Solve ME/CFS Initiative

Audited Financial Statements
As of and for the Year Ended June 30, 2023
(With Comparative Summarized Financial Information as of and for the Year Ended June 30, 2022)

Solve ME/CFS Initiative

Financial Statements
For the Year Ended June 30, 2023

Solve ME/CFS Initiative

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Solve ME/CFS Initiative (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Solve ME/CFS Initiative as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Solve ME/CFS Initiative and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Solve ME/CFS Initiative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

Independent Auditor's Report - continued

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Solve ME/CFS Initiative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Solve ME/CFS Initiative 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Solve ME/CFS Initiative's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lewis Sharpstone & Co.

Woodland Hills, California
September 27, 2024

Financial Statements

Solve ME/CFS Initiative

Statement of Financial Position
June 30, 2023
(With Comparative Totals as of June 30, 2022)

	2023	2022
Assets		
Cash and cash equivalents	$ 222,501	$ 3,663,853
Investments	1,567,345	35,897
Contributions and grants receivable	326,648	194,184
Prepaid expenses and other assets	71,582	50,420
Total Assets	$ 2,188,076	$ 3,944,354
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 527,903	$ 473,438
Total Liabilities	527,903	473,438
Net Assets		
Without donor restrictions	1,322,430	3,362,611
With donor restrictions	337,743	108,305
Total Net Assets	1,660,173	3,470,916
Total Liabilities and Net Assets	$ 2,188,076	$ 3,944,354

See accompanying notes to financial statements

Solve ME/CFS Initiative

Statement of Activities
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023			2022
	Without donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Contributions and grants	$ 1,125,846	$ 863,051	$ 1,988,897	$ 5,474,111
In-kind contributions	174,087	-	174,087	212,690
Investment income	54,014	937	54,951	221
Net assets released from restrictions	634,550	(634,550)	-	-
Total Revenue and Support	1,988,497	229,438	2,217,935	5,687,022
Expenses:				
Program services				
Research	1,262,558	-	1,262,558	1,788,823
Advocacy and communication	1,641,341	-	1,641,341	1,109,023
Total program services	2,903,899	-	2,903,899	2,897,846
Management and general	459,919	-	459,919	479,704
Fundraising	664,860	-	664,860	304,735
Total Expenses	4,028,678	-	4,028,678	3,682,285
Change in Net Assets	(2,040,181)	229,438	(1,810,743)	2,004,737
Net Assets, beginning of year	3,362,611	108,305	3,470,916	1,466,179
Net Assets, end of year	$ 1,322,430	$ 337,743	$ 1,660,173	$ 3,470,916

See accompanying notes to financial statements

Solve ME/CFS Initiative

Statement of Functional Expenses
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023						2022
	Research	Advocacy and Communication,	Total Program Services	Management and General	Fundraising	Total	Total
Salaries and wages	$ 77,549	$ 375,047	$ 425,596	$ 185,314	$ 499,603	$ 1,132,513	$ 1,052,188
Employee benefits	5,153	29,998	35,151	8,409	37,017	80,577	70,000
Payroll taxes	6,079	28,794	34,873	13,001	36,830	84,704	81,050
Bank fees	5,719	8,579	14,298	18,403	-	32,701	14,551
Communication	-	-	-	-	-	-	41,615
Contracted services	246,796	396,898	643,694	73,777	54,076	771,547	577,258
Grants and fellowships	328,632	-	328,632	-	-	328,632	177,556
Insurance	-	-	-	17,280	-	17,280	67,175
Occupancy	9,805	14,706	24,511	18,384	18,384	61,279	52,924
Office	1,355	2,032	3,387	13,486	1,465	18,338	111,424
Patient registry and biobank	157,693	-	157,693	-	-	157,693	406,656
Printing and postage	39,507	41,565	81,072	1,457	10,703	93,232	182,537
Professional fees	377,597	613,274	990,871	90,520	6,000	1,087,391	785,337
Travel and conferences	6,673	130,448	137,121	19,888	784	157,791	61,898
Depreciation	-	-	-	-	-	-	216
Total expenses	$ 1,262,558	$ 1,641,341	$ 2,903,899	$ 459,919	$ 664,860	$ 4,028,678	$ 3,682,285

