

# Annual Report



**2013**



PARTNERSHIP FOR  
**clean competition**

# A Message from the PCC

Dear PCC Supporters,

The Partnership for Clean Competition has come a long way since our launch in 2008 and even since our 2012 annual report last year. In 2013, the PCC funded more than \$2M in research, bringing our 5 year funding totals to nearly \$8M of support on more than 40 projects around the globe. As you will see in this report, much of this research resulted in publications and presentations at global conferences. While the science will all help the fight against doping, the work is being done in a variety of fields. This is truly a remarkable accomplishment in slightly more than five years since the PCC was formed.

For the PCC, 2013 was a year of building organizational capacity and proactively supporting innovative research in creative ways. The PCC did not just provide passive grants to pre-existing projects, but instead, for the first time actively worked to develop new research, new engagement, and innovative strategies.

While I could highlight numerous projects that moved anti-doping forward, of note is the work of the IGF-1 Working Group. The working group, initially launched by the PCC in 2010, and including researchers from 5 different institutions and 3 different fields, took great strides in 2013. Using an innovative and interdisciplinary model, the group created a new method that will increase accuracy and contribute to allowing for a significantly longer growth hormone testing window. Using current methods, an athlete must be tested within 36 hours of taking growth hormone to ensure that the prohibited substance will be detected. Using the new LC-MS/MS-based method, labs can now ensure identification of the IGF-1 at the same time that it measures the concentration of IGF-1. This method will enable a detection window of the growth hormone test of 10-14 days.

This is a tremendous victory for the PCC and the anti-doping movement. This work also highlights both the need for our work and the potential for success of our collaborative Working Group structure. We hope to have the test available in WADA-accredited labs in January 2015.

2013 was another year of landmark stories in the news that highlighted both the need for our work and the challenges that we face. The technology for doping continues to improve and we must remain diligent in supporting research that will overcome the challenges that we face. What is clear is that our mission remains as important as ever.

On behalf of the PCC, I would like to sincerely thank you for continuing to support our work. We look forward to continuing to build on these successes together in the coming months and years.

Sincerely,



Michael Pearlmutter  
PCC Executive Director



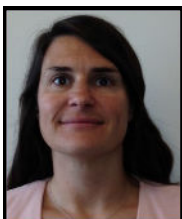
Rana Dershowitz  
Chairperson, PCC Board of Directors

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# Board of Governors



## **Rana Dershowitz — United States Olympic Committee**

General Counsel of the United States Olympic Committee, Dershowitz is a highly respected sports and entertainment industry attorney with more than a decade of experience in sports and almost twenty years of legal practice. At the USOC, Dershowitz oversees all legal affairs for the organization, acts as its Ethics Officer and its Corporate Secretary to the Board. Prior to joining the USOC in 2007, Dershowitz served as Vice President, and before that, Director, of Legal and Business Affairs at Madison Square Garden, L.P. Dershowitz has also served as an Adjunct Professor of Sports Law at New York Law School.



## **Adolpho A. Birch III — National Football League**

Senior Vice President of Law & Labor Policy for the National Football League, Birch oversees the development, administration and enforcement of the League's critical policies respecting the integrity of the game, including those on substances of abuse, performance-enhancing drugs, gambling and criminal misconduct, as well as the League's government affairs efforts, directing the League's strategy to advance its legislative, regulatory and political interests on the federal, state and local levels.



## **Dan Halem — Major League Baseball**

Major League Baseball's Executive Vice President, Labor Relations, Mr. Halem works closely with Club management officials and helps direct the administration of the revenue sharing system, the debt-service rule, the competitive balance tax, the salary arbitration system and the amateur draft support program, among other projects. Mr. Halem also represented and counseled the National Basketball Association, the Women's National Basketball Association, the National Hockey League and the New York Jets of the National Football League prior to joining MLB. Mr. Halem graduated from Cornell University's School of Industrial and Labor Relations in 1988 and from Harvard Law School, magna cum laude, in 1991.



