

USADA

Annual Report



2017

U.S. Anti-Doping Agency



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editors

Betsy Douglass, Communications Manager
Brad Horn, Communications Director
Averi Walker, Writer and Publications Editor

design

APEX Communications, Inc.

photography

Getty Images, Shutterstock, Erica Bailey, NBC Olympics/United States Olympic Committee, Nancie Battaglia

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Message from the Chairman & CEO



Even as USADA continues to advance its anti-doping capabilities and programs, there remains a significant opportunity to grow a culture of clean sport by instilling the values of true sport, such as sportsmanship, healthy competition, and accountability, from the very beginning.

Throughout 2017, USADA was once again reminded that there is never a moment when we can step back, stay silent, or be complacent. Our mandate to protect true sport and clean athletes' rights means that we must be better every day to ensure that the best moments in sport are authentic, and that clean athletes never lose the moments they've earned.

This constant vigilance in the fight for clean sport was especially necessary in 2017. Recognizing the values at stake and a tepid response from some in the international community, USADA redoubled our efforts to advance the international fight for clean sport, largely by partnering with athletes and national anti-doping organizations worldwide to collectively compel meaningful deterrence and accountability. USADA also advocated for global anti-doping reform during a Congressional hearing early in 2017, with testimony from both USADA and Olympic athletes highlighting the importance of fair sport and the existing deficiencies in global anti-doping systems.

Although these efforts placed anti-doping in the international spotlight, a greater global commitment to clean sport is still hanging in the balance, which became painfully clear when the largest doping scandal in history was punished in appearance only.

This decision, and many others, once again made clean athletes around the world question the reality of ever competing on a truly level playing field. With these setbacks and challenges in mind, USADA will continue utilizing every available resource and strategy in the fight for global reforms to restore clean athletes' rights and protect their irreplaceable moments.

While advocating for a global commitment to clean sport, USADA led by example with expanded and enhanced education, testing, and intelligence initiatives at home. USADA reached more than 10,000 athletes and support personnel with anti-doping education in 2017, while also initiating efforts to increase deterrence by hosting an Education Summit, where leading national anti-doping organizations collaborated on evidence-based education strategies. On the detection front, USADA completed nearly 9,950 tests and investigated 665 tips from the community, and of the 144 actionable tips, almost 10 percent led to a sanction in 2017.

USADA's ability to maintain a gold standard anti-doping program has also benefited athletes outside the Olympic movement, including the UFC® and its global athletes. Since implementing the first independent anti-doping program in professional sport in 2015, administered by USADA, the UFC has become known as THE clean promotion in mixed martial arts. Athletes have since reported choosing the UFC over other promotions because of the anti-doping program, as they know every effort is made to ensure a clean Octagon where the competition is fair and their health and safety is a priority. While helping attract new athletes, the UFC Anti-Doping Program also continues to receive support from current UFC athletes who welcome the opportunity to show the world that they train clean and fight clean.

With nearly 3,000 tests completed across 45 nationalities and 17 sanctions announced in 2017, the UFC Anti-Doping Program has established the standard for anti-doping in professional sport, while also producing benefits for both the sport and its athletes. Together, the UFC and USADA have demonstrated the value of implementing an independent anti-doping program in any sport.

Even as USADA continues to advance its anti-doping capabilities and programs, there remains a significant opportunity to grow a culture of clean sport by instilling the values of true sport, such as sportsmanship, healthy competition, and accountability, from the very beginning. USADA is championing the future generation of clean sport leaders through its TrueSport movement, which works with sports organizations and elite athletes to deliver values-based education to parents, coaches, and youth athletes around the country. As TrueSport partnerships and programs continue to reach more members of the youth sports community, true sport values will further empower the clean sport movement.

At the end of every day and every year, USADA's mission remains the same: preserve the integrity of competition, inspire true sport, and protect the rights of athletes. The mission doesn't change, but the way we get there is constantly evolving in our pursuit of perfection, with new technologies, research, and initiatives forever increasing the power of deterrence and detection. As always, our team will continue to make the most of every moment so that every team and every athlete can have their moment.

Edwin C. Moses
Chair, Board of Directors

Travis T. Tygart
Chief Executive Officer

The USADA Board of Directors is comprised of experienced individuals who share the ideals and principles behind USADA's vision, mission, and core values. The Board of Directors advise and support the staff in executing the work of the organization through its balanced and diverse perspectives. For more information on the USADA Board of Directors, please visit www.USADA.org/board-of-directors.



Edwin C. Moses
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Chair



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Vice Chair



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Secretary



Philip Dunn
Treasurer



Jim Kooler
DrPH



Ken Wright
DA, AT Ret
MD



John Bardis
(until 03/2017)



Douglas Beal



Tobie Smith
MD, MPH, MEd, FAAFP



Emmy Vargas
(as of 10/2017)



Ed Merrens
MD
(as of 10/2017)

Based in Colorado Springs, Colorado, USADA's leadership and staff are responsible for managing and coordinating comprehensive anti-doping programs for the Olympic and Paralympic movements, as well as the UFC. USADA's initiatives include:

- Anti-doping education and resources
- Science, research, and technology projects
- Testing programs
- Results management and adjudication

USADA's dedicated and talented staff is comprised of more than 100 home office staff members and field-based Doping Control Officers who work together as a team to realize the organization's mission to: PRESERVE the integrity of competition, INSPIRE true sport, and PROTECT the rights of athletes.



Travis T. Tygart
Chief Executive
Officer



Sandra Briggs, CPA
Chief Financial
Officer



John Frothingham
Chief Operating
Officer



William Bock, III
General Counsel



Matt Fedoruk, PhD
Science Director



Gabriel Baida
UFC Operations Director



Onye Ikwuakor
Legal Affairs Director,
Emerging and Pro Sports



Jeff Cook
Legal Affairs Director,
Olympic Sport



Molly Tomlonovic Norton
Anti-Doping Operations
and Education Director



Brad Horn
Communications Director



#MyMoment

Empowering
Athletes in the
Fight for Clean Sport

#MyMoment

WHAT:

Leading up to the 2018 Winter Olympics in PyeongChang, South Korea, Olympians and Paralympians from around the world united behind #MyMoment to highlight the irreplaceable moments clean athletes have lost to doping and to defend the moments they could earn if they have access to a level playing field.

WHO:

Athletes and national anti-doping organizations (NADOs) from Austria, Canada, Germany, Japan, South Korea, the United Kingdom, and the United States partnered on the campaign.

HOW:

On October 30, 2017, USADA and the NADOs partners launched a global social media campaign featuring multi-national, multi-lingual videos and other content capturing why clean sport matters to athletes. While explaining how doping impacts individual moments, the athletes' testimonials also illustrated why clean sport matters to families, fans, and the future of sport as a whole.

WHY:

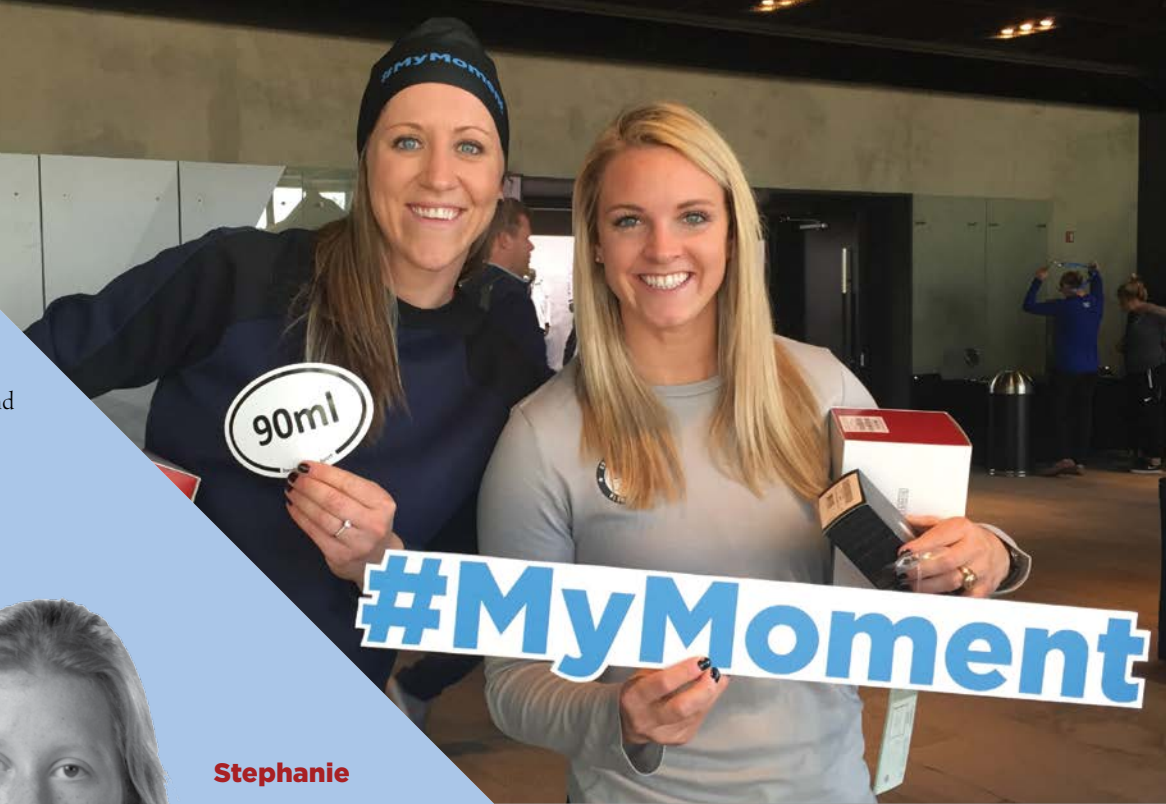
Recognizing that doping steals irreplaceable moments and opportunities from clean athletes, the #MyMoment campaign was designed to create a unified and global call for clean sport. The campaign both amplified the voices of clean athletes, and urged all those who believe in the integrity of sport to demand a level playing field in PyeongChang and beyond.