See accompanying notes to financial statements

Solve ME/CFS Initiative

Statement of Cash Flows
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	$ (1,810,743)	$ 2,004,737
Adjustments to reconcile change in net assets to net assets provided by operating activities		
Depreciation	-	216
Gains and losses on investments	(5,802)	(221)
Changes in operating assets and liabilities		
Contributions and grants receivables	(132,464)	200,392
Prepaid expenses and other assets	(21,162)	(5,961
Accounts payable and accrued expenses	54,465	181,494
Net cash (used in) provided by operating activities	(1,915,706)	2,380,657
Cash flows from investing activities		
Proceeds on sale of investments	728,485	-
Purchase of investments	(2,254,131)	(12,653)
Net cash (used in) investing activities	(1,525,646)	(12,653)
Change in cash	(3,441,352)	2,368,004
Cash - beginning of year	3,663,853	1,295,849
Cash - end of year	$ 222,501	$ 3,663,853

See accompanying notes to financial statements

NOTE 1: ORGANIZATION PROFILE

Solve ME/CFS Initiative ("Solve M.E." or "Organization") is a non-profit corporation whose purpose is to conquer Myalgic Encephalomyelitis/Chronic Fatigue Syndrome (ME/CFS). SOLVE M.E. 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 SOLVE M.E.'s revenue is derived from contributions from donors and other interested parties and grants from foundations. Since 2021, Long Covid has also been a focus of the Organization, as described further below.

Key Accomplishments during the year ended June 30, 2023

A description of the SOLVE M.E.'s program objectives and summary of key accomplishments during the year ended June 30, 2023, follows:

Research Accomplishments

In FY 2023, the Organization collaborated with the Lived Experience Taskforce (LET) to develop a new platform, conducted extensive testing, and finalized the selection of an app and vendor for research data analysis. Research highlights include the awarding of the Ian Lipkin Grant, the publication of a joint hypermobility manuscript, and the submission of three abstracts to the IACFS conference. The Ramsay Research Program completed double-blind reviews of 15 applications, selected five awardees, and held its first Ramsay Researchers orientation. The Organization also initiated a collaboration with Scripps on a genome-wide association study of ME/CFS and advanced its work on the registry and related studies.

Advocacy and Communication Accomplishments

In FY 2023, the Organization successfully reintroduced the TREAT Long COVID Act and completed the LC-PLAN timeline, structure, and MOUs. The 6th EmPOWER M.E. roundtable saw record attendance, and the organization hosted seven Advocacy and Engagement webinars and events. Advocacy efforts secured NIH Authorization language with Democratic champions in both chambers, launched a new NIH Institute initiative, and obtained a $10 million appropriations request. Key metrics include 23 government advocacy meetings, 46 community engagement meetings, 4,374 messages to legislators, and an active Lived Experience Task Force with 12 members. During Advocacy Week, the organization facilitated 219 meetings with House and Senate offices.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the organization have been prepared on the accrual basis which recognizes income when earned and expenses when incurred, in accordance with accounting principles generally accepted in the United States of America ("GAAP")

Financial Statement Presentation
The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets without Donor Restrictions: - Net assets without donor restrictions are available for use as the discretion of the Board of Directors and management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. As of June 30, 2023 and 2022, no such designations existed

Net Assets with Donor Restrictions: - Net assets with donor restrictions consists of assets whose use is limited by donor imposed, time and/or purpose restrictions. The Organization reports cash or other assets received as revenues with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restriction. See Note 6 for more information on the composition of net assets with donor restrictions.

Comparative Financial Information
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2022, from which the summarized information was derived. Certain 2022 information has been reformatted to better align with the 2023 presentation.

Use of Estimates
The preparation of financial statements in conformity with generally excepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, and expenses as well as disclosure of any contingent assets and liabilities. Actual results could differ from those estimates.

Contributions and grants
Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise has become unconditional.

