

THE END FUND, INC. (U.S.)

FINANCIAL STATEMENTS

December 31, 2023 and 2022

The END Fund, Inc. (U.S.)
FINANCIAL STATEMENTS
December 31, 2023 and 2022

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES.....	4
STATEMENTS OF FUNCTIONAL EXPENSES.....	5
STATEMENTS OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS	7

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The END Fund, Inc. (U.S.)
New York, New York

Opinion

We have audited the financial statements of The END Fund, Inc. (U.S.), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The END Fund, Inc. (U.S.) as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The END Fund, Inc. (U.S.) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The END Fund, Inc. (U.S.)'s ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 END Fund, Inc. (U.S.)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The END Fund, Inc. (U.S.)'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Crowe LLP

Crowe LLP

New York, New York
June 17, 2024

THE END FUND, INC. (U.S.)
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash	\$ 292,100	\$ 332,022
Restricted cash	21,402,352	51,489,478
Investments	20,698,228	-
Pledges receivable, current portion	3,729,247	1,585,494
Related party receivable	712,353	845,198
Prepaid expenses and other current assets	<u>702,989</u>	<u>472,451</u>
Total current assets	47,537,269	54,724,643
Fixed assets, net of accumulated depreciation	21,111	34,735
Operating right-of-use asset	2,067,509	2,379,350
Pledges receivable, net of current portion	621,988	1,039,024
Other assets	<u>156,000</u>	<u>-</u>
Total assets	<u>\$ 50,403,877</u>	<u>\$ 58,177,752</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 484,863	\$ 251,356
Operating lease liabilities, current	<u>349,606</u>	<u>355,063</u>
Total current liabilities	834,469	606,419
Operating lease liabilities, long-term	<u>1,850,465</u>	<u>2,168,093</u>
Total liabilities	2,684,934	2,774,512
Net assets		
Without donor restrictions	296,764	1,113,762
With donor restrictions	<u>47,422,179</u>	<u>54,289,478</u>
Total net assets	<u>47,718,943</u>	<u>55,403,240</u>
Total liabilities and net assets	<u>\$ 50,403,877</u>	<u>\$ 58,177,752</u>

See accompanying notes to financial statements.

THE END FUND, INC. (U.S.)
STATEMENTS OF ACTIVITIES
Years ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions	\$ 9,493,300	\$ 46,170,187	\$ 55,663,487	\$ 9,256,691	\$ 69,467,035	\$ 78,723,726
Investment income	696,371	-	696,371	8,159	-	8,159
Other income	32,500	-	32,500	-	-	-
	<u>10,222,171</u>	<u>46,170,187</u>	<u>56,392,358</u>	<u>9,264,850</u>	<u>69,467,035</u>	<u>78,731,885</u>
Net assets released due to satisfaction	<u>53,037,486</u>	<u>(53,037,486)</u>	<u>-</u>	<u>47,565,390</u>	<u>(47,565,390)</u>	<u>-</u>
Total revenues	<u>63,259,657</u>	<u>(6,867,299)</u>	<u>56,392,358</u>	<u>56,830,240</u>	<u>21,901,645</u>	<u>78,731,885</u>
Expenses						
Program services	59,125,014	-	59,125,014	56,109,328	-	56,109,328
Management and general	2,599,236	-	2,599,236	1,700,424	-	1,700,424
Fundraising	2,352,405	-	2,352,405	2,713,473	-	2,713,473
Total operating expenses	<u>64,076,655</u>	<u>-</u>	<u>64,076,655</u>	<u>60,523,225</u>	<u>-</u>	<u>60,523,225</u>
Changes in net assets	(816,998)	(6,867,299)	(7,684,297)	(3,692,985)	21,901,645	18,208,660
Net assets, beginning of year	<u>1,113,762</u>	<u>54,289,478</u>	<u>55,403,240</u>	<u>4,806,747</u>	<u>32,387,833</u>	<u>37,194,580</u>
Net assets, end of year	<u>\$ 296,764</u>	<u>\$ 47,422,179</u>	<u>\$ 47,718,943</u>	<u>\$ 1,113,762</u>	<u>\$ 54,289,478</u>	<u>\$ 55,403,240</u>

See accompanying notes to financial statements.