Chris Fogt

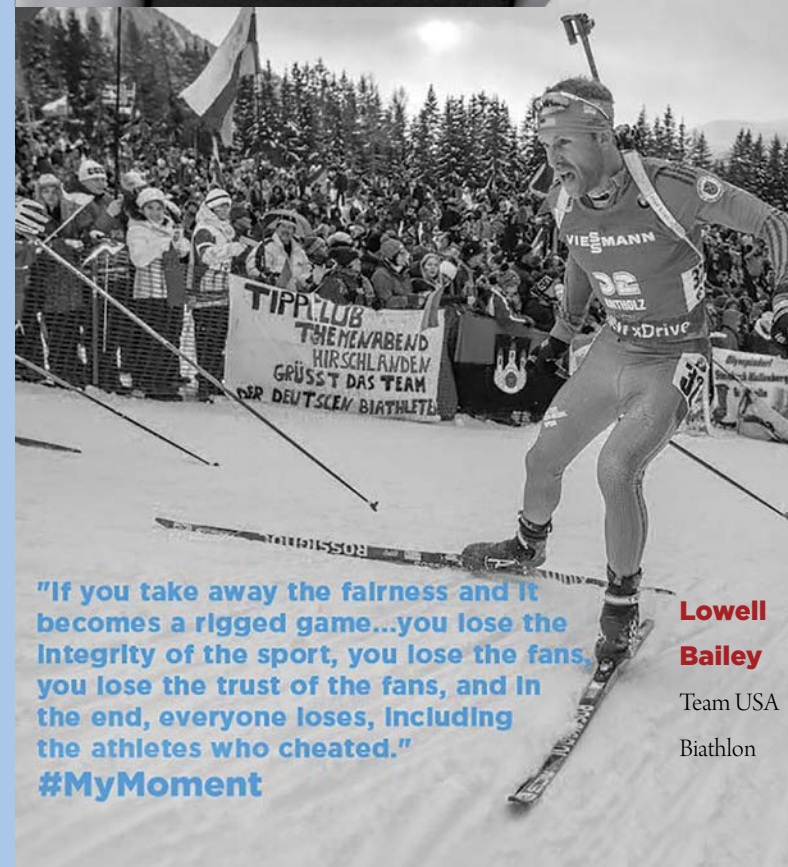
Team USA
Four-man Bobsled

Team USA Women's Ice Hockey players **Meghan Duggan** and **Amanda Kessel**



Stephanie Jallen

Team USA
Paralympic
Alpine Skiing



"If you take away the fairness and it becomes a rigged game...you lose the integrity of the sport, you lose the fans, you lose the trust of the fans, and in the end, everyone loses, including the athletes who cheated."
#MyMoment

Lowell Bailey

Team USA
Biathlon

#MyMoment ATHLETES

- **Anna Gasser**
Austria, Snowboard Slopestyle
- **Markus Salcher**
Austria, Para Alpine Skiing
- **Rosanna Crawford**
Canada, Biathlon
- **Alex Harvey**
Canada, Cross-country Skiing
- **Anna Schaffelhuber**
Germany, Para Alpine Skiing
- **Erik Lesser**
Germany, Biathlon
- **Tomoka Takeuchi**
Japan, Snowboard
- **Hiraku Misawa**
Japan, Para Alpine Skiing
- **Won Yun-jong**
S. Korea, Bobsled
- **Seo Soon-Seok**
S. Korea, Wheelchair Curling
- **Lizzy Yarnold**
U.K., Skeleton
- **Stephanie Jallen**
U.S., Para Alpine Skiing
- **Lowell Bailey**
U.S., Biathlon



NADO Leaders Advance Urgent Reforms in Wake of Second McLaren Report

(January 10, 2017)

Following evidence of wide-spread systemic corruption exposed by the second McLaren Report, leaders from 19 National Anti-Doping Organizations (NADOs) came together for a special summit to reaffirm their commitment to the Copenhagen Reform Proposals, a series of reforms developed in August 2016. The NADOs also called on the international sport community to bolster anti-doping efforts and restore athletes' faith in fair competition around the globe.

Ways to Improve and Strengthen the International Anti-Doping System – Congressional Testimony

(February 28, 2017)

USADA CEO Travis T. Tygart testified before Congress during a hearing on Ways to Improve and Strengthen the International Anti-Doping System. The hearing was held to address concerns about sport governance, how the Russian doping scandal had been handled, and calls for anti-doping reform. The hearing also included testimony from Michael Phelps, the most decorated Olympian in the world, and from American shot putter Adam Nelson, who received his 2004 Olympic gold medal almost 10 years after the fact when a competitor was disqualified for doping.

ANDREW



KURKA



Doping Crisis Threatens 2018 Winter Olympic Games

(September 14, 2017)

Less than five months before the start of the 2018 Winter Olympic Games, 17 National Anti-Doping Organization leaders held a fourth special meeting to address the International Olympic Committee's continued refusal to hold Russia accountable for one of the biggest doping scandals in sports history.

“

You're better off getting a bronze medal than cheating and getting a gold.

”

Andrew Kurka

Team USA
Paralympic Alpine Skiing

DETERRENCE

4,472
athletes
completed
annual
tutorials



1,074
coaches
completed
annual
tutorials



TrueSport Formed



5
New
Partnerships

Drug REFERENCE LINE®

Answering Questions from
Athletes and Support Personnel



2,427

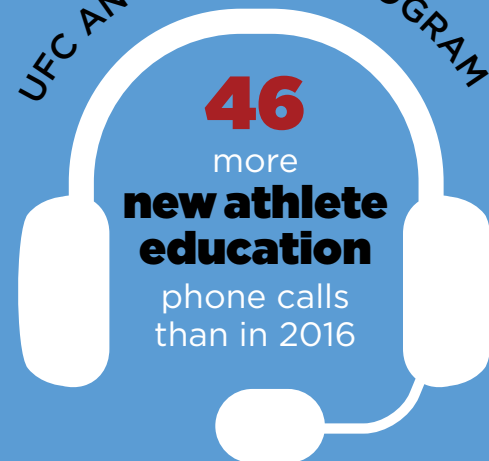
Drug Reference
Inquiries Received
By **PHONE**



793

Drug Reference
Inquiries Received
By **EMAIL**

UFC ANTI-DOPING PROGRAM



46
more
new athlete
education

phone calls
than in 2016

**Global
Services**
TESTING
OVERVIEW

DETECTION

**Olympic &
Paralympic**
TESTING
OVERVIEW

6,480
**TESTS
COMPLETED**

1,226
PRE-GAMES
Tests Completed

3,456
**TESTS
COMPLETED**

15
**EDUCATION
EVENTS**

136
**CLIENT
EVENTS**
Tested

91
CLIENTS

1,072,435
**OPTIONAL
WHEREABOUTS
REMINDERS**
Sent to Athletes



Number of
**USADA
SANCTIONS**
Announced in 2017

70

UFC Detection AND Deterrence

- ▶ Number of Sanctions Announced: **17**
- ▶ Average Sanction Length: **15 months**



USADA

ANTI-DOPING **Education**

Recognizing that knowledge is key to prevention and the first line of defense for clean sport, USADA provides education to thousands of athletes, coaches, trainers, medical staff, and other athlete support personnel each year. Through in-person and online education, as well as a multitude of other resources, USADA helps ensure that athletes and support personnel have the tools they need to navigate the anti-doping program and understand the role they play in keeping sport clean.

ANTI-DOPING Education

EDUCATION Reach

- ▶ USADA provided education to more than **10,000 athletes and athlete support personnel** in 2017.
 - Staff attended dining hall chats and new athlete orientations at all three Olympic Training Centers.

4,472 athletes completed annual tutorials

Athlete's Advantage
USADA

1,074 coaches completed annual tutorials

Coach's Advantage
USADA

Compared to 2016, USADA reached **400% more coaches** with its annual tutorial



USADA Education Manager **Tammy Hanson** visited Arizona State University in September 2017 to deliver the first education presentation at the request of an **NCAA Division I Athletic Program**.



Greg Kraft
ASU Director of Track and Field

Tammy Hanson
USADA Education Manager

EDUCATION at Events

- ▶ USADA staff traveled to more than **35 cities** for face-to-face presentations and booth education.



- ▶ Staff provided more than **120 in-person education presentations**

- ▶ USADA provided anti-doping resources at major events, including:
 - Weightlifting Pan American Championships
 - USA Track & Field Indoor and Outdoor Championships
 - FINA World Championships
 - World Rowing Championships
 - International Weightlifting Championships



LOWELL

“
In 2014, I lost my moment to win the medal I earned in front of my family and fans. It only took 19 seconds for my moment to be stolen by doping.”

Lowell Bailey
Team USA
Biathlon

EDUCATION Partnerships

- ▶ Collaborated on education initiatives with the **World Anti-Doping Agency** at Championship events.
- ▶ Partnered with **New York Road Runners** to provide 10 education sessions to elite athletes.
- ▶ Collaborated with the new national governing body **USA Rock Climbing** to provide coach education.
- ▶ Co-presented with Olympic athlete and **TrueSport Ambassador Lauryn Williams** to educate youth athletes on supplement risks.