Promises to give are recorded as contributions and grants receivable in the year the promise to give is made. A discount is recorded to account for the time value of the receivable, and a reserve for uncollectible pledges is also recorded based on an analysis of promises to pay and uncollectible amounts. As of June 30, 2023, and 2022, all pledges were expected to be received and accordingly, no reserve was recorded. The discount on pledges to be received more than one year from June 30, 2023 was determined by management to be not material and was not recorded.

Donated assets and services
Donations of assets are recorded as contributions at their estimated fair value at the date of the donation. Donated services that require specialized skills are performed by people with those skills and would otherwise be purchased if not provided by the donation. Such services are recorded at fair value in the period received. More information as to the methodologies utilized to value such donations is included in Note 8.

Investments
Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains and losses are reported as unrestricted income unless use of the earnings is restricted by the donor.

Investment transactions are recorded on the trade date. Investment income and realized and unrealized gains and losses, net of investment management fees, are reported as increases or decreases in the appropriate net asset category.

The beneficial interest in the Foundation For The Carolinas ("FFTC") is stated at fair value. The Organization's primary input to determine this is the fair value as reported to it by FFTC.

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 above $2,000 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

Long-Lived Assets
The organization reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. An impairment loss is recognized when the estimated discounted future cash flows expected to result from the use of the asset and its eventual disposition is less than the carrying amount. If impairment is indicated, the amount of the loss to be recorded is based on an estimate of the difference between the carrying amount and the fair value of the asset. Fair value is based upon discounted estimated cash flows expected to result from the use of the asset and its eventual disposition and other valuation methods. There were no impairment charges during the years ended June 30, 2023, or 2023.

Research Grants
SOLVE M.E. awards grants for medical research projects in the field of ME/CFS. To ensure that the most worthy and promising research projects are funded, SOLVE M.E. periodically convenes a scientific advisory board that advises SOLVE M.E.'s executive committee of its board of directors. SOLVE M.E.'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 organizations and are not recorded until the stipulations of the contracts are met.

Fair value

In determining the fair value of assets and liabilities, SOLVE M.E. utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. SOLVE M.E. determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the entity has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other observable inputs that can be corroborated by observable market data.

Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability.

Functional Expense Allocations

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefited. Grants and fellowships, research and meetings, and information technology are directly allocated to the function benefited. All other functional expenses are allocated on the basis of time and effort.

Income taxes

SOLVE M.E. 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, SOLVE M.E. 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).

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘more likely than not’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for tax liability is not necessary at June 30, 2022. Generally, SOLVE M.E.‘s information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Credit Risk

SOLVE M.E. places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At times,

in the normal course of business, such cash balances are in excess of the FDIC coverage limits, but management deems the risk of loss due to these concentrations to be minimal.

Funds held in investment accounts at securities brokerage firms are insured by the Securities Investors Protection Corporation (SIPC), cash up to $250,000 and the investments in securities up to $500,000. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. Conservative investment guidelines established by the Board of Directors govern SOLVE M.E.'s investments in securities to achieve diversification of the portfolio.

The Organization's beneficial interest in the Foundation For The Carolinas are uninsured.

Credit risk associated with receivables is considered to be limited due to high historic collection rates and because of the strong long-term relationships the Organization has with donors.

Significant Concentrations
Contributions and grants receivable: As of June 30, 2023, one donor accounted for approximately 23% of contributions receivable and as of June 30, 2022, two donors accounted for approximately 63% of contributions receivable.

Support and revenue: For the year ended of June 30, 2023, one donor accounted for approximately 11% of the Organization's total revenue and support. For the year ended June 30, 2022, one donor accounted for approximately 60% of the Organization's total revenue and support.

Recent Accounting Pronouncements
In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. The new standard is effective for the Organization in its fiscal year ended June 30, 2023. As of June 30, 2023, the Organization has no leases that fall under the scope of ASU No. 2016-02. Therefore, the adoption of this standard has no impact on the Organization's financial statements for the fiscal year ended June 30, 2023.