## **Travis T. Tygart — United States Anti-Doping Agency**

CEO of the U.S. Anti-Doping Agency, Tygart oversees all operations related to the education, testing and results management process for the U.S. Olympic, Paralympic and Pan American movements. Tygart has served as an advocate for the integrity of sport and clean athletes, testifying in front of the U.S. Congress, German Parliament and the French Senate on policy and issues surrounding doping in sport. Under Tygart's leadership, USADA's efforts to protect clean athletes have included cooperating with Federal authorities on numerous investigations, including the international steroid bust, Operation Raw deal, and the international doping conspiracy involving the BALCO laboratory in San Francisco. Tygart also led the investigation into the US Postal Service Pro-Cycling Team Doping Conspiracy and the Lance Armstrong case.

# Officers



## **Michael Pearlmutter — Executive Director**

Michael Pearlmutter was named Executive Director for the Partnership for Clean Competition Research Collaborative in January 2014. In this role, Pearlmutter is responsible for developing, directing and driving organizational strategy and overseeing daily operations, including managing the organization's \$3M budget, fundraising, business development, grant administration, scientific outreach, and communication with the PCC Board of Governors and Scientific Advisory Board.



## **Kevin Manara — National Football League**

Labor Relations Counsel for the NFL, Manara is responsible for the administration and enforcement of the League's policies on performance-enhancing substances, personal conduct and substances of abuse, representing NFL clubs in grievances filed by players under the NFL Collective Bargaining Agreement and advising clubs on a variety of contractual, disciplinary and other labor-related matters.

Roster current as of September 30, 2014

# Scientific Advisory Board



## Larry Bowers, Ph.D.

As USADA's Chief Science Officer, Dr. Bowers provides leadership and scientific support for USADA's research sample collection planning, results management, arbitration, and education programs and the prestigious USADA Annual Symposium. Past Associate Editor (Drug Testing and Toxicology) for the journal, *Clinical Chemistry*, Dr. Bowers was the deputy director of the Athletic Drug Testing Laboratory for the 1996 Olympic Games, and has served on several scientific organizations Board of Directors. Dr. Bowers is currently a member of the World Anti-Doping Agency (WADA) Laboratory Accreditation Working Group.



## Bryan S. Finkle, Ph.D.

Former Director of the Center for Human Toxicology at the University of Utah, and the Department of Pharmacology Sciences at Genentech, Inc. South San Francisco, Dr. Finkle is Chief Consulting Toxicologist to the National Football League, consultant to the World and U.S. Anti-Doping Agencies, President and Chairman of the Board for the Sports Medicine Research and Testing Laboratory, and serves on the Board of the NFL Health Foundation.



## Gerhard Baumann, M.D.

Past Chief of Endocrinology and Metabolism at the Veterans Administration Lakeside Medical Center and the Associate Director of the Northwestern University General Clinical Research Center, Dr. Baumann is a Professor of Medicine Emeritus at Northwestern University. Dr. Baumann discovered the growth hormone binding protein, the circulating ectodomain, of the growth hormone receptor.



## Gary Green, M.D.

A fellow in the American College of Physicians and American College of Sports Medicine and a Clinical professor in the UCLA School of Medicine in the Division of Sports Medicine, Dr. Green serves as a team physician for Pepperdine University and the US National Soccer Team. He is on review boards for USADA for adverse analytical findings and therapeutic use exemptions and serves as Major League Baseball's Consultant on Anabolic Steroids.



## Alvin M. Matsumoto, M.D.

Dr. Matsumoto is a Professor in the Division of Gerontology & Geriatric Medicine at the University of Washington, School of Medicine in Seattle. He is Director of the Clinical Research Unit, Associate Director of the Geriatric Research, Education & Clinical Center and an Attending Physician in Internal Medicine, Geriatric Medicine and Endocrinology & Metabolism at the Department of Veterans Affairs Puget Sound Health Care System. He is Chair of the Hormone Foundation Committee of The Endocrine Society and has served on USADA's Research Policy Advisory Committee.



## Michael M. Sawka, Ph.D.

Chief Scientific Officer of Environmental Physiology and Hydration Consulting, Professor of Applied Physiology at Georgia Institute of Technology and past Chief of Thermal and Mountain Medicine at the US Army Research Institute of Environmental Medicine, Dr. Sawka is an expert in environmental physiology (heat, cold, high-altitude), fluid/electrolyte balance, exercise physiology and rehabilitation medicine.