ATHLETE Survey

- ▶ In 2017, USADA conducted an athlete survey for insights on how to improve its programs and better serve athletes. More than 800 registered testing pool (RTP) athletes completed the survey, providing USADA with a large amount of data on athlete perceptions of doping and anti-doping efforts. USADA is analyzing and evaluating that data to inform ongoing and future evidence-based detection and deterrence strategies.



EDUCATION Feedback

- ▶ **1,661 athletes** completed USADA's education evaluation survey in 2017, more than doubling the number completed in 2016.

“
The information about all the resources was great.
”

“
The presentation was very informative about doping supplements, and the resources available to make sure you are competing clean.
”

“
The entire session was very interactive and educational.
”

EDUCATION Summit

Hosted by the U.S. Anti-Doping Agency, the 2017 Anti-Doping Education Summit gathered education managers and leaders from National Anti-Doping Organizations in Australia, Canada, Denmark, Germany, Great Britain, Switzerland, and Japan, as well as a representative from the World Anti-Doping Agency, in critical discussions about the future of anti-doping education. During the three-day Summit, participants covered a wide range of topics, including athlete engagement, current issues, and NADO collaboration. From these discussions, USADA identified themes, focus areas, and action items that will help inform and guide anti-doping education worldwide in the years to come.





TrueSport

TrueSport® is a grassroots movement dedicated to promoting a positive youth sport experience that helps young athletes build the life skills and core values for success...on and off the field. In its outreach, TrueSport focuses on three actionable cornerstones: sportsmanship, character building, and clean and healthy performance.

11 MILLION

TrueSport programming reached youth athletes, parents, coaches, and other publics through partnerships, events, and online programs

TRUESPORT Achievements

- ▶ Launched a **monthly communique** to all partners and initiated weekly update emails for subscribers.
- ▶ Secured placement of **TrueTalks** content in USA Swimming magazine and USA Field Hockey newsletter, along with monthly mentions in the USA Volleyball newsletter.
- ▶ **Participants reflected positively** on TrueSport programs and purpose:

Found TrueSport meaningful and educational, increasing the equity in TrueSport camps

97%

96% Positive Impact

93%

93%

94%

TrueSport added value to the camp/program

There's a need for TrueSport in youth sport programs

Applied what they learned to everyday situations, demonstrating real behavior change

Formed 5 New Partnerships

TRUESPORT in the Community

TrueSport partners with organizations around the country to deliver TrueSport messaging and expanded its reach in 2017 by forming new partnerships with SportsEngine, Wrestle Like a Girl, UNC at Chapel Hill, USA Field Hockey, and NICA. TrueSport leverages athletes and events to better connect with its target audiences.

In 2017, TrueSport reached 700 coaches and more than 7,500 youth athletes through more than 70 sport camps, partnerships, and programs.

TRUESPORT Events

- ▶ **University of Pennsylvania Honor Council:** TrueSport Ambassador Elizabeth Beisel discussed integrity in athletics and academics with more than 100 college students.
- ▶ **Air Academy High School:** TrueSport Advocate Candace Vering spoke to the girls tennis team about work ethic, self-confidence, and perseverance.
- ▶ **YMCA Healthy Kids Day:** More than 250 children and adults visited the TrueSport booth for information and a scavenger hunt.
- ▶ **USA Track & Field Junior Olympics:** Hosted a booth with more than 800 visitors in Lawrence, Kan.
- ▶ **Landsharks Fun Run:** Hosted a booth and scavenger hunt for 200-person event.
- ▶ **Academy International Elementary Reading Olympics:** TrueSport Ambassador Sally Roberts presented to 600+ students.
- ▶ **A's & Aces TrueSport Day:** TrueSport Ambassador Lauryn Williams led TrueSport day.

Youth Sport Partners:

- SportsEngine
- USA Field Hockey
- USA Swimming
- USA Volleyball
- Wrestle Like a Girl
- USOC Mobile Coach App

Sport Camp and School Partners:

- Air Force Academy Sports Camps
- A's and Aces
- Landsharks Running Club
- LXTC
- UNC
- Big Sandy (Simla, CO)
- University of Colorado, Colorado Springs

SportsEngine, home to 15,000 youth sport organizations, shares articles and social media content from TrueSport with its community of athletes, parents, and coaches.



- ▶ **Simla TrueSport Day:** Athletes Kara Winger and Veronica Day spoke to the students at Simla during TrueSport Day.
- ▶ Athlete Ambassador Lauryn Williams testified before the *Senate Committee on Commerce, Science, and Transportation* on March 17 for a hearing on Current Issues in American Sports: Protecting the Health and Safety of American Athletes.

TrueSport
FEEDBACK

“

Good message for athletes to hear that college athletes can face many of the same challenges that they do. It is important to prepare student athletes with the proper tools at young ages, so they can grow and be successful.

” - Parent



“

I really enjoyed the TrueSport session because it really began to open my eyes of how I need to act on and off of the field.

” - Athlete

STEPHANIE



JALLEN



“

The TrueSport lessons offered at camp were a huge success. The campers asked a lot of questions and went home with great information on how to set goals, stay hydrated during competition, become better teammates, and help their parents on being a positive influence with their athletic endeavors. ”

- RICK SWAN
Head Coach, Volleyball
at Colorado College—
Director of Camps & Clinics

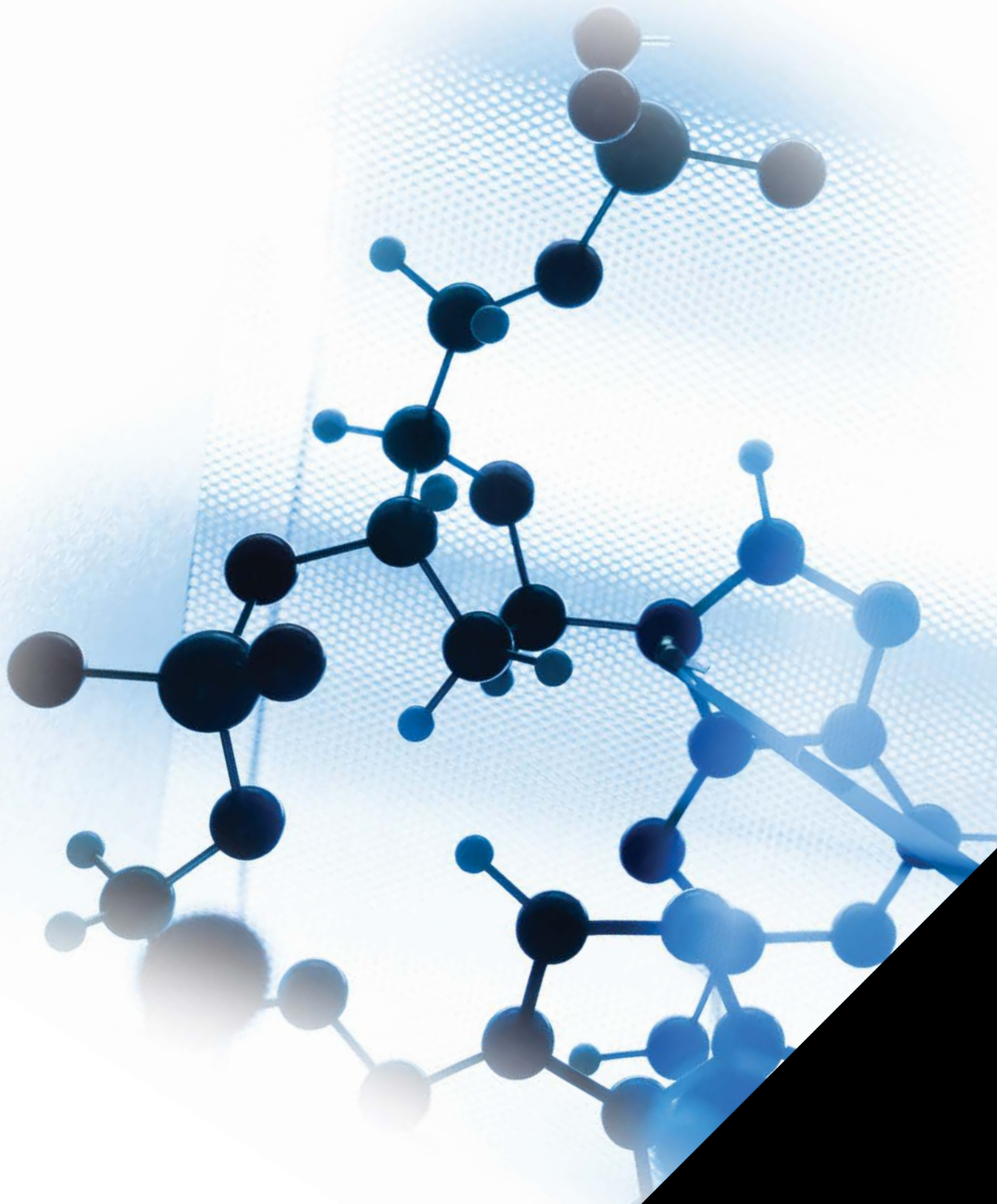
“

I think the future of sport is dependent on integrity and fair play.

