



THE END FUND, INC. (U.S.)
Financial Statements
December 31, 2015 and 2014
With Independent Auditors' Report

The END Fund, Inc. (U.S.)
December 31, 2015 and 2014

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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 financial statements of The END Fund, Inc. (U.S.), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 December 31, 2015 and 2014, 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

March 18, 2016

The END Fund, Inc. (U.S.)
Statements of Financial Position
December 31, 2015 and 2014

	2015	Restated 2014
Assets		
Current assets		
Cash	\$ 5,770,223	\$ 8,118,098
Pledges receivable, current portion	11,785,859	8,789,238
Accounts receivable	63,485	--
Prepaid expenses and other current assets	43,941	32,750
Total current assets	<u>17,663,508</u>	<u>16,940,086</u>
Other assets		
Pledges receivable, net of current portion	<u>7,883,341</u>	<u>11,256,386</u>
	<u><u>\$ 25,546,849</u></u>	<u><u>\$ 28,196,472</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 83,771	\$ 76,021
Grants payable	--	427
Total liabilities	<u>83,771</u>	<u>76,448</u>
Net assets		
Unrestricted	1,445,522	1,174,243
Temporarily restricted	24,017,556	26,945,781
Total net assets	<u>25,463,078</u>	<u>28,120,024</u>
	<u><u>\$ 25,546,849</u></u>	<u><u>\$ 28,196,472</u></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
Years Ended December 31, 2015 and 2014

	2015			Restated 2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Contributions	\$ 411,029	\$ 10,379,136	\$ 10,790,165	\$ 668,385	\$ 26,031,821	\$ 26,700,206
Investment income	9,554	--	9,554	3,808	--	3,808
	420,583	10,379,136	10,799,719	672,193	26,031,821	26,704,014
Temporarily restricted net assets released from restrictions due to satisfaction of time or purpose restrictions	13,307,361	(13,307,361)	--	7,006,910	(7,006,910)	--
	13,727,944	(2,928,225)	10,799,719	7,679,103	19,024,911	26,704,014
Expenses						
Program services	12,182,464	--	12,182,464	6,347,541	--	6,347,541
Management and general	573,929	--	573,929	456,898	--	456,898
Fundraising	700,272	--	700,272	396,176	--	396,176
	13,456,665	--	13,456,665	7,200,615	--	7,200,615
Changes in net assets	271,279	(2,928,225)	(2,656,946)	478,488	19,024,911	19,503,399
Net assets, beginning of year	1,174,243	26,945,781	28,120,024	695,755	7,920,870	8,616,625
Net assets, end of year	\$ 1,445,522	\$ 24,017,556	\$ 25,463,078	\$ 1,174,243	\$ 26,945,781	\$ 28,120,024

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

The END Fund, Inc. (U.S.)
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Changes in net assets	\$ (2,656,946)	\$ 19,503,399
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Net present value adjustment	(11,453)	134,917
Changes in assets and liabilities		
Pledges receivable	387,877	(13,411,131)
Accounts receivable	(63,485)	--
Prepaid expenses and other current assets	(11,191)	(17,140)
Accounts payable and accrued expenses	7,750	(118,393)
Grants payable	(427)	396
Net cash (used) provided by operating activities	<u>(2,347,875)</u>	<u>6,092,048</u>
Net change in cash	(2,347,875)	6,092,048
Cash		
Beginning of year	<u>8,118,098</u>	<u>2,026,050</u>
End of year	<u>\$ 5,770,223</u>	<u>\$ 8,118,098</u>

Supplemental disclosure of cash flow information

There were no amounts paid for interest or income taxes in 2015 and 2014.

