



WithSmith+Brown  
A Professional Corporation  
Certified Public Accountants and Consultants

**THE END FUND, INC. (U.S.)**  
**Financial Statements**  
**August 31, 2013 and 2012**  
**With Independent Auditors' Report**

**The END Fund, Inc. (U.S.)  
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August 31, 2013 and 2012**

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## Independent Auditors' Report

To the Board of Directors,  
The END Fund, Inc. (U.S.):

### Report on the Financial Statements

We have audited the accompanying statements of financial position of The END Fund, Inc. (U.S.) as of August 31, 2013 and 2012 and the related statements of activities and changes in net assets, cash flows and functional expenses for the years 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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 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 The END Fund, Inc. (U.S.) as of August 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*WithumSmith+Brown, PC*

February 14, 2014

**The END Fund, Inc. (U.S.)  
Statements of Financial Position  
August 31, 2013 and 2012**

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|  | 2013                | 2012                |
|--|---------------------|---------------------|
| <b>Assets</b>                              |                     |                     |
| Current assets                             |                     |                     |
| Cash                                       | \$ 2,543,868        | \$ 1,147,273        |
| Pledges receivable, current portion        | 200,000             | 1,815,013           |
| Prepaid expenses                           | 24,889              | 7,902               |
| Total current assets                       | <u>2,768,757</u>    | <u>2,970,188</u>    |
| Other assets                               |                     |                     |
| Pledges receivable, net of current portion | <u>183,315</u>      | <u>360,044</u>      |
|  | <u>\$ 2,952,072</u> | <u>\$ 3,330,232</u> |
| <b>Liabilities and Net Assets</b>          |                     |                     |
| Liabilities                                |                     |                     |
| Accounts payable and accrued expenses      | \$ 24,860           | \$ 209,225          |
| Grants payable                             | 1,223               | --                  |
| Total liabilities                          | <u>26,083</u>       | <u>209,225</u>      |
| Net assets                                 |                     |                     |
| Unrestricted                               | 861,920             | 547,124             |
| Temporarily restricted                     | 2,064,069           | 2,573,883           |
| Total net assets                           | <u>2,925,989</u>    | <u>3,121,007</u>    |
|  | <u>\$ 2,952,072</u> | <u>\$ 3,330,232</u> |

The Notes to Financial Statements are an integral part of these statements.

**The END Fund, Inc. (U.S.)**  
**Statements of Activities and Changes in Net Assets**  
**Year Ended August 31, 2013**

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|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>        |
|--|---------------------|-----------------------------------|---------------------|
| Support and revenue  |                     |                                   |                     |
| Contributions  | \$ 1,585,574        | \$ 2,933,527                      | \$ 4,519,101        |
| In-kind  | 62,617              | --                                | 62,617              |
|  | <u>1,648,191</u>    | <u>2,933,527</u>                  | <u>4,581,718</u>    |
| Temporarily restricted net assets released<br>from restrictions due to satisfaction<br>of time or purpose restrictions | <u>3,443,341</u>    | <u>(3,443,341)</u>                | <u>--</u>           |
|  | 5,091,532           | (509,814)                         | 4,581,718           |
| Expenses   |                     |                                   |                     |
| Program services   | 4,240,965           | --                                | 4,240,965           |
| Management and general   | 308,154             | --                                | 308,154             |
| Fundraising  | 227,617             | --                                | 227,617             |
|  | <u>4,776,736</u>    | <u>--</u>                         | <u>4,776,736</u>    |
| Changes in net assets  | 314,796             | (509,814)                         | (195,018)           |
| Net assets, beginning of year  | <u>547,124</u>      | <u>2,573,883</u>                  | <u>3,121,007</u>    |
| Net assets, end of year  | <u>\$ 861,920</u>   | <u>\$ 2,064,069</u>               | <u>\$ 2,925,989</u> |

The Notes to Financial Statements are an integral part of this statement.

