What is The CFIDS Association of America?
The CFIDS Association of America is the nation’s leading charitable organization dedicated to conquering chronic fatigue and immune dysfunction syndrome (CFIDS), also known as chronic fatigue syndrome (CFS) and myalgic encephalomyelitis (M.E.).

The Association plays a principal role in accelerating the pace of CFIDS research, achieving public policy victories for people with CFIDS, and focusing mainstream attention on this serious public health concern.

Since its founding in 1987, The CFIDS Association of America has invested over $12 million in CFIDS education, public policy, and research programs in its efforts to bring an end to the suffering caused by CFIDS.

The Association wages battle against CFIDS on five important fronts:

- Building recognition of CFIDS as a serious widespread medical disorder;
- Securing a meaningful response to CFIDS from the federal government;
- Stimulating high quality CFIDS research;
- Improving health care providers’ abilities to detect, diagnose, and manage CFIDS; and
- Providing information to persons with CFIDS and enabling the CFIDS community to speak with a collective voice.

Through these and all its efforts, The CFIDS Association of America strives to eradicate CFIDS.

The Association is governed by an elected Board of Directors comprised of dedicated men and women who volunteer their time, knowledge, and breadth of experience to help advance the campaign to conquer CFIDS.
Leaving a Legacy

A bequest in your will or trust is a meaningful, yet easy way to make a legacy gift in support of The CFIDS Association of America’s efforts to conquer chronic fatigue and immune dysfunction syndrome (CFIDS). As with gifts of cash and appreciated securities, a bequest may be earmarked for the Association’s education, public policy and/or research programs or for The CFIDS Endowment Fund. Your bequest may also enable you to enjoy a number of tax-saving benefits.

Crafting a Tribute

Honorary and memorial donations are a wonderful way to recognize someone in life or pay tribute to someone’s memory. Consider making a contribution to The CFIDS Association to honor the strength of your spouse or child, thank a special caregiver or doctor, or remember a dear friend or loved one. The individual acknowledged, or their family, will receive notification of your generous gift.

Shaping the Future

The CFIDS Association of America invites you to explore the many opportunities by which you can leave your mark on the future and make an enduring contribution to the campaign against CFIDS. Your gift will accelerate efforts aimed at finding the cause of and cure for CFIDS and provide a legacy of hope to the hundreds of thousands who suffer the devastating effects of this cruel illness.

The CFIDS Association of America’s correct legal designation is:

For additional information, contact the Association’s Director of Development or Controller at:
The CFIDS Association of America
PO Box 220398
Charlotte, NC 28222-0398
Tel.: 704/364-0466
Fax: 704/365-9735
E-mail: jldavis@cfids.org

The CFIDS Association of America does not provide legal or financial advice. We urge you to consult your attorney, financial planner, or accountant regarding specific tax and financial implications of your charitable contributions.
What is CFIDS?
Chronic fatigue and immune dysfunction syndrome (CFIDS) is a complex illness that affects the brain and multiple body systems. It is characterized by disabling fatigue (experienced as profound exhaustion and extremely poor stamina), problems with information processing and memory, flu-like symptoms, pain in the joints and muscles, dizziness, nausea, sleep disorders, and numerous other symptoms. CFIDS can be severely debilitating and can last for many years. Despite more than a decade of research, the cause of the illness is not yet known, there is no definitive diagnostic test, and treatment is aimed primarily at symptom relief.

CFIDS strikes women, men, and children of all age, ethnic, and socioeconomic groups. A recent study published in the Archives of Internal Medicine reports that as many as 800,000 U.S. adults suffer from CFIDS. The study also found that less than 10% of individuals with CFIDS had been diagnosed, leaving hundreds of thousands with no understanding of their illness and no treatment. And although few studies of CFIDS among children and teenagers have been done, it is known that the lives of thousands of young people have been forever changed by CFIDS.
When I joined the staff of The CFIDS Association of America in 1990, the name of the Association was regularly followed by this tag line: Advocacy, Information, Research, and Encouragement for the CFIDS Community. There have been many changes in the Association over the past decade — our programs have dramatically multiplied and expanded; our staff has grown and become more expert; and our financial position has strengthened and become more stable. Yet, the tag line introduced over 10 years ago still reflects the core strategies we employ today to achieve the Association’s mission: to conquer CFIDS.

In our 2000 Annual Report, we present not only last year’s programmatic highlights and financial results; we also attempt to convey a sense of the momentum that is building in virtually every aspect of the Association’s work. In 2000, we launched exciting initiatives in our research program, through our symposia series, and in our medical education efforts, through the creation of a vibrant traveling educational exhibit and realization of plans to deliver a CFIDS curriculum to primary care providers. Our advocacy efforts intensified, securing the restoration of $13 million in CFIDS research funds misapplied by one federal agency (Centers for Disease Control and Prevention) and generating a more dedicated and diverse approach to CFIDS research by another (National Institutes of Health). Snapshots of CFIDS, a new publication that captures the essence of the CFIDS experience, joined The CFIDS Chronicle and The CFS Research Review as another means of meeting the varied information needs of the many audiences the Association now serves: persons with CFIDS, their family members and caregivers, medical and media professionals, legislators and public health officials, and interested members of the public. And, just a few weeks ago, many months of work culminated in the launch of the Association’s all-new web site, www.cfids.org, providing a critical tool to reach members of each of those audiences who rely on the Internet for health information, news, and support.