NOTE 3: INVESTMENTS

Investments consist of a) money market funds and U.S. Treasury bills and b) a beneficial interest in a pooled investment fund with the Foundation For The Carolinas (FFTC).

The following tables presents investments that are measured at fair value on a recurring basis in the accompanying statement of financial position at June 30, 2023 and 2022:

2023

Asset Class	Level 1	Level 2	Level 3	Total
Money market funds	$ 15,648	$ -	$ -	$ 15,648
U.S. Treasury bills	1,525,080	-	-	1,525,080
Equities	5,375	-	-	5,375
Beneficial interest in FFTC	-	-	21,242	21,242
Total	$ 1,546,103	$ -	$ 21,242	$ 1,567,345

2022

Asset Class	Level 1	Level 2	Level 3	Total
Money market funds	$ 15,592	$ -	$ -	$ 15,592
Beneficial interest in FFTC	-	-	20,305	20,305
Total	$ 15,592	$ -	$ 20,305	$ 35,897

The following is a reconciliation of investments for which significant unobservable inputs (Level 3) were used in determining fair value:

	Beneficial interest in FFTC
Balance June 30, 2021	$ 23,023
Purchases	-
Fees	(500)
Unrealized loss	(2,218)
Balance June 30, 2022	20,305
Purchases	-
Fees	(500)
Unrealized gain	1,437
Balance June 30, 2023	$ 21,242

Investment income for the years ended June 30, 2023 and 2022 comprised the following:

	2023	2022
Interest and dividend income	$ 48,212	$ 2,718
Realized and unrealized gains	5,802	221
Increase (decrease) in beneficial interest	937	(2,718)
Total investment income	$ 54,951	$ 221

NOTE 4: CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable were receivable according to the following schedule as of June 30, 2023 and 2022

	2023	2022
Within one year	$ 222,898	$ 194,184
Two to five years	103,750	-
Total contributions and grants receivable	$ 326,648	$ 194,184

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2023 and 2022 were as follows:

	2023	2022
Furniture and fixtures	$ 28,882	$ 28,882
Computers and equipment	2,670	2,670
Total cost	31,552	31,552
Less accumulated depreciation	(31,552)	(31,552)
Property and equipment - net	$ -	$ -

Depreciation expense for the years ended June 30, 2023 and 2022 was $0 and $221 respectively.

NOTE 6: NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30, 2023 and 2022:

	2023	2022
Perpetual in nature	$ 21,242	$ 20,305
Advocacy activities	5,251	-
Restricted as to time	311,250	88,000
Total net assets with donor restrictions	$ 337,743	$ 108,305

NOTE 7: ENDOWMENT

The Organization's endowment (the "Fund") is held and managed by the Foundation For The Carolinas ("FFTC") under an agreement dated December 9, 1994. The Organization is the sole beneficiary of the Fund. The Fund is invested in accordance with FFTC's investment policy, makes an annual distribution to the Organization in accordance with its distribution policy and charges SOLVE M.E. administrative fees in accordance with its fees policy. Although this beneficial interest is not technically subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), the Organization has elected to follow the investment and distribution policies currently being followed by FFTC, which are in accordance with UPMIFA.

Return Objectives and Risk Parameters

It is the purpose of SOLVE M.E.'s endowment fund to secure the future of SOLVE M.E. and to support its programs and operations as designated by the Board. The primary long-term financial objective is to preserve and enhance the real (i.e., inflation-adjusted) purchasing power of the endowment through a prudent long-term investment strategy. An additional objective is to provide a relatively predictable, stable, and (in real terms) constant stream of current income for SOLVE M.E.'s annual operating needs.

The primary investment objective of the endowment is to earn an average annual minimum nominal return of 6% to 8% per year. SOLVE M.E. considers itself a risk-averse investor. That is, among various investment alternatives with comparable expected returns, the preference is for those having the lowest risk.

Strategies Employed for Achieving Objectives

SOLVE M.E. manages its endowment on a total rate of return basis consisting of dividends, interest, and any net increase or decrease in market value of securities for the fiscal year, not favoring returns from one source over another. 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).

