

Novak Djokovic Foundation (USA) and Affiliate

Consolidated Financial Statements

December 31, 2016 and 2015

Novak Djokovic Foundation (USA) and Affiliate

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Novak Djokovic Foundation (USA)
New York, NY

We have audited the accompanying consolidated financial statements of Novak Djokovic Foundation (USA) (a nonprofit organization) and affiliate, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audit. We did not audit the financial statements of Novak Djokovic Foundation (UK) Limited, a foreign affiliate, which statements reflect total assets of \$5,915,856 and \$4,008,797 as of December 31, 2016 and 2015 respectively, and total support and revenues of \$3,185,647 and \$3,929,404, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Novak Djokovic Foundation (UK) Limited, 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 consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Novak Djokovic Foundation (USA) and affiliate as of December 31, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of consolidating schedule statements of financial position as of December 31, 2016, and the consolidating schedule statements of activities, and consolidating schedule statements of functional expenses for the year ended December 31, 2016 on pages 14-16 are presented for purposes of additional analysis and are 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 consolidated financial statements. The information 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Hoffman Mulligan CPAs, LLP
Hoffman Mulligan CPAs, LLP
Certified Public Accountants

September 4, 2017
New York, NY

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

<u>ASSETS</u>	(Consolidated) 2016	(Consolidated) 2015
Cash and cash equivalents	\$ 5,133,950	\$ 4,456,521
Contributions receivable	376,443	768,219
Auction items inventory	20,000	27,654
Investments at fair value	630,055	-
	<hr/>	<hr/>
Total Current Assets	6,160,448	5,252,394
	<hr/>	<hr/>
Total Assets	<u>\$ 6,160,448</u>	<u>\$ 5,252,394</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES		
Accrued Expenses	\$ 142,044	\$ 73,882
	<hr/>	<hr/>
Total Current Liabilities	142,044	73,882
 NET ASSETS		
Unrestricted	5,994,365	5,178,512
Temporarily Restricted	24,039	-
	<hr/>	<hr/>
Total Net Assets	6,018,404	5,178,512
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 6,160,448</u>	<u>\$ 5,252,394</u>

See Independent Auditors' Report and Notes to Financial Statements

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016 (Consolidated)</u>			<u>(Consolidated)</u> <u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
SUPPORT				
Contributions	\$ 2,330,330	\$ 25,416	\$ 2,355,746	\$ 4,141,741
TOTAL SUPPORT	2,330,330	25,416	2,355,746	4,141,741
Amounts released from restrictions	-	-	-	-
Total	<u>2,330,330</u>	<u>25,416</u>	<u>2,355,746</u>	<u>4,141,741</u>
EXPENSES				
Program	852,157		852,157	550,062
Fundraising	212,686		212,686	106,304
General and administrative	187,977		187,977	170,487
TOTAL EXPENSES	<u>1,252,820</u>	<u>-</u>	<u>1,252,820</u>	<u>826,853</u>
OTHER INCOME (LOSS)				
Interest income	2,250		2,250	522
Unrealized gain on investments	12,995		12,995	-
Auction items valuation adjustment	-		-	(39,922)
Foreign currencies exchange gains (losses)	(276,902)	(1,377)	(278,279)	(125,967)
TOTAL OTHER INCOME (LOSS)	(261,657)	(1,377)	(263,034)	(165,367)
CHANGE IN NET ASSETS	815,853	24,039	839,892	3,149,521
NET ASSETS - Beginning of year	5,178,512	-	5,178,512	2,028,991
NET ASSETS - End of year	<u>\$ 5,994,365</u>	<u>\$ 24,039</u>	<u>\$ 6,018,404</u>	<u>\$ 5,178,512</u>