”

Stephanie Jallen

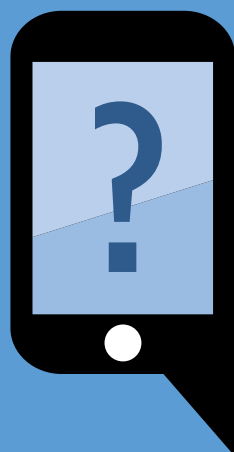
Team USA
Paralympic Alpine Skiing



USADA

Science IN ACTION

Science plays a crucial role in the fight for clean competition and USADA's expert scientists are leaders in the global anti-doping community. By providing leadership and expertise to advance collaborative anti-doping science efforts, USADA's science team significantly impacts efforts to detect and deter the use of performance-enhancing drugs and protect clean sport.



Drug REFERENCE LINE-
Answering Questions from
Athletes and Support Personnel

2,427

Drug Reference
Inquiries Received
By **PHONE**



793

Drug Reference
Inquiries Received
By **EMAIL**



Global DRO®

In 2017, Global DRO helped athletes and users in six countries identify the prohibited status of their medications and ingredients. The platform saw a **30 percent increase** in searches from 2016 to 2017.

TOTAL GLOBAL DRO SEARCHES IN 2017



1,394,756

Global DRO Network:

Australia, Canada, Japan,
United Kingdom, United States,
Switzerland

**Top 10
Ingredient
Searches**
in the U.S.

Cannabis	2,012
Caffeine	1,165
Phenylephrine	699
Salbutamol	669
Dextromethorphan	445
Pseudoephedrine	401
Cortisone	383
Testosterone	383
Prednisone	377
Fluticasone	293

Supplement 411®

Supplement 411 is an online resource that USADA maintains to help athletes and consumers identify and reduce the risks associated with dietary supplements. Through Supplement 411, USADA provides a wide range of information and tools, including a Red Flag Checklist and the Supplement High Risk List (HRL). USADA also maintains a High Risk List for the Department of Defense's Operation Supplement Safety.

HIGH RISK LIST 2017

USADA added **126 Products** to the HRL in 2017.

Products are added to the HRL if they advertise, or if testing reveals, that they contain substances prohibited in sport.

At the end of 2017, there was a total of **400 Products** on the HRL.

195 Companies have supplement products on the HRL.



HIGH RISK LIST BREAKDOWN

Substance Class	Number of Products on the HRL
Anabolic Agents	195
Diuretics	1
Hormone and Metabolic Modulators	31
Peptide Hormones and Growth Factors	15
Stimulants	158
TOTAL	400

2017 SUPPLEMENT HIGHLIGHTS

- ▶ Conducted ongoing testing of dietary supplements suspected to contain performance-enhancing drugs.
- ▶ Established the Dietary Supplement Safety Grant with Uniformed Services University to cover continued testing of dietary supplements.
- ▶ Finalized new Memorandum of Understanding with Uniformed Services University to allow for more flexible delivery of the OPSS High Risk Supplement List.
- ▶ Completed the Warfighter Performance Index Grant.

Science Symposium
ORLANDO FLORIDA,
SEPTEMBER 2017



At the 16th Annual Symposium on Anti-Doping Science, USADA hosted 100 of the world's top anti-doping experts and academics from diverse fields, and more than 35 countries, who gathered to advance current anti-doping science and shape the future of anti-doping research.

These experts traded insights by exploring the theme, "Pharmacokinetics and Detection Windows: Interpretation of Long Term Metabolism and Excretion." Understanding drug accumulation and long term metabolism, and being able to model these physiological processes, will assist in shaping anti-doping practice and research.

Science
AT USADA

Publications

- ▶ Van Wagoner RM, Eichner A, Bhasin S, Deuster PA, Eichner D. *Chemical Composition and Labeling of Substances Marketed as Selective Androgen Receptor Modulators and Sold via the Internet*. JAMA. 2017 Nov 28;318(20):2004-2010. doi: 10.1001/jama.2017.17069.

Selected Presentations

- ▶ *Intravenous Infusions in Practice*: Presented by Dr. Fedoruk during WADA TUE Symposium in Helsinki, Finland.
- ▶ *Combat Sports - Novel Patterns of Doping Detection and Deterrence*: Presented by Dr. Fedoruk during the ADLQ Anti-Doping Symposium in Doha, Qatar.
- ▶ *Integrating Risk Factors for Smart Testing*: Presented by Dr. Fedoruk during the WADA ADO Symposium in Lausanne, Switzerland.
- ▶ *Military Health Professionals and Dietary Supplements - Progress on Educational Module*: Presented by Dr. Amy Eichner for DOD's Joint Committee on Foods and Dietary Supplements.
- ▶ *Protecting Clean Sport - Anti-Doping in 2017 and Beyond*: Presented by Dr. Adam Beharry at Medicine in Cycling Annual Meeting in Colorado Springs.

Expert Committee Participation

- ▶ *WADA Expert Group—Technical Document for Sport-Specific Analysis (TDSSA)*: Responsible for the creation and annual revisions of a new mandatory technical document intended to ensure that banned substances are subject to an appropriate and consistent level of analysis and adoption by all those sports/disciplines deemed at risk.
- ▶ *WADA Expert Group—Athlete Biological Passport (ABP)*: Responsible for evaluating existing policies and developing new protocols, programs, and best practices with respect to mandatory urine and blood biomarkers.
- ▶ *WADA Pre-Games Anti-Doping Taskforce Member—2018 Pyeongchang Winter Games*: USADA was one of five NADOs participating in the Pre-Games Taskforce focused on identifying testing gaps and make testing recommendations through risk analyses.



**The 2nd Annual Larry D. Bowers
Excellence in Anti-Doping Science Award**

In honor and recognition of the vital role anti-doping scientists play in the fight for clean sport, USADA proudly awarded the 2nd Annual Larry D. Bowers Excellence in Anti-Doping Science Award to Dr. Wilhelm Schänzer of the German Sport University Cologne. Presented during the 2017 Science Symposium, the Award and accompanying honorarium recognize the numerous contributions to anti-doping science and the important work of WADA-accredited laboratories that Dr. Schänzer has made over the last three decades.

Partnership for Clean Competition

The Partnership for Clean Competition (PCC) is a nonprofit organization working to protect the integrity of sport and public health by supporting high-quality anti-doping research and development. In 2017, the PCC launched the Translational Research Fund (TRF) to facilitate the adoption of PCC-supported developments at anti-doping laboratories worldwide. Through the TRF, the PCC has invested in key projects with promising real-world applicability, including:

- ▶ *Breath Analysis: Dr. Mario Thevis*
TRF funds allowed researchers to demonstrate that the Sensabues Breath Test could be applied in an anti-doping setting, as it can detect substances in several classes of prohibited substances. Breath testing has the potential to become an inexpensive and less invasive method for in-competition testing in sport.
- ▶ *Dried Plasma Spot Cards: Dr. Jack Henion and Dr. Imelda Ryona*
In 2017, TRF funds covered the third-party manufacturing of the Dried Plasma Spot (DPS) card designed to provide micro plasma samples without the need for centrifugation or other laboratory techniques for producing plasma. DPS testing is a potentially less invasive, more cost effective, and easier to transport alternative to traditional blood or urine samples.
- ▶ *IRMS Steroidome Testing: Dr. Brenna and Dr. Tobias*
With IRMS Steroidome Testing, the PCC is looking to improve the efficiency and accuracy of steroid detection in urine. The technology could decrease detection limits, which would allow labs to routinely test for multiple performance-enhancing drugs.

ERIN



HAMLIN

“

**Knowing I did
everything I needed
to do to be my
best and earn that
moment on the
podium, but then
have it taken away by
someone who took a
shortcut... that would
be heartbreaking.**

”

Erin Hamlin
Team USA
Luge

Photo: Nancie Buttigieg

Therapeutic Use Exemptions (TUEs)

USADA recognizes that athletes, like all people, may have conditions or illnesses that require them to take a particular medication or undergo procedures. If the substance or method prescribed to treat that medical condition is prohibited by the World Anti-Doping Agency (WADA), athletes can apply for a Therapeutic Use Exemption (TUE), and if granted, obtain permission to use a prohibited substance or method in sport for a specified time-period.



TUE BREAKDOWN

In 2017, USADA received **670 TUE applications** for **852 substances and/or methods**. An application may cover multiple substances, and if so, different independent TUE Committee members review the elements of the application related to their area of expertise to approve or deny an athlete's use of each substance.