Spending Policy and How the Investment Objectives Relate to Spending Policy

SOLVE M.E. has a policy governing the amount of endowment earnings that can be released annually for spending, consistent with the restrictions, if any, placed on the endowment by donors until those amounts are appropriated for expenditure under the annual spending policy. Amounts available for distribution from the fund are based upon 4.5% of the fund's average balance for the previous three years and are evaluated on an annual basis for prudence.

In establishing this policy, SOLVE M.E. considered the long-term expected return on its endowment. Accordingly, over the long term, SOLVE M.E. expects the current spending policy to allow its endowment to grow at an amount that will at least keep pace with expected inflation.

Change in endowment net assets for the year ended June 30, 2023 and 2022 consists of the following:

Balance in perpetual trust June 30, 2021	$ 23,023
Earnings - net	(2,718)
Distributions	-
Balance in perpetual trust June 30, 2022	20,305
Earnings - net	937
Distributions	-
Balance June 30, 2023	$ 21,242

NOTE 8: IN-KIND CONTRIBUTIONS

For the years ended June 30, 2023 and 2022, in-kind contributions were as follows:

	2023	2022
Legal services	$ 69,677	$ 145,690
Internet advertising	104,410	67,000
Total in-kind contributions	$ 174,087	$ 212,690

The fair value of contributed legal services was based on the hours contributed as reported by the contributing law firms and market rates per hour that the Organization would likely have paid for the services received. Such market rates were researched by the Organization using publicly available sources. The fair value of contributed internet advertising received was based on reports provided by the internet search engine and research by the Organization on rates that they would have had to pay for such advertising but for the donation.

NOTE 9: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization monitors its financial assets available within one year of the balance sheet date for expenditures on a quarterly basis. As of June 30, 2023, the balance available is as follows:

Cash and cash equivalents	$ 222,501
Investments	1,567,345
Contributions and grants receivable	326,648
Total financial assets available	2,116,494
Less those unavailable for expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	(337,743)
Financial assets available to meet cash needs for expenditures within one year	$ 1,778,751

As part of the Organization's liquidity management the Organization prepares semi-annual cash requirement projections which are used to ensure that needed balances are liquid and available for payment of grants and general expenses in the near term. In addition, the Organization employs an extensive annual budgeting process and strategic planning process to ensure the Organization will continue to be poised to have funds available to pay grants and general expenses in the long term.

As noted in the accompanying Statement of Activities and Statement of Cash Flows, for the year ended June 30, 2023 the Organization experienced a decrease in total net assets of $1,810,743 and used $1,915,706 of cash in its operating activities. These results were expected by management since in the year ended June 30, 2022 the Organization experienced an increase in total net assets of $2,004,737 and cash of $2,380,657 was provided by operating activities.

Subsequent to June 30, 2023 the Organization has continued to experience decreases in total net assets and cash balances. Management has utilized the procedures described above so as to ensure it has the resources to continue to fund operations for the foreseeable future.

NOTE 10: EMPLOYEE BENEFIT PLAN

SOLVE M.E. sponsors a 403(b)-retirement plan covering substantially all employees meeting certain service and age requirements. This retirement plan is a defined contribution plan with voluntary employee participation. In addition, SOLVE M.E. sponsored a health savings plan until it terminated the plan during the year ended June 30, 2022.

SOLVE M.E. matches 100% of employee contributions to the retirement plan up to a combined total of 10% of compensation. For the years ended June 30, 2023 and 2022, SOLVE M.E. contributed $23,953 and $34,038 into the retirement plan and $0 and $20,884 into the health savings plan, respectively. As of June 30, 2023 and 2022, SOLVE M.E. owed the retirement plan $30,723 and $32,463 respectively, included in accounts payable and accrued expenses. The health savings plan was self-administered before it was canceled during the year ended June 30, 2022. The balance still held on behalf of employees as of June 30, 2023 and 2022 was $48,683 and $75,402 respectively, included in accounts payable and accrued expenses.

NOTE 11: SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through September 27, 2024, the date which the financial statements were available to be issued. There were no subsequent events noted that would require adjustments to or disclosures in these financial statements.