THE END FUND, INC. (U.S.)
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended December 31, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 6,280,883	\$ 1,083,210	\$ 1,243,841	\$ 8,607,934	\$ 4,834,040	\$ 882,775	\$ 1,409,111	\$ 7,125,926
Payroll taxes and fringe benefits	1,859,029	378,873	446,756	2,684,658	1,389,434	270,677	400,821	2,060,932
Professional fees	1,953,179	613,339	249,910	2,816,428	1,893,919	189,244	548,188	2,631,351
Grant disbursements and related expenses	45,410,528	-	820	45,411,348	44,455,635	-	-	44,455,635
IT & telecommunications	97,579	111,935	27,592	237,106	95,896	82,361	31,482	209,739
Travel, events and meetings	2,758,345	225,070	302,893	3,286,308	2,652,195	97,578	182,737	2,932,510
Insurance	-	79,875	-	79,875	-	61,925	-	61,925
Office expense	94,167	14,826	18,814	127,807	102,520	13,984	23,152	139,656
Occupancy	256,970	30,655	45,983	333,608	349,086	38,142	78,202	465,430
Marketing media and collateral	397,625	30	9,325	406,980	291,055	50	9,173	300,278
Bank & fundraising platform fees	876	5,567	828	7,271	1,138	19,628	15,559	36,325
Other expenses	-	47,017	-	47,017	-	29,608	-	29,608
Depreciation	6,666	8,033	1,425	16,124	41,162	14,260	13,173	68,595
Subscriptions	9,167	806	4,218	14,191	3,248	192	1,875	5,315
	<u>\$ 59,125,014</u>	<u>\$ 2,599,236</u>	<u>\$ 2,352,405</u>	<u>\$ 64,076,655</u>	<u>\$ 56,109,328</u>	<u>\$ 1,700,424</u>	<u>\$ 2,713,473</u>	<u>\$ 60,523,225</u>

See accompanying notes to financial statements.

THE END FUND, INC. (U.S.)
STATEMENTS OF CASH FLOWS
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
(Decrease) increase in net assets	(7,684,297)	\$ 18,208,660
Adjustments to reconcile changes in net assets provided by (used in) operating activities		
Depreciation	16,124	68,595
Changes in assets and liabilities		
Pledges receivable	(1,726,717)	1,817,771
Related party receivable	132,845	(493,681)
Prepaid expenses and other current assets	(230,538)	(5,104)
Other assets	(156,000)	-
Operating right-of-use asset and lease liabilities, net	(11,244)	91,772
Accounts payable and accrued expenses	233,507	11,400
Net cash (used in) provided by operating activities	<u>(9,426,320)</u>	<u>19,699,413</u>
 Cash flows from investing activities		
Purchase of fixed assets	(2,500)	(22,671)
Purchase of investments	<u>(20,698,228)</u>	<u>-</u>
Net cash used in investing activities	<u>(20,700,728)</u>	<u>(22,671)</u>
 Net change in cash and restricted cash	 (30,127,048)	 19,676,742
Cash and restricted cash, beginning of year	<u>51,821,500</u>	<u>32,144,758</u>
 Cash and restricted cash, end of year	 <u>21,694,452</u>	 <u>\$ 51,821,500</u>
 Right-of-use operating lease assets obtained in exchange for lease liabilities	 <u>\$ -</u>	 <u>\$ 2,482,577</u>

See accompanying notes to financial statements.

NOTE 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 more than 170,000 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 (“U.K.”), 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America (GAAP). GAAP requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are classified as without donor restrictions or with donor restrictions, as defined below:

- Without Donor Restrictions – included expendable resources that are used to carry out the Organization’s operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.
- With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by the actions of the Organization or through the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions. With donor restrictions net assets whose restrictions are met in the same reporting period as the revenue is recognized are reported as support within net assets without donor restrictions.

In addition to the three primary financial statements presented under U.S. GAAP for not-for-profit organizations, the statement of functional expenses presents expenses by natural classification within functional categories. Functional categories are either programmatic or fundraising, with the exception of management and general. Funds incurred to combat five of the most prevalent NTDs make up the Organization’s program expenditures.

(Continued)

THE END FUND, INC. (U.S.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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.