**The END Fund, Inc. (U.S.)**  
**Statements of Activities and Changes in Net Assets**  
**Year Ended August 31, 2012**

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|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>        |
|--|---------------------|-----------------------------------|---------------------|
| Support and revenue  |                     |                                   |                     |
| Contributions  | \$ 869,618          | \$ 2,969,307                      | \$ 3,838,925        |
| In-kind  | --                  | --                                | --                  |
|  | <u>869,618</u>      | <u>2,969,307</u>                  | <u>3,838,925</u>    |
| Temporarily restricted net assets released<br>from restrictions due to satisfaction<br>of time or purpose restrictions | <u>395,424</u>      | <u>(395,424)</u>                  | <u>--</u>           |
|  | 1,265,042           | 2,573,883                         | 3,838,925           |
| Expenses   |                     |                                   |                     |
| Program services   | 471,053             | --                                | 471,053             |
| Management and general   | 60,003              | --                                | 60,003              |
| Fundraising  | 186,862             | --                                | 186,862             |
|  | <u>717,918</u>      | <u>--</u>                         | <u>717,918</u>      |
| Changes in net assets  | 547,124             | 2,573,883                         | 3,121,007           |
| Net assets, beginning of year  | <u>--</u>           | <u>--</u>                         | <u>--</u>           |
| Net assets, end of year  | <u>\$ 547,124</u>   | <u>\$ 2,573,883</u>               | <u>\$ 3,121,007</u> |

The Notes to Financial Statements are an integral part of these statements.

**The END Fund, Inc. (U.S.)**  
**Statements of Cash Flows**  
**Years Ended August 31, 2013 and 2012**

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|  | <b>2013</b>         | <b>2012</b>         |
|--|---------------------|---------------------|
| <b>Cash flows from operating activities</b>  |                     |                     |
| Changes in net assets  | \$ (195,018)        | \$ 3,121,007        |
| Adjustments to reconcile changes in net assets<br>to net cash provided by operating activities |                     |                     |
| Net present value adjustment   | (33,074)            | 36,956              |
| Changes in assets and liabilities  |                     |                     |
| Pledges receivable   | 1,824,816           | (2,212,013)         |
| Prepaid expenses   | (16,987)            | (7,902)             |
| Accounts payable and accrued expenses  | (184,365)           | 209,225             |
| Grants payable   | 1,223               | --                  |
| Net cash provided by operating activities  | <u>1,396,595</u>    | <u>1,147,273</u>    |
| Net change in cash   | 1,396,595           | 1,147,273           |
| <b>Cash</b>  |                     |                     |
| Beginning of year  | <u>1,147,273</u>    | <u>--</u>           |
| End of year  | <u>\$ 2,543,868</u> | <u>\$ 1,147,273</u> |

**Supplemental disclosure of cash flow information**

No amounts were paid for interest or income taxes during the years ended August 31, 2013 and 2012.

The Notes to Financial Statements are an integral part of these statements.



**The END Fund, Inc. (U.S.)**  
**Statements of Functional Expenses**  
**Years Ended August 31, 2013 and 2012**

|                                   | 2013                |                        |                   |                     | 2012              |                        |                   |                   |
|-----------------------------------|---------------------|------------------------|-------------------|---------------------|-------------------|------------------------|-------------------|-------------------|
|                                   | Program Services    | Management and General | Fundraising       | Total               | Program Services  | Management and General | Fundraising       | Total             |
| Salaries                          | \$ 172,643          | \$ 50,000              | \$ 83,955         | \$ 306,598          | \$ --             | \$ --                  | \$ 94,246         | \$ 94,246         |
| Payroll taxes and fringe benefits | 12,136              | 3,165                  | 6,721             | 22,022              | --                | --                     | 11,090            | 11,090            |
| Professional fees                 | 718,644             | 147,331                | 72,369            | 938,344             | 173,724           | 45,389                 | 36,319            | 255,432           |
| Field expense                     | 3,203,035           | --                     | --                | 3,203,035           | 297,329           | --                     | --                | 297,329           |
| IT & telecommunications           | 5,279               | 5,788                  | 2,084             | 13,151              | --                | 3,969                  | 16,366            | 20,335            |
| Travel                            | 75,923              | 22,983                 | 44,017            | 142,923             | --                | 1,179                  | 28,379            | 29,558            |
| Insurance                         | 1,616               | 13,091                 | --                | 14,707              | --                | 4,741                  | --                | 4,741             |
| Office expense                    | 1,014               | 3,849                  | 752               | 5,615               | --                | 2,489                  | 462               | 2,951             |
| Occupancy                         | 14,732              | 1,910                  | 4,910             | 21,552              | --                | --                     | --                | --                |
| Marketing & telecommunications    | 35,943              | 60,037                 | 12,809            | 108,789             | --                | --                     | --                | --                |
| Equipment                         | --                  | --                     | --                | --                  | --                | 2,236                  | --                | 2,236             |
|                                   | <u>\$ 4,240,965</u> | <u>\$ 308,154</u>      | <u>\$ 227,617</u> | <u>\$ 4,776,736</u> | <u>\$ 471,053</u> | <u>\$ 60,003</u>       | <u>\$ 186,862</u> | <u>\$ 717,918</u> |