The accomplishments listed above and those described in more detail on the following pages were made possible by the generosity of our members and donors. This annual report recognizes all those who supported our programs: the 1,169 donors who contributed $50 or more and chose to be named are listed beginning on page 20. Nearly 800 donors wished to remain anonymous and are acknowledged first within each appropriate giving level. We also wish to thank 2,748 donors whose smaller, yet no less generous, gifts provided a significant source of support for the Association’s programs. Members of The Founder’s Circle, who make monthly donations, are thanked too. We also introduce two new, and very special, groups of benefactors — The Iverson Society, comprised of individuals whose lifetime gifts exceed $500,000, and the President’s Club, recognizing those whose lifetime gifts total from $50,000-$499,999. We remain deeply grateful for every single person who has chosen to support the Association’s work with a gift, regardless of its size.

In the same way the “Advocacy, Information, Research, and Encouragement” tag line has stood the test of time, so has a refrain I first heard in 1990, when I was just learning about the Association. A woman with CFIDS told me that, to her, the Association was a “lifeline” for every single person who has chosen to support the Association’s work with a gift, regardless of its size.

Two other constants deserve mention. The first is that the challenges ahead, then as now, are intimidating. The second is that those who continue to drive this Association share a resolve to overcome challenge, a resolve that only deepens with time.

The constancy of your support of the Association is essential if we are to capitalize on the momentum generated over the past year, and to speed meaningful improvements in the daily lives of all persons with CFIDS. Together we will make our 2001 Annual Report an even more robust record of achievement for The CFIDS Association of America and the community it serves.

K. Kimberly Kenney
President & Chief Executive Officer

For more than a decade, the effort to defeat CFIDS has been driven by individuals directly affected by the illness. However, their knowledge of the worthiness and importance of this cause is not enough — to conquer CFIDS we must secure support from those beyond the CFIDS community. To turn this tide, the Association’s dynamic education and media activities are directed to the general public, in particular those people who are not sufficiently familiar with an illness four times more common than HIV infection in women and 15 times more common in women than lung cancer. An illness affecting 800,000 Americans and countless others around the world cannot be ignored. Through heightened CFIDS awareness, we will attract the financial and intellectual resources necessary to defeat this devastating illness.

Jane Stockman shares her CFIDS experience with Lifetime Live viewers.

Dana Reeve interviews Kim Kenney.

In 2000, the Association worked vigorously to gain media coverage for the illness. As a direct result of our efforts, positive stories about CFIDS were featured in some of the nation’s leading media outlets, including USA Today, one of the highest circulation newspapers in the world, Lifetime Live, the popular women-oriented cable network’s news show; and “Focus on the Family,” a syndicated Christian radio program heard on nearly 3,000 stations. The Association also helped shape coverage of emerging issues, including working with ABC’s 20/20 to ensure fair, balanced reporting on neuropsychology as a treatment for CFIDS and fibromyalgia.

Most people will not become interested in an illness until they can imagine what it must be like to have it. In 2000, The CFIDS Association created a new publication, Snapshots of CFIDS: Profiles of Life with an Invisible Illness, to help people do just that. Through its compelling words and portraits, Snapshots of CFIDS introduces seven courageous men and women whose lives have been derailied by this tragic illness and paints an accurate picture of the wide range of age, race, and socioeconomic boundaries CFIDS crosses.

Media to Fuel Advocacy Efforts
Media was important to building recognition of CFIDS issues on Capitol Hill. A front page article in The Washington Post informed more than a million people, including key legislators, of the widespread abuses within the Centers for Disease Control and Prevention (CDC) that led to funds being diverted from CFIDS and other research programs. This coverage, aggressively pursued by the Association, brought about expanded legislative hearings that put CDC in the “hot seat,” a call for a more comprehensive General Accounting Office investigation of the agency, and improved attention to CFIDS as a serious public health issue.

CFIDS in the News
In 2000, the Association worked vigorously to gain media coverage for the illness. As a direct result of our efforts, positive stories about CFIDS were featured in some of the nation’s leading media outlets, including USA Today, one of the highest circulation newspapers in the world, Lifetime Live, the popular women-oriented cable network’s news show; and “Focus on the Family,” a syndicated Christian radio program heard on nearly 3,000 stations. The Association also helped shape coverage of emerging issues, including working with ABC’s 20/20 to ensure fair, balanced reporting on neuropsychology as a treatment for CFIDS and fibromyalgia.
which noted a series of deficiencies in the federal CFS program, with the just-released General Accounting Office (GAO) report, stronger federal response to CFIDS. On June 22, 2000, armed
professional staff and members of Congress to educate and urge a
healthy family members and close friends met with Congres-

For the ninth consecutive year, persons with CFIDS and
healthy family members and close friends met with Congress-

Lobby Day a Success
For the ninth consecutive year, persons with CFIDS and
healthy family members and close friends met with Congress-

We must dramatically accelerate CFIDS research. Because it will take an aggres-
sive, multi-dimensional approach to foster new and promising research theories and
then translate them into real results for patients. The CFIDS Association recently "retooled" its research program. The program works via a bottom-up, investigator-initiated approach and also from the top-down, fueling CFIDS research by attracting the best and brightest research minds to the challenging field of CFIDS science, defining research and funding priorities, and creating multi-disciplinary collaborative research teams. This expanded effort holds prom-
ise for discovering the cause of CFIDS, better understanding the mechanisms and impact of having the illness, and improving the lives of patients through new, effective treatments.