Cash and Restricted Cash: Cash consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. Additionally, for purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted cash is classified in currents assets on the statement of financial position and includes donor-imposed restrictions that limits the use of that cash to purpose or time restrictions.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total of the same such amounts as shown in the statements of cash flows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 292,100	\$ 332,022
Restricted cash	<u>21,402,352</u>	<u>51,489,478</u>
Total cash and restricted cash in the statements of financial position	<u>\$ 21,694,452</u>	<u>\$ 51,821,500</u>

Investments: Investments are reported at fair value, which is determined by using quoted market prices, where available. When not available, the present value of estimated future cash flows or other reasonable method is used. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments would be reflected in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law. Donated investments are recorded at the fair value at the date of receipt.

Fair Value Measurements: The END Fund reports certain assets and liabilities at fair value. Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an “exit” price) in the principal or most advantageous market for asset or liability between market participants on the measurement date (Note 6).

The END Fund determines fair value of financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted prices in active markets or in markets not considered to be active and model-based valuation techniques for which assumptions are observable or can be corroborated by observable market data.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 3: Unobservable inputs that are supported by little or no market activity. Fair value measurement for these financial instruments requires significant management judgment or estimation.

An asset's or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation.

Fair value estimates are made at a specific point in time, based on available market information and other observable inputs. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset and these values do not represent any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in the amounts disclosed.

The Organization used fair value measurements to record fair value adjustments to certain assets, including certificates of deposit as described in Note 6. The Organization did not have any liabilities that were measured at fair value at December 31, 2023 or 2022.

Property and Depreciation: Property purchases are recorded at cost, except for donated items which are recorded at fair value on the date of donation. Depreciation is provided over the useful lives of the assets using the straight-line method.

The principal rate for computing depreciation by major asset category are as follows:

<u>Description</u>	<u>Life (Years)</u>
Computer software	3
Leasehold improvements	5
Furniture and fixtures	5

Impairment of Long-Lived Assets: The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no impairment charge was required for the periods presented in these financial statements.

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.

Unconditional promises to give are recorded as revenues in the period received at fair value, using the present value of estimated future cash flows discounted at an appropriate rate.

Contributions to be received after one year are discounted to present value using a risk-adjusted rate. Conditional promises to give are not included as support until the conditions are substantially met. Amortization of the discount is recorded as a reduction to contribution revenue.

Management determines the allowance for uncollectible pledges based on its assessment of the current status of the individual pledges and the aged basis of its receivables. Receivables are written off when all reasonable collection efforts have been exhausted. For the years ended December 31, 2023 and 2022, no reserve was deemed necessary.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases: At the inception of an arrangement, the Organization determines if an arrangement is a lease based on all relevant facts and circumstances. Leases are classified as operating or finance leases at the lease commencement date. Operating leases are included in operating right-of-use (“ROU”) assets and current and long-term operating lease liabilities, in the statement of financial position. The organization does not have any finance leases. Leases are classified between current and long-term liabilities based on their payment terms. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less (short-term leases) are not recorded on the balance sheet.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Advertising Expenses: Advertising expenses are expensed in the period incurred. Advertising expenses amounted to \$406,979 and \$300,280 at December 31, 2023 and 2022.

Expense Allocation: The costs of providing the Organizations programs and supporting services have been summarized on a functional basis on the accompanying statements of functional expenses. Accordingly, certain costs have been allocated between program and supporting services based principally on specific identification and where an expense affects more than one area, they are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, salaries and wages, benefits, and payroll taxes, which are allocated on the basis of estimates of usage or time and effort.

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, 2023 and 2022, funds held at these financial institutions may have exceeded the FDIC insurance limit. Approximately 99 percent and 89 percent of pledges receivable were accounted for by three and one contributors for the years ended December 31, 2023 and December 31, 2022, respectively. The concentration of credit risk with respect to the pledge receivables are limited due to the historical experience of the Organization. Approximately 64 percent and 79 percent of the contributions during the year came from three and four contributors for the years ended December 31, 2023 and 2022, respectively.

Adoption of New Accounting Standard: On January 1, 2023, the Organization adopted Accounting Standards Update (“ASU”) 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326) using the modified retrospective approach. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of financial assets using historical experience, current conditions, and reasonable supportable forecasts. The new standard had no impact on the Organization’s financial statements.

NOTE 3 – INCOME TAXES

Accounting principles generally accepted in the United States of America prescribe requirements for the recognition of income taxes in the financial statements, and the amounts recognized are affected by income tax positions taken by the Organization in its tax returns. The END Fund, Inc. (U.S.) is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization’s status as an exempt organization is defined as an income tax position under these requirements. While management believes it has complied with the Internal Revenue Code, the sustainability of some income tax positions taken by the Organization in its tax returns may be uncertain.