## Lawrence Silverman, Ph.D.

Professor of Pathology and Public Health Genomics and Director of the Molecular Diagnostics, Clinical Genomics and Immunology Laboratories at the University of Virginia, Dr. Silverman is also past Director of the Division of Molecular Pathology and past Director of the Immunochemistry/Molecular Genetics Laboratory at the University of North Carolina Hospitals. Dr. Silverman is a diplomate of the American Board of Clinical Chemistry and a Fellow of the American College of Medical Genetics.



## John Yates III, M.D., Ph.D.

The Ernest W. Hahn Professor in the Department of Chemical Physiology and Molecular & Cellular Neurobiology at The Scripps Research Institute, Dr. Yates is the lead inventor of the SEQUEST software for correlating tandem mass spectrometry data to sequences in the database and developer of the shotgun proteomics technique for analysis of protein mixtures. Dr. Yates was ranked by Citation Impact, Science Watch as one of the Top 100 Chemists for the decade, 2000-2010.

# A Year in Review

The PCC is proud to recognize the success of its grant recipients and their contributions to the field of anti-doping science.





# Grants Approved

*Establish the Athlete Internal Metabolic Reference by the isotopic signature or isotopic fingerprint of  $\delta^{13}\text{C}$  values.*  
\$333,871 to Rodrigo Aguilera at Madrid Anti-Doping Laboratory, Spain

*Human growth hormone detection using dried blood spots with electrochemical sensing detection.*  
\$142,265 to Anthony Butch at the UCLA Olympic Analytical Laboratory, United States

*Developing a mass spectrometric method for PIIINP and other collagen bone biomarkers to detect rHGH administration.*  
\$107,681 to David Cowan at King's College London, England

*A new labeling procedure which allows to identify urine as coming from a particular person.*  
\$127,281 to Ruprecht Keller at Cologne Central Hospital Laboratory, Germany

*Detecting bio-molecules by nanotechnology & Raman spectroscopy: Rapid Screening kit for EPO in urine.*  
\$127,500 to Emad Kiriakous at Queensland University of Technology, Australia

*Steroid Isotopic Standards.*  
\$69,481 to Thomas Brenna at Cornell University, United States

*Engineering bacterial sulfatases: improved enzymes for the hydrolysis of steroid.*  
\$265,926 to Malcolm McLeod at Australian National University, Australia

*Significance of Glucocorticosteroids in Oral Fluid for Doping Control*  
\$12,780 to Detlef Thieme at IDAS Dresden in Kreischa, Germany

*GH-2004: Novel biomarkers for the detection of IGF-1 abuse.*  
\$67,744 to Richard Holt at the University of Southampton, United Kingdom

*Improved detection of testosterone doping through proteomic analysis of dried blood spots.*  
\$180,000 to Christoph Borchers at the University of Victoria, Canada

*IGF-1 Working Group*  
\$6,600 to SMRTL, United States

*IGF-1 Working Group*  
\$6,600 to the King's College London, England

*IGF-1 Working Group*  
\$6,600 to the University of Washington, United States

*IGF-1 Working Group*  
\$40,100 to the University of Southampton, United Kingdom

*IGF-1 Working Group*  
\$6,600 to the UCLA Olympic Analytical Lab, United States

*IGF-1 Working Group*  
\$1,605 to Bioreclamation, United States

*IGF-1 Working Group*  
\$6,600 to the German Sport University Cologne, Germany

*Oral Fluid Working Group*  
\$25,000 to SMRTL, United States

*Oral Fluid Working Group*  
\$10,000 to SMRTL, United States



# Publications

Guha, N., Erotokritou-Mulligan, I., Nevitt, S.P., Francis, M., Bartlett, C., Cowan, D., Bassett, E.E., Sonksen, P.H., and Holt, R.I.G. *Biochemical markers of recombinant human insulin-like growth factor-I (rhIGF-I)/rhIGF binding protein-3 (rhIGFBP-3) misuse in athletes*. *Drug Testing and Analysis*. 5: 843-849 DOI 10.1002/dta.1562, 2013.

Leuenberger, N., Schumacher, Y.O., Pradervand, S., Sander, T., Saugy, M., and Pottgiesser, T. *Circulating microRNAs as Biomarkers for Detection of Autologous Blood Transfusion*. *Plos One*. 8(6): 1-9, 2013.

