THE END FUND

THE END FUND, INC. (U.S.)
Financial Statements
December 31, 2017 and 2016
With Independent Auditors' Report

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AUDIT TAX ADVISORY

The END Fund, Inc. (U.S.)
December 31, 2017 and 2016

TABLE OF CONTENTS

Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5
Notes to Financial Statements	6-9

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, 2017 and 2016, 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, 2017 and 2016, 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 12, 2018

The END Fund, Inc. (U.S.)
Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Current assets		
Cash	$ 15,640,106	$ 9,480,758
Pledges receivable, current portion	3,465,772	7,778,924
Accounts receivable	418,044	234,319
Prepaid expenses and other current assets	63,400	69,341
Total current assets	19,587,322	17,563,342
Fixed assets	28,290	--
Other assets		
Pledges receivable, net of current portion and NPV adjustment	9,640,433	9,506,184
Total assets	$ 29,256,045	$ 27,069,526
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 107,976	$ 50,213
Deferred revenue	5,000	--
Total liabilities	112,976	50,213
Net assets		
Unrestricted	2,300,024	1,554,818
Temporarily restricted	26,843,045	25,464,495
Total net assets	29,143,069	27,019,313
Total liabilities and net assets	$ 29,256,045	$ 27,069,526

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, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Contributions	$ 734,618	$ 18,405,839	$ 19,140,457	$ 618,146	$ 17,047,813	$ 17,665,959
Investment income	312	--	312	32	--	32
Miscellaneous Income	671	--	671	--	--	--
	735,601	18,405,839	19,141,440	618,178	17,047,813	17,665,991
Temporarily restricted net assets released from restrictions due to satisfaction of time or purpose restrictions	17,027,289	(17,027,289)	--	15,600,874	(15,600,874)	--
	17,762,890	1,378,550	19,141,440	16,219,052	1,446,939	17,665,991
Expenses						
Program services	15,215,623	--	15,215,623	14,865,029	--	14,865,029
Management and general	819,473	--	819,473	509,910	--	509,910
Fundraising	982,588	--	982,588	734,817	--	734,817
	17,017,684	--	17,017,684	16,109,756	--	16,109,756
Changes in net assets	745,206	1,378,550	2,123,756	109,296	1,446,939	1,556,235
Net assets, beginning of year	1,554,818	25,464,495	27,019,313	1,445,522	24,017,556	25,463,078
Net assets, end of year	$ 2,300,024	$ 26,843,045	$ 29,143,069	$ 1,554,818	$ 25,464,495	$ 27,019,313

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, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Changes in net assets	$ 2,123,756	$ 1,556,235
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Net present value adjustment	(61,368)	51,071
Changes in assets and liabilities		
Pledges receivable	4,240,271	2,333,021
Accounts receivable	(183,725)	(170,834)
Prepaid expenses and other current assets	5,941	(29,311)
Accounts payable and accrued expenses	57,763	(33,558)
Deferred revenue	5,000	--
Net cash provided by operating activities	6,187,638	3,706,624
Cash flows from investing activities		
Purchase of fixed assets	(28,290)	--
Net cash used by investing activities	(28,290)	--
Net change in cash	6,159,348	3,706,624
Cash		
Beginning of year	9,480,758	5,774,134
End of year	$ 15,640,106	$ 9,480,758

Supplemental disclosure of cash flow information

There were no amounts paid for interest or income taxes in 2017 and 2016.

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, 2017 and 2016

	2017				2016			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	$ 1,381,372	$ 286,698	$ 468,524	$ 2,136,594	$ 1,283,647	$ 237,354	$ 280,124	$ 1,801,125
Payroll taxes and fringe benefits	277,679	80,952	100,245	458,876	226,654	49,811	57,543	334,008
Professional fees	106,500	241,570	77,097	425,167	36,727	95,763	169,561	302,051
Grant disbursements and related expenses	12,432,064	--	--	12,432,064	12,600,692	--	--	12,600,692
IT & telecommunications	27,034	40,939	9,564	77,537	17,915	9,525	5,212	32,652
Travel, events and meetings	388,916	101,286	241,487	731,689	395,873	62,623	178,362	636,858
Insurance	66	17,549	199	17,814	140	16,583	70	16,793
Office expense	6,035	10,410	6,625	23,070	7,954	15,087	3,313	26,354
Occupancy	185,903	40,053	63,535	289,491	142,671	23,164	33,890	199,725
Marketing media and collateral	410,054	16	15,312	425,382	152,756	--	6,742	159,498
	$ 15,215,623	$ 819,473	$ 982,588	$ 17,017,684	$ 14,865,029	$ 509,910	$ 734,817	$ 16,109,756

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, 2017 and 2016, 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.

