Solve ME/CFS Initiative

Audited Financial Statements
As of and for the Year Ended June 30, 2024
(With Comparative Summarized Financial Information as of and for the Year Ended June 30, 2023)

Solve ME/CFS Initiative

Financial Statements
For the Year Ended June 30, 2024

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, 2024, 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, 2024, 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

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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, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lewis Sharpstone & Co.

Woodland Hills, California
March 6, 2025

Financial Statements

Solve ME/CFS Initiative

Statement of Financial Position
June 30, 2024
(With Comparative Totals as of June 30, 2023)

	2024	2023
Assets		
Cash and cash equivalents	$ 246,884	$ 222,501
Investments	628,974	1,567,345
Contributions and grants receivable	141,372	326,648
Prepaid expenses and other assets	54,313	71,582
Property and Equipment, net	2,720	-
Total Assets	$ 1,074,263	$ 2,188,076
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 313,990	$ 527,903
Total Liabilities	313,990	527,903
Net Assets		
Without donor restrictions	649,931	1,322,430
With donor restrictions	110,342	337,743
Total Net Assets	760,273	1,660,173
Total Liabilities and Net Assets	$ 1,074,263	$ 2,188,076

See accompanying notes to financial statements

Solve ME/CFS Initiative

Statement of Activities
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024			2023
	Without donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Contributions and grants	$ 1,529,770	$ 381,757	$ 1,911,527	$ 1,988,897
In-kind contributions	197,339	-	197,339	174,087
Investment income	33,979	1,600	35,579	54,951
Net assets released from restrictions	610,758	(610,758)	-	-
Total Revenue and Support	2,371,846	(227,401)	2,144,445	2,217,935
Expenses:				
Program services				
Research	906,316	-	906,316	1,262,558
Advocacy and communication	850,965	-	850,965	1,641,341
Total program services	1,757,281	-	1,757,281	2,903,899
Management and general	693,305	-	693,305	459,919
Fundraising	593,759	-	593,759	664,860
Total Expenses	3,044,345	-	3,044,345	4,028,678
Change in Net Assets	(672,499)	(227,401)	(899,900)	(1,810,743)
Net Assets, beginning of year	1,322,430	337,743	1,660,173	3,470,916
Net Assets, end of year	$ 649,931	$ 110,342	$ 760,273	$ 1,660,173

See accompanying notes to financial statements

Solve ME/CFS Initiative

Statement of Functional Expenses
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024						2023
	Research	Advocacy and Communication	Total Program Services	Management and General	Fundraising	Total	Total
Salaries and wages	$ 324,289	$ 333,252	$ 657,541	$ 209,491	$ 322,323	$ 1,189,355	$ 1,137,513
Employee benefits	27,974	14,698	42,672	29,131	38,736	110,539	80,577
Payroll taxes	25,118	27,510	52,628	12,958	24,964	90,550	84,704
Bank fees	-	-	-	14,893	-	14,893	32,701
Communications	-	-	-	-	-	-	104,410
Contracted services	13,521	155,863	169,384	19,760	119,700	308,844	771,547
Grants and fellowships	158,718	-	158,718	-	-	158,718	328,632
Insurance	-	-	-	13,808	-	13,808	17,280
Occupancy	-	16,100	16,100	16,355	-	32,455	61,279
Office	570	376	946	16,055	131	17,132	18,338
Patient registry and biobank	172,023	-	172,023	-	-	172,023	157,693
Printing and postage	72	22,552	22,624	2,525	63,937	89,086	93,232
Professional fees	174,838	274,778	449,616	351,393	13,710	814,719	982,981
Travel and conferences	9,193	5,836	15,029	6,936	10,258	32,223	157,791
Depreciation	-	-	-	-	-	-	-
Total expenses	$ 906,316	$ 850,965	$ 1,757,281	$ 693,305	$ 593,759	$ 3,044,345	$ 4,028,678

See accompanying notes to financial statements

Solve ME/CFS Initiative

Statement of Cash Flows
Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024	2023
Cash flows from operating activities		
Change in net assets	$ (899,900)	$ (1,810,743)
Adjustments to reconcile change in net assets to net assets provided by (used in) operating activities		
Depreciation	-	-
Gains and losses on investments	(3,573)	(5,802)
Changes in operating assets and liabilities		
Contributions and grants receivables	185,276	(132,464)
Prepaid expenses and other assets	17,269	(21,162)
Accounts payable and accrued expenses	(213,913)	54,465
Net cash provided by (used in) operating activities	(914,841)	(1,915,706)
Cash flows from investing activities		
Purchase of property and equipment	(2,720)	-
Proceeds on sale of investments	16,499,258	728,485
Purchase of investments	(15,557,314)	(2,254,131)
Net cash provided by (used in) investing activities	939,224	(1,525,646)
Change in cash	24,383	(3,441,352)
Cash - beginning of year	222,501	3,663,853
Cash - end of year	$ 246,884	$ 222,501

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, 2024

A description of the SOLVE M.E.'s program objectives and summary of key accomplishments during the year ended June 30, 2024, follows:

Research Accomplishments

Solve M.E. made major strides in research through *Solve Together*, a real-world data platform enabling symptom tracking, wearable integration, and streamlined participation. Ramsay Research Grants funded critical projects, with researchers publishing groundbreaking findings on post-external malaise and immunological markers. The Organization supported pivotal studies, such as the Hydrogen Water Dosing Study for ME/CFS, and secured $13.1 million in CDMRP funding for Biovie, made possible through Solve's advocacy efforts. Solve also played a key role in the approval of the Research Roadmap for ME/CFS and Long COVID, while contributing to the NASEM Long COVID definition report and a widely recognized pre-publication report on infection-associated chronic conditions. May 2024 included a webinar led by Dr. David Putrino on immunological signatures in ME/CFS and Long COVID, and a Yale lab visit to honor Dr. Akiko Iwasaki with an award for her contributions to research.