Driving CFS Research
Months of careful planning culminated in the Association’s
first research symposium, “Chronic Fatigue Syndrome: What Role Does Dysautonomia Play in the Pathophysiology of this Complex Illness?” held December 3-5, 2000 in Washington, D.C. Following a proven format of a “scientific court,” expert panels representing diverse disciplines heard a full day of scientific presentations, then worked late into the night and all the next day to evaluate evidence, draw on findings from related fields, and craft a consensus statement outlining the boundaries of existing knowledge and promising research directions. The resulting statement is being submitted to top-notch peer-reviewed journals for publication.

Further symposia focus on the neuroendocrine aspects of CFIDS (March 2001), the immunologic aspects of CFIDS (October 2001), and promising diagnostic processes and tools (2002).

Respected CFS Researcher Leads Panel
Nancy G. Klimas, M.D., an immunologist at the University of Miami and one of the country’s foremost CFIDS experts, spoke at the Association’s December 2000 symposium which explored the role of the autonomic nervous system (ANS) in CFIDS, with special emphasis on the interactions between ANS dysfunction and identified abnormalities in the immune and endocrine systems of CFIDS patients.

Other presenters and panelists at this symposium included:
David Bell, MD, Timothy Garry, PhD, Georgetown Uni-
versity Medical Center; Peter Rowe, MD, Johns Hopkins University Hospital; and Julian Stewart, MD, PhD, New York Medical College.

CFIDS advocacy is a smart investment. In a single year, the federal government has the ability to appropriate millions of dollars for the battle against CFIDS, far more money than The CFIDS Association could hope to raise in the same amount of time. For that reason, the Association leads strategic efforts to garner support for CFIDS issues from legislators and public health officials and to hold them accountable for their response to the illness. A vigorous and effective public policy program will strengthen research funding; lift the funding burden from patient community; expand patient access to social services; and significantly improve the way CFIDS is viewed by lawmakers, the medical community, the media, and the public.
Association Debuts New Medical Publication

Since its launch in spring 2000, The CFS Research Review has quickly become one of the world's most widely acclaimed CFS publications and is now considered by many "de rigueur" for health care professionals. Currently, the Review reaches over 7,000 physicians, government scientists, and allied health professionals each quarter free-of-charge. It is also distributed to 7,000 physicians, government scientists, and allied health professionals. Currently, the publication is considered by many "de rigueur" for health care professionals. Currently, the Review reaches over 7,000 physicians, government scientists, and allied health professionals each quarter free-of-charge. It is also distributed to 7,000 physicians, government scientists, and allied health professionals.

“Chronic Fatigue Syndrome: A Diagnostic & Management Challenge”

In partnership with the Illinois Area Health Education Center (AHEC), the Association launched an ambitious health care provider-training program to educate those on the front lines of CFIDS/CFS diagnosis and treatment. Educational components of the project include, a teaching curriculum, train-the-trainer workshops, video- and web-based self-study modules (with an opportunity for continuing education credit), and a conference exhibit. Health educator Terri Lupton, BSS, RN joined the Association’s staff in July 2000 and serves as project coordinator. Charles Lapp, MD and Leonard Jason, PhD function as master trainers, and an expert advisory committee works to ensure the success of this exciting project, which holds significant promise for increasing provider awareness and understanding of CFIDS diagnosis and treatment.

We can change patient care for the better. CFIDS certainly presents a considerable challenge for health care professionals in its diagnosis and treatment. Not only is the cause of the illness unknown, a recent DePaul University study reported that less than 10% of individuals suffering with CFIDS have even been diagnosed. Despite these facts, we can vastly improve the lives of persons with CFIDS. By educating those on the front lines of patient care about the detection, diagnosis, and management of CFIDS and by stimulating interest and curiosity in its complexities, we can effect positive change in the day-to-day health of those who suffer from this debilitating illness.

Education is the foundation of The CFIDS Association. Through our two quarterly publications, brochures, all new Web site, Resource Line, and participation in educational and support group events, we offer the most comprehensive, trusted, and accurate information about CFIDS to our members, donors, the patient community, and interested others. We also work to reach the 90% of CFIDS sufferers who’ve slipped through the cracks of the medical system and are struggling with symptoms and an illness they may not even know exists. Simply stated, The CFIDS Association is here to help people find the information and answers they need. We endeavor to empower individuals to make informed choices about their healthcare, arm them as better advocates for themselves and for others, connect them with the broader CFIDS community, and help them more effectively cope with a complex and serious illness.

The CFIDS Support Network (CSN)

CSN provides information, materials, resources, and assistance to support group leaders in order to help them facilitate positive, productive meetings, and better serve the needs of their members. In 2000, the CSN stood 185 support groups strong. Each year through its CSN ACTION Awards, CSN members recognize the efforts of individuals who give of themselves to help others cope with this debilitating illness.

