

ANNUAL REPORT

2014

PARTNERSHIP FOR
clean competition

A MESSAGE FROM THE PCC

Dear PCC Supporters,

What a year for the Partnership for Clean Competition! In 2014, the PCC funded \$3.5M in research - an increase from \$2.1M in 2013 - setting a record for annual spending on anti-doping research. Since 2008, the PCC has now funded more than \$11M on nearly 60 projects around the globe. As this report shows, much of this research resulted in publications in peer-reviewed journals and presentations at global conferences. While the work we have funded will vastly improve our ability to combat doping, the research we are doing has applications in a variety of fields, and the impact of that research will be felt for years to come.

In 2014, the PCC built on previous successes, such as the those made in 2013 by the IGF-1 Working group, a novel collaboration by researchers at five different institutions and three different fields. The group has now established a consensus concentration for a serum-based reference material that will be made available to all of the WADA-accredited laboratories. Work has also begun on a “top-down” method for quantifying IGF-1 as a complimentary method to the previously published “bottom-up” method. Finally, critical work has also begun on an LC-MS/MS method for detection of P-III-NP, which when successfully completed will allow the entire test for growth hormone biomarkers to be performed by mass spectrometry. The PCC has also funded projects on alternative specimens such as dried blood spots (DBS), dried plasma spots (DPS), and oral fluid. While the scope of prohibited substances that can be tested by these new methods is still being determined, these collection methods are expected to considerably decrease collection costs. We hope to have many more updates about this work throughout 2015 and beyond.

Current events in 2014 showed how essential increased investment in anti-doping research is. While this is true in most years, news stories about doping scandals in major sports dominated much of the media. In fact, the interaction many people have with anti-doping was through stories about doping. However, funded by the PCC, important research was occurring globally to deter and detect new doping techniques. And some of those were highly visible in the media, such as for our work on growth hormone, which was covered by dozens of media sources on multiple continents. Throughout our extraordinary year, we strengthened the anti-doping movement and achieved victories in research for clean athletes worldwide.

On behalf of the PCC, we 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



Nina Kemppel
Chairperson, PCC Board of Directors

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BOARD OF GOVERNORS

NINA KEMPEL – UNITED STATES OLYMPIC COMMITTEE



Ms. Kempel has served as a member of the United States Olympic Committee Board of Directors since 2011. A four-time Olympian in the sports of cross-country skiing she has been a long-time advocate in the fight against doping in sport. She recently served three years on the Worldwide Anti-Doping Agency's Athlete Committee where she represented the views and rights of athletes worldwide. From 2005 to 2008, she served as the USOC Athlete Advisory Committee's Vice-Chair of the Anti-Doping Committee where worked directly with the U.S. Anti-Doping Agency and championed the USOC's initial Safe Sport working group and initiative. She is currently the President and Chief Executive Officer at the Alaska Community Foundation in Anchorage, Alaska.

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 it's legislative, regulatory and political interests on the federal, state and local levels.

DAN HALEM – MAJOR LEAGUE BASEBALL



Major League Baseball's Chief Legal Officer, 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 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 lead the investigation into the US Postal Service Pro-Cycling Team Doping Conspiracy and the Lance Armstrong case.

STAFF AND 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.

CHRISTOPHER MCCLEARY – UNITED STATES OLYMPIC COMMITTEE



In his current role as the general counsel for the United States Olympic Committee, Christopher McCleary is responsible for all legal issues faced by the organization and all necessary functions as corporate secretary for the USOC board of directors. Additionally, he serves as the organization's ethics officer, coordinating with the USOC Ethics Committee, and oversees the USOC's partnerships with the World Anti-doping Agency, U.S. Anti-doping Agency and Partnership for Clean Competition. McCleary joined the USOC from Visa Inc., where he served eight years as the senior vice president and senior associate general counsel of global brand and client management, in which he led the company's worldwide legal operations in marketing, sponsorships, intellectual property and client licensing.

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.

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.

STEVE ELLIOT, PH.D.



Recently retired from his Scientific Executive Director position at Amgen where he had worked since 1983 Steve continues to work in conjunction with the anti-doping movement. During his early years at the company, he performed structure-function studies on erythropoietin and the erythropoietin receptor. His discoveries played a key role in three cross-country skiers being stripped of their gold medals and suspended from competition for two years following the 2002 Winter Games.

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.

SCIENTIFIC ADVISORY BOARD CONTD.

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.

ANNETTE SALMEEN, PH.D.