See Independent Auditors' Report and Notes to Financial Statements

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	(Consolidated) <u>2016</u>	(Consolidated) <u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 839,892	\$ 3,149,521
<i>Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities:</i>		
Unrealized gain on investments	(12,995)	-
Changes in assets and liabilities:		
Contribution receivable	391,776	(146,213)
Prepaid expenses	-	3,882
Auction items inventory	7,654	39,922
Accrued expenses	<u>68,162</u>	<u>54,115</u>
Net cash provided by operating activities	<u>1,294,489</u>	<u>3,101,227</u>
Cash flows from investing activities		
Cash paid for investments	<u>(617,060)</u>	<u>-</u>
Net change in cash and cash equivalents	677,429	3,101,227
Cash and cash equivalents - beginning of year	<u>4,456,521</u>	<u>1,355,294</u>
Cash and cash equivalents - end of year	<u><u>\$ 5,133,950</u></u>	<u><u>\$ 4,456,521</u></u>

See Independent Auditors' Report and Notes to Financial Statements

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>PROGRAM</u>	<u>FUNDRAISING</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>TOTALS</u>
Contributions to NDF Italy	\$ 42,654	\$ -	\$ -	\$ 42,654
Contributions to NDF Serbia	488,250	-	-	488,250
Other Contributions	254,044	-	-	254,044
Insurance	-	-	445	445
Bank and credit card fees	-	-	537	537
Salaries and related	51,805	51,805	51,805	155,415
Miscellaneous	-	-	4,220	4,220
Professional fees	12,360	-	124,836	137,196
Public relations	-	128,038	-	128,038
Publication, postage and mailings	-	-	1,029	1,029
Subscriptions	-	-	187	187
Travel and related	3,044	3,044	3,044	9,132
Telephone	-	-	315	315
Computer and software	-	-	1,559	1,559
Website costs	-	29,799	-	29,799
Totals	<u>\$ 852,157</u>	<u>\$ 212,686</u>	<u>\$ 187,977</u>	<u>\$ 1,252,820</u>

See Independent Auditors' Report and Notes to Financial Statements

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>PROGRAM</u>	<u>FUNDRAISING</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>TOTALS</u>
Contributions to the Schools of Life Project	\$ 305,737	\$ -	\$ -	\$ 305,737
Contributions to Novak Djokovic Foundation (Serbia)	226,732	-	-	226,732
Bank and credit card fees	-	-	237	237
Salaries and related	16,813	16,813	16,813	50,439
Miscellaneous	-	-	5,021	5,021
Professional fees	-	76,387	143,680	220,067
Public relations	-	3,821	-	3,821
Publication, postage and mailings	-	-	154	154
Travel and related	780	780	782	2,342
Taxation	-	-	3,800	3,800
Website costs	-	8,503	-	8,503
Totals	<u>\$ 550,062</u>	<u>\$ 106,304</u>	<u>\$ 170,487</u>	<u>\$ 826,853</u>

See Independent Auditors' Report and Notes to Financial Statements

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - Organization and Summary of Significant Accounting Policies

Organization

The Novak Djokovic Foundation (USA) and affiliate (The “Foundation”) was incorporated in Delaware on December 21, 2011 to award grants to fund organizations and projects in Serbia and the rest of the world that promote early childhood education and the development of young children who are from disadvantaged backgrounds. The intention is that by investing in these children and helping them to reach their full potential they will be able to bring positive changes to their communities in the future.

The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and New York State Not-for-Profit Corporation Law Section 402.

Summary of Significant Accounting Policies

Basis of accounting - The Foundation prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

Financial statement presentation – In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-205-05 *Presentation of financial Statements*, the Foundation is required to report that the amounts for each of the three classes of net assets, permanently restricted, temporarily restricted and unrestricted, be displayed in a statement of financial position and the amounts of change in each of those classes of net assets be displayed in a statement of activities. These reporting standards require the classifications of net assets and changes therein in one of three classes of net assets as follows:

Unrestricted Net Assets - Net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations or by New York Prudent Management of Institutional Funds Act (“NYPMIFA”).

Temporarily restricted net assets – Net Assets used for grants and financial assistance that is subject to donor-imposed restrictions that will be met either by actions of the Foundation or passage of time. In addition, earnings on certain donor-restricted endowment funds are classified as temporary restricted, pursuant to NYPMIFA until appropriated for spending by the Board of Directors.

