

Solve ME/CFS Initiative

**Financial Statements
As of December 31, 2014 and 2013
And for the Years Then Ended**

Together with Independent Auditor's Report

Solve ME/CFS Initiative

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December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Solve ME/CFS Initiative
Los Angeles, California

We have audited the accompanying financial statements of Solve ME/CFS Initiative (the "Organization"), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2014, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of the Organization for the year ended December 31, 2013, were audited by another auditor who expressed an unmodified opinion on those statements on March 10, 2014.

A handwritten signature in black ink that reads "Stanislawski & Harrison". The signature is written in a cursive, flowing style.

STANISLAWSKI & HARRISON

July 9, 2015

Solve ME/CFS Initiative
Statements of Financial Position
December 31, 2014 and 2013

	2014	2013
ASSETS:		
Cash	\$ 1,221,220	\$ 1,444,203
Contributions receivable (Note 3)	124,901	314,837
Prepaid expenses and other assets	33,532	33,977
Cash reserved for long-term purposes	356,926	-
Property and equipment, net (Note 4)	10,229	10,755
Total assets	\$ 1,746,808	\$ 1,803,772
LIABILITIES AND NET ASSETS:		
Accounts payable and accrued expenses	\$ 68,511	\$ 41,524
Capital lease payable (Note 5)	13,445	17,256
Total liabilities	81,956	58,780
Commitments (Note 6)		
Unrestricted net assets	1,167,594	1,418,067
Temporarily restricted net assets (Note 7)	491,858	321,525
Permanently restricted net assets (Note 8)	5,400	5,400
Total net assets	1,664,852	1,744,992
Total liabilities and net assets	\$ 1,746,808	\$ 1,803,772

**Solve ME/CFS Initiative
Statement of Activities
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2014	2013
SUPPORT AND REVENUES:					
Contributions and grants	\$ 671,431	\$ 644,079	\$ -	\$ 1,315,510	\$ 2,155,405
Research subcontracts	1,500	-	-	1,500	18,091
Rental income	3,875	-	-	3,875	-
Interest and other	631	-	-	631	2,432
In-kind donations (Note 9)	288,495	-	-	288,495	105,961
Assets released from restrictions	473,746	(473,746)	-	-	-
Total support and revenues	1,439,678	170,333	-	1,610,011	2,281,889
EXPENSES:					
Program services					
Research	933,590	-	-	933,590	916,340
Engagement	334,511	-	-	334,511	248,936
Supporting services					
Management and general	175,474	-	-	175,474	68,768
Fundraising and development	246,576	-	-	246,576	236,808
Total expenses	1,690,151	-	-	1,690,151	1,470,852
Loss on disposal of assets	-	-	-	-	1,968
Change in net assets	(250,473)	170,333	-	(80,140)	809,069
NET ASSETS, Beginning of Year	1,418,067	321,525	5,400	1,744,992	935,923
NET ASSETS, End of Year	\$ 1,167,594	\$ 491,858	\$ 5,400	\$ 1,664,852	\$ 1,744,992

**Solve ME/CFS Initiative
Statement of Activities
For the Year Ended December 31, 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES:				
Contributions and grants	\$ 1,582,368	\$ 573,037	\$ -	\$ 2,155,405
Research subcontracts	18,091	-	-	18,091
Interest and other	2,432	-	-	2,432
In-kind donations (Note 9)	105,961	-	-	105,961
Assets released from restrictions	375,499	(375,499)	-	-
Total support and revenues	2,084,351	197,538	-	2,281,889
EXPENSES:				
Program services				
Research	916,340	-	-	916,340
Engagement	248,936	-	-	248,936
Supporting services				
Management and general	68,768	-	-	68,768
Fundraising and development	236,808	-	-	236,808
Total expenses	1,470,852	-	-	1,470,852
Loss on disposal of assets	1,968	-	-	1,968
Change in net assets	611,531	197,538	-	809,069
NET ASSETS, Beginning of Year	806,536	123,987	5,400	935,923
NET ASSETS, End of Year	\$ 1,418,067	\$ 321,525	\$ 5,400	\$ 1,744,992

Solve ME/CFS Initiative
Statement of Functional Expenses
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

