



Solve ME/CFS Initiative

Leading the Fight to cure ME/CFS

Audited Financial Statements

Solve ME/CFS Initiative

June 30, 2018

www.SolveCFS.org
5455 Wilshire Blvd, #1903, Los Angeles, CA 90036

Quigley & Miron

Suite 1660
3550 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 614-0100
Facsimile: (213) 639-3555

Independent Auditor's Report

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

We have audited the accompanying financial statements of Solve ME/CFS Initiative (SMCI), a nonprofit organization, which comprise the statement of financial position as of June 30, 2018, 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

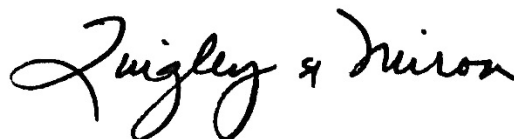
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Solve ME/CFS Initiative as of June 30, 2018, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.



Los Angeles, California
November 2, 2018

**Solve ME/CFS Initiative
Statement of Financial Position
June 30, 2018**

Assets

Cash	\$ 799,194
Investments—Notes 3 and 4	16,822
Prepaid expenses and other assets	17,182
Property and equipment, net—Note 5	4,807

Total Assets	\$ 838,005
---------------------	-------------------

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 116,757
Accrued liabilities	46,978

Total Liabilities	163,735
--------------------------	----------------

Net Assets

Unrestricted	607,413
Temporarily restricted—Note 7	60,857
Permanently restricted—Note 8	6,000

Total Net Assets	674,270
-------------------------	----------------

Total Liabilities and Net Assets	\$ 838,005
---	-------------------

See notes to financial statements.

**Solve ME/CFS Initiative
Statement of Activities
Year Ended June 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Contributions and grants	\$ 1,660,871	\$ 46,200	\$ 400	\$ 1,707,471
Interest and other income	5,828			5,828
Loss on investments		(3)		(3)
In-kind contributions—Note 9	26,397			26,397
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support and Revenue Before Reclassifications	1,693,096	46,197	400	1,739,693
Reclassifications				
Net assets released from restrictions	96,207	(96,207)		
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support and Revenue After Reclassifications	1,789,303	(50,010)	400	1,739,693
Expenses				
Program services	1,383,717			1,383,717
Management and general	169,719			169,719
Fundraising and development	269,235			269,235
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	1,822,671			1,822,671
Change in Net Assets	(33,368)	(50,010)	400	(82,978)
Net Assets at Beginning of Year	640,781	110,867	5,600	757,248
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets at End of Year	\$ 607,413	\$ 60,857	\$ 6,000	\$ 674,270
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements.

**Solve ME/CFS Initiative
Statement of Functional Expenses
Year Ended June 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Expenses				
Salaries	\$ 658,046	\$ 64,138	\$ 148,536	\$ 870,720
Payroll taxes	36,283	12,094	12,094	60,471
Other employee benefits	43,754	14,585	14,585	72,924
Total Personnel Expenses	738,083	90,817	175,215	1,004,115
Contracted services	143,404	34,235	18,907	196,546
Research, grants and fellowships	180,021			180,021
Travel, conference and meetings	69,992	16,601	19,554	106,147
Printing and postage	59,368	5,968	21,553	86,889
Advocacy and communication	79,068			79,068
Occupancy	29,831	9,943	9,943	49,717
Information technology	35,575			35,575
Office	17,320	5,773	5,773	28,866
Development events	11,909		11,908	23,817
Bank fees	9,301	3,100	3,100	15,501
Insurance	8,894	2,965	2,965	14,824
Depreciation	951	317	317	1,585
Total Expenses	<u>\$ 1,383,717</u>	<u>\$ 169,719</u>	<u>\$ 269,235</u>	<u>\$ 1,822,671</u>

See notes to financial statements.