



**THE END FUND, INC. (U.S.)**  
**Financial Statements**  
**December 31, 2014 and 2013**  
**With Independent Auditors' Report**

**The END Fund, Inc. (U.S.)**  
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**December 31, 2014 and 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, 2014 and 2013. We have also audited the accompanying statements of activities and changes in net assets, cash flows and functional expenses for the year ended December 31, 2014, and the related notes to the financial statements for the year ended December 31, 2014.

### **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 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 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, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Disclaimer of Opinion on Statements of Activities and Changes in Net Assets, Cash Flows and Functional Expenses**

Because we were not engaged to audit the statements of activities and changes in net assets, cash flows and functional expenses, we did not extend our auditing procedures to enable us to express an opinion on the statements of activities and changes in net assets, cash flows and functional expenses for the year ended December 31, 2013. Accordingly, we express no opinion on the statements of activities and changes in net assets, cash flows and functional expenses for the year ended December 31, 2013

*WithumSmith+Brown, PC*

February 16, 2015

**The END Fund, Inc. (U.S.)**  
**Statements of Financial Position**  
**December 31, 2014 and 2013**

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	2014	2013
<b>Assets</b>		
Current assets		
Cash	\$ 8,118,098	\$ 2,026,050
Pledges receivable, current portion	8,789,238	2,325,265
Prepaid expenses	<u>32,750</u>	<u>15,610</u>
Total current assets	16,940,086	4,366,925
Other assets		
Pledges receivable, net of current portion	<u>11,256,386</u>	<u>4,444,145</u>
	<u>\$ 28,196,472</u>	<u>\$ 8,811,070</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 76,021	\$ 194,414
Grants payable	<u>427</u>	<u>31</u>
Total liabilities	76,448	194,445
Net assets		
Unrestricted	7,149,898	695,755
Temporarily restricted	<u>20,970,126</u>	<u>7,920,870</u>
Total net assets	<u>28,120,024</u>	<u>8,616,625</u>
	<u>\$ 28,196,472</u>	<u>\$ 8,811,070</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, 2014 and 2013**

	2014			2013 (Unaudited)		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Contributions	\$ 6,644,040	\$ 20,056,166	\$ 26,700,206	\$ 1,658,440	\$ 7,587,379	\$ 9,245,819
In-kind	--	--	--	62,617	--	62,617
Investment income	3,808	--	3,808	--	--	--
	<u>6,647,848</u>	<u>20,056,166</u>	<u>26,704,014</u>	<u>1,721,057</u>	<u>7,587,379</u>	<u>9,308,436</u>
Temporarily restricted net assets released from restrictions due to satisfaction of time or purpose restrictions	<u>7,006,910</u>	<u>(7,006,910)</u>	<u>--</u>	<u>2,240,392</u>	<u>(2,240,392)</u>	<u>--</u>
	<u>13,654,758</u>	<u>13,049,256</u>	<u>26,704,014</u>	<u>3,961,449</u>	<u>5,346,987</u>	<u>9,308,436</u>
Expenses						
Program services	6,347,541	--	6,347,541	4,517,162	--	4,517,162
Management and general	456,898	--	456,898	159,934	--	159,934
Fundraising	396,176	--	396,176	97,774	--	97,774
	<u>7,200,615</u>	<u>--</u>	<u>7,200,615</u>	<u>4,774,870</u>	<u>--</u>	<u>4,774,870</u>
Changes in net assets	6,454,143	13,049,256	19,503,399	(813,421)	5,346,987	4,533,566
Net assets, beginning of year	<u>695,755</u>	<u>7,920,870</u>	<u>8,616,625</u>	<u>1,509,176</u>	<u>2,573,883</u>	<u>4,083,059</u>
Net assets, end of year	<u>\$ 7,149,898</u>	<u>\$ 20,970,126</u>	<u>\$ 28,120,024</u>	<u>\$ 695,755</u>	<u>\$ 7,920,870</u>	<u>\$ 8,616,625</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 December 31, 2014 and 2013**

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	<b>2014</b>	<b>(Unaudited) 2013</b>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 19,503,399	\$ 4,533,566
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Net present value adjustment	134,917	74,836
Changes in assets and liabilities		
Pledges receivable	(13,411,131)	(4,669,189)
Prepaid expenses	(17,140)	(7,708)
Accounts payable and accrued expenses	(118,393)	(14,811)
Grants payable	396	31
Net cash provided (used) by operating activities	<u>6,092,048</u>	<u>(83,275)</u>
Net change in cash	6,092,048	(83,275)
<b>Cash</b>		
Beginning of year	<u>2,026,050</u>	<u>2,109,325</u>
End of year	<u>\$ 8,118,098</u>	<u>\$ 2,026,050</u>