(Continued)

THE END FUND, INC. (U.S.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 3 – INCOME TAXES (Continued)

There are minimum thresholds of likelihood that uncertain tax positions are required to meet before being recognized in the financial statements. Management does not believe that the Organization Fund has any material uncertain tax positions at December 31, 2023 and 2022. Accordingly, no provision or liability for income taxes has been recorded in the financial statements. In addition, the Organization has no income tax related penalties or interest for the periods reported in these financial statements. In the event that interest and penalties were due relating to an unsustainable tax position, they would be treated as a component of income tax expense.

NOTE 4 – FIXED ASSETS

Fixed assets, shown net of accumulated depreciation at December 31, consist of the following:

	<u>2023</u>	<u>2022</u>
Computer software	\$ 74,435	\$ 71,935
Leasehold improvements	133,199	133,199
Furniture and fixtures	<u>135,610</u>	<u>135,610</u>
	343,244	340,744
Less: accumulated depreciation	<u>322,133</u>	<u>306,009</u>
	<u>\$ 21,111</u>	<u>\$ 34,735</u>

Depreciation for the years ended December 31, 2023 and 2022 amounted to \$16,124 and \$68,595, respectively.

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable at December 31, consisted of the following:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 3,729,247	\$ 1,585,494
Receivable in one to five years	<u>750,000</u>	<u>1,250,000</u>
Total pledges receivable	4,479,247	2,835,494
Less: discount to present value	<u>(128,012)</u>	<u>(210,976)</u>
Net pledges receivable	4,351,235	2,624,518
Current portion	<u>(3,729,247)</u>	<u>(1,585,494)</u>
Net of current portion	<u>\$ 621,988</u>	<u>\$ 1,039,024</u>

Pledges to be received after one year are discounted at discount rates ranging from 4.79% to 4.73% for the years ended December 31, 2023 and 2022, respectively.

(Continued)

THE END FUND, INC. (U.S.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 6 – INVESTMENTS

During the 2023 year, the Organization opened various certificates of deposit accounts. The certificates of deposit are valued based on the carrying value and interest earned, which approximates fair value. Certificates of deposit totaled \$20,698,228 at December 31, 2023 and are considered Level 2 investments. The Organization held no certificates of deposit at December 31, 2022.

There were no amounts recorded as unrealized or realized gains or losses reported in the statements of activities for the years ended December 31, 2023 and 2022.

NOTE 7 – NET ASSETS

Net assets with donor restrictions were for the following programmatic uses at December 31:

<u>Purpose Restriction</u>	<u>2023</u>	<u>2022</u>
Ethiopia	\$ -	\$ 183,342
VL	809,353	420,460
SCH Oversampling Study	1,872,755	-
Reaching the Last Mile Fund	19,095,347	18,876,919
Audacious	11,098,649	15,592,230
ARISE Fund	9,745,742	12,844,533
Time restricted	4,615,508	6,081,954
Other restricted	184,825	290,040
	<u>\$ 47,422,179</u>	<u>\$ 54,289,478</u>

Net assets released due to satisfaction of time or purpose restrictions in the years ended December 31, were as follows:

<u>Purpose Restriction</u>	<u>2023</u>	<u>2022</u>
Ethiopia	\$ 183,342	\$ 263,530
VL	3,311,108	3,818,072
SCH Oversampling Study	127,245	-
Deworming	-	500,822
ARISE Fund	15,455,735	6,744,054
Reaching the Last Mile Fund	12,204,570	13,769,777
Nigeria	55,138	45,395
Democratic Republic of Congo	-	42,339
Audacious	11,121,451	12,758,483
Time restricted	9,386,506	8,804,535
Other restricted	1,192,391	818,383
	<u>\$ 53,037,486</u>	<u>\$ 47,565,390</u>

(Continued)

THE END FUND, INC. (U.S.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 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, 2023 and 2022 were \$250,790 and \$210,164, respectively and is included within payroll taxes and fringe benefits in the related statements of functional expenses. It is The END Fund, Inc. (U.S.)’s policy to fund the 403(b) Plan currently.