Manokhina, I., and Rupert, J.L. *A DNA-Based Method for Detecting Homologous Blood Doping*. *Analytical and Bioanalytical Chemistry*. PMID: 23842898, 2013.

Perez, I., Le Guiner, C., Ni, W., Lyles, J., Moullier, P., and Snyder, R.O. *PCR-based Detection of Gene Transfer Vectors: Application to Gene Doping Surveillance*. *Analytical and Bioanalytical Chemistry*. 405: 9641-9653, 2013.

Piper T, Degenhardt, K., Federherr, E., Thomas, A., Thevis, M., and Saugy, M. *Effect of changes in the deuterium content of drinking water on the hydrogen isotope ratio of urinary steroids in the context of sports drug testing*. *Analytical and Bioanalytical Chemistry*. 405(9): 2911-21 DOI 10.1007/s00216-012-6504-7, 2013.





# Presentations

Cox, H.D., Lopes, F., Woldemariam, G.A., Becker, J.O., Parkin, M.C., Thomas, A., Butch, A.W., Cowan, D.A., Thevis, M., Bowers, L.D., and Hoofnagle, A.N. *A Wide Spectrum: Clinical Diagnostics for the Masses*. Annual Meeting of the American Association for Mass Spectrometry. June 2013. Minneapolis, MN.

Cox, H.D., Lopes, F., Woldemariam, G.A., Becker, J.O., Parkin, M.C., Thomas, A., Butch, A.W., Cowan, D.A., Thevis, M., Bowers, L.D., and Hoofnagle, A.N. *External Calibration: Why Should I?* US Human Proteome Organization. March 2013. Baltimore, MD.

Cox, H.D., Lopes, F., Woldemariam, G.A., Becker, J.O., Parkin, M.C., Thomas, A., Butch, A.W., Cowan, D.A., Thevis, M., Bowers, L.D., and Hoofnagle, A.N. *Targeted Peptide Measurements in Biology and Medicine: What Are the Options?* Targeted Peptide Measurements in Biology and Medicine: Best Practices for Assay Development Using a "Fit-for-Purpose" Approach. June 2013. Bethesda, MD.

Cox, H.D., Lopes, F., Woldemariam, G.A., Becker, J.O., Parkin, M.C., Thomas, A., Butch, A.W., Cowan, D.A., Thevis, M., Bowers, L.D., and Hoofnagle, A.N. *The Why and How-To of Using LCMS to Measure Proteins*. Annual Meeting of the American Association for Clinical Chemistry. July 2013. Houston, TX.

Cox, H.D., Lopes, F., Woldemariam, G.A., Becker, J.O., Parkin, M.C., Thomas, A., Butch, A.W., Cowan, D.A., Thevis, M., Bowers, L.D., and Hoofnagle, A.N. *What Can My Spectrometer Do for Me?* Annual Meeting of the Academy of Clinical Laboratory Physicians and Scientists. June 2013. Atlanta, GA.

Frascione, N., Cowan, D.A., Rebollo-Mesa, I., Arno, M., and Daniel, B. *Can genomic analysis be the answer to blood doping detection?* 25th ISFG Congress. August 2013. Melbourne, Australia.

Guha, N., Erotokritou-Mulligan, I., Bartlett, C., Nevitt, S., Francis, M., Bassett, E.E., Cowan, D.A., Sonksen, P.H., and Holt, R.I.G. *Biochemical Markers of Insulin-Like Growth Factor-I (IGF-I) Misuse in Athletes*. Manfred Donike Workshop. March 2013. Cologne, Germany.

Hughes, J., Izake, E.L., Lott, B., Ayoko, G., and Sillence, M. *Ultra-trace Detection of Diagnostically Important Biomarkers Using Functionalised-Surface Enhanced Raman Spectroscopy*. Eighth ISABS Conference on Forensic, Anthropologic and Medical Genetics and Mayo Clinic Lectures in Translational Medicine. June 24-28, 2013. Split, Croatia.

Perez, I.C., Ni, W., Le Guiner, C., Moser, D., Simon, P., Moullier, P., and Snyder, R.O. *Comparing PCR Conditions That Detect rAAV Harboring the Human Erythropoietin cDNA: Applications for Gene Doping*. Florida Genetics Symposium. October 9-10, 2013. Gainesville, FL.