A special Certificate of Appreciation went to Sheila Stevens of the Miami/Coral Gables CFIDS Support Group. Sheila, who recently retired as her group’s leader, has been an active member of the CSN since its inception in 1994. She and her group also won an ACTION award in 1999.

The CFIDS Association’s Web Site

The redesign of www.cfids.org began mid-2000 and launched to an enthusiastic welcome on May 7, 2001. The goals of the project were to present the most up-to-date CFIDS and Association information in a dynamic format and engage visitors more effectively. The new site, shaped by program and development staff, with design and technical help from ettain, Inc., focuses primarily on the interests and needs of people with CFIDS and their families. Sections of the site are also tailored to the specific information needs of medical professionals and the media. New Web site features include: an interactive questionnaire for people who think they might have CFIDS; an area dedicated to the unique concerns of women; search-able Chronicle and CFS Research Review archives; secure environment for on-line donations, memberships, and material orders; and links to outside resources of interest to people with CFIDS.

The CFIDS Association is dedicated to the unique concerns of women; search-able Chronicle and CFS Research Review archives; a secure environment for on-line donations, memberships, and material orders; and links to outside resources of interest to people with CFIDS.
Controller’s Report

The year 2000 opened with The CFIDS Association of America in its best financial position ever and ended the fiscal year with a record $1,863,105 in total revenue and $970,585 in total net assets. Annual support and revenue (see graph at right) has risen steadily since 1990.

As shown on the Sources of Funds graph, public support accounted for 88% of the Association’s revenue in 2000, a 5% increase over 1999 and an 86% increase in public support over the past four years. However, other areas of support showed decreases except for interest and other revenue.

The generosity of members, donors, corporations, and foundations enabled us to invest $800,000 in CFIDS education efforts aimed at the general public, members of the medical community, the media, persons with CFIDS, and their families and friends. This increase of $180,000 over the 1999 education investment is due largely to increased focus on health care provider education.

The Association remains firmly committed to expanding federal CFIDS research initiatives and holding the government accountable for its response to CFIDS. In 2000, the Association invested over $319,000 in its CFIDS public policy program. Limited earmarked public policy contributions meant that the majority of the Association’s investment in this critical effort came from its unrestricted fund.

2000 was an atypical, yet successful, year for the Association’s CFIDS research program. The Association did not solicit or receive research grant applications. Instead, as planned, the Association invested $107,000 in launching its CFS Research Symposia Series to re-invigorate interest in the critical study of CFIDS science and increase the number and scope of future CFIDS research projects. The Association’s CFIDS research grants program reopened in spring 2001.

In total, $1,616,527 was invested in the fight against CFIDS in 2000. Management and general expenses and fund-raising and development activities (known as supporting services costs) represented 20.9% of total support and revenue, well below the standard 25% threshold and comparable with national organizations of similar size and mission. At year-end, the Association added $150,000 to the Reserve Fund (see graph at right), which now holds a balance of over $311,000. The CFIDS Association of America takes great pride in its continuing ability to prudently manage operations while directing the vast majority of its resources to the vital activities that advance our mission.

The financial success of 2000, and the CFIDS education, public policy, and research programs it helped accelerate, is due to the incredible generosity and vision of all Association members and donors. We thank you for your steadfast support and are committed to strengthening the programmatic, development, and leadership efforts that will move us closer to accomplishing our mission: to conquer CFIDS.

Respectfully submitted,

Steven F. Argo
Controller
Statement of Financial Position
December 31, 2000
(With Comparative Totals for December 31, 1999)

We have audited the accompanying statement of financial position of The CFIDS Association of America, Inc. (the "Association") as of December 31, 2000, and the related statements of activities and changes in net assets, of functional expenses, and of cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. As described in Notes 1 and 9, the prior year summarized comparative information has been derived from the Association's 1999 financial statements; and in our report dated February 8, 2000, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The CFIDS Association of America, Inc., as of December 31, 2000, and its changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

