



Bateman Horne Center

RESEARCH | CLINICAL CARE | EDUCATION



2016 ANNUAL REPORT

People with Myalgic Encephalomyelitis/Chronic Fatigue Syndrome and Fibromyalgia (ME/CFS FM) live improved lives through universal access to evidence-informed, precision medicine.



“We continue to envision a world where patients with ME/CFS and Fibromyalgia are readily diagnosed, effectively treated, and widely met with empathy and understanding.”

A Letter from Dr. Bateman

The Bateman Horne Center (BHC) leapt into the future thanks to a generous donation in the fall of 2015 that transitioned my private practice, Fatigue Consultation Clinic, and the small nonprofit OFFER into an expanded and rebranded nonprofit with a powerful mission and a national footprint. Many small and medium donors have since supported our efforts to empower patients, advance research, and improve clinical care for all impacted by Myalgic Encephalomyelitis/Chronic Fatigue Syndrome and Fibromyalgia (ME/CFS and FM).

As 2016 came to a close, another generous donation enabled BHC to increase our talented staff and create programs that are reaching beyond the medical clinic and research department walls. Our growth and successes have been substantial, but there is still much more to do.

We continue to envision a world where patients with ME/CFS and FM are readily diagnosed, effectively treated, and widely met with empathy and understanding. To accomplish this goal, we are working diligently to accelerate research that will lead to objective tests and biomarkers, and to improve the clinical landscape for patients by delivering high quality medical education to clinical providers. We are expanding our educational offerings and invite all interested people to attend our classes and explore these resources.

Our forward progress will be substantial and methodical, limited only by the financial resources needed to make it happen! Thank you for your support, now and in the future.

Lucinda Bateman, MD
Founder and Medical Director
Bateman Horne Center

BHC Milestones 2016

“Dr. Bateman vows to wear wild socks until biomarkers are discovered”

Operational Overview

- Hired new Executive Director
- Moved to upgraded and expanded facility with community education and counseling rooms, expanded capacity for research and clinic
- Major gift provided furnishings for education center and waiting rooms
- Million dollar gift received to build infrastructure, recruit clinic management, create future development and education programs, recruit providers, upgrade technology and equipment for research
- Dr. Bateman received the Governor Rudy Perpich Memorial Award at the 2016 IACFSME meeting
- Reorganized board governance to align strategic vision, policy, and oversight capabilities representing core stakeholders of patients and advocates, researchers, providers, and community educators



Clinical Care

- Expanded provider and support team
- Attended to over 1800 patient visits
- Hired new Clinic and Operations Director

Research

- Drs. Bateman and Vernon co-investigators on an NIH R01 grant (\$642,000) awarded to Dr. Derya Unutmaz, Jackson Laboratories
- CDC multi-site study ongoing for 3rd year
- SolveME/CFS Research Advisory Council participation
- Ongoing pharma studies for Fibromyalgia treatments
- Samples shipped to top researchers in Japan, Alberta, and Reno
- Collaborative grant from NIH to identify ME/CFS antibody biomarkers with Columbia University
- BHC recommends the NASA 10-Minute Lean test as means to assess orthostatic intolerance

Education

- Dr. Bateman presented at IACFSME conference in Ft. Lauderdale
- Dr. Bateman guest lectured at CME and patient conferences in Sweden, SMCI Scientific Advisory Council
- Dr. Bateman gave CME lecture on IOM diagnostic criteria to FDA
- BHC hosted documentary, “The Forgotten Plague”
- Monthly education lectures livestreamed to thousands worldwide
- Local monthly peer support Lunch & Learn program continued





Tanner LLC
Key Bank Tower at City Creek
36 South State Street, Suite 600
Salt Lake City, Utah 84111-1400
Telephone 801.532.7444
www.tannerco.com

TANNER
BUSINESS ADVISORS AND
CERTIFIED PUBLIC ACCOUNTANTS

Member of
Allinial
GLOBAL

INDEPENDENT AUDITORS' REPORT

To the Board of Directors The Bateman Horne Center of Excellence

We have audited the accompanying financial statements of The Bateman Horne Center of Excellence (the Organization) (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2016, the related statements of activities 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 the 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.

Auditors' 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 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 auditors' 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 auditors consider 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 presents fairly, in all material respects, the financial position of The Bateman Horne Center of Excellence as of December 31, 2016, 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.

Restatement of the 2015 Financial Statement

As discussed in Note 3 to the financial statements, an error resulting in misstatements of amounts previously reported as of December 31, 2015 was identified. Accordingly, the beginning net assets as of January 1, 2016, presented in the accompanying financial statements, have been adjusted to reflect the restatement of the December 31, 2015 balance. Our opinion on the 2016 financial statements is not modified with respect to this matter.

