



MALARIA NO MORE FUND

Financial Statements
(Together with Independent Auditors' Report)

December 31, 2014 and 2013

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

MALARIA NO MORE FUND
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
DECEMBER 31, 2014 AND 2013

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Malaria No More Fund

We have audited the accompanying financial statements of Malaria No More Fund which comprise the statements of financial position as of December 31, 2014 and the consolidated financial statements of Malaria No More Fund and wholly owned subsidiary NetGuarantee, LLC (collectively the "Organization") as of December 31, 2013 (which includes the activity for NetGuarantee, LLC from January 1, 2013 to May 7, 2013), and the related statements of activities, functional expenses and cash flows 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 Malaria No More Fund as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Marks Paneth LLP

Tarrytown, NY
September 16, 2015



**MALARIA NO MORE FUND
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 AND 2013**

	2014	2013
ASSETS		
Cash and cash equivalents (Notes 2B and 10A)	\$ 3,141,366	\$ 787,694
Contributions and grants receivable (Notes 2D, 2E, 3 and 10B)	6,760,998	3,534,485
Prepaid expenses and other assets	49,996	46,946
Property and equipment, net (Notes 2F and 4)	155,116	171,915
TOTAL ASSETS	\$ 10,107,476	\$ 4,541,040
LIABILITIES		
Accounts payable and accrued expenses	\$ 655,213	\$ 410,800
Grants payable (Note 2G and 5)	2,202,956	-
TOTAL LIABILITIES	2,858,169	410,800
COMMITMENTS (Note 13)		
NET ASSETS (Note 2C)		
Unrestricted	1,116,710	(67,953)
Temporarily restricted (Notes 7)	6,132,597	4,198,193
TOTAL NET ASSETS	7,249,307	4,130,240
TOTAL LIABILITIES AND NET ASSETS	\$ 10,107,476	\$ 4,541,040

The accompanying notes are an integral part of these consolidated financial statements.

**MALARIA NO MORE FUND
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	For the Year Ended December 31, 2014			For the Year Ended December 31, 2013		
	Unrestricted	Temporarily Restricted	Total 2014	Unrestricted	Temporarily Restricted	Total 2013
SUPPORT AND REVENUE:						
Contributions and grants (Notes 2D, 10B)	\$ 2,639,225	\$ 11,803,360	\$ 14,442,585	\$ 1,292,237	\$ 6,750,028	\$ 8,042,265
Fundraising events, net of costs of direct benefits to donors of \$369,926 in 2014 and \$254,316 in 2013 (Note 2H)	714,833	-	714,833	460,030	-	460,030
In-kind contributions (Notes 2D and 8)	350,675	-	350,675	1,987,781	-	1,987,781
Interest income	417	-	417	389	-	389
Other Income (Note 13)	137,116	-	137,116	111,044	-	111,044
Net assets released from restrictions (Note 7)	<u>9,868,956</u>	<u>(9,868,956)</u>	<u>-</u>	<u>7,576,942</u>	<u>(7,576,942)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>13,711,222</u>	<u>1,934,404</u>	<u>15,645,626</u>	<u>11,428,423</u>	<u>(826,914)</u>	<u>10,601,509</u>
EXPENSES (Note 2I):						
Program services (Note 1)	9,915,621	-	9,915,621	8,153,304	-	8,153,304
Administrative and support	1,913,264	-	1,913,264	1,900,819	-	1,900,819
Fundraising (Note 8A)	<u>697,674</u>	<u>-</u>	<u>697,674</u>	<u>2,033,569</u>	<u>-</u>	<u>2,033,569</u>
TOTAL EXPENSES	<u>12,526,559</u>	<u>-</u>	<u>12,526,559</u>	<u>12,087,692</u>	<u>-</u>	<u>12,087,692</u>
CHANGE IN NET ASSETS	<u>1,184,663</u>	<u>1,934,404</u>	<u>3,119,067</u>	<u>(659,269)</u>	<u>(826,914)</u>	<u>(1,486,183)</u>
Net assets - beginning of year	<u>(67,953)</u>	<u>4,198,193</u>	<u>4,130,240</u>	<u>591,316</u>	<u>5,025,107</u>	<u>5,616,423</u>
NET ASSETS - END OF YEAR	<u>\$ 1,116,710</u>	<u>\$ 6,132,597</u>	<u>\$ 7,249,307</u>	<u>\$ (67,953)</u>	<u>\$ 4,198,193</u>	<u>\$ 4,130,240</u>

The accompanying notes are an integral part of these consolidated financial statements.