ATHLETE CLASSIFICATION:	NUMBER OF SUBSTANCES	APPROVED	DENIED	IN-PROCESS	TUE NOT NEEDED	INCOMPLETE	WITHDRAWN
NTP/ITP*	159	79	7	0	59	8	6
Non-Nationals	665	292	27	4	227	92	23
UFC	28	11	7	0	2	7	1
Totals	852	382	41	4	288	107	30

* National Testing Pool/International Testing Pool

MEGHAN



DUGGAN

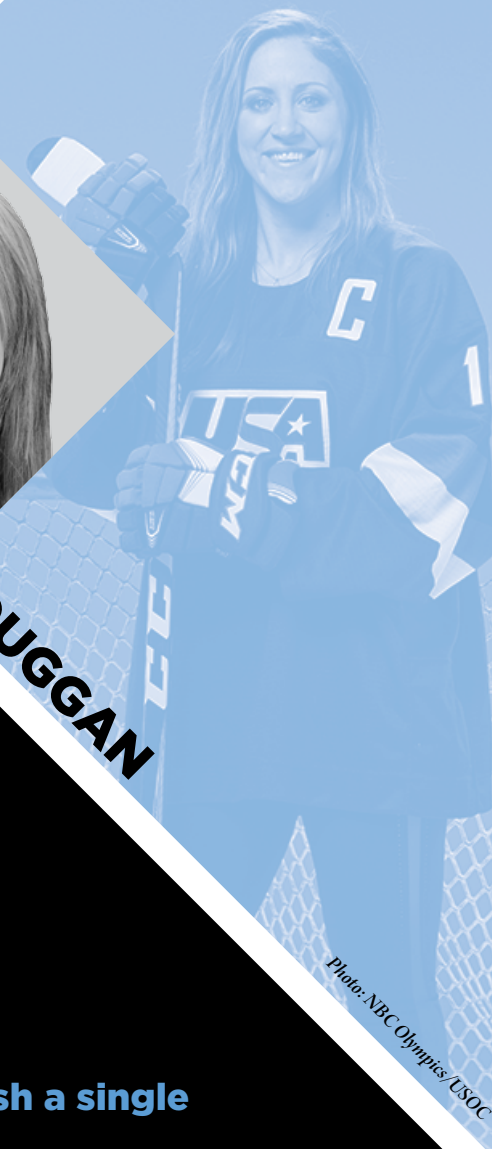


Photo: NBC Olympics/USOC

SUBSTANCES PROCESSED BY WADA SUBSTANCE CLASS

2017 WADA Prohibited List Class	# of Substances Processed
Anabolic Agents	81
Beta-2 Agonists	69
Beta Blockers	9
Cannabinoids	5
Diuretics and Masking Agents	52
Glucocorticoids	156
Hormone and Metabolic Modulators	38
Narcotics	61
Peptide Hormones, Growth Factors, Related Substances, and Mimetics	30
Prohibited Methods	29
Stimulants	301
Other	21

Note: One TUE application may cover the use of multiple substances.

“

To tarnish a single step, second, stride, or inch of that through cheating or doping is a disgrace to the beauty of the Olympic Games.

”

Meghan Duggan

Team USA
Women's Ice Hockey



USADA

Testing

In collaboration with USADA's Science and Results Management teams, the Testing and Athlete Resources team oversees and strategically allocates resources for in and out-of-competition testing.

Overview
IN NUMBERS

6,480
TESTS COMPLETED

1,226
PRE-GAMES
Tests Completed

1,072,435
OPTIONAL
WHEREABOUTS
REMINDERS
Sent to Athletes

OLYMPIC &
PARALYMPIC
Testing

U.S. Freestyle Skier
David Wise



2017 TESTING BY SPORT: OLYMPIC, PARALYMPIC, AND GLOBAL SERVICE TESTING

SPORT	OOC	IC	Total	SPORT	OOC	IC	Total
American Football	9	0	9	Swimming	402	406	808
Archery	8	30	38	Synchronized Swimming	4	17	21
Badminton	6	6	12	Table Tennis	3	6	9
Baseball	12	0	12	Taekwondo	19	50	69
Basketball	0	0	0	Team Handball	23	12	35
Biathlon	55	30	85	Tennis	65	0	65
Bobsled & Skeleton	143	72	215	Track & Field	2137	624	2761
Bowling	10	4	14	Triathlon	233	145	378
Boxing	23	20	43	Volleyball	94	30	124
Brazilian Jiu-Jitsu	0	10	10	Water Polo	13	12	25
Canoe & Kayak	19	0	19	Water Skiing	6	26	32
Climbing	0	2	2	Weightlifting	408	641	1049
Curling	14	34	48	Wrestling	104	40	144
Cycling	717	612	1329	Paralympic Alpine Skiing	38	0	38
Dance Sport	0	1	1	Paralympic Archery	15	0	15
Diving	10	26	36	Paralympic Basketball	6	0	6
Equestrian	2	15	17	Paralympic Bobsled & Skeleton	0	0	0
Fencing	12	12	24	Paralympic Boccia	4	4	8
Field Hockey	34	16	50	Paralympic Canoe	1	0	1
Figure Skating	93	46	139	Paralympic Curling	13	0	13
Golf	1	0	1	Paralympic Cycling	27	17	44
Gymnastics	74	43	117	Paralympic Equestrian	0	4	4
Ice Hockey	106	0	106	Paralympic Fencing	0	0	0
Judo	70	29	99	Paralympic Goalball	2	0	2
Jump Rope	0	4	4	Paralympic Judo	5	4	9
Karate	6	8	14	Paralympic Nordic Skiing	19	0	19
Lacrosse	15	0	15	Paralympic Powerlifting	4	8	12
Luge	48	10	58	Paralympic Rowing	1	6	7
Modern Pentathlon	2	14	16	Paralympic Rugby	17	0	17
Motocross	10	17	27	Paralympic Sailing	0	0	0
Polo	6	0	6	Paralympic Shooting	1	0	1
Professional Boxing	90	19	109	Paralympic Sled Hockey	27	0	27
Racquetball	3	12	15	Paralympic Snowboard	19	0	19
Roller Sports	12	13	25	Paralympic Soccer	2	4	6
Rowing	28	85	113	Paralympic Swimming	13	26	39
Rugby	123	39	162	Paralympic Table Tennis	0	0	0
Sailing	9	0	9	Paralympic Tennis	7	0	7
Shooting	14	0	14	Paralympic Track & Field	49	83	132
Skiing & Snowboarding	362	151	513	Paralympic Triathlon	1	7	8
Soccer	32	8	40	Paralympic Volleyball	31	0	31
Softball	6	16	22	TOTAL	6,265	3,671	9,936
Speedskating	259	76	335				
Squash	9	9	18				
Sumo	0	10	10				

2017 OLYMPIC AND PARALYMPIC SPORT TESTING NUMBERS

Test Type	Urine Tests	Blood Tests	Totals
In-Competition Tests	1,894	62	1,956
Out-of-Competition Tests	3,997	527	4,524
TOTAL	5,891	589	6,480

OLYMPIC & PARALYMPIC Testing

Pre-Olympic Games Testing TESTING

To help ensure a level playing field at the 2018 Winter Games in PyeongChang, South Korea, USADA conducted extensive and strategic testing in the lead up to the Games. Pre-Games testing accounted for 897 Olympic and Paralympic hopefuls before narrowing to focus on the 318 athletes named to Team USA.

PRE-GAMES TESTING FOR OLYMPIC AND PARALYMPIC CANDIDATES

1,322

Out-of-Competition Tests

339

In-Competition Tests

TESTING FREQUENCY FOR OLYMPIC AND PARALYMPIC TEAMS

82

Olympians and Paralympians Tested 4-12 Times

From 01/01/2017 to start of the Games

ATHLETE Outreach

Whereabouts Reminders

To help athletes maintain accurate Whereabouts information, USADA gives them the option to sign up for daily or weekly notifications with their current Whereabouts information so they can update immediately if anything has changed.

NUMBER OF ATHLETES SIGNED UP FOR EMAIL AND TEXT WHEREABOUTS REMINDERS

Type	Number of Athletes
Daily Email	1,946
Weekly Email	2,211
Daily Text	1,746
Weekly Text	1,915

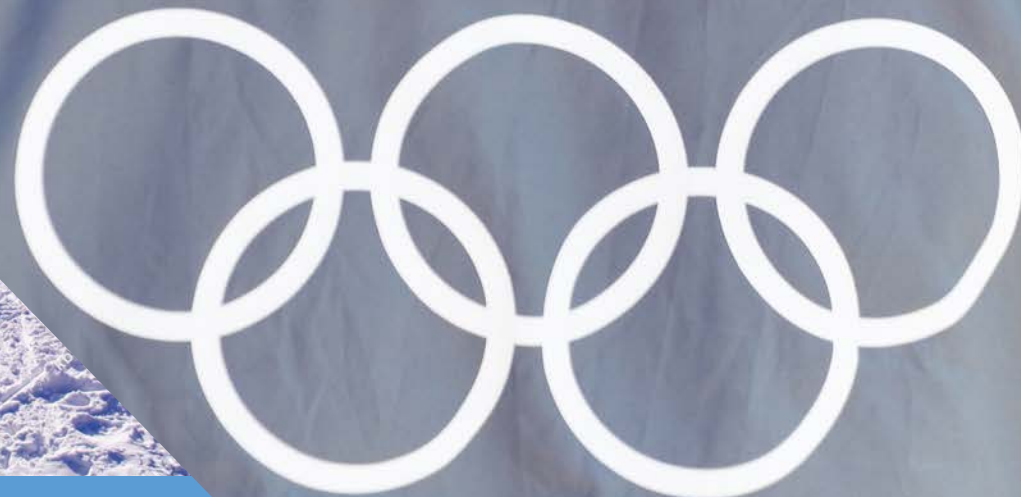
NUMBER OF WHEREABOUTS NOTIFICATIONS SENT IN 2017

Type	Number of Notifications Sent
Email	565,707
Text Message	506,728
Total	1,072,435



Team USA Women's Ice Hockey players **Kacey Bellamy** and **Brianna Decker**

PyeongChang 2018™



Birthday Card

USADA sends birthday wishes to every RTP athlete.

GLOBAL SERVICE
Testing

USADA's Global Service Testing program provides gold-standard education and testing services to sports organizations and event organizers worldwide. The program continues to grow as more organizations recognize the long-term benefits of deterring and detecting doping in their sports.