Annette Salmeen, D.Phil., was a 1996 Olympian and gold medalist. She served as an athlete's representative on committees for the USA Swimming national governing body from 1996 to 2005. In 2005, she was elected as an athlete member of the United States Anti-Doping Agency Board of Directors and served on the USADA board until 2012. She was a member of the USADA board research committee and was also involved with efforts to support athlete education and the USADA True Sport initiative. She earned her doctoral degree in Biochemistry as a Rhodes Scholar at Oxford in 2001 and studied growth factor signaling pathways as a post-doctoral fellow in the Chemical and Systems Biology Department at Stanford. She is currently a lecturer in the Human Biology Program at Stanford.

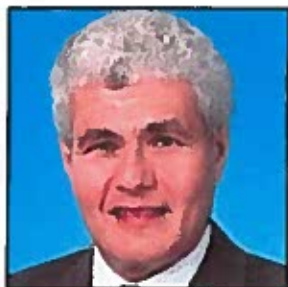
MICHAEL M. SAWKA, PH.D.



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.

SCIENTIFIC ADVISORY BOARD CONTD.

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

The Partnership for Clean Competition experienced a record breaking year receiving forty-one applications and awarding 26 grants. Listed below are all the grants approved in the 2014 calendar year.

Assessing hydration status through evaluation of albumin osmolality and lactate for the ABP.

\$150,000 to Geoffrey Miller, Ph.D. at the Sports Medicine Research & Testing Laboratory, United States

Capillary electrophoresis-mass spectrometry glycoscreening for detection of doping.

\$125,000 to David Chen, Ph.D. at the University of British Columbia, Canada

Characterisation of 9 biosimilar recombinant alpha erythropoietins.

\$10,375 to Pauline Rudd, Ph.D. at the National Institute for Bioprocessing Research and Training, Ireland

Counter-measures against EPO masking schemes.

\$88,774 to Michael Ashenden, Ph.D. at Science and Industry Against Blood Doping Research Consortium, Australia

Detecting marijuana and stimulants in oral fluid samples.

\$71,486 to Daniel Eichner, Ph.D. at the Sports Medicine Research & Testing Laboratory, United States

Detection of new Rev-erba agonist as potential doping agents: SR9009 and SR9011.

\$104,715 to Peter Van Eenoo, Ph.D. at Ghent University, Belgium

Developing a mass spectrometric method for PIIINP and other collagen bone biomarkers to detect.

\$306,508 to David Cowan, Ph.D. at King's College London, United Kingdom

Evaluating hepcidin as a biomarker of blood doping.

\$216,645 to Daniel Eichner, Ph.D. at the Sports Medicine Research & Testing Laboratory, United States

Detecting autologous transfusion by measuring alterations in the dynamics of red blood cell maturation and recycling.

\$190,000 to Daniel Eichner, Ph.D., John Higgins, and Nick Watkins at the Sports Medicine Research & Testing Laboratory, United States

GH-2004 novel biomarkers for the detection of IGF-1 abuse.

\$58,193 to Richard Holt, Ph.D. at the University of Southampton, United Kingdom

Highly sensitive on-site detection of Xenon in exhaled breath by proton-transfer-reaction TOF-MS.

\$82,100 to Stefan Paireder at Seibersdorf Laboratories, Austria

GRANTS APPROVED CONTD.

IGF-1 Working Groups

\$75,000 to Daniel Eichner, Ph.D. at the Sports Medicine Research & Testing Laboratory, United States

\$75,000 to Anthony Butch, Ph.D. at the UCLA Olympic Analytical Laboratory, United States

\$75,000 to Mario Thevis, Ph.D. at the German Sport University Cologne, Germany

\$75,000 to Andrew Hoofnagle, M.D., Ph.D. at the University of Washington, United States

\$75,000 to David Cowan, Ph.D. at King's College London, United Kingdom

In vitro metabolism studies on growth hormone releasing hormones.

\$98,208 to Mario Thevis, Ph.D. at the German Sport University Cologne, Germany

Mildronate testing.

\$36,168 to Mario Thevis, Ph.D. at the German Sports University Cologne, Germany

Optimization of high resolution mass spectrometry for identification off novel doping agents and metabolites.

\$128,351 to Kara Lynch, Ph.D. at The University of California, San Francisco, United States

Orbitrap high resolution LC-MS/MS instrument, Center of Excellence Grant

\$791,988 to the Sports Medicine Research & Testing Laboratory, United States

Orbitrap high resolution LC-MS/MS instrument, Center of Excellence Grant

\$874,736 to the UCLA Olympic Analytical Laboratory, United States

Safety, efficacy and detection of xenon supplementation for increased red cell mass in highly trained athletes.