Charlotte, North Carolina
February 9, 2001

Cherry, Bekaert & Holland, L.L.P.
### Statement of Functional Expenses

**Year Ended December 31, 2000**

(With Comparative Totals for Year Ended December 31, 1999)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Management and Fund-Raising</th>
<th>2000 Totals</th>
<th>1999 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Research</td>
<td>Public Policy</td>
<td>Education</td>
<td>General</td>
<td>Development</td>
</tr>
<tr>
<td>Contract services</td>
<td>$ 651</td>
<td>$ 161,129</td>
<td>$ 19,039</td>
<td>$ 1,857</td>
<td>$ 10,053</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>2,493</td>
<td>6,167</td>
<td>20,226</td>
<td>7,111</td>
<td>4,586</td>
</tr>
<tr>
<td>Printing and postage</td>
<td>1,627</td>
<td>9,494</td>
<td>100,807</td>
<td>5,296</td>
<td>83,045</td>
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<tr>
<td>Repairs and maintenance</td>
<td>810</td>
<td>2,033</td>
<td>6,568</td>
<td>2,309</td>
<td>1,489</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,909</td>
<td>3,285</td>
<td>10,774</td>
<td>3,788</td>
<td>3,033</td>
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<tr>
<td>Educational materials/cost of sales</td>
<td>—</td>
<td>—</td>
<td>8,089</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>7,525</td>
<td>8,623</td>
<td>14,016</td>
<td>1,307</td>
<td>18,754</td>
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<td>Insurance</td>
<td>237</td>
<td>587</td>
<td>1,926</td>
<td>677</td>
<td>437</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,775</td>
<td>4,501</td>
<td>13,506</td>
<td>4,135</td>
<td>2,907</td>
</tr>
<tr>
<td>Symposium</td>
<td>40,463</td>
<td></td>
<td></td>
<td>40,463</td>
<td>—</td>
</tr>
<tr>
<td>Occupancy costs, including utilities</td>
<td>3,425</td>
<td>8,474</td>
<td>27,789</td>
<td>9,770</td>
<td>6,301</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,585</td>
<td>3,920</td>
<td>12,857</td>
<td>4,520</td>
<td>2,915</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,402</td>
<td>14,556</td>
<td>82,771</td>
<td>15,964</td>
<td>16,173</td>
</tr>
<tr>
<td>Direct grants</td>
<td>—</td>
<td>—</td>
<td>165,665</td>
<td>165,665</td>
<td>—</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 107,877</td>
<td>$ 319,152</td>
<td>$ 800,220</td>
<td>$ 167,898</td>
<td>$ 221,380</td>
</tr>
<tr>
<td>Management and general expenses</td>
<td>—</td>
<td>—</td>
<td>167,898</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fund-raising and development expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total management and general, and fund-raising and development expenses</td>
<td>389,278</td>
<td>337,652</td>
<td>1,616,527</td>
<td>$ 1,493,353</td>
<td></td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>$ 1,863,105</td>
<td>$ 1,758,574</td>
<td>1,863,105</td>
<td>1,758,574</td>
<td></td>
</tr>
<tr>
<td>Supporting services ratio</td>
<td>20.89%</td>
<td>19.20%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Statement of Activities & Changes in Net Assets

**Year Ended December 31, 2000**

(With Comparative Totals for Year Ended December 31, 1999)

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support and revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$ 1,174,640</td>
<td>$ 314,946</td>
<td>$ 1,498,586</td>
<td>$ 1,335,825</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td>$ 314,654</td>
<td>—</td>
<td>$ 314,654</td>
<td>$ 360,286</td>
</tr>
<tr>
<td>Educational material sales</td>
<td>19,422</td>
<td>—</td>
<td>19,422</td>
<td>36,108</td>
</tr>
<tr>
<td>Card sales, shirt sales</td>
<td>18</td>
<td>—</td>
<td>18</td>
<td>1,879</td>
</tr>
<tr>
<td>Advertising revenue</td>
<td>1,500</td>
<td>—</td>
<td>1,500</td>
<td>2,925</td>
</tr>
<tr>
<td>Interest and other</td>
<td>37,925</td>
<td>—</td>
<td>37,925</td>
<td>21,551</td>
</tr>
<tr>
<td>Total support and revenues</td>
<td>373,519</td>
<td>—</td>
<td>373,519</td>
<td>422,749</td>
</tr>
<tr>
<td>Assets released from restrictions</td>
<td>192,839</td>
<td>(192,839)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total support and revenues</td>
<td>1,740,998</td>
<td>122,107</td>
<td>1,863,105</td>
<td>1,758,574</td>
</tr>
<tr>
<td>Expenses and losses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>$ 107,877</td>
<td>—</td>
<td>$ 107,877</td>
<td>278,645</td>
</tr>
<tr>
<td>Public policy</td>
<td>319,152</td>
<td>—</td>
<td>319,152</td>
<td>258,853</td>
</tr>
<tr>
<td>Education</td>
<td>800,220</td>
<td>—</td>
<td>800,220</td>
<td>618,203</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>167,898</td>
<td>—</td>
<td>167,898</td>
<td>140,015</td>
</tr>
<tr>
<td>Fund-raising and development</td>
<td>221,380</td>
<td>—</td>
<td>221,380</td>
<td>197,637</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>1,616,527</td>
<td>—</td>
<td>1,616,527</td>
<td>1,493,353</td>
</tr>
<tr>
<td>Total expenses and losses</td>
<td>1,617,285</td>
<td>—</td>
<td>1,617,285</td>
<td>1,493,353</td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>123,713</td>
<td>122,107</td>
<td>245,820</td>
<td>265,221</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>616,068</td>
<td>108,697</td>
<td>724,765</td>
<td>459,544</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 739,781</td>
<td>$ 230,804</td>
<td>$ 970,585</td>
<td>$ 724,765</td>
</tr>
</tbody>
</table>