MALARIA NO MORE FUND
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	For the Year Ended December 31, 2014				
	Program Services	Supporting Services		2014 Total Expenses	2013 Total Expenses
Administrative and Support		Fundraising			
Salaries and wages	\$ 2,888,359	\$ 755,792	\$ 380,105	\$ 4,024,256	\$ 3,403,017
Payroll taxes and employee benefits	505,270	171,566	86,724	763,560	712,285
Total salaries and related costs	3,393,629	927,358	466,829	4,787,816	4,115,302
Bed nets and other materials	506,534	-	-	506,534	1,211,875
Program implementation fees	3,104,388	-	-	3,104,388	795,015
Consultants (Note 9)	1,312,387	311,811	65,211	1,689,409	1,547,087
Other professional fees	36,912	63,446	-	100,358	403,251
Grants	117,800	-	-	117,800	-
Printing and publications	12,341	50	8,812	21,203	31,828
Events	114,424	1,206	47,507	163,137	369,755
Insurance	4,467	36,108	750	41,325	43,489
Office expenses	112,908	29,199	12,250	154,357	165,488
Telephone	68,339	50,429	7,715	126,483	128,859
Occupancy costs (Note 13)	69,532	353,255	-	422,787	473,497
Travel	707,518	52,903	60,053	820,474	645,615
Repairs and maintenance	3,995	20,080	220	24,295	27,212
Dues and subscriptions	-	-	3,450	3,450	5,175
Conferences and seminars	-	987	-	987	1,650
Interest Expense (Note 6)	-	-	-	-	352
Depreciation and amortization	23,641	23,795	606	48,042	48,735
Bad debt expense (Note 2E)	-	-	-	-	10,000
Miscellaneous	14,806	3,962	24,271	43,039	75,727
Subtotal (excluding in-kind expenses)	9,603,621	1,874,589	697,674	12,175,884	10,099,912
Add: in-kind expenses:					
Promotions and advertising (Note 8A)	-	-	-	-	1,244,224
Donated treatment and testing kits (Note 8B)	312,000	-	-	312,000	521,724
Other professional fees (Note 8C)	-	38,675	-	38,675	221,832
Subtotal - (in-kind expenses)	312,000	38,675	-	350,675	1,987,780
TOTAL EXPENSES	\$ 9,915,621	\$ 1,913,264	\$ 697,674	\$ 12,526,559	\$ 12,087,692

The accompanying notes are an integral part of these consolidated financial statements.

MALARIA NO MORE
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Supporting Services</u>			2013 Total Expenses
	<u>Program Services</u>	<u>Administrative and Support</u>	<u>Fundraising</u>	
Salaries and wages	\$ 2,248,119	\$ 854,468	\$ 300,430	\$ 3,403,017
Payroll taxes and employee benefits	448,908	183,114	80,263	712,285
Total salaries and related costs	<u>2,697,027</u>	<u>1,037,582</u>	<u>380,693</u>	<u>4,115,302</u>
Bed nets	1,210,841	-	1,034	1,211,875
Program implementation fees	795,015	-	-	795,015
Consultants (Note 9)	1,401,002	3,652	142,433	1,547,087
Other professional fees	210,703	86,263	106,285	403,251
Printing and publications	18,940	202	12,686	31,828
Events	325,336	2,753	41,666	369,755
Insurance	5,315	37,660	514	43,489
Office expenses	98,535	36,874	30,079	165,488
Telephone	77,349	46,312	5,198	128,859
Occupancy costs (Note 13)	124,974	348,523	-	473,497
Travel	577,698	23,442	44,475	645,615
Repairs and maintenance	6,863	20,249	100	27,212
Dues and subscriptions	5,055	-	120	5,175
Conferences and seminars	-	-	1,650	1,650
Interest expense (Note 6)	-	352	-	352
Depreciation and amortization	21,572	26,909	254	48,735
Bad Debt Expense	-	-	10,000	10,000
Miscellaneous	<u>55,355</u>	<u>8,214</u>	<u>12,158</u>	<u>75,727</u>
Subtotal (excluding in-kind expenses)	7,631,580	1,678,987	789,345	10,099,912
Add: in-kind expenses:				
Promotions and advertising (Note 8A)	-	-	1,244,224	1,244,224
Donated treatment and testing kits (Note 8B)	521,724	-	-	521,724
Other professional fees (Note 8C)	<u>-</u>	<u>221,832</u>	<u>-</u>	<u>221,832</u>
Subtotal - in-kind expenses	<u>521,724</u>	<u>221,832</u>	<u>1,244,224</u>	<u>1,987,780</u>
TOTAL EXPENSES	<u><u>\$ 8,153,304</u></u>	<u><u>\$ 1,900,819</u></u>	<u><u>\$ 2,033,569</u></u>	<u><u>\$ 12,087,692</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**MALARIA NO MORE FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,119,067	\$ (1,486,183)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	48,042	48,735
Bad debt expense	-	10,000
Donated - payment - line of credit	-	(150,000)
Loss on disposal of property and equipment	19,764	-
Changes in operating assets and liabilities:		
Contributions and grants receivable	(3,226,513)	804,924
Prepaid expenses and other assets	(3,050)	30,763
Accounts payable and accrued expenses	244,413	(115,604)
Grants payable	<u>2,202,956</u>	<u>(719,147)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,404,679</u>	<u>(1,576,512)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property and equipment	(51,007)	(45,700)
Decrease in restricted cash	<u>-</u>	<u>356,206</u>
Net Cash (Used) Provided by Investing Activities	<u>(51,007)</u>	<u>310,506</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Payment of)/Due to African Leaders Malaria Alliance, Inc.	<u>-</u>	<u>(1,194,735)</u>
Net Cash Used by Financing Activities	<u>-</u>	<u>(1,194,735)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,353,672	(2,460,741)
Cash and cash equivalents - beginning of year	<u>787,694</u>	<u>3,248,435</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,141,366</u>	<u>\$ 787,694</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 352</u>