Permanently restricted net assets – Net Assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor - imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Organization and Summary of Significant Accounting Policies, (continued)

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Novak Djokovic Foundation (USA) and its wholly owned affiliate. All significant intercompany balances and transactions have been eliminated in consolidation. The following entities are included in the consolidated financial statements:

Novak Djokovic Foundation (USA) was incorporated in Delaware on December 21, 2011. This is the USA operating foundation that receives contributions mainly from US entities and/or tax payers but also receives donations from foreign entities and/or tax payers.

Novak Djokovic Foundation (UK) Limited is registered as a members' limited liability company and was incorporated on March 7, 2012. This is the UK operating foundation that receives contributions mainly from UK entities and/or tax payers but also receives donations from foreign entities and/or tax payers. This entity is 100% owned by the Novak Djokovic Foundation (USA).

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Foreign Currencies – Assets and liabilities recorded in foreign currencies are translated at the exchange rate on the balance sheet date. Revenue and expenses are translated at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are recorded in Other Income (Expense) on the Statements of Activities.

Cash and Cash Equivalents – Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Contributions Receivable which include income tax recoverable in relation to donations received under Gift Aid are unconditional promises to give and are recorded as receivables and revenues and are recognized when the promises are made at their net present value. The Foundation determines whether an allowance for doubtful accounts should be provided for pledges receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions, subsequent collections, and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable efforts have been exhausted.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Organization and Summary of Significant Accounting Policies, (continued)

Valuation of Portfolio Investments - US GAAP establishes a hierarchy that prioritizes inputs to valuation methods which the Foundation utilizes for its investments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. The three levels of inputs are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.
- Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Foundation’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The Foundation’s investments are traded in quoted public markets, primarily the London Stock Exchange. The year end valuation is prepared on the basis of mid-market prices from the appropriate stock exchange, the bid price from the relevant fund manager or the last traded price where applicable.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Organization and Summary of Significant Accounting Policies, (continued)

Auction Items Inventory – Inventories are stated at the lower of cost or market. Cost is principally determined using the first-in, first out (FIFO) method. During the year ended December 31, 2015 a valuation adjustment amounting to \$39,922 was made to the inventory.

Financial statement classifications - Contributions and grants, including unconditional promises to give, are reported as increases in unrestricted net assets unless use of the related assets has donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions in the statement of activities.

Functional Allocation of Expenses – The cost of providing the various programs and supporting services has been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and services in reasonable ratios determined by management.

Concentration of credit risk – The Foundation maintains its cash and cash equivalents at major financial institutions, which at times may exceed federally insured limits. The Foundation has not experienced any losses on such accounts.

Income taxes – The Foundation follows FASB ASC Topic 740, *Income Taxes*, and evaluates its income tax positions each year. The Foundation is exempt from federal income taxes under Section 501(c)(3) of Internal Revenue Code and believes it has no uncertain tax positions for open tax years. Accordingly, no provision for income taxes has been made in the financial statements. In addition, the Foundation has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue code. There was no unrelated business income for 2016 or 2015.

The Foundation files a Form 990 informational return with the Internal Revenue Service as well as the State of New York. The years ending December 31, 2016, 2015 and 2014 remain subject to examination by applicable taxing authority.

Pensions – The Foundation contributes to personal pension plans for its employee. During the year ending December 31, 2016, the Foundation contributed \$6,776 to such plan.

Contribution expense – Contributions are recorded when the offer is made.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILATE
NOTES TO FINANCIAL STATEMENTS**

Organization and Summary of Significant Accounting Policies, (continued)

Subsequent events – In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 4, 2017 the date the financial statements were issued. There were no significant subsequent events or transactions which required recognition and disclosure in the financial statements.