The Notes to Financial Statements are an integral part of these statements.

**The END Fund, Inc. (U.S.)**  
**Notes to Financial Statements**  
**August 31, 2013 and 2012**

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**1. Organization and Purpose of Corporation**

The END Fund, Inc. (the "Organization"), was incorporated in 2010 in Delaware as a U.S. not-for-profit corporation. The Organization is a private philanthropic initiative to combat five of the most prevalent neglected tropical diseases (NTDs) (intestinal worms, schistosomiasis, lymphatic filariasis, river blindness and trachoma). NTDs are a group of parasitic and bacterial infectious diseases that affect over 1.5 billion of the world's most impoverished people, including 800 million children. They cause severe pain, long-term disability, and are the cause of death for over 500,000 people per year. Amongst children, infection leads to malnutrition, cognitive impairment, stunted growth, and the inability to attend school. Adults suffer from social isolation and are unable to work, and anemia caused by NTDs increases the risk of maternal mortality. Low-cost treatment for NTDs has been shown to dramatically increase school attendance, improve health and well-being, and increase access to economic opportunities over time.

Engaging a broad spectrum of individuals, foundations and corporations, the Organization provides financing for disease control initiatives, creating new programs where needed, supplementing existing ones, and using leveraged funds to extend and deepen impact. A generous consortium of pharmaceutical companies have donated the majority of medicines needed to treat these diseases. The Organization focuses on mobilizing resources to ensure that these medicines are delivered to those in need.

The Organization is related to The END Fund Limited, a U.K. registered charity through Board overlap, a shared mission and goal alignment as well as being managed on day-to-day basis by the same group of employees and consultants. These financial statements do not consolidate the operations of the U.S. and U.K. entities and the results are reported separately.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. For the years ended August 31, 2013 and 2012, the Organization had accounting transactions in the unrestricted net asset category, which represents net assets that are not subject to donor imposed restrictions and the temporarily restricted net assets category, which represents net assets that are subject to donor imposed time or purpose restrictions.

**Revenue and Support Recognition**

**Contributions**

The Organization recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

**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 certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Fair Value of Financial Instruments**

The carrying amounts of financial instruments including cash, pledges receivable, and accounts payable approximate their fair values because of the relatively short maturity of these instruments.

**Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and pledges receivable. Cash is held at a high-credit quality financial institution. At various times during the years ended August 31, 2013 and 2012, funds held at this financial institution may have exceeded the FDIC insurance limit.

**The END Fund, Inc. (U.S.)**  
**Notes to Financial Statements**  
**August 31, 2013 and 2012**

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**In-Kind Donation**

The Organization received donated marketing services in the amount of \$62,617 during the year ended August 31, 2013 and has been included in the Statement of Functional Expenses as marketing and telecommunication expense. The Organization did not receive any donated services during the year ended August 31, 2012.

**3. Income Taxes**

The END Fund, Inc. (U.S.) is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been recorded in the financial statements.