Tanner LLC

October 31, 2017



The Bateman Horne Center of Excellence
Statement of Financial Position

As of December 31, 2016

Assets

Cash	\$	952,520
Investments		49,455
Accounts receivable, net of allowance for contractual adjustments and bad debt of \$19,934		97,022
Prepaid expenses and other		33,542
Property and equipment, net		<u>147,524</u>
Total assets	\$	<u>1,280,063</u>

Liabilities and Net Assets

Liabilities:		
Accounts payable	\$	13,975
Accrued liabilities		145,652
Related party note payable		<u>102,777</u>
Total liabilities		<u>262,404</u>
Commitments and contingencies		
Net assets:		
Unrestricted		926,796
Temporarily restricted		<u>90,863</u>
Total net assets		<u>1,017,659</u>
Total liabilities and net assets	\$	<u>1,280,063</u>



The Bateman Horne Center of Excellence
Statement of Activities

For the Year Ended December 31, 2016

Change in unrestricted net assets:

Revenues, gains, and support:

Research income	\$ 545,795
Clinic income, net of contractual adjustments	270,286
Contributions	1,120,962
Other income and expenses, net	<u>(5,534)</u>
Total revenues, gains, and support	1,931,509
Net assets released from restrictions	<u>109,774</u>
Total revenues, gains, support, and reclassification	<u>2,041,283</u>

Research expenses	402,306
Clinic expenses	510,684
Supporting expenses:	
Management and general	404,573
Fundraising	<u>9,266</u>
Total expenses	<u>1,326,829</u>
Increase in unrestricted net assets	<u>714,454</u>

Change in temporarily restricted net assets:

Contributions	90,863
Net assets released from restrictions	<u>(109,774)</u>
Decrease in temporarily restricted net assets	<u>(18,911)</u>
Increase in net assets	695,543
Net assets, beginning of the year (as restated)	<u>322,116</u>
Net assets, end of the year	<u>\$ 1,017,659</u>



The Bateman Horne Center of Excellence
Statement of Cash Flows

For the Year Ended December 31, 2016

Cash flows from operating activities:

Increase in net assets	\$ 695,543
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	7,867
Loss on disposal of property and equipment	167
In-kind contributions of common stock	(59,441)
Decrease (increase) in:	
Accounts receivable	18,623
Prepaid expenses	(27,294)
Increase (decrease) in:	
Accounts payable	8,536
Accrued liabilities	129,946
Net cash provided by operating activities	<u>773,947</u>

Cash flows from investing activities:

Net change in investments	119,760
Purchases of property and equipment	<u>(153,601)</u>
Net cash used in investing activities	<u>(33,841)</u>

Cash flows from financing activities:

Increase in related party note payable	149,000
Payments on related party note payable	<u>(46,616)</u>
Net cash provided by financing activities	<u>102,384</u>
Net increase in cash	842,490

Cash at beginning of the year 110,030

Cash at end of the year \$ 952,520

Supplemental disclosure of cash flow information:

Cash paid for interest \$ 832

Supplemental disclosure of non cash investing and financing activities:

Contributions of common stock \$ 59,441

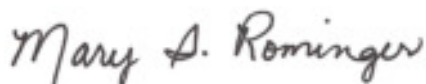
Moving Forward in 2017

The BHC Board is comprised of an incredible group of highly dedicated, compassionate individuals who are committed in advancing BHC to help those with ME/CFS and FM. Composed largely of patients and caregivers, the board collectively has insight into all aspects of these illnesses and understands the challenges they present. 2016 was full of promising progress and change as we moved into a larger facility so that we could grow in all areas of our mission to serve more patients in our clinic, increase research participation, and expand our education efforts, not only for patients, but for medical providers as well.



The move was a major milestone for BHC as it sets the foundation to allow us to escalate our goals for improving the lives of all those impacted with these illnesses. Mid-year, we hired an Executive Director, Rob Ence, to work with Drs. Bateman and Vernon to lead BHC through these advancements. Mr. Ence came to BHC with an exceptional track record of visionary leadership and management skills that have already proven to be tremendous assets for BHC. The Board, along with Drs. Bateman and Vernon, Mr. Ence, and the rest of the BHC staff, have high expectations for 2017. We are excited to build a more comprehensive infrastructure, recruit new talent, create new programs, explore new research opportunities, and launch development efforts in 2017.

As our journey to mainstream ME/CFS and FM in the medical and research communities continue, please support us!



Mary Sue Rominger
Acting Chair, BHC Board of Directors

Board of Directors

Scott Stevens, Chair
Mary Sue Rominger, Acting Chair
Lucinda Bateman, MD
Kathy Bryden
Stuart Drescher
Ted Kaly
Angela Linford
Dave Mason
Amanda Roosendal
Veldon Sorensen
Jessica Turner

Executive Director

Rob Ence

Contact us at:

Bateman Horne Center
24 South 1100 East, Suite 205 Salt Lake City, UT 84102
801-359-7400
support@BatemanHorneCenter.org
www.BatemanHorneCenter.org

Please Donate Today

Your support is what makes our continued progress possible!

BatemanHorneCenter.org/Donate