Overview
IN NUMBERS

91
CLIENTS

15
EDUCATION
EVENTS

3,456
TESTS
COMPLETED

136
CLIENT
EVENTS
Tested

2017 TESTING NUMBERS

Test Type	Urine Tests	Blood Tests	Totals
In-Competition Tests	1,578	137	1,715
Out-of-Competition Tests	1,014	727	1,741
TOTALS	2,592	864	3,456

Anti-Doping Programs

In partnership with USADA, New York Road Runners maintains a year-round anti-doping program, through which USADA provided **education at 6 events** and conducted **testing at 15 events** in 2017.

Key Events with Annual Testing

- ▶ Tour of California (Cycling)
- ▶ New York City Marathon (Track and Field)
- ▶ Chicago Marathon (Track and Field)
- ▶ Boston Marathon (Track and Field)
- ▶ World Jiu-Jitsu IBJJF Championship (Brazilian Jiu-Jitsu)
- ▶ Professional Boxing

Noteworthy Events

Tested in 2017

- ▶ U.S. Sumo Open (Sumo)
- ▶ World Jump Rope Championships (Jump Rope)
- ▶ 2017 Pan American Field Hockey Championships (Field Hockey)
- ▶ 2017 World Rowing Championships (Rowing)
- ▶ BMW IBSF World Cup 2017 (Bobsled and Skeleton)
- ▶ IWF World Championships (Weightlifting)
- ▶ FINA World Junior Championships (Swimming)



DCO OPERATIONS

USADA employs more than 50 highly trained doping control officers (DCOs) across the country and around the world who receive extensive training and evaluation on all aspects of the sample collection process. DCOs are also a resource for athletes and help them properly complete all paperwork.



TAP device

Collection INNOVATION

Sample Collection Equipment

- ▶ Transitioned from the Styrofoam Berlinger urine kits to a more eco friendly cardboard Berlinger urine kit.
- ▶ Implemented a new refrigerated shipping device, the one-time-use NanoCooler, for blood collections.

Dried Blood Spot Testing

In 2017, USADA launched a pilot program to evaluate the use of Dried Blood Spot (DBS) testing as a new blood collection process that may improve the athlete experience, enable more blood collections, and increase sample longevity. The new method is safe and virtually painless thanks to a state-of-the-art new device, called the TAP, created by 7SBio. In collaboration with the UFC®, USADA successfully completed a number of DBS tests with UFC athletes in 2017.

Operations INNOVATION

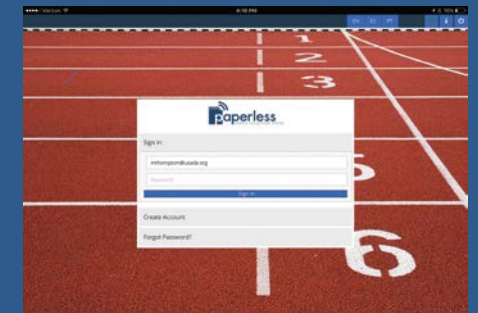
DCO Portal

In order to improve communication between office staff and DCOs, USADA started building a new DCO website to allow DCOs to access training materials, sample collection forms, and other important resources. This comprehensive new platform will improve USADA's ability to train and manage remote DCOs.

USADA Paperless Sample Collection System®

To ensure long-term usability of the Paperless system, which facilitates the digital collection and transfer of testing data by DCOs, USADA developed an entirely new and more robust application. The key enhancements include:

- ▶ An 'Athlete Search' function for event testing that allows the DCO to select athletes in the Simon database, which then pre-populates athlete information in the DCOR. This function was designed to increase the speed and efficiency of the sample collection process.
- ▶ A new feature that populates the athlete's last declared medications on the DCOR so athletes can review and update the information as needed.



DCO TEAM

Successfully managed the South American DCO Program, consisting of 6 DCOs, for a second year. The Program completed:

- 3 UFC events in South America
- More than 200 out-of-competition tests
- Testing at the 2017 Youth Parapan American Games

4 Trained and hired NEW DCOs in 2017.

Launched a European DCO Program in October, which meant hiring and training another **5 DCOs**, to increase testing capacity in Europe.

- These DCOs are based in England, Ireland, Scotland, and Poland.
- This team enabled testing at a UFC Fight Night in Poland

Innovative TECHNOLOGIES

USADA continues to pioneer innovative technologies to facilitate efficiency in anti-doping, both nationally and globally.

WHERE ARE
USADA Technologies
IN USE?



2017 Achievements

- ▶ Implemented **Athlete Express**[®], a comprehensive resource for athletes, for Anti-Doping Switzerland.
- ▶ The national anti-doping organization in Sweden implemented **Simon**, which is USADA's custom database and daily operations tool.
- ▶ Launched a new version of the **Clearinghouse** to improve and expand its functionality.
- ▶ Developed and released a new, feature-packed version of the **Paperless Sample Collection System**.

- ▶ United States
- ▶ New Zealand
- ▶ Switzerland
- ▶ Canada
- ▶ Ireland
- ▶ U.K.
- ▶ Japan
- ▶ Australia
- ▶ Sweden



USADA

Results MANAGEMENT

USADA is charged with handling the results management and adjudication process for U.S. athletes in Olympic, Paralympic, Pan American, and ParaPan American sport. This independence removes the inherent conflict of interest associated with sport organizations trying to both promote and police their sports. USADA's process affords a full and fair legal process to athletes and sport personnel.

Results MANAGEMENT

Detection AND Deterrence



Number of
**USADA
SANCTIONS**
Announced in 2017
70

BREAKDOWN OF USADA ADVERSE FINDINGS & OTHER DOPING VIOLATIONS INITIATED IN 2017

Potential Doping Violations in 2017

Number of Cases Referred to International Federations	4
Number of Cases Initiated in 2017 Resulting in a Sanction	49
Number of Cases Resulting in No Violation	34
Number of Cases Pending at End of 2017	35

Breakdown of Potential Violations by Substance Category

Substance	Number of Potential Violations
Anabolic Agents	21
Beta-2 Agonists	7
Beta Blockers	1
Cannabinoids	2
Diuretics and Other Masking Agents	18
Glucocorticoids	5
Hormone and Metabolic Modulators	8
Narcotics	1
Non-Analytical	33
Peptide Hormones, Growth Factors, and Related Substances	2
Stimulants	23

**Includes sanctions from the Olympic sport program and non-Olympic contract testing. Excludes UFC sanctions.*

Intelligence

Under the WADA International Standards for Testing and Investigations (ISTI), USADA and other Anti-Doping Organizations (ADOs) are required to have processes in place that facilitate the ability to gather intelligence from analytical and non-analytical information. Through its Play Clean Tip Center, USADA makes available a number of ways to report the abuse of performance-enhancing drugs in sport,

which can help protect clean athletes and promote clean competition.

Many of USADA's investigations stem from tips left on its Play Clean Tip Line. In addition to ensuring that tips can be submitted anonymously, USADA handles all tips in a secure and systematic manner to ensure their reliability, relevance, and accuracy.

- ▶ Total Number of Tips: **665**
- ▶ Actionable Tips: **144**
- ▶ **9.6%** of the actionable tips led to a sanction in 2017, or the case is pending

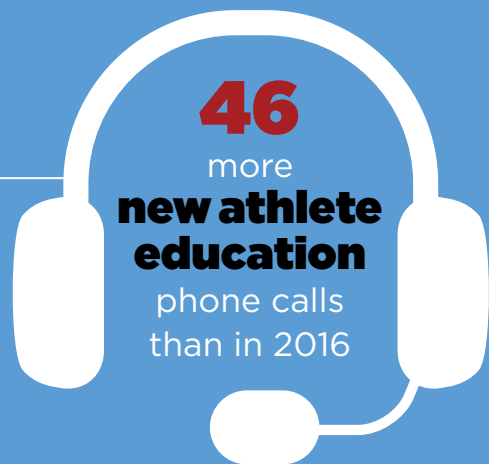


USADA

UFC
ANTI-DOPING
PROGRAM

In July of 2015, UFC® partnered with USADA to launch a UFC Anti-Doping Program, which became the first independently administered anti-doping program in professional sport. USADA is responsible for education initiatives, in and out-of-competition testing, and results management for this global Program.