\$343,433 to Benjamin Levine, M.D. at The University of Texas Southwestern Medical Center, United States

Screening for drugs via LC/MS analysis of dried blood spots and dried plasma spots.

\$149,721 to Jack Henion, Ph.D. at Quintiles, United States

Siemens ADVIA Centaur CP, Center of Excellence Grant

\$80,300 to the Sports Medicine Research & Testing Laboratory, United States

Siemens ADVIA Centaur CP, Center of Excellence Grant

\$80,300 to the UCLA Olympic Analytical Laboratory, United States

Trestolone testing protocol development.

\$15,512 to Daniel Eichner, Ph.D. at the Sports Medicine Research & Testing Laboratory, United States

PUBLICATIONS & PRESENTATIONS

Ayoko, G.A., Hughes, J., Izake, E.L., Lott, W.B., and Sillence, M. *Ultra sensitive label free surface enhanced Raman spectroscopy method for the detection of biomolecule*. Elsevier, Talanta. 130: 20-25, 2014.

Bloch, W., Friederichs, P., Grau, M., Krehan, S., Koliymitra, C., and Suhr, F. *Decrease in red blood cell deformability is associated with a reduction in RBC-NOS activation during storage*. Clinical Hemorheology and Microcirculation. 1-15 DOI 10.3233/CH-141850, 2014.

Bowers, L.D., Butch, A.W., Becker, J.O., Cowan, D.A., Cox, H.D., Hoofnagle, A.N., Lopes, F., Parkin, M.C., Thevis, M., Thomas, A., and Woldemariam, G.A. *Interlaboratory Agreement of Insulin-like Growth Factor 1 Concentrations Measured by Mass Spectrometry*. Clinical Chemistry. 60(3): 541-548, 2014.

Butch, A.W., and Woldemariam, G. A. *Immunoextraction–Tandem Mass Spectrometry Method for Measuring Intact Human Chorionic Gonadotropin, Free β -Subunit, and β -Subunit Core Fragment in Urine*. Clinical Chemistry. 60(8): 1089-1097, 2014.

Ericsson, M., Ekstrom, L., Hirschberg, A.L., Lindgren, E.B., Mullen, J.E., and Schulze, J.J. *The impact of genetics and hormonal contraceptives on the steroid profile in female athletes*. Frontiers in Endocrinology. 5(50): 1-6, 2014.

Hoofnagle, Andrew. *If It's Broke, Why Not Fix It? How Mass Spectrometry Can Make the Most of Our Precious Samples*. Advancing Translational Research Using mass spectrometry (Hosted by the Duke Proteomics Core Facility with Support From the Duke Translational Research Institute). May 2014. Durham, NC.

Hoofnagle, Andrew. *Prioritizing Our Validation Efforts*. Proteomics in the Clinic (Hosted by the FDA). June 2014. Silver Spring, MD.

Hoofnagle, Andrew. *What Contributes to Inter-laboratory Variability of Targeted Protein LC-MS/MS Assays: A Case Study Using IGF-1*. Mass Spectrometry: Applications to the Clinical Laboratory Annual Meeting. March 2014. San Diego, CA.

Hughes, Juanita Maree. *Novel Identification Method For Ultra Trace Detection Of Biomolecules Using Functionalised-Surface Enhanced Raman Spectroscopy (SERS)*. Thesis. Queensland University of Technology, 2014.

Van Eenoo, Peter. *Metabolic study of a steroid product containing dimethazine using human liver microsomes and a chimeric mouse model*. Cologne Workshop on Dope Analysis. 2014. Cologne, Germany.

Van Eenoo, Peter. *Steroid metabolism studied via a chimeric mouse model in the framework of sports doping*. 7th International Symposium, Hormone and Veterinary Drug Residue Analysis. June 2014. Ghent, Belgium.

FINANCIALS

The following pages include the 2014 Financial Audit Report in its entirety.



