THE END FUND, INC. (U.S.)
Financial Statements
December 31, 2016 and 2015
With Independent Auditors' Report

The END Fund, Inc. (U.S.)
December 31, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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 31, 2017

The END Fund, Inc. (U.S.)
Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Current assets		
Cash	$ 9,480,758	$ 5,774,134
Pledges receivable, current portion	7,778,924	11,785,859
Accounts receivable	234,319	63,485
Prepaid expenses and other current assets	69,341	40,030
Total current assets	17,563,342	17,663,508
Other assets		
Pledges receivable, net of current portion	9,506,184	7,883,341
Total assets	$ 27,069,526	$ 25,546,849
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 50,213	$ 83,771
Net assets		
Unrestricted	1,554,818	1,445,522
Temporarily restricted	25,464,495	24,017,556
Total net assets	27,019,313	25,463,078
	$ 27,069,526	$ 25,546,849

The END Fund, Inc. (U.S.)
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Contributions	$ 618,146	$ 17,047,813	$ 17,665,959	$ 411,029	$ 10,379,136	$ 10,790,165
Investment income	32	--	32	9,554	--	9,554
	618,178	17,047,813	17,665,991	420,583	10,379,136	10,799,719
Temporarily restricted net assets released from restrictions due to satisfaction of time or purpose restrictions	15,600,874	(15,600,874)	--	13,307,361	(13,307,361)	--
	16,219,052	1,446,939	17,665,991	13,727,944	(2,928,225)	10,799,719
Expenses						
Program services	14,865,029	--	14,865,029	12,182,464	--	12,182,464
Management and general	509,910	--	509,910	573,929	--	573,929
Fundraising	734,817	--	734,817	700,272	--	700,272
	16,109,756	--	16,109,756	13,456,665	--	13,456,665
Changes in net assets	109,296	1,446,939	1,556,235	271,279	(2,928,225)	(2,656,946)
Net assets, beginning of year	1,445,522	24,017,556	25,463,078	1,174,243	26,945,781	28,120,024
Net assets, end of year	$ 1,554,818	$ 25,464,495	$ 27,019,313	$ 1,445,522	$ 24,017,556	$ 25,463,078

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, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Changes in net assets	$ 1,556,235	$ (2,656,946)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Net present value adjustment	51,071	(11,453)
Changes in assets and liabilities		
Pledges receivable	2,333,021	391,788
Accounts receivable	(170,834)	(63,485)
Prepaid expenses and other current assets	(29,311)	(11,191)
Accounts payable and accrued expenses	(33,558)	7,750
Grants payable	--	(427)
Net cash provided (used) by operating activities	3,706,624	(2,343,964)
Net change in cash	3,706,624	(2,343,964)
Cash		
Beginning of year	5,774,134	8,118,098
End of year	$ 9,480,758	$ 5,774,134

Supplemental disclosure of cash flow information

There were no amounts paid for interest or income taxes in 2016 and 2015.

The END Fund, Inc. (U.S.)
Statements of Functional Expenses
Years Ended December 31, 2016 and 2015

	2016				2015			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	$ 1,283,647	$ 237,354	$ 280,124	$ 1,801,125	$ 1,145,274	$ 218,318	$ 319,586	$ 1,683,178
Payroll taxes and fringe benefits	226,654	49,811	57,543	334,008	166,454	36,745	53,940	257,139
Professional fees	36,727	95,763	169,561	302,051	153,423	124,334	91,845	369,602
Grant disbursements and related expenses	12,600,692	--	--	12,600,692	10,267,835	--	--	10,267,835
IT & telecommunications	17,915	9,525	5,212	32,652	16,282	36,164	2,596	55,042
Travel, events and meetings	395,873	62,623	178,362	636,858	287,908	47,931	210,285	546,124
Insurance	140	16,583	70	16,793	--	15,508	--	15,508
Office expense	7,954	15,087	3,313	26,354	4,890	11,029	1,655	17,574
Occupancy	142,671	23,164	33,890	199,725	57,818	82,841	13,020	153,679
Marketing media and collateral	152,756	--	6,742	159,498	82,580	1,059	7,345	90,984
	$ 14,865,029	$ 509,910	$ 734,817	$ 16,109,756	$ 12,182,464	$ 573,929	$ 700,272	$ 13,456,665

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

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 has 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, 2016 and 2015, 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 high-credit quality financial institutions. At various times during the years ended December 31, 2016 and 2015, funds held at these financial institutions may have exceeded the FDIC insurance limit.

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, 2016 and 2015. 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:

	2016	2015
Receivable in less than one year	$ 7,778,924	$ 11,785,859
Receivable in one to five years	9,792,511	8,118,597
Total pledges receivable	17,571,435	19,904,456
Less: Discounts to net present value at 1 percent	(286,327)	(235,256)
Net pledges receivable	$ 17,285,108	$ 19,669,200

5. NET ASSETS

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

	2016	2015
Purpose restriction		
Angola	$ 769,331	$ 2,801,399
Zimbabwe	200,000	--
Namibia	--	898,488
Ethiopia	4,574,658	5,917,580
Democratic Republic of Congo	--	951,035
General Africa program expenditures	5,042,370	2,000,000
Time restricted	14,878,136	11,449,054
	$ 25,464,495	$ 24,017,556

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

	2016	2015
Angola	$ 2,032,068	$ 1,999,977
Zimbabwe	101,300	54,646
Namibia	--	(80,283)
Ethiopia	2,241,410	1,163,166
Democratic Republic of Congo	951,035	858,535
Democratic Republic of Congo - Idjwi	25,000	127,000
Nigeria	1,933	--
CARBE	1,000,001	--
Rwanda	--	75,500
Chad	25,000	--
General Africa program expenditures	3,002,629	2,000,000
Time restricted	6,220,498	7,108,820
	$ 15,600,874	$ 13,307,361

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 amounts paid to Geneva for these services amounted to $94,839 and $213,906 for the years ended December 31, 2016 and 2015, 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 $199,725 and $153,679 for the years ended December 31, 2016 and 2015, respectively.

8. NEW ACCOUNTING PRONOUNCEMENT

In August 2016, the FASB issued ASU 2016-14 – Not-for-profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-profit Entities*. ASU 2016-14, which is effective for fiscal years beginning after December 15, 2017 with early adoption permitted will require a change to two areas of not-for-profit accounting and significant new financial statement presentation and disclosure requirements. Under ASU 2016-14 (the “ASU”), underwater funds will be accounted for within net assets with donor restrictions and not within net assets without donor restrictions, as is the current practice. In addition, the ASU eliminates the accounting policy election to release donor-imposed restrictions over the useful life of donated property and equipment when the donor does not explicitly specify the period of time the property must be used. Instead, entities will be required to relieve the donor’s restrictions at the time the asset is place in service. The ASU also changes the presentation and disclosure requirements of not-for-profit entities in the following areas: expense disclosures, display of net asset classes, cash flow presentation, quantitative and qualitative liquidity disclosures and presentation of investment returns. The Organization is currently evaluating the impact these changes will have on its future financial statements.

9. 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 5 percent of employee pay. Contributions for the years ended December 31, 2016 and 2015 were $77,469 and $71,384, respectively. It is The END Fund, Inc. (U.S.)'s policy to fund the 403(b) Plan currently.

10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of March 31, 2017, 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.