UFC ANTI-DOPING
PROGRAM
HIGHLIGHTS



46
more
**new athlete
education**
phone calls
than in 2016

100%
**WHEREABOUTS
COMPLIANCE**
in Q3 and Q4

July 1, 2017
marked the
**2-year
anniversary**
of the
Program



UFC athlete
**Brandon
Moreno**

UFC
DRUG REFERENCE
AND THERAPEUTIC
USE EXEMPTIONS
(TUEs)



6,927
UFC
Global DRO
inquiries

11 TUEs
GRANTED

UFC TUEs
GRANTED IN 2017
BY SUBSTANCE CATEGORY

2017 WADA Prohibited List Class	# of TUEs Granted
Anabolic Agents	0
Beta-2 Agonists	1
Beta Blockers	0
Cannabinoids	0
Diuretics and Masking Agents	1
Glucocorticoids	4
Hormone and Metabolic Modulators	0
Narcotics	0
Peptide Hormones, Growth Factors, Related Substances, and Mimetics	0
Prohibited Methods (Chemical and Physical Manipulation)	3
Stimulants	2
Other	0

** Note: One TUE application may cover the use of multiple substances.*

Top 5 Substances
Searched on
UFC Global DRO:

- ▶ Cortisone
- ▶ Creatine
- ▶ Cannabis
- ▶ Cocaine
- ▶ Marijuana

UFC TUE BREAKDOWN

Athlete Classification	# of Substances on TUE Applications	Approved	Denied	In-Process	TUE Not Needed	Incomplete	Withdrawn
UFC	28	11	7	0	2	7	1

UFC
EDUCATION

144
educational phone calls
completed

576
Athletes
completed annual
ATHLETE'S ADVANTAGE®
education tutorials

Required Reads: **4**

- Topics: UFC Anti-Doping Policy changes, reporting medications, password security, 2018 Prohibited List changes

Required Videos: **4**

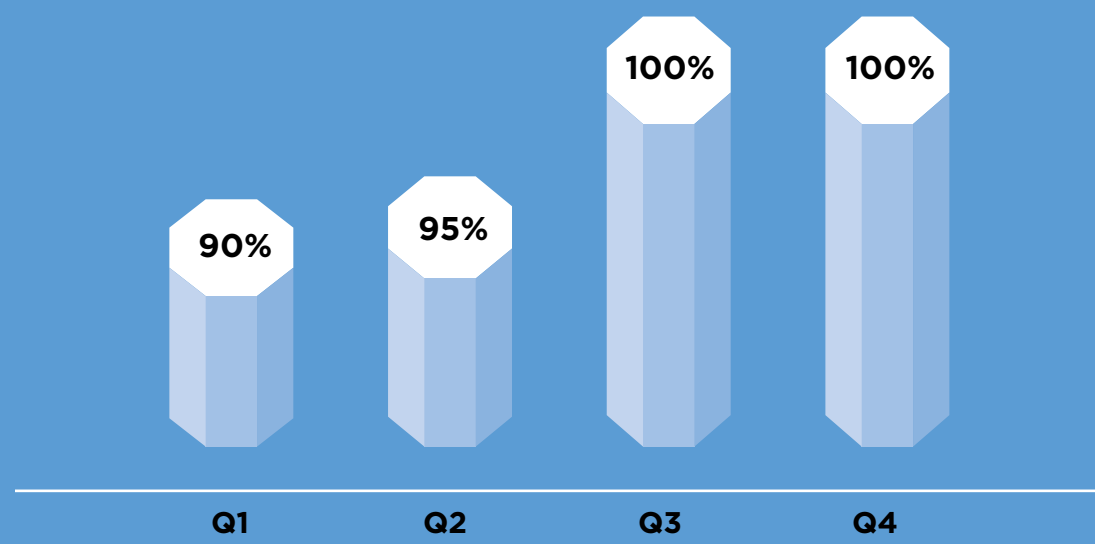
- Topics: Supplement education, UFC Global DRO, TUEs, Athlete's Advantage

Testing

UFC TESTING OVERVIEW IN NUMBERS:

- ▶ Total Tests Completed: **2,818**
- ▶ Average Number of Tests/Athlete: **5**
- ▶ Nationalities in the RTP: **45**
- ▶ Average Whereabouts Compliance: **97%**

UFC QUARTERLY WHEREABOUTS COMPLIANCE



2017 TESTING BREAKDOWN

Test Type	Urine Tests	Blood Tests	Totals
In-Competition Tests	276	24	300
Out-of-Competition Tests	2,077	441	2,518
TOTAL	2,353	465	2,818

Results MANAGEMENT

As part of its mission to ensure that athletes have the opportunity to compete in a clean Octagon, USADA maintains a robust results management and adjudication program, which affords a full and fair legal process to athletes and support personnel.

Detection AND Deterrence

- ▶ Number of Sanctions Announced: : **17**
- ▶ Average Sanction Length: : **15 months**

UFC ADVERSE FINDINGS & OTHER DOPING VIOLATIONS INITIATED IN 2017

Potential Doping Violations in 2017	43
Number of Cases Initiated in 2017 Resulting in a Sanction	9
Number of Cases Resulting in No Violation	11
Number of Cases Pending at End of 2017	23

UFC Potential Violations Breakdown by Substance Category

Substance	Number of Potential Violations
Anabolic Agents	13
Beta-2 Agonists	1
Beta Blockers	0
Cannabinoids	1
Diuretics and Other Masking Agents	13
Glucocorticoids	1
Hormone and Metabolic Modulators	7
Narcotics	0
Non-Analytical	7
Peptide Hormones, Growth Factors, and Related Substances	0
Stimulants	0

BOARD OF DIRECTORS
United States Anti-Doping Agency
Colorado Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of United States Anti-Doping Agency (the Agency), which comprise the statements of financial position as of December 31, 2017 and 2016, 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 controls 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 United States Anti-Doping Agency as of December 31, 2017 and 2016, 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.

EMPHASIS OF MATTER

As discussed in Note 2 to the financial statements, in 2017, the Agency adopted new accounting guidance ASU 2016-02, *Leases*. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Other information

Our 2017 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information including the Agency's budget report and the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2018, on our consideration of the Agency's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal controls over financial reporting and compliance.

BKD, LLP
Colorado Springs, Colorado
April 16, 2018

Statements of Financial Position

As of December 31, 2017 and 2016

ASSETS	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and cash equivalents	\$ 5,715,823	\$ 3,561,987
Investments	1,732,844	1,537,516
Accounts receivable, net of allowance; 2017-\$17,522 and 2016-\$20,593	1,454,712	2,139,883
Supplies	279,520	152,289
Prepaid expenses and other	349,521	312,411
Right-of-use assets, current	<u>286,867</u>	<u>-</u>
Total current assets	<u>9,819,287</u>	<u>7,704,086</u>
Noncurrent Assets		
Right-of-use assets, net of current portion	1,800,560	-
Property and equipment, net	<u>112,079</u>	<u>84,618</u>
Total noncurrent assets	<u>1,912,639</u>	<u>84,618</u>
Total assets	<u>\$ 11,731,926</u>	<u>\$ 7,788,704</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other accrued liabilities	\$ 1,848,024	\$ 1,485,376
Deferred revenue	115,205	92,581
Current maturities of lease liabilities	<u>229,572</u>	<u>-</u>
Total current liabilities	<u>2,192,801</u>	<u>1,577,957</u>
Noncurrent Liabilities		
Lease liabilities, net of current portion	<u>1,927,145</u>	<u>-</u>
Total liabilities	<u>4,119,946</u>	<u>1,577,957</u>
Unrestricted Net Assets		
Undesignated	5,911,980	5,156,537
Board-designated	<u>1,700,000</u>	<u>1,054,210</u>
Total unrestricted net assets	<u>7,611,980</u>	<u>6,210,747</u>
Total liabilities and net assets	<u>\$ 11,731,926</u>	<u>\$ 7,788,704</u>

Statements of Activities

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues, grants and other support		
ONDCP federal grant	\$ 9,500,000	\$ 9,500,000
United States Olympic Committee (USOC) contractual agreement	5,142,250	3,782,250
Revenue from testing and other services	6,787,136	6,300,152
Investment return	<u>195,647</u>	<u>90,680</u>
Total revenues, grants and other support	<u>21,625,033</u>	<u>19,673,082</u>
Expenses		
Program expenses		
Testing services	11,316,354	11,491,952
Results management	2,187,460	2,015,653
Science, research and development and drug reference	2,645,213	2,574,925
Education and awareness	3,146,069	2,940,444
General and administrative	<u>928,704</u>	<u>851,444</u>
Total expenses	<u>20,223,800</u>	<u>19,874,418</u>
Change in Net Assets	1,401,233	(201,336)
Net Assets, Beginning of Year	<u>6,210,747</u>	<u>6,412,083</u>
Net Assets, End of Year	<u>\$ 7,611,980</u>	<u>\$ 6,210,747</u>

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Activities		
Change in net assets	\$ 1,401,233	\$ (201,336)
Items not requiring (providing) cash		
Depreciation and amortization	24,393	50,904
Non-cash portion of lease expense	69,290	-
Net realized and unrealized gains	(168,787)	(66,865)
Changes in		
Accounts receivable	685,171	(784,285)
Supplies	(127,231)	(58,588)
Prepaid expenses and other	(37,110)	44,776
Accounts payable and other accrued liabilities	362,648	143,605
Deferred revenue	<u>22,624</u>	<u>(47,669)</u>
Net cash provided by (used in) operating activities	<u>2,232,231</u>	<u>(919,458)</u>
Investing Activities		
Purchases of equipment	(51,854)	(21,400)
Purchase of investments	(254,891)	(645,793)
Proceeds from sale of investments	<u>228,350</u>	<u>622,297</u>
Net cash used in investing activities	<u>(78,395)</u>	<u>(44,896)</u>
Increase (Decrease) in Cash and Cash Equivalents	2,153,836	(964,354)
Cash and Cash Equivalents, Beginning of Year	<u>3,561,987</u>	<u>4,526,341</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,715,823</u>	<u>\$ 3,561,987</u>
Supplemental Cash Flow Information		
Lease obligation incurred for right-of-use assets	<u>\$ 2,221,901</u>	<u>\$ -</u>

December 31, 2017 and 2016

NOTE 1:**Nature of Operations and Summary of Significant Accounting Policies****NATURE OF OPERATIONS**

United States Anti-Doping Agency (the Agency) began operations October 1, 2000. The Agency is responsible for testing, education, research and adjudication for U.S. Olympic, Pan American Games, Paralympic athletes and the Ultimate Fighting Championship. The Agency is also responsible for enhancing research efforts and promoting educational programs to inform athletes of the rules governing the use of performance enhancing substances, the ethics of doping and its harmful health effects.