**Supplemental disclosure of cash flow information**

There were no amounts paid for interest or income taxes in 2014 and 2013

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, 2014 and 2013**

	2014				2013 (Unaudited)			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 608,013	\$ 248,858	\$ 213,081	\$ 1,069,952	\$ 398,519	\$ 19,926	\$ 58,805	\$ 477,250
Payroll taxes and fringe benefits	54,133	34,399	26,255	114,787	28,915	1,047	5,655	35,617
Professional fees	382,550	68,846	37,517	488,913	736,596	93,937	266	830,799
Field expense	4,990,882	--	--	4,990,882	3,063,692	--	--	3,063,692
IT & telecommunications	10,394	17,706	1,780	29,880	12,409	12,155	444	25,008
Travel, events and meetings	183,354	35,026	84,119	302,499	128,591	10,028	23,008	161,627
Insurance	--	15,209	--	15,209	10,490	4,824	--	15,314
Office expense	3,625	15,654	535	19,814	4,973	1,942	852	7,767
Occupancy	51,798	21,200	18,153	91,151	27,394	15,247	1,948	44,589
Marketing media and collateral	62,792	--	14,736	77,528	105,583	828	6,796	113,207
	<u>\$ 6,347,541</u>	<u>\$ 456,898</u>	<u>\$ 396,176</u>	<u>\$ 7,200,615</u>	<u>\$ 4,517,162</u>	<u>\$ 159,934</u>	<u>\$ 97,774</u>	<u>\$ 4,774,870</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, 2014 and 2013**

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**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 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, 2014 and 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 high-credit quality financial institutions. At various times during the years ended December 31, 2014 and 2013, funds held at these financial institutions may have exceeded the FDIC insurance limit.

**The END Fund, Inc. (U.S.)**  
**Notes to Financial Statements**  
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**In-Kind Donation**

The Organization received donated marketing services in the amount of \$62,617 during the year ended December 31, 2013 which has been included in the statements of functional expenses as marketing and telecommunication expense.

**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, 2014 and 2013. There are no open tax years prior to 2011. 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:

	<b>2014</b>	<b>2013</b>
Receivable in less than one year	\$ 8,789,238	\$ 2,325,265
Receivable in one to five years	11,503,095	4,555,937
Total pledges receivable	<u>20,292,333</u>	<u>6,881,202</u>
Less: Discounts to net present value at 1 percent	(246,709)	(111,792)
Net pledges receivable	<u><u>\$ 20,045,624</u></u>	<u><u>\$ 6,769,410</u></u>

**5. Net Assets**

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

	<b>2014</b>	<b>2013</b>
Purpose restriction		
Challenge Matching Grant	\$ --	\$ 695,745
Angola	3,543,106	940
Zimbabwe	4,646	13,500
Namibia	680,988	27,375
Ethiopia	1,899,691	63,113
Democratic Republic of Congo	1,287,070	129,755
Yemen	--	10,000
Niger	--	15,600
Mali	--	208,120
Rwanda	75,500	75,500
General program expenditures	187,000	320,391
Time restricted	<u>13,292,125</u>	<u>6,360,831</u>
	<u><u>\$ 20,970,126</u></u>	<u><u>\$ 7,920,870</u></u>

**The END Fund, Inc. (U.S.)**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

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

	2014	2013
Challenge Matching Grant	\$ 695,745	\$ --
Kenya	--	113,889
India	--	55,000
Angola	1,789,504	--
Zimbabwe	8,854	25,031
Namibia	276,387	75,614
Ethiopia	832,462	70,000
Democratic Republic of Congo	717,685	--
Yemen	175,477	40,000
Nigeria	--	125,000
Niger	15,600	--
Mali	208,120	1,712,934
Ivory Coast	50,000	--
General program expenditures	133,391	22,924
Time restricted	2,103,685	--
	<u>\$ 7,006,910</u>	<u>\$ 2,240,392</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 \$411,782 and \$696,211 (unaudited) for the years ended December 31, 2014 and 2013, respectively.

**7. Leases**

The Organization leases space for its administrative offices under an operating six month lease. The administrative offices moved to a new location in February 2013. Annual rental expense, including utilities for this location was \$91,151 and \$44,589 (unaudited) for the years ended December 31, 2014 and 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 year ended December 31, 2014 and 2013 were \$26,460 and \$8,182 (unaudited), 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 February 16, 2015, 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.