



WithumSmith+Brown
A Professional Corporation
Certified Public Accountants and Consultants

THE END FUND, INC. (U.S.)

Financial Statements

**For the Period from September 1, 2013 to December 31, 2013
and the Year Ended August 31, 2013**

With Independent Auditors' Report

**The END Fund, Inc. (U.S.)
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and the Year Ended August 31, 2013**

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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 December 31, 2013 and August 31, 2013 and the related statements of activities and changes in net assets, cash flows and functional expenses for the period from September 1, 2013 to December 31, 2013 and the year ended August 31, 2013, 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 December 31, 2013 and August 31, 2013, and the changes in its net assets and its cash flows for the period from September 1, 2013 to December 31, 2013 and the year ended August 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

April 8, 2014

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

	December 31, 2013	August 31, 2013
Assets		
Current assets		
Cash	\$ 2,026,050	\$ 2,543,868
Pledges receivable, current portion	2,325,265	200,000
Prepaid expenses	15,610	24,889
Total current assets	<u>4,366,925</u>	<u>2,768,757</u>
Other assets		
Pledges receivable, net of current portion	<u>4,444,145</u>	<u>183,315</u>
	<u>\$ 8,811,070</u>	<u>\$ 2,952,072</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 194,414	\$ 24,860
Grants payable	31	1,223
Total liabilities	<u>194,445</u>	<u>26,083</u>
Net assets		
Unrestricted	695,755	861,920
Temporarily restricted	7,920,870	2,064,069
Total net assets	<u>8,616,625</u>	<u>2,925,989</u>
	<u>\$ 8,811,070</u>	<u>\$ 2,952,072</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
For the Period from September 1, 2013 to December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 552,462	\$ 6,360,831	\$ 6,913,293
Temporarily restricted net assets released from restrictions due to satisfaction of time or purpose restrictions	504,030	(504,030)	--
	<u>1,056,492</u>	<u>5,856,801</u>	<u>6,913,293</u>
Expenses			
Program services	964,949	--	964,949
Management and general	159,934	--	159,934
Fundraising	97,774	--	97,774
	<u>1,222,657</u>	<u>--</u>	<u>1,222,657</u>
Changes in net assets	(166,165)	5,856,801	5,690,636
Net assets, beginning of period	<u>861,920</u>	<u>2,064,069</u>	<u>2,925,989</u>
Net assets, end of period	<u>\$ 695,755</u>	<u>\$ 7,920,870</u>	<u>\$ 8,616,625</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, 2013

	<u>Unrestricted</u>	<u>Temporarily 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 from restrictions due to satisfaction 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 Cash Flows
For the Period from September 1, 2013 to December 31, 2013
and Year Ended August 31, 2013

	December 31, 2013	August 31, 2013
Cash flows from operating activities		
Changes in net assets	\$ 5,690,636	\$ (195,018)
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Net present value adjustment	107,910	(33,074)
Changes in assets and liabilities		
Pledges receivable	(6,494,005)	1,824,816
Prepaid expenses	9,279	(16,987)
Accounts payable and accrued expenses	169,554	(184,365)
Grants payable	(1,192)	1,223
Net cash (used) provided by operating activities	<u>(517,818)</u>	<u>1,396,595</u>
 Net change in cash	 (517,818)	 1,396,595
 Cash		
Beginning of period	<u>2,543,868</u>	<u>1,147,273</u>
End of period	<u>\$ 2,026,050</u>	<u>\$ 2,543,868</u>

Supplemental disclosure of cash flow information

No amounts were paid for interest or income taxes during the period from September 1, 2013 to December 31, 2013 and the year ended August 31, 2013.