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

The END Fund, Inc. (U.S.)
Statements of Functional Expenses
Years Ended December 31, 2015 and 2014

	2015			2014				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,145,274	\$ 218,318	\$ 319,586	\$ 1,683,178	\$ 608,013	\$ 248,858	\$ 213,081	\$ 1,069,952
Payroll taxes and fringe benefits	166,454	36,745	53,940	257,139	54,133	34,399	26,255	114,787
Professional fees	153,423	124,334	91,845	369,602	382,550	68,846	37,517	488,913
Grant disbursements and related expenses	10,267,835	--	--	10,267,835	4,990,882	--	--	4,990,882
IT & telecommunications	16,282	36,164	2,596	55,042	10,394	17,706	1,780	29,880
Travel, events and meetings	287,908	47,931	210,285	546,124	183,354	35,026	84,119	302,499
Insurance	--	15,508	--	15,508	--	15,209	--	15,209
Office expense	4,890	11,029	1,655	17,574	3,625	15,654	535	19,814
Occupancy	57,818	82,841	13,020	153,679	51,798	21,200	18,153	91,151
Marketing media and collateral	82,580	1,059	7,345	90,984	62,792	--	14,736	77,528
	\$ 12,182,464	\$ 573,929	\$ 700,272	\$ 13,456,665	\$ 6,347,541	\$ 456,898	\$ 396,176	\$ 7,200,615

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

The END Fund, Inc. (U.S.)
Notes to Financial Statements
December 31, 2015 and 2014

1. ORGANIZATION AND PURPOSE OF CORPORATION

The END Fund, Inc. (U.S.) (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 a 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 December 31, 2015 and 2014, 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.

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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 high-credit quality financial institutions. At various times during the years ended December 31, 2015 and 2014, funds held at these financial institutions may have exceeded the FDIC insurance limit.

Reclassification

Certain amounts on the December 31, 2014 financial statements have been reclassified to conform to December 31, 2015 presentation. The reclassifications resulted in a change of \$5,975,655 between unrestricted and temporarily restricted net assets. The reclassification had no impact on prior reported change in net assets and total net assets.

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, 2015 and 2014. 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, consisted of the following:

	2015	2014
Receivable in less than one year	\$ 11,785,859	\$ 8,789,238
Receivable in one to five years	8,118,597	11,503,095
Total pledges receivable	19,904,456	20,292,333
Less: Discounts to net present value at 1 percent	(235,256)	(246,709)
Net pledges receivable	<u>\$ 19,669,200</u>	<u>\$ 20,045,624</u>

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5. NET ASSETS

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

	2015	2014
Purpose restriction		
Angola	\$ 2,801,399	\$ 4,801,376
Zimbabwe	--	4,646
Namibia	898,488	818,205
Ethiopia	5,917,580	1,878,609
Democratic Republic of Congo	951,035	1,809,570
Rwanda	--	75,500
General Africa program expenditures	2,000,000	--
Time restricted	11,449,054	17,557,875
	<u>\$ 24,017,556</u>	<u>\$ 26,945,781</u>

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

	2015	2014
Challenge Matching Grant	\$ --	\$ 695,745
Angola	1,999,977	1,789,504
Zimbabwe	54,646	8,854
Namibia	(80,283)	276,387
Ethiopia	1,163,166	832,462
Democratic Republic of Congo	858,535	717,685
Yemen	--	175,477
Democratic Republic of Congo - Idjwi	127,000	--
Niger	--	15,600
Mali	--	208,120
Rwanda	75,500	--
Ivory Coast	--	50,000
General Africa program expenditures	2,000,000	133,391
Time restricted	7,108,820	2,103,685
	<u>\$ 13,307,361</u>	<u>\$ 7,006,910</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. These services were discontinued during 2015. The amount paid to Geneva for these services amounted to \$213,906 and \$411,782 for the years ended December 31, 2015 and 2014, respectively.

7. LEASES

The Organization leases space for its administrative offices under an operating six month lease. Annual rental expense, including utilities for this location was \$153,679 and \$91,151 for the years ended December 31, 2015 and 2014, respectively.

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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 years ended December 31, 2015 and 2014 were \$71,384 and \$26,460, 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 March 18, 2016, 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.