NOTE 2 – Investments at Fair Value

The table below sets forth information about the level within the fair values hierarchy at which the Foundation’s investments are measured at December 31, 2016 as well as the breakdown of investment income for the year ended December 31, 2016 and 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 261,468	\$ -	\$ -	\$ 261,468
Fixed income securities	-	192,284	-	192,284
Cash held within the investment portfolio	<u>176,303</u>	<u>-</u>	<u>-</u>	<u>176,303</u>
Total securities owned, at fair value	<u>\$ 437,771</u>	<u>\$ 192,284</u>	<u>\$ -</u>	<u>\$ 630,055</u>

Investment income for the year ended December 31, 2016 and 2015 consists of the following:

	<u>2016</u>	<u>2015</u>
Interest income	\$ 2,250	\$ 522
Unrealized gains	12,995	-
	<u>\$ 15,245</u>	<u>\$ 522</u>

NOTE 3 - Related Party Transactions

The Foundation made contributions to the Novak Djokovic Foundation (Serbia) of \$488,250 and \$532,469 during the years ended December 31, 2016 and 2015, respectively and contributions to the Novak Djokovic Foundation ONLUS (Italy) of \$42,654 during the year ended December 31, 2016.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - Related Party Transactions (continued)

During the year ended December 31, 2016 NDF US transferred as a grant \$1,000,000 to NDF UK which was eliminated in consolidation. The founder of the Foundation made contributions during the year ended December 31 2016 and 2015 totaling \$2,049,756 and \$3,080,000, respectively. These contributions have been designated by the Board of Directors as a separate Novak Djokovic donation fund to meet future core and administration costs. It is intended that the balance of these designated funds will be put towards direct charitable activities and future fundraising expenditure. Investment income earned on any amounts invested are included as part of the Novak Djokovic donation fund. As of December 31, 2016, the balance of the Novak Djokovic donation fund was \$4,540,034.

NOTE 4 – Temporarily Restricted Activities

Temporarily restricted contributions were received in 2016 specifically to benefit the Village Donja Toplica project.

NOTE 5 - Concentrations

During the year ended December 31, 2016 and 2015 the Foundation received contributions from individual donors which represented 87% and 74% of total support, respectively.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE: STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016**

	Novak Djokovic Foundation (USA)	Novak Djokovic Foundation (UK) Limited	Eliminations	Novak Djokovic Foundation Consolidated
<u>ASSETS</u>				
Cash and cash equivalents	\$ 374,233	\$ 4,759,717	\$ -	\$ 5,133,950
Contribution receivable	-	376,443	-	376,443
Prepaid expenses	-	-	-	-
Auction items inventory	20,000	-	-	20,000
Due from Novak Djokovic Foundation (USA)	-	149,641	(149,641)	-
Total Current Assets	394,233	5,285,801	(149,641)	5,530,393
Investments at fair value	-	630,055	-	630,055
Investment in Novak Djokovic Foundation (UK) Limited	164	-	(164)	-
Total Assets	\$ 394,397	\$ 5,915,856	\$ (149,805)	\$ 6,160,448
<u>LIABILITIES AND NET ASSETS</u>				
LIABILITIES				
Accrued Expenses	\$ 15,000	\$ 127,044	\$ -	\$ 142,044
Due to Novak Djokovic Foundation (UK) Limited	149,641	-	(149,641)	-
Total Current Liabilities	164,641	127,044	(149,641)	142,044
NET ASSETS				
Share capital in Novak Djokovic Foundation (UK) Limited	-	164	(164)	-
Unrestricted Funds	219,756	5,774,610	-	5,994,366
Temporarily Restricted	10,000	14,038	-	24,038
Total Net Assets	229,756	5,788,812	(164)	6,018,404
Total Liabilities and Net Assets	\$ 394,397	\$ 5,915,856	\$ (149,805)	\$ 6,160,448