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

The END Fund, Inc. (U.S.)
Statements of Functional Expenses
For the Period from September 1, 2013 to December 31, 2013 and Year Ended August 31, 2013

	December 31, 2013				August 31, 2013			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 175,261	\$ 19,926	\$ 58,805	\$ 253,992	\$ 172,643	\$ 50,000	\$ 83,955	\$ 306,598
Payroll taxes and fringe benefits	10,218	1,047	5,655	16,920	12,136	3,165	6,721	22,022
Professional fees	132,609	93,937	266	226,812	718,644	147,331	72,369	938,344
Field expense	607,427	--	--	607,427	3,203,035	--	--	3,203,035
IT & telecommunications	1,488	12,155	444	14,087	5,279	5,788	2,084	13,151
Travel	28,013	10,028	23,008	61,049	75,923	22,983	44,017	142,923
Insurance	--	4,824	--	4,824	1,616	13,091	--	14,707
Office expense	478	1,942	852	3,272	1,014	3,849	752	5,615
Occupancy	5,842	15,247	1,948	23,037	14,732	1,910	4,910	21,552
Marketing & telecommunications	3,613	828	6,796	11,237	35,943	60,037	12,809	108,789
	<u>\$ 964,949</u>	<u>\$ 159,934</u>	<u>\$ 97,774</u>	<u>\$ 1,222,657</u>	<u>\$ 4,240,965</u>	<u>\$ 308,154</u>	<u>\$ 227,617</u>	<u>\$ 4,776,736</u>

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

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

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 period from September 1, 2013 to December 31, 2013 and the year ended August 31, 2013, 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. During fiscal year 2013, the Board of The End Fund, Inc. (U.S.) approved to change their fiscal year end from August 31 to December 31, effective September 1, 2013.

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 period from September 1, 2013 to December 31, 2013 and the year ended August 31, 2013, funds held at this financial institution may have exceeded the FDIC insurance limit.

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

In-Kind Donation

The Organization received donated marketing services in the amount of \$62,617 during the year ended August 31, 2013 which have been included in the statement of functional expenses as marketing and telecommunication expense. The Organization did not receive any donated services during the period from September 1, 2013 to December 31, 2013.

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 December 31, 2013 and August 31, 2013. 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 December 31 and August 31, consisted of the following:

	December 31, 2013	August 31, 2013
Receivable in less than one year	\$ 2,325,265	\$ 200,000
Receivable in one to five years	4,555,937	187,000
Total pledges receivable	<u>6,881,202</u>	<u>387,000</u>
Less: Discounts to net present value at 1 percent	(111,792)	(3,685)
Net pledges receivable	<u>\$ 6,769,410</u>	<u>\$ 383,315</u>

5. Net Assets

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

	December 31, 2013	August 31, 2013
Purpose restriction		
Challenge Matching Grant	\$ 695,745	\$ 695,745
Kenya	--	113,889
India	--	55,000
Angola	940	940
Zimbabwe	13,500	13,500
Namibia	27,375	102,989
Ethiopia	63,113	133,113
Democratic Republic of Congo	129,755	129,755
Yemen	10,000	50,000
Nigeria	--	125,000
Niger	15,600	15,600
Mali	208,120	209,723
Rwanda	75,500	75,500
General program expenditures	320,391	343,315
Time restricted	6,360,831	--
	<u>\$ 7,920,870</u>	<u>\$ 2,064,069</u>

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

Temporarily restricted net assets released in the period from September 1, 2013 to December 31 and the year ended August 31, were as follows:

	December 31, 2013	August 31, 2013
Challenge Matching Grant	\$ --	\$ 53,755
Kenya	113,889	148,060
India	55,000	--
Angola	--	217,000
Zimbabwe	--	50,500
Namibia	75,614	174,392
Ethiopia	70,000	271,838
Democratic Republic of Congo	--	278,265
Yemen	40,000	100,000
Nigeria	125,000	375,000
Niger	--	62,400
Central African Republic	--	800
Mali	1,603	1,711,331
General program expenditures	22,924	--
	<u>\$ 504,030</u>	<u>\$ 3,443,341</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 \$167,644 and \$708,232 for the four month ended December 31, 2013 and the year ended August 31, 2013, 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 \$23,037 and \$21,552 for the period from September 1, 2013 to December 31, 2013 and the year ended August 31, 2013, respectively.

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 the period from September 1, 2013 to December 31, 2013 and the year ended August 31, 2013 were \$5,405 and \$2,777, respectively. 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 April 8, 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.