**MALARIA NO MORE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Malaria No More Fund (“MNM” or the “Organization”) was organized under the not-for-profit laws of the State of Delaware in 2006 to raise public awareness and mobilize public support to combat the devastating threat of malaria. MNM received its public charity determination from the Internal Revenue Service in 2006 and commenced operations on August 1, 2007. MNM is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

MNM engages the private sector to provide life-saving bed nets and other critical interventions to families in Africa. MNM brings together other organizations working against the disease, to galvanize their efforts towards the development and implementation of a collaborative global plan and effort bringing together private, public and multilateral sectors. MNM drives development and management of a master strategic plan and approach for accomplishing this important goal; identifying and bringing awareness to the gaps in resources. In addition, MNM plays a key role in driving fundraising activity, developing and executing global media awareness and fundraising strategy and campaigns targeted at generating the necessary support to fill the gaps in funding and resources.

NetGuarantee LLC (“NetGuarantee”) was organized in January 2009 as a limited liability company under the Delaware Limited Liability Company Act. The sole member of NetGuarantee was MNM, therefore NetGuarantee was a disregarded entity of MNM and financial information for NetGuarantee is included in the federal and state informational returns of MNM. The purpose of NetGuarantee was to provide guarantees to long-lasting insecticidal nets (“LLIN”) manufacturers in order to enable countries to enter into procurement contracts upon approval, allowing LLINs to reach vulnerable populations faster than current processes allow. Effective May 7, 2013, the NetGuarantee program was transferred to Munich Re. Under the transfer, certain specified, non-financial assets of NetGuarantee were sent to Munich Re and the administration for the program was assumed by Munich Re. The financial assets held by NetGuarantee LLC, were transferred to MNM, with permission of the donors, to fund other projects. NetGuarantee LLC was dissolved on May 7, 2013, and ceased to exist as a subsidiary of MNM.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting and Use of Estimates*

The Organization’s financial statements have been prepared on the accrual basis of accounting. 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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

B. *Cash and Cash Equivalents*

Cash and cash equivalents include all cash balances and highly liquid debt instruments with a maturity of three months or less when acquired.

C. *Basis of Presentation*

The Organization maintains its net assets under the following classes:

- Unrestricted – represents resources available for support of the Organization’s operations over which the Board of Directors has discretionary control.

**MALARIA NO MORE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Temporarily Restricted – represents assets that are subject to donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted – represents assets that must remain intact in perpetuity. The Organization had no permanently restricted net assets as of December 31, 2014 and 2013.

D. *Contributions*

Contributions are recognized at their fair value when received or when an unconditional promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. Unless material, the Organization does not discount to present value pledges and grants to be received after more than one year.

The Organization records various types of in-kind contributions. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services also include the value of donated public service announcements (“PSAs”) which are recorded as contributions at their estimated fair market value (based on the market size, day, time and length of the PSA) as of the date of the donation.