See notes to financial statements.
Statement of Cash Flows
Year Ended December 31, 2000
(With Comparative Totals for Year Ended December 31, 1999)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>$245,820</td>
<td>$265,221</td>
</tr>
<tr>
<td>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>$25,797</td>
<td>$19,388</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>$758</td>
<td>$—</td>
</tr>
<tr>
<td>(Increase) decrease in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges and other receivables</td>
<td>$(26,972)</td>
<td>$(939)</td>
</tr>
<tr>
<td>Inventories</td>
<td>$(8,757)</td>
<td>$8,469</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$5,501</td>
<td>$(3,771)</td>
</tr>
<tr>
<td>Increase (decrease) in operating liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$(80,753)</td>
<td>$165,152</td>
</tr>
<tr>
<td>Accrued payroll and payroll taxes withheld</td>
<td>$12,270</td>
<td>$19,638</td>
</tr>
<tr>
<td>Unearned dues revenues</td>
<td>$(17,818)</td>
<td>$(15,606)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$155,846</td>
<td>$459,430</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of equipment</td>
<td>$—</td>
<td>$450</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>$(33,556)</td>
<td>$(30,487)</td>
</tr>
<tr>
<td><strong>Net cash used by investing activities</strong></td>
<td>$(33,556)</td>
<td>$(30,037)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>$122,290</td>
<td>$429,393</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$1,018,230</td>
<td>$588,837</td>
</tr>
<tr>
<td>End of year</td>
<td>$1,140,520</td>
<td>$1,018,230</td>
</tr>
</tbody>
</table>

Notes to Financial Statements
December 31, 2000

Note 1 — Summary of significant accounting policies

Description of operations The CFIDS Association of America, Inc. (the “Association”) is a non-profit corporation whose purpose is to conquer chronic fatigue and immune dysfunction syndrome (CFIDS). The Association works toward its mission by building recognition of CFIDS as a serious widespread medical disorder; securing a meaningful response to CFIDS from the federal government; stimulating high quality CFIDS research; improving health care providers’ abilities to detect, diagnose, and manage CFIDS; and providing information to persons with CFIDS and enabling the CFIDS community to speak with a collective voice. Substantially all of the Association’s revenue is derived from membership dues, contributions from members and other interested parties, and sales of educational materials.

Basis of accounting The accompanying financial statements are prepared on the accrual basis of accounting.

Cash equivalents For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments with maturity of three months or less as cash equivalents.

Tax status The Association is a not-for-profit voluntary health agency, exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and Sections 105-125 and 105-130.11(a)(3) of the General Statutes of North Carolina. The Association has been designated as a “publicly supported” charity under Sections 509(a)(1) and 107(b)(1)(A)(vi) of the Internal Revenue Code.

Revenue recognition Membership dues are recognized as revenue over the applicable membership period. The Association waives membership dues for individuals experiencing financial hardships. All contributions are recognized as revenue when cash payments are received, except for pledges, which are recognized as revenue at the time the pledge is received. Grants are recognized as revenue when the Association is notified of the award of the grant.

Research grants The Association awards grants for medical research projects in the field of chronic fatigue and immune dysfunction syndrome. To ensure that the most worthy and promising research projects are funded, the Association periodically convenes a Scientific Advisory Committee that advises the Association’s Executive Committee of its Board of Directors. The Association’s Executive Committee, heavily weighing the recommendations of this advisory committee,
makes all funding decisions. Members of the Scientific Advisory Committee include internationally respected CFIDS researchers and clinicians. Because these grants are contingent upon research contributions received and the Association’s cash flow, these grants are not recognized as expenditures until payment occurs (See Note 4).

Conflict of interest All members of the Association’s Board of Directors, committees of the board, and advisory committees to the Association are governed by a conflict-of-interest policy. This policy precludes members from voting on motions with respect to which they may have a conflict of interest. Conflict of interest is deemed to exist if the member would directly benefit, personally or professionally, from a motion that has been made.

Limits on nontaxable lobbying expenditures The Association is covered under Section 501(h) of the Internal Revenue Code that permits a limited amount of nontaxable lobbying expenditures based upon varying percentages of total exempt purpose expenditures. This code section also imposes a ceiling (upper limit) for lobbying expenditures, above which 501(c)(3) organizations may be subject to revocation of tax-exempt status. The ceiling amounts are 150 percent of nontaxable lobbying expenditures computed over a four-year averaging period. Both the ceiling and nontaxable amounts apply to direct and grassroots lobbying expenditures. The nontaxable amounts and the actual amounts spent by the Association for 2000 are listed below. The majority of the Association’s public policy expenses are incurred in its monitoring of federal agencies, not on lobbying for specific legislation.

Note 2 — Temporarily restricted net assets Temporarily restricted net assets are available for the following purposes:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Available</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research grants</td>
<td>$ 228,657</td>
<td></td>
</tr>
<tr>
<td>Educational activities</td>
<td>2,109</td>
<td></td>
</tr>
<tr>
<td>Public policy activities</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Total restrictions released</td>
<td>$ 230,804</td>
<td></td>
</tr>
</tbody>
</table>

Note 3 — Net assets released from restrictions Net assets were released from restrictions by incurring expenses satisfying the purpose as follows:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Available</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research grants and related expenditures</td>
<td>$ 19,901</td>
<td></td>
</tr>
<tr>
<td>Educational activities</td>
<td>165,656</td>
<td></td>
</tr>
<tr>
<td>Public policy activities</td>
<td>7,282</td>
<td></td>
</tr>
<tr>
<td>Total restrictions released</td>
<td>$ 192,839</td>
<td></td>
</tr>
</tbody>
</table>

Note 4 — Commitments As discussed in Note 1, the Association awards grants for medical research and funds such projects contingent upon research contributions received and cash flow. At December 31, 2000, the Executive Committee had not approved funding for any research projects.