Advocacy and Communication Accomplishments

Solve M.E. achieved numerous advocacy milestones in 2023-24. Legislative efforts secured $5 million for the Combat Readiness Medical Research Program and callouts in appropriations bills for ME/CFS and Long COVID funding. Advocacy Week and the EmPOWER M.E. series engaged stakeholders to advance awareness and support, while Solve submitted recommendations to the Senate HELP Committee and NIH for expanded research and clinical care funding. May brought impactful advocacy efforts during ME Awareness Month. Community member Rebecca Groble Hull secured a mayoral proclamation in Evanston, Illinois, recognizing May 12 as ME Awareness Day, crediting Solve for their guidance. Additionally, Solve Chief Scientific Officer Tim Hsiao and Board Member Bill Hassler joined a delegation in Washington D.C., urging Senate leaders to include Long COVID research in the NIH's $50 billion FY2025 budget. Collaborations like those with the Long COVID Alliance resulted in a roadmap for infection-associated chronic conditions (IACC), while high profile events such as World ME Day saw Solve CEO Emily Taylor speaking at the World ME Alliance's global event.

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, 2024 and 2023, 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, 2023, from which the summarized information was derived. Certain 2023 information has been reformatted to better align with the 2024 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, 2024, and 2023, 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, 2024 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, 2024, or 2023.

Grants and fellowships
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, costs have been allocated between the program services and supporting services benefited. Grants and fellowships and patient registry and biobank costs are directly allocated to the function benefited as program costs. Contracted services, professional fees and printing and postage are allocated based on specifically identifying the nature and purpose of the services provided and costs incurred. Certain costs, such as bank fees, insurance and occupancy, are considered wholly administrative in nature. All other functional expenses are allocated on the basis of time and effort, salary and related costs being the largest such expense allocated in this manner.

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, 2024. 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, 2024, one donor accounted for approximately 47% of contributions receivable and as of June 30, 2023, one donor accounted for approximately 23% of contributions receivable.

Support and revenue: For the year ended of June 30, 2024, no concentrations were present relating to the Organization's total revenue and support. For the year ended June 30, 2023, one donor accounted for approximately 60% of the Organization's total revenue and support.

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, 2024 and 2023:

2024

Asset Class	Level 1	Level 2	Level 3	Total
Money market funds	$ 600,011	$ -	$ -	$ 600,011
Equities	6,121	-	-	6,121
Beneficial interest in FFTC	-	-	22,842	22,842
Total	$ 606,132	$ -	$ 22,842	$ 628,974

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

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, 2022	$ 20,305
Purchases	-
Fees	(500)
Unrealized loss	1,437
Balance June 30, 2023	21,242
Purchases	-
Fees	(500)
Unrealized gain	2,100
Balance June 30, 2024	$ 22,842

Investment income for the years ended June 30, 2024 and 2023 comprised the following:

	2024	2023
Interest and dividend income	$ 32,006	$ 48,212
Realized and unrealized gains	1,973	5,802
Increase in beneficial interest	1,600	937
Total investment income	$ 35,579	$ 54,951

NOTE 4: CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable were receivable according to the following schedule as of June 30, 2024 and 2023

	2024	2023
Within one year	$ 141,372	$ 222,898
Two to five years	-	103,750
Total contributions and grants receivable	$ 141,372	$ 326,648

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2024 and 2023 were as follows:

	2024	2023
Furniture and fixtures	$ -	$ 28,882
Computers and equipment	2,720	2,670
Total cost	2,720	31,552
Less accumulated depreciation	-	(31,552)
Property and equipment - net	$ 2,720	$ -

Depreciation expense for each of the years ended June 30, 2024 and 2023 was $0.

NOTE 6: NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Perpetual in nature	$ 22,842	$ 21,242
Advocacy activities	-	5,251
Restricted as to time	87,500	311,250
Total net assets with donor restrictions	$ 110,342	$ 337,743

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 years ended June 30, 2024 and 2023 consists of the following:

Balance in perpetual trust June 30, 2022	$	20,305
Earnings - net		937
Distributions		-
Balance in perpetual trust June 30, 2023		21,242
Earnings - net		1,600
Distributions		-
Balance June 30, 2024	$	22,842

NOTE 8: IN-KIND CONTRIBUTIONS

For the years ended June 30, 2024 and 2023, in-kind contributions were as follows:

		2024		2023
Legal services	$	133,320	$	69,677
Internet advertising		64,019		104,410
Total in-kind contributions	$	197,339	$	174,087

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, 2024, the balance available is as follows:

Cash and cash equivalents	$ 246,884
Investments	628,974
Contributions and grants receivable	141,372
Total financial assets available	1,017,230
Less those unavailable for expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	(110,342)
Financial assets available to meet cash needs for expenditures within one year	$ 906,888

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, 2024 the Organization experienced a decrease in total net assets of $899,900 and used $914,841 of cash in its operating activities. Subsequent to June 30, 2024 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 PLANS

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, 2024 and 2023, SOLVE M.E. contributed $23,839 and $23,953 into the retirement plan, respectively. There have been no contributions into the health savings plan subsequent to its termination. As of June 30, 2024 and 2023, SOLVE M.E. owed the retirement plan $35,324 and $30,723, 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, 2024 and 2023 was $46,719 and $48,683, respectively, included in accounts payable and accrued expenses. In December 2024 the health savings plan balance was transferred to a third-party administrator.

NOTE 11: SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through March 5, 2025, the date which the financial statements were available to be issued.