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, 2017 and 2016, 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, 2017 and 2016. 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:

	2017	2016
Receivable in less than one year	$ 3,465,772	$ 7,778,924
Receivable in one to five years	9,865,392	9,792,511
Total pledges receivable	13,331,164	17,571,435
Less: Discounts to net present value at 1 percent	(224,959)	(286,327)
Net pledges receivable	$ 13,106,205	$ 17,285,108

5. NET ASSETS

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

	2017	2016
Purpose restriction		
Angola	$ 5,581,276	$ 769,331
Rwanda	400,000	--
Yemen	359,528	--
Zimbabwe	100,995	200,000
Ethiopia	5,234,728	4,574,658
General Africa program expenditures	3,316,194	5,042,370
Time restricted	11,850,324	14,878,136
	$ 26,843,045	$ 25,464,495

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

	2017	2016
Angola	$ 1,286,999	$ 2,032,068
Zimbabwe	599,505	101,300
Ethiopia	1,339,930	2,241,410
Democratic Republic of Congo	50,000	951,035
Rwanda	50,000	--
Yemen	140,472	--
Democratic Republic of Congo - Idjwi	--	25,000
Nigeria	--	1,933
CARBE	--	1,000,001
Chad	--	25,000
General Africa program expenditures	5,526,071	3,002,629
Time restricted	8,034,312	6,220,498
	$ 17,027,289	$ 15,600,874

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 included charity management and administrative back office support services, and grant and program management. The amounts paid to Geneva for these services amounted to $-0- and $94,839 for the years ended December 31, 2017 and 2016, respectively.

7. LEASES

The Organization leases space for its administrative offices under an operating six month lease for the year ending December 31, 2017. Subsequent to year-end, the Organization entered into a new lease agreement. See Note 11 for more information. Annual rental expense, including utilities for this location was $289,491 and $199,725 for the years ended December 31, 2017 and 2016, respectively.

The future lease payments are as follows for the years ending December 31:

2018	$ 317,105
2019	483,714
2020	483,714
2021	483,714
2022	483,714
	$ 2,251,961

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 5 percent of employee pay. Contributions for the years ended December 31, 2017 and 2016 were $92,781 and $77,469, respectively. It is The END Fund, Inc. (U.S.)'s policy to fund the 403(b) Plan currently.

9. 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.

10. RELATED PARTY TRANSACTIONS

The End Fund U.S. and the End Fund U.K. are related parties by a common board. During the normal course of operations and in accordance with agreements between the parties, The End Fund U.K. will have expenses paid for on its behalf by the End Fund U.S. The Organization incurred expenses totaling $762,920 and $381,947 for the years ended December 31, 2017 and 2016, respectively. Accounts receivable from the End Fund U.K. amounted to $418,044 and $234,319 as of December 31, 2017 and 2016, respectively.

11. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of March 12, 2018, which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined the following two subsequent events have occurred which requires disclosure in the financial statements.

Subsequent to year-end, the Organization entered into a new five year lease agreement for office space. The monthly payment for the entire lease period amounts to $40,310 with no escalation. The lease agreement includes a rent abatement for initial five months of the lease term. The future lease commitment schedule has been updated to reflect this new commitment.

Subsequent to year-end, the Organization entered into a secured line of credit agreement with JPMorgan Chase Bank, N.A. The agreement is secured by a continuing security interest in the Organization's assets. The line of credit provides credit of up to $3,000,000 plus interest on the unpaid principal balance. Interest on any outstanding balance accrues daily at the LIBOR rate plus 3.00%. No amounts have been withdrawn on the line through the date of the audit report, March 12, 2018.