The Association retains the services of The Sheridan Group, a professional government relations firm in Washington, D.C., through an annual contract. The Sheridan Group represents the interests of the Association with Congress and the Executive Branch, including federal governmental agencies, and performs public policy work for the Association including proposing strategies for advancing the goals of the Association, monitoring new developments and regulations related to CFIDS, and preparing reports for public relations among other professional services. The total contractual obligation to The Sheridan Group for the year 2001 is $199,980 payable in monthly installments. The services of The Sheridan Group in 2000 amounted to $159,518.

In July 2000, the Association contracted with a provider of Internet consulting and development services for redesign of their website including front-end development and application development. The contract is not to exceed $75,460 and should be completed by June 2001. As of December 31, 2000, the Association recorded expenses of $55,050 relating to this contract.

Note 5 — Leases The Association leases office space used in its operations under an operating lease that expires in April 2002. The lease initially provides for a monthly rental of $3,723 and is subject to annual increases including increases based upon the Consumer Price Index. The Association also leases office equipment and computers under leases expiring in 2003.

Future minimum lease commitments under the above operating leases are as follows at December 31, 2000:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>57,073</td>
<td>22,334</td>
</tr>
<tr>
<td>2002</td>
<td>57,073</td>
<td>22,334</td>
</tr>
<tr>
<td>2003</td>
<td>690</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>80,097</td>
<td></td>
</tr>
</tbody>
</table>

Additionally, the Association leases certain storage areas under operating leases with terms typically less than one year.

Rental expense incurred under all operating leases was $63,875 for the year ended December 31, 2000.

Note 6 — Concentrations of credit risk Financial instruments, which potentially subject the Association to concentrations of credit risk, consist principally of pledges receivable and cash. The Association receives pledges from various entities and individuals located throughout the United States for various fund raising drives. Since these pledges are unsecured, the Association has no guarantee that these monies will be received. The Association places its cash with various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures these balances for up to $100,000. Periodically, the Association maintains cash balances in excess of the amount insured by the FDIC.

The Association, similar to other organizations of its nature and size, periodically receives large contributions and grants from a relatively small number of individuals and/or organizations. The continued support of large donors cannot be determined with certainty. No individual contribution represented more than twenty percent of public support for the year ended December 31, 2000.

Note 7 — Income derived from funds by others In December 1994, the Association made an irrevocable gift to the Foundation for the Carolinas in the amount of $5,000. This gift was for the establishment of a permanent endowment fund, the earnings of which are for the benefit of the Association. The nature of this gift made necessary a change in the recognition of the endowment and the related earnings, which was made at December 31, 1996. Consequently, these funds are no longer reflected in the net assets of the Association. The balance of the Endowment as of December 31, 2000 was $8,873, and the related earnings for the year then ended have been added to the principal of the Endowment at the election of the Association.

Note 8 — Benefit plan The Association has a 403(b) retirement plan in place covering substantially all employees meeting certain service and age requirements. This plan is a defined contribution plan with voluntary employee participation. During 2000, the Association made contributions into this plan amounting to $16,789.

Note 9 — Reclassifications Certain temporarily restricted net assets as reflected on the 1999 financial statements ($56,200) have been reclassified as designated unrestricted net assets.
Board of Directors — Officers
Current as of May 11, 2001

Executive Committee
Jonathan Sterling, Chairman
Nominating Committee
Patti Schmidt, Chairman
Long-Range Strategic Planning Committee
Jane Perlmutter, Chairman
Governance Committee
Patti Schmidt, Chairman
Finance Committee
R. Richard Baldwin, Chairman
Professional Staff Recruitment & Compensation Committee
Jonathan Sterling, Chairman

Professional Staff
K. Kimberly Kenney, President & Chief Executive Officer
Kristina P. Hopkins, Operations Manager, Support Network Services Director
Vicki C. Walker, Research & Public Policy Project Manager
Jamie L. Davis, Director of Development
Steven F. Argo, Controller
Renee M. Brehio, Director of Communications
Terri Lupton, BSS, RN, Coordinator for Educational Opportunities

Standing Committees of the Board
Current as of May 11, 2001

Educational Opportunities
Project Manager

Project Manager

Medical Research Advisory Committee
Gerald Crum, Carson City, Nev.
Robert Hill, PhD, Palo Alto, Calif.
Nancy G. Klimas, MD, Professor of Medicine, University of Miami College of Medicine, VA Medical Center, Miami, Fla.

CFS Symposia
Planning Committee

CFS Support Network Advisory Committee
Lisa Foremaster, CFIDS Support Group of Northern NV and the Sierra, Sparks, Nev.

Chronicle Advisory Committee
Tara Allain, Concord, N.C.
Linda Clement, Wichita, Kan.
Elisabeth (Lissy) Crean, Swanton, Vt.
Susan Dion, PhD, Caneys Point, N.J.