Perez, I.C., Ni, W., Le Guiner, C., Moser, D., Simon, P., Moullier, P., and Snyder, R.O. *Comparing PCR Conditions That Detect rAAV Harboring the Human Erythropoietin cDNA: Applications for Gene Doping*. UF NSF Research Day. October 29, 2013. Gainesville, FL.

Perez, I.C., Ni, W., Le Guiner, C., Moser, D., Simon, P., Moullier, P., and Snyder, R.O. *Comparing PCR Conditions That Detect a rAAV Vector Harboring the Human Erythropoietin cDNA: Applications for Gene Doping*. 20<sup>th</sup> Molecular Virology Workshop. April 26 - 27, 2013. Daytona Beach, FL.

Piper, T., Degenhardt, K., Federherr, E., Thomas, A., Thevis, M., and Saugy, M. *Effect of changes in the deuterium content of drinking water on the hydrogen isotope ratio of urinary steroids in the context of sports*

# Presentations

Piper, T., Degenhardt, K., Federherr, E., Thomas, A., Thevis, M., and Saugy, M. *Effect of changes in the deuterium content of drinking water on the hydrogen isotope ratio of urinary steroids in the context of sports drug testing*. 46. Jahrestagung der Deutschen Gesellschaft für Massenspektrometrie. Mar 1 - 13, 2013. Berlin, Germany.

Piper, T., Degenhardt, K., Federherr, E., Thomas, A., Thevis, M., and Saugy, M. *Effect of changes in the deuterium content of drinking water on the hydrogen isotope ratio of urinary steroids in the context of sports drug testing*. Manfred Donike Workshop - 31st Workshop on Dope Analysis. Feb. 24 - Mar 3, 2013. Cologne, Germany.

# Financials

## 2013 Audit Report

The following pages include the 2013  
Financial Audit Report in its entirety.





Financial Statements and Report of Independent  
Certified Public Accountants

**Partnership for Clean Competition  
Research Collaborative**

December 31, 2013 and 2012

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# Report of Independent Certified Public Accountants

Audit x Tax x Advisory

**Grant Thornton LLP**  
707 17th Street, Suite 3200  
Denver, CO 80202-3336  
T 303.813.4000  
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The Board of Governors of the  
Partnership for Clean Competition Research Collaborative:

We have audited the accompanying financial statements of the Partnership for Clean Competition Research Collaborative (“PCC”), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

#### **Management’s responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor’s responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership for Clean Competition Research Collaborative as of December 31, 2013 and 2012, 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.

GRANT THORNTON LLP

Denver, Colorado  
September 17, 2014



# Statements of Financial Position

	As of December 31,	
	2013	2012
<b>Assets</b>		
Cash and cash equivalents	\$ 7,322,059	\$ 7,284,930
Pledges receivable, net	589,608	298,427
Prepaid expenses	2,754	40,235
Software, net	235,097	-
Total assets	<u>\$ 8,149,518</u>	<u>\$ 7,623,592</u>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 33,066	\$ 148,480
Grants payable	296,642	248,124
Total liabilities	<u>329,708</u>	<u>396,604</u>
<b>Net assets</b>		
Unrestricted	7,230,202	6,928,561
Temporarily restricted	589,608	298,427
Total net assets	<u>7,819,810</u>	<u>7,226,988</u>
Total liabilities and net assets	<u>\$ 8,149,518</u>	<u>\$ 7,623,592</u>

The accompanying notes are an integral part of these financial statements.

# Statements of Activities

	Year ended December 31, 2013			Year ended December 31, 2012		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Support and revenue						
Contributions	\$ 2,515,969	\$ 775,212	\$ 3,291,181	\$ 2,509,579	\$ 393,705	\$ 2,903,284
Net assets released from restrictions	484,031	(484,031)	-	590,421	(590,421)	-
Total support and revenue	3,000,000	291,181	3,291,181	3,100,000	(196,716)	2,903,284
Expenses						
Program services				881,902	-	881,902
Anti-doping research	2,469,795	-	2,469,795	881,902	-	881,902
Total program services	2,469,795	-	2,469,795	881,902	-	881,902
Supporting services						
Fundraising	16,810	-	16,810	7,735	-	7,735
General and administrative	211,754	-	211,754	163,222	-	163,222
Total supporting services	228,564	-	228,564	170,957	-	170,957
Total expenses	2,698,359	-	2,698,359	1,052,859	-	1,052,859
Changes in net assets	301,641	291,181	592,822	2,047,141	(196,716)	1,850,425
Net assets, beginning of period	6,928,561	298,427	7,226,988	4,881,420	495,143	5,376,563
Net assets, end of period	\$ 7,230,202	\$ 589,608	\$ 7,819,810	\$ 6,928,561	\$ 298,427	\$ 7,226,988

The accompanying notes are an integral part of these financial statements.

## Statements of Cash Flows

	Years ended December 31,	
	2013	2012
Operating activities		
Changes in net assets	\$ 592,822	\$ 1,850,425
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Amortization	26,122	-
Changes in assets and liabilities		
(Increase) decrease in pledges receivable	(291,181)	196,716
Decrease (increase) in prepaid expenses	37,481	(33,669)
(Decrease) increase in accounts payable and accrued liabilities	(115,414)	45,824
Increase (decrease) in grants payable	48,518	(561,390)
Net cash provided by operating activities	<u>298,348</u>	<u>1,497,906</u>
Investing activities		
Purchase of software	(261,219)	-
Net cash used in investing activities	<u>(261,219)</u>	<u>-</u>
Net increase in cash and cash equivalents	37,129	1,497,906
Cash and cash equivalents, beginning of year	7,284,930	5,787,024
Cash and cash equivalents, end of year	<u>\$ 7,322,059</u>	<u>\$ 7,284,930</u>

The accompanying notes are an integral part of these financial statements.

## Notes to financial statements

### **Note A – Summary of significant accounting policies**

#### **Organization**

The Partnership for Clean Competition Research Collaborative (“PCC”) was established on February 21, 2008 as a not-for-profit organization established under IRC Section 501(c)(3) with the United States Olympic Committee (“USOC”) as the sole IRC Section 501(c)(3) member. PCC’s mission is to protect the integrity of sport and public health by engaging and supporting the world’s top scientists and innovators in high-quality anti-doping research and development. By combining the resources and expertise of America’s leading sports entities, the PCC supports non-partisan and independent scientific research by fundraising and making targeted grants to various universities and other world-class research institutions. This independent research primarily focuses on developing more effective tests for performance-enhancing substances, the societal causes of doping, and non-test based methods to decrease doping and performance-enhancing drug use across all levels of athletic participation and competition, from the casual youth sports participant to the elite amateur and professional athlete. The PCC also facilitates adoption of these methods into the World Anti-Doping Agency accredited laboratories.

The PCC is governed under the direction of a Board of Governors consisting of three constituent classes of members: one class of members is comprised of USOC representatives; one class of members is comprised of representatives from professional sports leagues, unions of professional athletes and/or other individuals that make demonstrated, long-term economic commitments in support of the PCC; the final class of members is comprised of a representative from the United States Anti-Doping Agency.

The PCC board is supported by a Scientific Research Advisory Board, who independently reviews the relative merits of particular research projects and makes recommendations to the Board of Governors as to appropriate areas and subjects for making scientific research grants. This advisory body is comprised of members who are universally-recognized experts in their field or scientific expertise, individuals from academia, individuals from the public health sector and/or individuals who otherwise represent the public interest.

The Executive Director of the PCC oversees the day-to-day administration of the organization and reports directly to the Board of Governors.

#### **Contributions**

Contributions represent unconditional cash donations and future pledges of cash donations from the organizations represented on the Board of Governors, as well as donations from the general public. The PCC reports contributions of cash and other assets as temporarily or permanently restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the donor stipulations

# Partnership for Clean Competition Research Collaborative

December 31, 2013 and 2012

## Note A – Summary of significant accounting policies (continued)

have been met, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statement of activities. Contributions of cash and other assets that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as unrestricted.

Unconditional promises to give the PCC cash in the future or over a period spanning multiple years are recorded as temporarily restricted net assets at the estimated fair value when the pledge is made. Fair value is determined by computing the present value of future cash flows discounted at the risk-free interest rate as of the period in which the agreement was received, adjusted for any associated credit risks. As cash donations are received under the pledge, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statement of activities.