See Independent Auditors' Report.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE: STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Novak Djokovic Foundation (USA)	Novak Djokovic Foundation (UK) Limited	Eliminations	Novak Djokovic Foundation Consolidated
SUPPORT				
Contributions	\$ 170,099	\$ 3,185,647	\$ (1,000,000)	\$ 2,355,746
Events	-	-	-	-
TOTAL SUPPORT	<u>170,099</u>	<u>3,185,647</u>	<u>(1,000,000)</u>	<u>2,355,746</u>
EXPENSES				
Program	1,056,516	809,503	(1,013,862)	852,157
Fundraising	18,038	208,510	(13,862)	212,686
General and administrative	89,054	112,785	(13,862)	187,977
TOTAL EXPENSES	<u>1,163,608</u>	<u>1,130,798</u>	<u>(1,041,586)</u>	<u>1,252,820</u>
OTHER INCOME (EXPENSE)				
Interest income	-	2,250	-	2,250
Management fee	-	41,586	(41,586)	-
Unrealized gain on investments	-	12,995	-	12,995
Foreign currencies exchange gains (losses)	25,117	(303,396)	-	(278,279)
TOTAL OTHER INCOME	<u>25,117</u>	<u>(246,565)</u>	<u>(41,586)</u>	<u>(263,034)</u>
INCREASE (DECREASE) IN NET ASSETS	(968,392)	1,808,284	-	839,892
NET ASSETS - Beginning of year	1,198,148	3,980,364	-	5,178,512
NET ASSETS - End of year	<u>\$ 229,756</u>	<u>\$ 5,788,648</u>	<u>\$ -</u>	<u>\$ 6,018,404</u>

See Independent Auditors' Report.

**NOVAK DJOKOVIC FOUNDATION (USA) AND AFFILIATE
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE: STATEMENTS OF FUNCTIONAL EXPENSES
DECEMBER 31, 2016**

	PROGRAM			FUNDRAISING			GENERAL AND ADMINISTRATIVE			TOTAL EXPENSES			
	Novak Djokovic Foundation (USA)	Novak Djokovic Foundation (UK) Limited		Novak Djokovic Foundation (USA)	Novak Djokovic Foundation (UK) Limited		Novak Djokovic Foundation (USA)	Novak Djokovic Foundation (UK) Limited		Novak Djokovic Foundation (USA)	Novak Djokovic Foundation (UK) Limited	Eliminations	Novak Djokovic Foundation Consolidated
Contributions to NDF UK	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ -
Contributions to NDF ONLUS (Italy)	42,654	-	42,654	-	-	-	-	-	-	42,654	-	-	42,654
Contributions to NDF Serbia	-	488,250	488,250	-	-	-	-	-	-	-	488,250	-	488,250
Other Contributions	-	254,044	254,044	-	-	-	-	-	-	-	254,044	-	254,044
Insurance	-	-	-	-	-	-	-	445	445	-	445	-	445
Bank and credit card fees	-	-	-	-	-	-	30	507	537	30	507	-	537
Salaries and related	13,862	51,805	65,667	13,862	51,805	65,667	13,862	51,805	65,667	41,586	155,415	(41,586)	155,415
Miscellaneous	-	-	-	-	-	-	3,712	508	4,220	3,712	508	-	4,220
Professional fees	-	12,360	12,360	-	-	-	71,041	53,795	124,836	71,041	66,155	-	137,196
Public Relations	-	-	-	600	127,438	128,038	-	-	-	600	127,438	-	128,038
Publication, postage and mailings	-	-	-	-	-	-	409	620	1,029	409	620	-	1,029
Subscriptions	-	-	-	-	-	-	-	187	187	-	187	-	187
Travel and related	-	3,044	3,044	-	3,044	3,044	-	3,044	3,044	-	9,132	-	9,132
Telephone	-	-	-	-	-	-	-	315	315	-	315	-	315
Computer and Software	-	-	-	-	-	-	-	1,559	1,559	-	1,559	-	1,559
Website costs	-	-	-	3,576	26,223	29,799	-	-	-	3,576	26,223	-	29,799
Totals	\$ 1,056,516	\$ 809,503	\$ 1,866,019	\$ 18,038	\$ 208,510	\$ 226,548	\$ 89,054	\$ 112,785	\$ 201,839	\$ 1,163,608	\$ 1,130,798	\$ (1,041,586)	\$ 1,252,820

See Independent Auditors' Report.