Public Policy Advisory Committee
Kenneth Clemmer, Phoenix, Ariz.
Priscilla de Leon, Bethesda, Md.
John Ginsberg, Washington, D.C.
Terry Hedrick, Cobb Island, Md.

Research Review Editorial Advisory Board
Mary Ann Fletcher, PhD, Professor of Medicine and Microbiology and Director of the EM Papper Laboratory of Clinical Immunology, University of Miami School of Medicine, Miami, Fla.
Terry Hedrick, PhD, Cobb Island, Md.
Leonard Jones, PhD, Professor of Psychology, DePaul University, Chicago, Ill.
Charles Lapp, MD, Clinical Associate Professor Family Medicine and Community Medicine, Duke University, and Director, The Hunter-Hopkins Clinic, Charlotte, N.C.
Paul H. Levine, MD, Clinical Professor of Epidemiology and Biostatistics, The George Washington School of Public Health and Health Sciences, and Clinical Professor of Medicine, The George Washington School of Medicine, Washington, D.C.
Nancy Reichenbach, Associate Scientist, Department of Biochemistry, Temple University School of Medicine, Philadelphia, Pa.
Charles Shepherd, MD, Medical Director, ME Association, Essex, England

Jane Perlmutter, BSS, RN, Coordinator for Educational Opportunities
R. Richard Baldwin, Treasurer
Patti Schmidt, Secretary

Peter C. Rowe, MD, Johns Hopkins University, Baltimore, Md.
David Robertson, MD, Vanderbilt University, Nashville, Tenn.
Kim Kenney, President & CEO, The CFIDS Association of America

Finance Committee
Renee M. Brehio, Director of Communications

Robert Hill, PhD, Palo Alto, Calif.
Nancy G. Klimas, MD, University of Miami, Miami, Fla.
Andrew Miller, MD, Emory University, Atlanta, Ga.
Dimtri A. Papanicolaou, MD, Emory University, Atlanta, Ga.

Long-Range Strategic Planning Committee
Jane Perlmutter, Chairman

Patti Schmidt, Chairman

Jonathan Sterling, Chairman

Current as of May 11, 2001

Executive Committee
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Nominating Committee
Patti Schmidt, Chairman
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Jane Perlmutter, Chairman
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R. Richard Baldwin, Chairman
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Project Manager

Project Manager

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Nancy Reichenbach, Associate Scientist, Department of Biochemistry, Temple University School of Medicine, Philadelphia, Pa.
Charles Shepherd, MD, Medical Director, ME Association, Essex, England
Leaving a Legacy
A bequest in your will or trust is a meaningful, yet easy way to make a legacy gift in support of The CFIDS Association of America's efforts to conquer chronic fatigue and immune dysfunction syndrome (CFIDS). As with gifts of cash and appreciated securities, a bequest may be earmarked for the Association's education, public policy and/or research programs or for The CFIDS Endowment Fund. Your bequest may also enable you to enjoy a number of tax-saving benefits.

Crafting a Tribute
Honorary and memorial donations are a wonderful way to recognize someone in life or pay tribute to someone's memory. Consider making a contribution to The CFIDS Association to honor the strength of your spouse or child, thank a special caregiver or doctor, or remember a dear friend or loved one. The individual acknowledged, or their family, will receive notification of your generous gift.

Shaping the Future
The CFIDS Association of America invites you to explore the many opportunities by which you can leave your mark on the future and make an enduring contribution to the campaign against CFIDS. Your gift will accelerate efforts aimed at finding the cause of and cure for CFIDS and provide a legacy of hope to the hundreds of thousands who suffer the devastating effects of this cruel illness.

The CFIDS Association of America's correct legal designation is:

For additional information, contact the Association's Director of Development or Controller at:
The CFIDS Association of America PO Box 220398 Charlotte, NC 28222-0398 Tel.: 704/364-0466 Fax: 704/365-9755 E-mail: jldavis@cfids.org

The CFIDS Association of America does not provide legal or financial advice. We urge you to consult your attorney, financial planner, or accountant regarding specific tax and financial implications of your charitable contributions.
What is The CFIDS Association of America?

The CFIDS Association of America is the nation’s leading charitable organization dedicated to conquering chronic fatigue and immune dysfunction syndrome (CFIDS), also known as chronic fatigue syndrome (CFS) and myalgic encephalomyelitis (M.E.).

The Association plays a principal role in accelerating the pace of CFIDS research, achieving public policy victories for people with CFIDS, and focusing mainstream attention on this serious public health concern.

Since its founding in 1987, The CFIDS Association of America has invested over $12 million in CFIDS education, public policy, and research programs in its efforts to bring an end to the suffering caused by CFIDS.

The Association wages battle against CFIDS on five important fronts:

- Building recognition of CFIDS as a serious widespread medical disorder;
- Securing a meaningful response to CFIDS from the federal government;
- Stimulating high quality CFIDS research;
- Improving health care providers’ abilities to detect, diagnose, and manage CFIDS; and
- Providing information to persons with CFIDS and enabling the CFIDS community to speak with a collective voice.

Through these and all its efforts, The CFIDS Association of America strives to eradicate CFIDS.

The Association is governed by an elected Board of Directors comprised of dedicated men and women who volunteer their time, knowledge, and breadth of experience to help advance the campaign to conquer CFIDS.