Many volunteers, including the Board of Directors, have made significant contributions of time in furtherance of the Organization’s policies and programs. The value of this contributed time does not meet the criteria for recognition and therefore is not reflected in the accompanying financial statements.

E. *Allowance for Uncollectible Contributions and Grants Receivable*

The Organization determines whether an allowance for uncollectible contributions and grants receivable should be provided based on prior years’ experience and management’s analysis of specific promises to give. As of December 31, 2014 and 2013, the Organization determined that no allowance was necessary. During the year ended December 31, 2013, the Organization deemed contributions and grants receivable of \$10,000 to be uncollectible and such amount was written off and recognized as bad debt expense.

F. *Property and Equipment*

Property and equipment is capitalized by the Organization, provided its cost is \$1,000 or more and its useful life is three years or more. Property and equipment is recorded at cost at the date of acquisition or at its fair value at the dates of donation. Depreciation is provided on a straight-line basis over the estimated life of the asset or, in the case of leasehold improvements, the term of the lease, whichever is shorter. Expenditure for maintenance and repairs, which do not extend the useful life of the related assets, are charged to operations as incurred. Upon retirements or disposition of assets, the cost and related accumulated depreciation are removed from the balance sheet with the resulting gains or losses, if any, reflected in operations.

MALARIA NO MORE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *Grants Payable*

Grants payable are recorded at the time the grant is awarded, unless there is an unconditional right to revoke the grant commitment or the grant is contingent on future events. Grants awarded but unpaid at year end are reported as grants payable in the accompanying statements of financial position. The Organization has not made any grants with restrictions that would revoke the grant. Unless material, the Organization does not discount to present value grants that are scheduled to be paid in greater than one year.

Expenditures for maintenance and repairs, which do not extend the economic useful life of the related assets, are charged to operations as incurred. Upon retirements or disposition of assets, the cost and related accumulated depreciation are removed from the balance sheet with the resulting gains or losses, if any, reflected in operations.

H. *Costs of Direct Benefits to Donors*

The direct costs of fundraising events include expenses for the benefit of the donor. For example, meals and facilities rental are considered costs of direct benefits to donors.

I. *Functional Allocation of Expenses*

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Certain costs have been allocated among the Program and Supporting Services.

J. *Income Taxes*

The Organization had no uncertain income tax positions as of December 31, 2014 and 2013 in accordance with Accounting Standards Codification (“ASC”) Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Organization is no longer subject to federal or state and local income tax examinations by tax authorities for years ended before 2011.

K. *Reclassification*

Certain items in the December 31, 2013 financial statements have been reclassified to conform with the December 31, 2014 presentation. These reclassifications had no impact on the change in net assets for the year ended December 31, 2013.

**MALARIA NO MORE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 3 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consisted of the following as of December 31, 2014 and 2013:

	2014	2013
Gross amounts due in:		
Due within one year	\$ 3,780,194	\$ 3,384,485
Due within one to five years	3,002,266	150,000
	6,782,460	3,534,485
Less discount to present value	21,462	-
	\$ 6,760,998	\$ 3,534,485

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2014 and 2013:

	2014	2013	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ 21,133	\$ 21,133	5 years
Equipment	182,223	192,649	3-5 years
Furniture and Fixtures	96,364	81,489	7 years
Computer software	18,719	18,720	3 years
Total cost	318,439	313,991	
Less: accumulated depreciation and amortization	163,323	142,076	
Net book value	\$ 155,116	\$ 171,915	

Depreciation and amortization expense amounted to \$48,042 and \$48,735 for the years ended December 31, 2014 and 2013, respectively.

The Organization disposed of equipment with cost of \$46,558 and accumulated depreciation of \$26,794 during the year ended December 31, 2014.

NOTE 5 – GRANTS PAYABLE

Grants Payable consisted of the following as of December 31, 2014:

	2014
Payable within one year	\$ 1,100,294
Payable within one to five years	1,110,601
	2,210,895
Less: discount to present value	(7,939)
	\$ 2,202,956

**MALARIA NO MORE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 6 – LOAN PAYABLE

At December 31, 2012, the Organization had a revolving line of credit of \$150,000 with a financial institution and such line of credit expired on December 31, 2012. The outstanding balance was entirely repaid in May 2013 by a Board Member and the amount was recorded as a contribution. The line bore interest at the LIBOR rate applicable to such loans plus 0.75% and borrowings were secured by the assets of a Board member. Interest expense incurred for the line of credit amounted to \$-0- and \$352 for the years ended December 31, 2014 and 2013, respectively.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2014 and 2013:

	2014	2013
Nightwatch (Nigeria, Chad and Cameroon) Malaria health education program	\$ 31,212	\$ 1,894,180
Maximizing global leadership momentum and increase public awareness grant	4,263,246	344,233
Bed nets	-	52,083
United Nations Special Envoys program	121,949	317,177
Mothers Against Malaria (Kenya)	335,169	570,000
Power of One campaign; One dollar delivers a life-saving test and treatment to children in Africa	356,282	408,058
Malaria mobile communications (Tanzania)	9,857	197,199
Malaria mobile communications (Nigeria)	540,000	-
Other	474,882	415,263
	\$ 6,132,597	\$ 4,198,193

Net assets totaling \$9,868,955 and \$7,576,942 were released from restrictions during the years ended December 31, 2014 and 2013, respectively, by incurring expenses in satisfaction of donor restrictions.

NOTE 8– IN-KIND CONTRIBUTIONS

- A. For the year ended December 31, 2013, the Organization received donated services in the form of multi-media from several organizations. The donated services were used to increase awareness of the Organization's programs. The total amounted to \$1,244,224 for the year ended December 31, 2013.

Such amounts have been reflected as in-kind contribution revenue and promotion and advertising expense in the accompanying financial statements.

A joint activity is one that involves fundraising in addition to program activities or supporting services activities. Generally, all costs of a joint activity are reported as fundraising expense unless certain criteria relating to purpose, audience and content are met. While the advertising and promotions aired on behalf of the Organization helped to raise awareness of the Organization's programs, the multi-media did not call for a specific action by the audience (other than making a contribution and becoming educated about causes) that will help accomplish the Organization's mission. Therefore, the purpose criterion was not met and the total value of the multi-media donated to the Organization amounting to \$1,244,224 for the year ended December 31, 2013 has been reflected as fundraising expense in the accompanying financial statements.

**MALARIA NO MORE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 8– IN-KIND CONTRIBUTIONS (Continued)

- B. During the years ended December 31, 2014 and 2013, the Organization also received donated treatment and testing kits for malaria from organizations which amounted to \$312,000 and \$521,724, respectively. Such amounts have been reflected as in-kind revenue and program expenses for malaria awareness, education and advocacy in the accompanying financial statements.
- C. Also, during the years ended December 31, 2014 and 2013, the Organization received donated legal services totaling \$38,675 and \$221,832, respectively, which have been reflected as in-kind contribution revenue and other professional fees in the accompanying financial statements.

NOTE 9 – RELATED PARTY TRANSACTIONS

For the years ended December 31, 2014 and 2013, the Organization paid approximately \$-0- and \$112,000, respectively, in consulting fees to companies of which board members of the Organization are officers. These expenses were for program related services performed by the companies and are reflected as consultant expense in the accompanying statements of functional expenses.

NOTE 10 – CONCENTRATIONS

A. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that may exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Beginning on January 1, 2013 noninterest-bearing transactions accounts were no longer insured separately from depositors’ other accounts at the same insured depository institutions. Noninterest-bearing transaction accounts will be added to any depositors other accounts in the applicable ownership category and the aggregate balances insured up to at least the Standard Maximum Deposit Insurance amount of \$250,000 per depositor.

As of December 31, 2014 and 2013, the Organization had insured cash accounts that exceeded the FDIC insurance limit by approximately \$117,000 and \$-0-, respectively.

As of December 31, 2014 and 2013, the Organization had approximately \$330,000 and \$50,000, respectively, in foreign bank accounts. In addition, the Organization had cash equivalents of approximately \$2,717,000 and \$692,000, respectively, in financial institutions which were not insured by the FDIC.

B. Concentration of Revenues and Receivables

As of December 31, 2014, three major donors contributed approximately 68% of the total support and revenues (excluding in-kind contributions). Contributions and grants receivable included receivables from one donor, \$6,000,000, that represented 89% of the total contributions and grant receivables.

As of December 31, 2013, four major donors contributed approximately 75% of the total support and revenues (excluding in-kind contributions). Contributions and grants receivable included receivables from two donors, \$2,500,000, that represented 71% of the total contributions and grant receivables.

**MALARIA NO MORE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 11 – NETGUARANTEE LLC

As disclosed in Note 1, NetGuarantee was organized in 2009, as a Delaware limited liability company to provide bed net contract guarantees to manufacturers in order to expedite the process of funding the bed net distributions. NetGuarantee partnered with commercial insurers and offers a form of payment guarantee to bed net manufacturers before countries receive grant funding. During the year ended December 31, 2010, NetGuarantee provided collateral to a commercial insurer to incentivize the NetGuarantee program.