NOTE 9 – LINE OF CREDIT

On January 5, 2018, The END Fund, Inc. (U.S) entered a secured line of credit with JPMorgan Chase Bank, N.A. totaling \$3,000,000 for the general operational needs of The END Fund, Inc. The agreement is secured by a continuing security interest in the Organization’s assets. Interest on any outstanding balance accrues daily at the SOFR plus 3.00 percent. The line of credit expires August 25, 2024. There was no outstanding balance as of December 31, 2023 and 2022.

NOTE 10 – LEASES

In 2018, the Organization entered into a five-year lease agreement for a new location. The monthly payment for the entire lease period amounted to \$40,310 with no escalation. The lease agreement included a rent abatement for the initial five months of the lease term.

On July 21, 2022, the Organization amended their lease to surrender the original space and lease alternative space in the same building with the same landlord. The amended lease includes a lease term of approximately 7 years with escalating rent upon the 5th anniversary of the rent commencement date.

The rent commencement date was September 1, 2022. The amended agreement includes a rent abatement equivalent to 4 months’ rent offset by the surrender fee associated with the original space. The amended lease includes an option to extend the lease for one additional period of five years. The exercise of lease extension options is at the Organization’s sole discretion. As of December 31, 2022, it was determined that this extension option was not reasonably certain and it’s not included in the initial measurement of the lease liability and ROU asset. The amended lease also contains early termination penalties; however, as of December 31, 2023, it is not reasonably certain that the Organization will exercise or become subject to such early termination penalties.

The Organization’s lease agreements do not provide an implicit rate, so the Organization uses an estimated incremental borrowing rate, which is derived from third-party information available at the lease commencement date, in determining the present value of lease payments. The rate used is the risk-free-rate.

The following table summarizes the details for the Organization’s operating leases recorded on the statement of financial position as of December 31:

	<u>2023</u>	<u>2022</u>
Operating lease right of use asset	\$ 2,067,509	\$ 2,379,350
Current portion of operating lease liability	\$ 349,606	\$ 355,063
Long-term portion of operating lease liability	\$ 1,850,465	\$ 2,168,093
Weighted-average remaining lease term (years)	6.12	7.58
Weighted-average discount rate	1.52%	1.55%

(Continued)

THE END FUND, INC. (U.S.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 10 – LEASES (Continued)

The components of lease cost for the year ended December 31 were as follows:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 308,137	\$ 424,207
Variable lease cost	<u>25,472</u>	<u>41,223</u>
 Total lease cost	 <u>\$ 333,609</u>	 <u>\$ 465,430</u>

Future minimum lease payments are as follows for the years ending December 31:

2024	\$ 359,905
2025	359,905
2026	359,905
2027	359,905
2028	387,590
Thereafter	<u>484,487</u>
Total lease payments	2,311,697
Less: imputed interest	<u>111,626</u>
Present value of lease liability	2,200,071
Less: current portion of lease liability	<u>349,606</u>
 Long-term lease liability	 <u>\$ 1,850,465</u>

NOTE 11 – LIQUIDITY AND AVAILABILITY

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position as of December 31 comprise:

	<u>2023</u>	<u>2022</u>
Cash	\$ 292,100	\$ 332,022
Pledges receivable	3,729,247	1,585,494
Related party receivable	<u>712,353</u>	<u>845,198</u>
	<u>\$ 4,733,700</u>	<u>\$ 2,762,714</u>

As part of the Organization's liquidity management, the Organization invests its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization also has a line of credit that can be drawn upon, as discussed in Note 9.

(Continued)

THE END FUND, INC. (U.S.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 12 – RELATED PARTY TRANSACTIONS

In accordance with the services agreement between the Organization and the U.K., the Organization provides various administrative, programmatic, financial, and supporting services to the U.K., for which the U.K. will reimburse the Organization for the cost of these services. The Organization paid expenses on behalf of the U.K. totaling \$2,235,414 and \$2,255,898 during the years ended December 31, 2023 and 2022, respectively. Accounts receivable from the U.K. amounted to \$712,353 and \$845,198 as of December 31, 2023 and 2022, respectively.

The financial operations and results of the U.K. for the periods ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Assets	\$ 5,172,897	\$ 2,642,633
Liabilities	760,391	874,212
Net Assets	4,412,506	1,768,421
Revenues	5,003,958	3,160,629
Expenses	2,359,873	2,062,719

NOTE 13 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date the accompanying financial statements were available to be issued, which was June 17, 2024. No subsequent events have been identified that are required to be accounted for or disclosed.