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 at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

CASH EQUIVALENTS

The Agency considers all liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2017 and 2016, cash equivalents consisted primarily of money market accounts with brokers.

At December 31, 2017, the Agency's cash accounts exceeded federally insured limits by approximately \$5,652,000.

INVESTMENTS AND INVESTMENT RETURN

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount billed to customers. The Agency provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Delinquent receivables are written-off based on individual credit evaluation and specific circumstances of the customer.

SUPPLIES

Supplies consist of drug testing kits and other doping control supplies and are valued at the lower of cost (first-in, first-out method) or market.

December 31, 2017 and 2016

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives:

Computer equipment and software	3-5 years
Furniture, fixtures and office equipment	5-7 years
Website development	3 years
Lab equipment	5 years

Leasehold improvements are amortized over the term of the leases or the estimated lives of the improvements, whichever is shorter.

DEFERRED REVENUE

Deferred revenue includes revenues received, which have not yet been used for their specified purpose or period.

FEDERAL GRANTS

Support funded by grants is recognized as the Agency performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

INCOME FROM THIRD PARTIES

The Agency performs various doping tests for third parties. Fees are billed and payable after services are rendered. Revenue is recognized when the services are performed.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program and general and administrative categories based on management's estimates.

INCOME TAXES

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

SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 16, 2018, which is the date the financial statements were available to be issued.

NOTE 2:

Change in Accounting Principle

In 2017, the Agency changed its method of accounting for leases by early adopting ASU 2016-02, *Leases*. Under this guidance, lessees will recognize right-of-use assets and lease liabilities on the statements of financial position for all leases with terms of more than 12 months. This application was applied prospectively as allowed under ASU 842-10-25-1 (see Note 6).

December 31, 2017 and 2016

NOTE 3:

Investments

Investments at December 31 consist of:

	<u>2017</u>	<u>2016</u>
Cash held by broker	\$ 5,052	\$ 8,931
Equity mutual funds		
Large-cap equities	428,657	386,755
International equities	362,788	279,171
Small- and mid-cap equities	99,150	89,286
Multi-strategy	262,694	239,001
Other mutual funds		
Fixed-income bonds	468,373	442,209
Real estate	106,130	92,163
	<u>\$1,732,844</u>	<u>\$1,537,516</u>

Total investment return (including interest income on cash and cash equivalents) is comprised of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 26,860	\$ 23,815
Net realized and unrealized gains and (losses) on investments reported at fair value	168,787	66,865
	<u>\$ 195,647</u>	<u>\$ 90,680</u>

NOTE 4:

Disclosures About Fair Value of Assets and Liabilities

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

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

Notes to Financial Statements

December 31, 2017 and 2016

RECURRING MEASUREMENTS

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the Topic 820 fair value hierarchy in which the fair value measurements fall at December 31, 2017 and 2016:

	2017			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity mutual funds				
Large-cap	\$ 428,657	\$ 428,657	\$ -	\$ -
International	362,788	362,788	-	-
Small- and mid-cap	99,150	99,150	-	-
Multi-strategy	262,694	262,694	-	-
Other mutual funds				
Fixed income bonds	468,373	468,373	-	-
Real estate	106,130	106,130	-	-
	1,727,792			
Cash	5,052			
	<u>\$ 1,732,844</u>			

	2016			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity mutual funds				
Large-cap	\$ 386,755	\$ 386,755	\$ -	\$ -
International	279,171	279,171	-	-
Small- and mid-cap	89,286	89,286	-	-
Multi-strategy	239,001	239,001	-	-
Other mutual funds				
Fixed income bonds	442,209	442,209	-	-
Real estate	92,163	92,163	-	-
	1,528,585			
Cash	8,931			
	<u>\$ 1,537,516</u>			

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2017 and 2016.

Notes to Financial Statements

December 31, 2017 and 2016

INVESTMENTS

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include large-cap, small- and mid-cap, multi-strategy and international equity mutual funds; and real estate, commodity and fixed income bond mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. These are considered Level 2 securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Currently, the Agency does not have Level 2 or Level 3 securities.

NOTE 5:**Property and Equipment**

Property and equipment at December 31 consists of:

	2017	2016
Computer equipment and software	\$ 540,656	\$ 525,754
Furniture, fixtures and office equipment	81,384	81,384
Leasehold improvements	80,025	43,073
Website development	245,926	245,926
Lab equipment	116,599	116,599
	1,064,590	1,012,736
Less accumulated depreciation and amortization	(952,511)	(928,118)
Total property and equipment, net	<u>\$112,079</u>	<u>\$84,618</u>

NOTE 6:**Leases**

Right-of-use assets as of December 31 consist of:

	2017	2016
Building lease (A)	\$ 2,017,389	\$ -
Copier lease (B)	70,038	-
	2,087,427	-
Less current portion	(286,867)	-
Right-of-usage assets, net of current portion	<u>\$1,800,560</u>	<u>\$ -</u>

December 31, 2017 and 2016

Lease liabilities as of December 31 consist of:

	<u>2017</u>	<u>2016</u>
Building lease (A)	\$ 2,086,679	\$ -
Copier lease (B)	<u>70,038</u>	<u>-</u>
	2,156,717	-
Less current portion	<u>(229,572)</u>	<u>-</u>
Lease liabilities, net of current portion	<u>\$1,927,145</u>	<u>\$ -</u>

(A) In 2017, the Agency entered into an agreement to lease office space. Under the terms of the agreement, the Agency will pay escalating monthly payments through October 2024 and will have unlimited use of the space for that period of time. In accordance with ASU 2016-02, as described in Note 2, the Agency has recorded this lease on the statements of financial position as a right-to-use asset and a lease liability in the amounts of \$2,017,389 and \$2,156,717, respectively, as of December 31, 2017, including current portions. The Agency used a 3% imputed interest rate to calculate the present value of future cash flows in relation to the lease liability. The Agency recognized \$164,930 in operating lease expense related to this lease in 2017.

(B) In 2017, the Agency entered into an agreement to lease several copiers. Under the terms of the agreement, the Agency will pay \$1,581 in monthly payments through November 2021 and will have unlimited use of the copiers for that period of time. In accordance with ASU 2016-02, as described in Note 2, the Agency has recorded this lease on the statements of financial position as a right-to-use asset and a lease liability in the amount of \$70,038, as of December 31, 2017, including the current portions. The Agency used a 3% imputed interest rate to calculate the present value of future cash flows in relation to the lease liability. The Agency recognized \$1,581 in operating lease expense related to this lease in 2017.

Future undiscounted cash flows for operating leases at December 31, 2017 are as follows:

2018	\$ 291,541
2019	343,370
2020	354,556
2021	364,160
2022	357,952
Thereafter	686,075
Less discounted cash flows	<u>(240,937)</u>
	<u>\$ 2,156,717</u>

December 31, 2017 and 2016

NOTE 7:

Board-designated Net Assets - Unrestricted

The Board has designated net assets for the following purposes:

	<u>2017</u>	<u>2016</u>
Research	\$ 700,000	\$ 454,210
Contingencies	<u>1,000,000</u>	<u>600,000</u>
	<u>\$1,700,000</u>	<u>\$1,054,210</u>

NOTE 8:

USOC Contract

The Agency has an agreement with the United States Olympic Committee (USOC) through December 31, 2022, to conduct a drug testing and anti-doping program for athletes in the Olympic, Paralympic and Pan American Games. Support funded by the USOC is recognized as the Agency performs the contracted services. Revenue received from the USOC for the years ended December 31, 2017 and 2016 was \$5,142,250 and \$3,782,250, respectively, of which \$771,338 and \$358,775 was included in accounts receivable at December 31, 2017 and 2016, respectively. To mitigate the perceived conflict of interest between the Agency and the American Arbitration Association (AAA) or the Court of Arbitration for Sport (CAS), the USOC agrees to directly pay all arbitration expenses incurred by these entities up to \$500,000. During 2017 and 2016, the USOC directly paid arbitration costs to these entities of \$328,662 and \$141,225, respectively. If the arbitration expenses incurred are less than \$500,000, then the excess up to \$500,000 is remitted to the Agency, which is included in the contract amount above.

NOTE 9:

Employee Benefit Plan

The Agency maintains a 401(k) benefit plan covering all employees who meet the eligibility requirements. The Agency makes contributions at its discretion. The Agency's contributions to the plan were \$337,853 and \$303,691 for the years ended December 31, 2017 and 2016, respectively.

Notes to Financial Statements

December 31, 2017 and 2016

NOTE 10:**Significant Commitments, Estimates and Concentrations**

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

REVENUE CONCENTRATION

The Agency received 87% and 83% of its support during 2017 and 2016, respectively, from three organizations. As discussed in Note 8, the Agency has a contract with the USOC (one of the three major organizations) through 2022.

EQUIPMENT GRANT

Effective September 9, 2008, the Agency, as grantor, entered into a grant agreement with Sports Medicine Research and Testing Laboratory (the Laboratory). Under the terms of this grant agreement, the Agency will grant a piece of equipment with a cost of \$71,750 and now fully depreciated, to the Laboratory. The Laboratory must use the equipment only for purposes that fit within the Agency's mission and must report the detail of testing performed with the equipment to the Agency each year. The Agency would have the right to take back the equipment if either of these requirements was not met. As such, management considers the equipment property of the Agency.

Supplementary information is available upon request.



Phone: 719.785.2000

Toll-Free: 1.866.601.2632

Fax: 719.785.2001

Email: usada@USADA.org

www.USADA.org

www.TrueSport.org