Included in the accompanying statement of activities for the year ended December 31, 2013, is approximately \$100 and \$86,000 of revenue and expenses, respectively, from NetGuarantee.

Effective May 7, 2013, the NetGuarantee program was transferred to Munich Re. Under the transfer, certain specified, non-financial assets of NetGuarantee were sent to Munich Re and the administration for the program was assumed by Munich Re. The financial assets held by NetGuarantee LLC, a disregarded entity of MNM, were transferred to MNM, with permission of the donors, to fund other projects. NetGuarantee LLC was dissolved on May 7, 2013, and ceased to exist as a subsidiary of MNM.

NOTE 12 – EMPLOYEE BENEFIT PLANS

During 2007, the Organization established a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code, as amended (the “401(k) Plan”). Under the terms of the 401(k) Plan, employees were entitled to defer a portion of their annual compensation, within limitations established by the Internal Revenue Code. The 401(k) Plan covered substantially all employees, each of whom must have met certain eligibility requirements as to age and length of service. The Organization matched employee contributions up to 4% of each employee’s eligible compensation.

In December 2011, the Organization’s Board approved a resolution to merge the 401(k) Plan with the ADP TotalSource Retirement Savings Plan (the “Multiple Employer Plan”). The effective date of the merger was January 1, 2012. The Multiple Employer Plan is a qualified plan under Section 401(a) of the Internal Revenue Code.

Under the terms of the Multiple Employer Plan, employees are entitled to defer a portion of their annual compensation, within limitations established by the Internal Revenue Code.

The Multiple Employer Plan covers substantially all employees, each of whom must have met certain eligibility requirements as to age and length of service. The Organization matched employee contributions up to 4% of each employee’s eligible compensation.

Contributions to the Multiple Employer Plan due and paid amounted to approximately \$82,000 and \$88,000 for the years ended December 31, 2014 and 2013 respectively.

On June 24, 2014, the Organization’s Board approved a resolution to merge the 401(k) Plan with Transamerica Retirement Solutions Corporation. The effective date of the plan is June 1, 2014.

The Plan covers substantially all employees, each of whom must have met certain eligibility requirements as to age and length of service. The Organization will make a nonelective contribution of 3% of each employee’s eligible compensation.

**MALARIA NO MORE FUND
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NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Organization is committed under three noncancelable operating leases through 2015 for the occupancy of space. Base rent for the premises does not include real estate taxes and other operating expenses for which the Company may be separately liable. The Organization has also entered into several operating lease agreements for office equipment.

In July 2014, the Organization signed a five-year and four month lease agreement for a new office space in Washington D.C. effective September 1, 2014.

In March 2015, the Organization signed a five-year lease agreement for a new office space in Seattle, Washington, effective May 1, 2015.

Approximate minimum annual payments remaining on the leases for the years ended after December 31, 2014 are as follows:

	<u>Real Property</u>	<u>Office Equipment</u>	<u>Total</u>
2015	\$ 375,000	\$ 11,000	\$ 386,000
2016	84,000	11,000	95,000
2017	86,000	11,000	97,000
2018	88,000	9,000	97,000
Thereafter	<u>91,000</u>	<u>-</u>	<u>91,000</u>
	<u>\$ 724,000</u>	<u>\$ 42,000</u>	<u>\$ 766,000</u>

Total rent expense for office space for the years ended December 31, 2014 and 2013 amounted to approximately \$423,000 and \$473,000, respectively.

Total expenses for office equipment and furniture, including purchases of equipment and furniture that are not required to be capitalized, amounted to approximately \$20,000 and \$28,000 for the years ended December 31, 2014 and 2013, respectively.

The Organization subleases real property to certain tenants under one-year lease agreements. Rental income from subleases amounted to approximately \$137,000 and \$111,000 for the years ended December 31, 2014 and 2013, respectively, and is included in other revenues in the accompanying financial statements.

Future minimum rental income as at December 31, 2014 as follows:

	<u>Real Property</u>
2015	<u>\$ 55,000</u>

NOTE 14– SUBSEQUENT EVENTS

The Organization has evaluated, for potential recognition and disclosure, events subsequent to the statement of financial position date through September 16, 2015, the date the financial statements were available to be issued. Except as disclosed in Note 13, no events have occurred subsequent to the statement of financial position date through September 16, 2015 that would require adjustment to or disclosure in the financial statements.