



WithumSmith+Brown
A Professional Corporation
Certified Public Accountants and Consultants

THE END FUND

Financial Statements

August 31, 2012

With Independent Auditors' Report

**The END Fund
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August 31, 2012**

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Independent Auditors' Report

To the Board of Directors,
The END Fund:

We have audited the accompanying statement of financial position of The END Fund as of August 31, 2012 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The END Fund as of August 31, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "WithSmith+Brown, PC". The signature is written in a cursive, flowing style.

December 3, 2012

The END Fund
Statement of Financial Position
August 31, 2012

Assets

Current assets

Cash	\$ 1,147,273
Pledges receivable, current portion	1,815,013
Prepaid expenses	<u>7,902</u>
Total current assets	<u>2,970,188</u>

Other assets

Pledges receivable, net of current portion	<u>360,044</u>
	<u>\$ 3,330,232</u>

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 209,225
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Net assets

Unrestricted	547,124
Temporarily restricted	<u>2,573,883</u>
Total net assets	<u>3,121,007</u>
	<u>\$ 3,330,232</u>

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

The END Fund
Statement of Activities and Changes in Net Assets
Year Ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 869,618	\$ 2,969,307	\$ 3,838,925
Temporarily restricted net assets released from restrictions due to satisfaction of time or purpose restrictions	395,424	(395,424)	--
	<u>1,265,042</u>	<u>2,573,883</u>	<u>3,838,925</u>
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 this statement.

The END Fund
Statement of Cash Flows
Year Ended August 31, 2012

Cash flows from operating activities	
Changes in net assets	\$ 3,121,007
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Net present value adjustment	36,956
Changes in assets and liabilities	
Pledges receivable	(2,212,013)
Other current assets	(7,902)
Accounts payable and accrued expenses	209,225
Net cash provided by operating activities	<u>1,147,273</u>
Net change in cash and cash equivalents	1,147,273
Cash	
Beginning of year	<u>--</u>
End of year	<u>\$ 1,147,273</u>

Supplemental disclosure of cash flow information

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

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

The END Fund
Statement of Functional Expenses
Year Ended August 31, 2012

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ --	\$ --	\$ 94,246	\$ 94,246
Payroll taxes and fringe benefits	--	--	11,090	11,090
Professional fees	173,724	44,927	36,319	254,970
Grants expense	297,329	--	--	297,329
Communications	--	3,969	16,366	20,335
Travel	--	1,179	28,379	29,558
Insurance	--	4,741	--	4,741
Office expense	--	2,951	462	3,413
Equipment	--	2,236	--	2,236
	<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 this statement.

**The END Fund
Notes to Financial Statements
August 31, 2012**

1. Organization and Purpose of Corporation

The END Fund (the "Organization"), was incorporated in 2010 in Delaware as a not-for-profit corporation. The Organization's primary function is to reduce the prevalence of Neglected Tropical Diseases ("NTD") among the world's poorest people. NTDs are a group of chronic and disabling parasitic and bacterial infections, such as soil transmitted helminths (intestinal worms), schistosomiasis (snail fever), lymphatic filariasis (elephantiasis), onchocerciasis (river blindness) and trachoma. These NTDs cause long-term suffering to over 1 billion mostly very poor people most of whom live in sub-Saharan Africa.

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 year ended August 31, 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 statement 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 year ended August 31, 2012, funds held at this financial institution may have exceed the FDIC insurance limit.

3. Income Taxes

The END Fund 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, 2012. There are no open tax years prior to 2008. In addition, the Organization has no income tax related penalties or interest for the period reported in these financial statements.

The END Fund
Notes to Financial Statements
August 31, 2012

4. Pledges Receivable

Pledge receivable at August 31, 2012 consisted of the following:

Receivable in less than one year	\$ 1,815,013
Receivable in one to five years	397,000
Total pledges receivable	<u>2,212,013</u>
Less: Discounts to net present value at 4 percent	(36,956)
Net pledges receivable	<u><u>\$ 2,175,057</u></u>

5. Net Assets

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

Purpose restriction	
Fundraising	\$ 1,700,000
Kenya	228,921
Namibia	170,000
Central African Republic	25,500
Mali	139,418
General program expenditures	310,044
	<u><u>\$ 2,573,883</u></u>

Temporarily restricted net assets released in the year ended August 31, 2012, were as follows:

Kenya	\$ 297,329
General program expenditures	98,095
	<u><u>\$ 395,424</u></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, grant management, facilitation and administrative services, and advisory, marketing and fundraising consulting services. The amount paid to Geneva for these services amounted to \$182,922 for the year ended August 31, 2012.

7. Subsequent Events

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of December 3, 2012, 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.