Financial Statements and Report of Independent
Certified Public Accountants

**Partnership for Clean Competition
Research Collaborative**

December 31, 2014 and 2013



Grant Thornton

Report of Independent Certified Public Accountants

Audit • Tax • Advisory

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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, 2014 and 2013, 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, 2014 and 2013, 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
August 28, 2015

Statements of financial position

	As of December 31,	
	2014	2013
Assets		
Cash and cash equivalents	\$ 6,237,801	\$ 7,322,059
Pledges receivable, net	198,852	589,608
Prepaid expenses	13,919	2,754
Software, net	91,485	235,097
Total assets	\$ 6,539,857	\$ 8,149,518
Liabilities and net assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 60,127	\$ 33,066
Grants payable	137,668	298,642
Total liabilities	197,795	329,708
Net assets		
Unrestricted	6,145,210	7,230,202
Temporarily restricted	198,852	589,608
Total net assets	6,342,062	7,819,810
Total liabilities and net assets	\$ 6,539,857	\$ 8,149,518

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

Statements of activities

	Year ended December 31, 2014			Year ended December 31, 2013		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Support and revenue						
Contributions	\$ 2,507,245	\$ -	\$ 2,507,245	\$ 2,515,000	\$ 775,212	\$ 3,291,181
Net assets released from restrictions	392,756	(392,756)	-	484,031	(484,031)	-
Total support and revenue	2,900,001	(392,756)	2,507,245	3,000,000	291,181	3,291,181
Expenses						
Program services						
Anti-doping research	3,510,982	-	3,510,982	2,469,795	-	2,469,795
Total program services	3,510,982	-	3,510,982	2,469,795	-	2,469,795
Supporting services						
Fundraising	22,423	-	22,423	16,810	-	16,810
General and administrative	255,074	-	255,074	211,754	-	211,754
Loss on disposal of assets	185,914	-	185,914	-	-	-
Total supporting services	474,011	-	474,011	228,564	-	228,564
Total expenses	3,984,993	-	3,984,993	2,698,359	-	2,698,359
Changes in net assets	(1,084,992)	(392,756)	(1,477,748)	301,641	291,181	592,822
Net assets, beginning of period	7,230,202	589,608	7,819,810	6,028,561	298,427	7,226,988
Net assets, end of period	\$ 6,145,210	\$ 196,852	\$ 6,342,062	\$ 7,230,202	\$ 589,608	\$ 7,819,810

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

Statements of cash flows

	Years ended December 31.	
	2014	2013
Operating activities		
Change in net assets	\$ (1,477,748)	\$ 502,022
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Loss on disposal of assets	195,914	-
Amortization	43,908	20,122
Changes in assets and liabilities		
Decrease (increase) in pledges receivable	302,756	(291,181)
(Increase) decrease in prepaid expenses	(11,165)	37,481
Increase (decrease) in accounts payable and accrued liabilities	27,061	(115,414)
(Decrease) increase in grants payable	(158,974)	40,518
Net cash (used in) provided by operating activities	<u>(988,158)</u>	<u>298,348</u>
Investing activities		
Purchase of software	<u>(96,300)</u>	<u>(261,219)</u>
Net cash used in investing activities	<u>(96,300)</u>	<u>(261,219)</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,084,458)</u>	<u>37,129</u>
Cash and cash equivalents, beginning of year	<u>7,322,050</u>	<u>7,284,930</u>
Cash and cash equivalents, end of year	<u>\$ 6,237,601</u>	<u>\$ 7,322,050</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.

December 31, 2014 and 2013

Note A - Summary of significant accounting policies (continued)**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 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, 2014 and 2013, 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, 2014 and 2013. Pledges are due to be collected over the next two years in the following amounts:

	As of December 31, 2014
Year ending December 31,	
2015	\$ 96,852
2016	100,000
	<u>\$ 196,852</u>

For the years ended December 31, 2014 and 2013, \$7,245 and \$15,969, respectively, of the pledge discount was amortized into contribution revenue. As of December 31, 2014 and 2013, the unamortized pledge discount was \$3,148 and \$10,393, respectively.

December 31, 2014 and 2013

Note A – Summary of significant accounting policies (continued)

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.

The PCC disposed of its website and research grant management software in 2014, resulting in a loss on disposal of assets of \$195,914. This loss is recorded as an expense in the statement of activities for the year-ended December 31, 2014. In 2014, the PCC engaged a third party to develop a replacement website and research grant management software. The replacement software cost \$96,300 and is recorded as software in the statement of financial position as of December 31, 2014.

Software is reported net of accumulated amortization of \$4,815 and \$26,122 as of December 31, 2014 and 2013, respectively.

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, 2014 and 2013.

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.

December 31, 2014 and 2013

Note A - Summary of significant accounting policies (continued)

Net assets (continued)

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, 2014 and 2013, 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.

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, 2014 and 2013, the amount PCC incurred from the USOC for these services was \$212,092 and \$132,384, respectively.

December 31, 2014 and 2013

Note C - Subsequent events

The PCC has evaluated subsequent events through the date that the financial statements were available to be issued on August 28, 2015. Management was not aware of any subsequent events which would require recognition or disclosure in the financial statements.



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