The Organization has no unrecognized tax benefits at August 31, 2013 and 2012. There are no open tax years prior to 2010. In addition, the Organization has no income tax related penalties or interest for the periods reported in these financial statements.

**4. Pledges Receivable**

Pledge receivable at August 31, consisted of the following:

|   | <b>2013</b>       | <b>2012</b>         |
|---|-------------------|---------------------|
| Receivable in less than one year                  | \$ 200,000        | \$ 1,815,013        |
| Receivable in one to five years                   | 187,197           | 397,000             |
| Total pledges receivable                          | <u>387,197</u>    | <u>2,212,013</u>    |
| Less: Discounts to net present value at 1 percent | (3,882)           | (36,956)            |
| Net pledges receivable                            | <u>\$ 383,315</u> | <u>\$ 2,175,057</u> |

**5. Net Assets**

Temporarily restricted - restricted by donors for the following programmatic uses:

|                              | <b>2013</b>         | <b>2012</b>         |
|------------------------------|---------------------|---------------------|
| Purpose restriction          |                     |                     |
| Challenge Matching Grant     | \$ 695,745          | \$ 1,700,000        |
| Kenya                        | 113,889             | 228,921             |
| India                        | 55,000              | --                  |
| Angola                       | 940                 | --                  |
| Zimbabwe                     | 13,500              | --                  |
| Namibia                      | 102,989             | 170,000             |
| Ethiopia                     | 133,113             | --                  |
| Democratic Republic of Congo | 129,755             | --                  |
| Yemen                        | 50,000              | --                  |
| Nigeria                      | 125,000             | --                  |
| Niger                        | 15,600              | --                  |
| Central African Republic     | --                  | 25,500              |
| Mali                         | 209,723             | 139,418             |
| Rwanda                       | 75,500              | --                  |
| General program expenditures | <u>343,315</u>      | <u>310,044</u>      |
|                              | <u>\$ 2,064,069</u> | <u>\$ 2,573,883</u> |

**The END Fund, Inc. (U.S.)**  
**Notes to Financial Statements**  
**August 31, 2013 and 2012**

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Temporarily restricted net assets released in the years ended August 31, were as follows:

|                              | <b>2013</b>         | <b>2012</b>       |
|------------------------------|---------------------|-------------------|
| Challenge Matching Grant     | \$ 53,755           | \$ --             |
| Kenya                        | 148,060             | 297,329           |
| Angola                       | 217,000             | --                |
| Zimbabwe                     | 50,500              |                   |
| Namibia                      | 174,392             | --                |
| Ethiopia                     | 271,838             | --                |
| Democratic Republic of Congo | 278,265             | --                |
| Yemen                        | 100,000             | --                |
| Nigeria                      | 375,000             | --                |
| Niger                        | 62,400              | --                |
| Central African Republic     | 800                 | --                |
| Mali                         | 1,711,331           | --                |
| General program expenditures | --                  | 98,095            |
|                              | <u>\$ 3,443,341</u> | <u>\$ 395,424</u> |

**6. Agreement with Geneva Global, Inc.**

Geneva Global, Inc. ("Geneva") is a well-established organization with administrative staff who are experienced in the operation of a for-profit financial services philanthropy organization. The Organization engaged Geneva to perform certain services as an independent contractor. These services include charity management and administrative back office support services, and grant and program management. The amount paid to Geneva for these services amounted to \$708,232 and \$182,922 for the years ended August 31, 2013 and 2012, respectively.

**7. Leases**

The Organization leases space for its administrative offices under an operating month-to-month lease. The administrative offices moved to a new location in February 2013. Annual rental expense, including utilities for this location was \$21,552 for the year ended August 31, 2013.

**8. Retirement Plans**

The END Fund, Inc. (U.S.) sponsors a 403(b) tax deferred annuity plan (the "403(b) Plan") for all eligible employees. The Organization will contribute up to 3 percent of employee pay. Contributions for fiscal year August 31, 2013 were \$2,777. It is The END Fund, Inc. (U.S.)'s policy to fund the 403(b) Plan currently.

**9. Subsequent Events**

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of February 14, 2014, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements.