u>-</u>	<u>10 017</u>
Total deferred income	11 915	17 732
Of which current portion	<u>-</u>	<u>(10 017)</u>
Total long-term portion	<u><u>11 915</u></u>	<u><u>7 715</u></u>

NOTE 12 TELEVISION BROADCASTING RIGHTS TO BE ALLOCATED

	<u>2000</u> US\$ 000	December 31, <u>1999</u> US\$ 000
Olympic Winter Games - 2002	67 277	44 075
- 2006	<u>88</u>	<u>88</u>
	<u>67 365</u>	<u>44 163</u>
Olympic Games - 2000	-	201 615
- 2004	8 276	688
- 2008	<u>500</u>	<u>500</u>
	<u>8 776</u>	<u>202 803</u>
Total television broadcasting rights to be allocated	76 141	246 966
Of which current portion	<u>-</u>	<u>(201 615)</u>
Total long-term portion	<u><u>76 141</u></u>	<u><u>45 351</u></u>

The television broadcasting rights received by the IOC in respect to the 2000 Olympic Games have been allocated as follows:

	US\$ 000
Amount available	<u>460 980</u>
<u>First allocation</u>	
- World Anti-Doping Agency (Note 16)	<u>25 000</u>
<u>Second allocation</u>	
- IOC (Designated funds)	30 700
- IF Olympic Games (Note 15)	28 500
- OS (Note 15)	<u>26 700</u>
	<u>85 900</u>
<u>Third allocation</u>	
- Special marketing payment to IFs	72 504
- Funds earmarked for special IOC Programs (Designated funds)	<u>11 500</u>
	<u>84 004</u>
<u>Balance further allocated to</u>	
- 1/3 IOC (Undesignated funds)	88 676
- 1/3 IFs	88 700
- 1/3 OS	<u>88 700</u>
	<u>266 076</u>
Total allocated, as above	<u><u>460 980</u></u>

Notes to the financial statements

at and for the years ended december 31, 2000 and 1999

NOTE 13 GUARANTEE DEPOSITS

	December 31,	
	<u>2000</u>	<u>1999</u>
	US\$ 000	US\$ 000
Olympic Winter Games		
- 2002, OCOG, Salt Lake City	677	633
- 2006, OCOG, Turin	1 089	1 019
	<u>1 766</u>	<u>1 652</u>
Olympic Games		
- 2000, OCOG, Sydney	5 768	5 399
- 2004, OCOG, Athens	1 204	1 127
- 2008, Candidate City	150	-
	<u>7 122</u>	<u>6 526</u>
Total guarantee deposits	8 888	8 178
Of which current portion	<u>(5 918)</u>	<u>(5 399)</u>
Total long-term portion	<u>2 970</u>	<u>2 779</u>

The guarantee deposits, together with interest earned thereon, are reimbursable, subject to contractual terms and conditions after the respective Olympic Games are held and, in respect of Candidate Cities, after the election of the host city.

NOTE 14 BANK LOANS

The fixed term bank loans are secured by a mortgage on the Centennial Villa for an amount of US\$ 1.9 million and by bank deposits for the remaining amount. They bore interest at December 31, 2000 at an average rate of 4.1% per annum (2.625% at December 31, 1999). The loans are concluded for fixed periods up to twelve months and generally rolled over at maturity.

NOTE 15 AMOUNTS AVAILABLE FOR ALLOCATION TO ORGANIZATIONS OF THE OLYMPIC MOVEMENT

This account consists of funds managed by the IOC which are available for allocation to organizations of the Olympic Movement. Transactions recorded during 2000 and 1999 are as follows:

	OS	IFs Olympic Games	IFs Olympic Winter Games	Total
	<u>US\$ 000</u>	<u>US\$ 000</u>	<u>US\$ 000</u>	<u>US\$ 000</u>
Balance at January 1, 1999	16 257	8 302	880	25 439
Interest earned	742	402	10	1 154
Financial assistance	(5 781)	(2 325)	(522)	(8 628)
Olympic results information services	-	(391)	(1 676)	(2 067)
Allocation to the International Council of Arbitration of Sports	<u>(258)</u>	<u>(193)</u>	<u>(64)</u>	<u>(515)</u>
Balance at December 31, 1999	10 960	5 795	(1 372)	15 383
Allocation of television broadcasting rights (Note 12)	26 700	28 500	-	55 200
Interest earned	673	687	-	1 360
Transfer to 2001-2004 OS program	(11 287)	-	-	(11 287)
Financial assistance	(73)	(1 911)	(424)	(2 408)
Olympic results information services	-	(206)	(18)	(224)
Expenditure in relation to the 2000 Olympic Games	(19 383)	(9 021)	-	(28 404)
Final allocation to Sarajevo reconstruction fund	(1 438)	-	-	(1 438)
Allocation to the International Council of Arbitration of Sports	<u>(347)</u>	<u>(279)</u>	<u>(93)</u>	<u>(719)</u>
Balance at December 31, 2000	<u><u>5 805</u></u>	<u><u>23 565</u></u>	<u><u>(1 907)</u></u>	<u><u>(27 463)</u></u>

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NOTE 16 WORLD ANTI-DOPING AGENCY

At the World Conference on Doping in Sports held in Lausanne, Switzerland, on February 2-4, 1999, the IOC committed to providing US\$ 25 million as seed capital for the new Anti-Doping Agency.

The "World Anti-Doping Agency" (WADA) was constituted in Lausanne on November 10, 1999, in the form of a Swiss foundation governed by the provisions of the Swiss Civil Code.

	<u>2000</u>	December 31,
	US\$ 000	<u>1999</u>
		US\$ 000
Funds earmarked for WADA (Note 12)	25 000	-
Allocations to WADA	(5 500)	-
EPO research projects contracted prior to constitution of WADA	(2 017)	-
Other IOC costs incurred in the constitution of WADA	<u>(141)</u>	<u>-</u>
Total balance of earmarked funds	<u><u>17 342</u></u>	<u><u>-</u></u>

NOTE 17 STAFF COSTS

	<u>2000</u>	December 31,
	US\$ 000	<u>1999</u>
		US\$ 000
Salaries	9 187	8 406
Social security costs	1 350	1 617
Pension costs – defined benefit plan	<u>451</u>	<u>1 020</u>
Total staff costs	<u><u>10 988</u></u>	<u><u>11 043</u></u>
Average number of persons employed	<u><u>108</u></u>	<u><u>103</u></u>

Defined benefit pension plan

The IOC's pension scheme covers substantially all employees. The scheme was valued by independent actuaries using the projected unit credit method as at December 31, 2000.

The amounts recognized in the statement of activities are as follows:

	<u>2000</u> US\$ 000	<u>1999</u> US\$ 000
Current service cost	1 156	992
Interest cost on projected benefit obligation	326	412
Expected return on plan assets	(408)	(350)
Net amortization	(179)	(34)
Employee contribution	<u>(444)</u>	<u>-</u>
Total net periodic pension cost, included in staff costs, as above	<u>451</u>	<u>1 020</u>

The actual return of plan assets was US\$ 369 000 in 2000 and US\$ 312 000 in 1999.

The following table sets forth the status of the pension plan and the amounts recognized in the balance sheets at December 31, 2000 and 1999:

	<u>2000</u> US\$ 000	December 31, <u>1999</u> US\$ 000
Projected benefit obligation	8 831	12 342
Fair value of plan assets	<u>(8 831)</u>	<u>(8 233)</u>
Present value of unfunded obligations	-	4 109
Unrecognized net gains/(losses)	<u>3 246</u>	<u>(572)</u>
Accrued pension cost recognized in the balance sheet	<u>3 246</u>	<u>3 537</u>

Movement in the liability recognized in the balance sheet:

	<u>2000</u> US\$ 000	December 31, <u>1999</u> US\$ 000
At beginning of year	3 537	3 944
Total expense as above	451	1 020
Contribution paid	(690)	(1 131)
Translation gain	<u>(52)</u>	<u>(296)</u>
Accrued pension cost recognized in the balance sheet	<u>3 246</u>	<u>3 537</u>

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The assumptions used for the calculations are the following:

	2000	1999
Discount rate used in determining present values	4.0 %	3.5 %
Annual rate of increase in future compensation levels	1.0 %	2.0 %
Expected rate of future increases in pension benefits	0.5 %	1.0 %
Expected long-term rate of return on plan assets	5.0 %	4.5 %

NOTE 18 CHARGES AGAINST DESIGNATED FUNDS

	<u>2000</u>	<u>1999</u>
	US\$ 000	US\$ 000
Public affairs costs	533	4 872
Expenditure in relation with the 2000 Olympic Games (see below)	25 842	-
Financial assistance to and session expenses of various associations	3 787	2 914
Special projects and publications	1 841	3 931
New Media and Internet conference	378	-
Hanover Universal Exhibition	1 176	-
Final allocation to Sarajevo reconstruction fund	1 438	2 511
IOC 2000 Commission	-	1 170
Art and Sports competition	614	-
"Celebrate Humanity" communication campaign	1 312	-
Internet development	729	2 047
1999 World Conference on Doping in Sports	-	1 726
Other	<u>243</u>	<u>339</u>
	<u>37 893</u>	<u>19 510</u>

Expenditure in relation with the 2000 Olympic Games:

	<u>2000</u>
	US\$ 000
Candidacy phase, Evaluation Commission and election	2 176
Coordination Commission and Working Groups	2 623
Games technology: Approval process and testing	2 529
Operations during the Sydney Olympic Games	
* Travel	1 815
* Accommodation and living expenses	4 466
* Tickets for ceremonies and sports events	2 388
* Marketing program	1 400
* External services	2 781
* Publications	528
* Freight and logistics	<u>1 254</u>
Knowledge transfer program	<u>3 882</u>
Total, as above	<u>25 842</u>

NOTE 19 FINANCE INCOME, NET

	<u>2000</u>	<u>1999</u>
	US\$ 000	US\$ 000
Interest income	24 051	15 204
Interest expense	(122)	(365)
Decrease on carrying amount of investment securities	-	(899)
Net foreign exchange losses	<u>(4 574)</u>	<u>(4 644)</u>
Total finance income, net	<u><u>19 355</u></u>	<u><u>9 296</u></u>

NOTE 20 FINANCIAL INSTRUMENTS**Derivative instruments**

At December 31, 2000 and 1999, the IOC had the following currency option contracts outstanding:

	<u>2000</u>	<u>1999</u>
- Contract amount (US\$ 000)	-	6 000
- Due dates	-	15.3.2000
- Put strike price against SFr.	-	1.50-1.535
- Call strike price against SFr.	-	1.57-1.60

At the respective balance sheet dates, none of the option contracts resulted in significant positive or negative fair value adjustments.

At December 31, 2000 and 1999, the IOC had bank deposits of US\$ 6 million and US\$ 26.5 million, respectively, which are reimbursable in Swiss francs if the US dollar/Swiss franc exchange rate exceeds a certain rate. At the respective balance sheet dates, none of the deposits resulted in significant positive or negative fair value adjustments.

Credit risk

Substantially all of the IOC's revenues are generated from the licensing of television broadcasting rights and other rights. The IOC believes that all amounts due under such rights are fully collectible. Cash is placed with, and derivative instruments are entered into with major Swiss banks. Investment securities represent notes issued by major corporations and government entities. There are no other significant concentrations of credit risk.

Fair Values

The carrying amounts of all financial instruments approximate their fair value.

Notes to the financial statements

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NOTE 21 RELATED PARTY TRANSACTIONS

Transactions and balances with other organizations of the Olympic Movement are disclosed elsewhere in these financial statements. The members, the President and the Executive Board of the IOC are not remunerated by the IOC. However, the IOC covers all expenses related to the execution of their functions, in particular travel, hotel and meal expenses and a daily allowance for out-of-pocket expenses. These costs are included in session, commission and mission expenses in the statement of activities. In addition, the IOC covers the cost of the President's residence expenses (room and living expenses) in Lausanne, which amounted to US\$ 186 000 in 2000 and US\$ 195 000 in 1999 and which are included in the statement of activities under transport, travel and residence expenses.