### Cash and cash equivalents

Cash and short term investments with original maturities of three months or less from the date of acquisition are considered cash and cash equivalents. As of December 31, 2013 and 2012, all cash and cash equivalents represent demand deposits.

### Pledges receivable

Pledges receivable, net of an annual discount of 3.25%, are deemed fully collectible as of December 31, 2013 and 2012. Pledges are due to be collected over the next three years in the following amounts:

	<b>As of December 31, 2013</b>
Year ending December 31,	
2014	\$ 392,755
2015	96,853
2016	100,000
	<u>\$ 589,608</u>

For the years ended December 31, 2013 and 2012, \$15,969 and \$9,579, respectively, of the pledge discount was amortized into contribution revenue. As of December 31, 2013 and 2012, the unamortized pledge discount was \$10,393 and \$1,573, respectively.

### Software

Costs of computer software developed or obtained for internal use are recorded in accordance with Accounting Standards Codification (ASC) Topic 350. Under Topic 350, costs incurred during the preliminary project stage are expensed as incurred, costs incurred during the application development stage are capitalized and training and maintenance costs incurred during the post-implementation/operation stage are expensed as incurred. Amortization of software is provided on the straight-line method over an estimate useful life of 5 years.

Software is reported net of accumulated amortization of \$26,122 and \$0 as of December 31, 2013 and 2012, respectively.

# Partnership for Clean Competition Research Collaborative

December 31, 2013 and 2012

## **Note A – Summary of significant accounting policies**

### **Grants payable**

The PCC awards targeted grants to research institutions each year in order to fund independent scientific research projects aimed at increasing detection and prevention of performance-enhancing substance use in professional and amateur sports. The research projects generally extend over a period of one to three years. The liability is recorded as grants payable in the statement of financial position and the associated expense is recorded as drug research expense in the statement of activities when the grant agreements are executed by the PCC.

### **Federal income taxes**

The PCC is exempt from federal and state income taxes on income from activities related to its exempt purposes under IRC Section 501(a) of the Internal Revenue Code as an organization described in IRC Section 501(c)(3). The PCC had no unrelated business income for the periods ended December 31, 2013 and 2012.

### **Net assets**

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

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets that are subject to donor-imposed stipulations that may or will be met either with actions of the PCC and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The PCC has adopted the *Uniform Prudent Management of Institutional Funds Act* (“UPMIFA”) passed by the state of Colorado. In accordance with UPMIFA, the PCC appropriates for expenditure or accumulates as much of an endowment fund as the PCC determines is prudent for the uses, benefits, purposes or duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. As of December 31, 2013 and 2012, the PCC has no board- designated or donor restricted endowment funds.

### **Functional expenses**

The cost of providing supporting services has been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the supporting services benefited based on labor dollars or costs incurred.

### **Management estimates**

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

# Partnership for Clean Competition Research Collaborative

December 31, 2013 and 2012

## **Note A – Summary of significant accounting policies**

### **Uncertain tax positions**

As required by the uncertain tax position guidance, the PCC recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The adoption of this guidance did not have a material effect on the Company's financial statements.

### **Recently adopted standards**

PCC management has evaluated the most recent framework for measuring fair value and concluded that the PCC does not have assets or liabilities recognized in the financial statements measured at fair value on a recurring basis. Accordingly, management concluded the adoption of related guidance did not have a significant impact on its results of operations, financial position, or note disclosures.

### **Note B – Service agreement**

The PCC has a service agreement with the USOC where the USOC has agreed to make available to the PCC various services including the Executive Director, legal services, accounting services, communications and public relations, information technology and human resources. The PCC is obligated to reimburse the USOC for these services, which have been calculated at the USOC's cost. The Executive Director's services are billed to the PCC for actual labor, benefits and payroll tax costs incurred. Legal and accounting services are billed to the PCC at a fixed monthly rate. Information technology, human resources and communication services are reimbursed to the USOC based on an hourly rate for services performed. For the years ended December 31, 2013 and 2012, the amount PCC incurred from the USOC for these services was \$132,384 and \$114,350, respectively.

### **Note C – Subsequent events**

The PCC has evaluated subsequent events through the date that the financial statements were available to be issued on September 17, 2014. Management was not aware of any subsequent events which would require recognition or disclosure in the financial statements.

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