Description	Program Services		Management and General	Fundraising and Development	Total	
	Research	Engagement			2014	2013
Salaries and benefits	\$ 346,874	\$ 80,736	\$ 34,753	\$ 85,284	\$ 547,647	\$ 551,987
Contract services	298,314	198,482	44,815	58,423	600,034	354,490
Direct grants	180,159	563	-	-	180,722	208,700
Travel expenses	33,415	7,863	32,704	12,853	86,835	54,723
Printing and postage	2,335	10,154	4,005	49,715	66,209	23,503
Occupancy costs	14,972	8,266	28,241	8,170	59,649	49,648
Payroll taxes	21,421	11,902	2,380	11,902	47,605	46,935
Other operating expenses	3,256	10,233	13,555	3,953	30,997	27,723
SolveCFS BioBank costs	23,109	-	-	-	23,109	52,999
Telephone	1,745	1,664	1,382	8,206	12,997	6,080
Supplies	1,904	965	6,871	1,524	11,264	6,124
Insurance	3,230	1,795	718	1,436	7,179	8,115
Depreciation	2,495	1,386	1,115	1,109	6,105	8,847
Repairs and maintenance	322	179	4,935	143	5,579	1,261
Events expenses	-	-	-	3,858	3,858	69,560
Educational materials	39	323	-	-	362	157
Total expenses	\$ 933,590	\$ 334,511	\$ 175,474	\$ 246,576	\$ 1,690,151	\$ 1,470,852

**Solve ME/CFS Initiative
Statement of Functional Expenses
For the Year Ended December 31, 2013**

<u>Description</u>	<u>Program Services</u>		<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Research</u>	<u>Engagement</u>	<u>and General</u>	<u>and Development</u>	
Salaries and benefits	\$ 355,841	\$ 70,375	\$ 37,663	\$ 88,108	\$ 551,987
Contract services	130,573	133,828	15,614	74,475	354,490
Direct grants	208,700	-	-	-	208,700
Events expenses	66,638	-	-	2,922	69,560
Travel expenses	24,539	4,944	1,606	23,634	54,723
SolveCFS BioBank costs	52,999	-	-	-	52,999
Occupancy costs	25,124	8,799	4,709	11,016	49,648
Payroll taxes	23,751	8,318	4,452	10,414	46,935
Other operating expenses	12,539	7,764	2,027	5,393	27,723
Printing and postage	1,561	8,921	175	12,846	23,503
Depreciation	4,477	1,568	839	1,963	8,847
Insurance	4,106	1,438	770	1,801	8,115
Supplies	3,001	982	526	1,615	6,124
Telephone	1,853	1,619	267	2,341	6,080
Repairs and maintenance	638	223	120	280	1,261
Educational materials	-	157	-	-	157
Total expenses	\$ 916,340	\$ 248,936	\$ 68,768	\$ 236,808	\$ 1,470,852

**Solve ME/CFS Initiative
Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (80,140)	\$ 809,069
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,104	8,847
Loss on disposal of assets	-	1,968
In-kind contribution of investment	-	(77,877)
Changes in assets and liabilities:		
Contributions receivable	189,936	(303,625)
Prepaid expenses and other assets	445	1,594
Accounts payable and accrued expenses	26,987	(34,324)
Deferred revenue	-	(3,162)
Net cash provided by operating activities	143,332	402,490
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(5,578)	(4,603)
Proceeds from sales of investment	-	77,877
Net cash (used in) provided by investing activities	(5,578)	73,274
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of capital lease	(3,811)	(4,102)
Net change in cash	133,943	471,661
CASH, BEGINNING OF YEAR	1,444,203	972,542
CASH, END OF YEAR	\$ 1,578,146	\$ 1,444,203
Recap of cash:		
Cash	\$ 1,221,220	\$ 1,444,203
Cash reserved for long-term purposes	356,926	-
Total cash	\$ 1,578,146	\$ 1,444,203

Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013

(1) ORGANIZATION

Solve ME/CFS Initiative (the "Organization") is a non-profit corporation whose purpose is to conquer Myalgic Encephalomyelitis / chronic fatigue syndrome (ME/CFS). The Organization works toward its mission for ME/CFS to be widely understood, diagnosable, curable and preventable by using strategies to stimulate research aimed at the early detection, objective diagnosis and effective treatment of ME/CFS through expanded public, private and commercial investment. Substantially all of the Organization's revenue is derived from contributions from donors and other interested parties and grants from foundations. On May 6, 2014, the Organization changed its name from CFIDS Associations of America, Inc., The organization relocated from Charlotte, North Carolina to Los Angeles, California in August 2014.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations; donor-restricted contributions whose restrictions are met in the same reporting period; and net assets designated by the Board of Directors or management for specific purposes.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by acts of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all of, or part of, the income earned on the related investments for general or specific purpose.

Cash Reserved for Long-Term Purposes

Cash reserved for long-term purposes represents cash with donor-imposed restrictions that limit its use for long-term purposes. It includes temporarily and permanently restricted net assets, net of endowment net assets, which is included in prepaid expenses and other assets in the accompanying statements of financial position.

Contributions Receivable

Management of the Organization periodically evaluates its contributions receivable for collectability and delinquent contributions receivable are written off when that amount is deemed to be uncollectible. Management's determination of the allowance for doubtful accounts is based on an evaluation of the contributions receivable, past experience, current economic conditions, and other risks inherent in the contributions receivable portfolio. Charge-offs are determined on a case-by-case basis.

**Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment items are stated at cost or at fair value at the date of donation, if contributed. Expenditures for acquisitions, renewals and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. Depreciation is charged to expense over the estimated useful lives of the assets principally using accelerated methods. Estimated useful lives range as follows:

Furniture and fixtures	5 - 7 years
Computers and equipment	3 - 5 years

Contributions and Grants

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases that net asset class.

When a donor restriction expires, restricted net assets are reclassified to unrestricted net assets. Expiring donor restrictions can be donor-imposed stipulations that either expire by the passage of time or purpose, or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at amounts approximating fair value, and measured using the present value of future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Donated Services and Assets

The Organization periodically receives donated services for certain functions and donated assets. The assets, which primarily include investments, are stated at their fair value at time of donation. Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services.

Research Grants

The Organization awards grants for medical research projects in the field of ME/CFS. To ensure that the most worthy and promising research projects are funded, the Organization periodically convenes a Scientific Advisory Board that advises the Organization's Executive Committee of its Board of Directors. The Organization's Executive Committee, heavily weighing the recommendations of this advisory committee, makes all funding decisions. Members of the Scientific Advisory Board include internationally respected researchers and clinicians. Awards are booked as payables upon completion of required documentation by research investigators and their sponsoring organization and so are not recorded until the stipulations of the contracts are met.

**Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment

Based upon the interpretation of the current state laws governing endowments, the Organization classifies the original fair value of donor-restricted endowed gifts as of the gift date as permanently restricted net assets. The remaining portion of donor-restricted endowment funds are classified as temporarily restricted net assets until those amounts are appropriated for expenditure under the annual spending policy. Amount available for distribution from the fund is based upon 4.5% of the fund's average balance for the previous three years and is evaluated on an annual basis for prudence. No amounts were withdrawn from the fund for the year ended December 31, 2014.

The funds are invested in the asset allocation strategy for long-term growth as recommended by the Foundation for the Carolina's Investment Committee. This diverse mix of investments seeks to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results that provide an average annual real rate of return, net of fees, equal to or greater than spending, administrative fees, and inflation (Consumer Price Index).

Income Tax

The Organization is incorporated as a nonprofit voluntary health agency under the laws of the State of North Carolina and qualified to transact intrastate business in the State of California. Further, the Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and qualifies as a public charity under Code Sections 509(a)(1) and 170(b)(1)(A)(vi).

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by the Organization are more likely than not to be sustained upon examination. The returns are subject to examination by federal and state taxing authorities generally three to four years, respectively, after they are filed.

Fair Value of Financial Instruments

The carrying amount of contributions receivable is based on the discounted net present value of the expected future cash receipts, and approximates fair value. The carrying amounts of accounts payable and accrued expenses, approximate fair value due to the short-term nature of the items.

Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Concentration

Financial instruments that potentially subject the Organization to concentration of credit risk are cash and contributions receivables.

Cash is held by recognized financial institutions and investment assets by the Organization. The Federal Deposit Insurance Corporation insures accounts held in banks up to statutory limits. At times, such cash may be in excess of the insured limit.

The Organization continually monitors its receivables and establishes valuation reserves as considered appropriate. For the years ended December 31, 2014 and 2013, one donor accounted for 36% and 28% of the total contributions and grants revenue, respectively. As of December 31, 2014 and 2013, three donors accounted for 52% and 62% of the total contributions receivable, respectively.

Functional Expenses Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain joint costs have been allocated among the programs and supporting services benefited based upon estimated content, audience, and purpose of these expenditures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform with the current year presentation.

Subsequent Events

Subsequent events have been evaluated through July 9, 2015, the date that these financial statements were available to be issued. There are no subsequent events that would require adjustments or disclosures in these financial statements.

New Accounting Pronouncements – In October 2012, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) Statement of Cash Flows (Topic 230), Not-for-Profit Entities: *Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows* (ASU 2012-05). The amendments in this update require an Organization to classify cash receipts from the sale of donated financial assets (e.g., stocks, bonds, and other contractual claims) as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash inflows from financing activities and shall be simultaneously reported as cash outflows from investing activities. ASU 2012-05 is effective for fiscal years beginning after June 15, 2013, with early adoption permitted under certain circumstances.

Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013

(3) CONTRIBUTIONS RECEIVABLE

At December 31, 2014 and 2013, contributions receivable are as follows:

	<u>2014</u>	<u>2013</u>
Board members	\$ 80,284	\$ 248,625
Non-board members	<u>44,617</u>	<u>66,212</u>
	<u>\$ 124,901</u>	<u>\$ 314,837</u>

At December 31, 2014, future collections of contributions receivables are expected as follows:

	<u>Year Ending December 31</u>	
	2015	\$ 122,051
	2016	<u>2,850</u>
		<u>\$ 124,901</u>

(4) PROPERTY AND EQUIPMENT

At December 31, 2014 and 2013, property and equipment were as follows:

	<u>2014</u>	<u>2013</u>
Computers and equipment	\$ 64,838	\$ 59,260
Furniture and fixtures	<u>13,178</u>	<u>13,178</u>
	78,016	72,438
Less: accumulated depreciation	<u>(67,787)</u>	<u>(61,683)</u>
	<u>\$ 10,229</u>	<u>\$ 10,755</u>

Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013

(5) CAPITAL LEASE PAYABLE

At December 31, 2014, property and equipment includes equipment under capital lease with a cost basis of approximately \$25,000 and accumulated depreciation of \$20,000. The future minimum lease payments under capital lease are as follows:

2015	\$	6,337
2016		6,432
2017		2,416
		15,185
Less: interest portion		(1,740)
		\$ 13,445

(6) COMMITMENTS

Lease Commitments

The Organization has lease agreements for the machine and equipment and the office space in North Carolina. During the year ended December 31, 2014, the total lease expenses were \$31,084. The future minimum lease payments are as follows:

Year Ended December 31	Machine and Equipment	Office Space	Total
2015	\$ 2,751	\$ 29,250	\$ 32,001
2016	2,751	14,625	17,376
2017	917	-	917
	\$ 6,419	\$ 43,875	\$ 50,294

In November 6, 2014, the Organization entered into a sublease agreement to sublease the office space in North Carolina to an unrelated third party for a monthly rental income of approximately \$2,000. The sublease expires on June 30, 2016.

In May 7, 2015, the Organization entered into a lease agreement with an unrelated third party for office space in Los Angeles for a monthly rental amount of approximately \$2,800. The lease expires on May 2017.

Research Grant Commitment

The Organization has a research grant agreement with an independent entity for the period from October 1, 2014 to March 31, 2016. During the year ended December 31, 2014, research grant expenses were \$76,408, which is included in direct grants in the accompanying statement of functional expenses. The future grant payments are \$14,808 per quarter.

Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013

(7) TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2014 and 2013, temporarily restricted net assets are available for the purposes presented below:

	<u>2014</u>	<u>2013</u>
Research activities	\$ 320,926	\$ 285,048
Donor-specified	40,000	26,612
Time restricted	120,901	-
Endowment earnings	10,031	9,865
	<u>\$ 491,858</u>	<u>\$ 321,525</u>

During the years ended December 31, 2014 and 2013, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors, as follows:

	<u>2014</u>	<u>2013</u>
Research activities	\$ 473,746	\$ 181,268
Donor-specified	-	194,198
Public policy activities	-	33
	<u>\$ 473,746</u>	<u>\$ 375,499</u>

(8) ENDOWMENT

The Organization's endowment consists of a donor-restricted endowment funds established to provide a method for funding of the Organization to grow and allow the investment of these "endowed funds" for long-term projects. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of California, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Group classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Group in a manner consistent with the standard of prudence prescribed by UPMIFA.

Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013

(8) ENDOWMENT (Continued)

In accordance with UPMIFA, the Group considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Group and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Group
- (7) The investment policies of the Group

The Organization's endowment by net asset class at December 31, 2014 and 2013 and changes in endowment assets and for the years then ended, are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2013	\$ 7,946	\$ 5,400	\$ 13,346
Investment return (during the year):			
Investment income	7	-	7
Net gain (realized and unrealized)	1,912	-	1,912
Total investment return	1,919	-	1,919
Endowment net assets, December 31, 2013	9,865	5,400	15,265
Investment return (during the year):			
Investment income	15	-	15
Net gain (realized and unrealized)	151	-	151
Total investment return	166	-	166
Endowment net assets, December 31, 2014	<u>\$ 10,031</u>	<u>\$ 5,400</u>	<u>\$ 15,431</u>

**Solve ME/CFS Initiative
Notes to Financial Statements
December 31, 2014 and 2013**

(9) IN-KIND DONATIONS

For the years ended December 31, 2014 and 2013, the total in-kind donations were as follows:

	<u>2014</u>	<u>2013</u>
Legal services	\$ 197,495	\$ 105,961
Google AdWords advertising	70,000	-
Professional research	<u>21,000</u>	<u>-</u>
	<u>\$ 288,495</u>	<u>\$ 105,961</u>

(10) EMPLOYEE BENEFIT PLAN

The Organization sponsors a 403(b) retirement plan covering substantially all employees meeting certain service and age requirements. This plan is a defined contribution plan with voluntary employee participation. For the years ended December 31, 2014 and 2013, the Organization contributed \$13,320 and \$16,478 into the plan, respectively.

The Organization also sponsors a cafeteria plan whereby employees may select from a list of available qualified benefits or additional wages up to ten percent (10%) of their annual gross compensation.