

UNITED TO END GENOCIDE, INC.

FORMERLY KNOWN AS:
SAVE DARFUR COALITION, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

KOSITZKA, WICKS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



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KOSITZKA, WICKS & COMPANY
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
United to End Genocide, Inc.
Washington, DC

We have audited the accompanying statements of financial position of **United to End Genocide, Inc.** as of September 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These statements are the responsibility of the **United to End Genocide, Inc.'s** management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **United to End Genocide, Inc.**, as of September 30, 2011 and 2010, 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.

Kositzka, Wicks and Company

Alexandria, Virginia
January 16, 2012

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.

Statements of Financial Position
September 30,

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 1,806,017	\$ 1,102,466
Pledges receivable	81,839	24,165
Grants receivable	-	35,272
Inventory	181,219	289,196
Prepaid expenses	99,897	28,320
	<u>2,168,972</u>	<u>1,479,419</u>
Property and equipment, net	98,309	38,173
Other assets - Deposit	<u>18,499</u>	<u>18,499</u>
Total assets	<u><u>\$ 2,285,780</u></u>	<u><u>\$ 1,536,091</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 260,336	\$ 143,471
Net assets		
Unrestricted	1,992,378	1,382,348
Temporarily restricted	33,066	10,272
	<u>2,025,444</u>	<u>1,392,620</u>
Total liabilities and net assets	<u><u>\$ 2,285,780</u></u>	<u><u>\$ 1,536,091</u></u>

See accompanying notes and independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.

Statement of Activities
for the year ended September 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Contributions:			
Individual	\$ 1,424,686	\$ 352,842	\$ 1,777,528
Direct mail	325,596	-	325,596
Grants	192,870	-	192,870
In-kind services	61,265	-	61,265
	<u>2,004,417</u>	<u>352,842</u>	<u>2,357,259</u>
Merchandise sales	60,650	-	60,650
Less: Cost of goods sold	(104,522)	-	(104,522)
	<u>(43,872)</u>	<u>-</u>	<u>(43,872)</u>
Conference	10,625	-	10,625
Conflict Risk Network membership income	106,212	-	106,212
Loss on disposal of property and equipment	(14,442)	-	(14,442)
Interest income	5,978	-	5,978
Other income	6,000	-	6,000
Transfer from GINET	1,925,361	-	1,925,361
Net assets released from restrictions	330,048	(330,048)	-
Total support and revenue	<u>4,330,327</u>	<u>22,794</u>	<u>4,353,121</u>
Expenses			
Programs:			
Policy and government relations	588,980	-	588,980
Education and awareness	497,072	-	497,072
Advocacy	1,615,834	-	1,615,834
	<u>2,701,886</u>	<u>-</u>	<u>2,701,886</u>
Supporting services:			
Management and general	654,984	-	654,984
Fundraising	363,427	-	363,427
Total expenses	<u>3,720,297</u>	<u>-</u>	<u>3,720,297</u>
Change in net assets	610,030	22,794	632,824
Net assets, beginning of year	<u>1,382,348</u>	<u>10,272</u>	<u>1,392,620</u>
Net assets, end of year	<u>\$ 1,992,378</u>	<u>\$ 33,066</u>	<u>\$ 2,025,444</u>

See accompanying notes and independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.

Statement of Activities
for the year ended September 30, 2010

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions:			
Individual	\$ 2,646,243	\$ -	\$ 2,646,243
Direct mail	549,915	-	549,915
Grants	60,200	-	60,200
In-kind	176,407	-	176,407
	<u>3,432,765</u>	<u>-</u>	<u>3,432,765</u>
Merchandise sales	115,476	-	115,476
Less: Cost of goods sold	(72,489)	-	(72,489)
	<u>42,987</u>	<u>-</u>	<u>42,987</u>
Interest income	7,743	-	7,743
Net assets released from restrictions	316,616	(316,616)	-
Total support and revenue	<u>3,800,111</u>	<u>(316,616)</u>	<u>3,483,495</u>
Expenses			
Programs:			
Policy and government relations	926,328	-	926,328
Education and awareness	596,978	-	596,978
Advocacy	1,769,995	-	1,769,995
	<u>3,293,301</u>	<u>-</u>	<u>3,293,301</u>
Supporting services:			
Management and general	611,459	-	611,459
Fundraising	630,674	-	630,674
Total expenses	<u>4,535,434</u>	<u>-</u>	<u>4,535,434</u>
Change in net assets	(735,323)	(316,616)	(1,051,939)
Net assets, beginning of year	<u>2,117,671</u>	<u>326,888</u>	<u>2,444,559</u>
Net assets, end of year	<u>\$ 1,382,348</u>	<u>\$ 10,272</u>	<u>\$ 1,392,620</u>

See accompanying notes and independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.

Statement of Functional Expenses
for the years ended September 30, 2011 and 2010 (summarized)

	Programs				Management and general	Fundraising	Total	2010 Totals (Summarized)
	Policy and gov't relations	Education and awareness	Advocacy	Total				
Salary and related expenses								
Salaries	\$ 310,873	\$ 223,427	\$ 768,258	\$ 1,302,558	\$ 148,710	\$ 77,348	\$ 1,528,616	\$ 1,525,197
Fringes	27,688	20,349	67,831	115,868	13,567	6,783	136,218	132,529
Pension	14,132	10,599	35,331	60,062	7,066	3,534	70,662	84,428
Payroll taxes	25,473	19,105	63,683	108,261	12,737	6,368	127,366	120,217
	<u>378,166</u>	<u>273,480</u>	<u>935,103</u>	<u>1,586,749</u>	<u>182,080</u>	<u>94,033</u>	<u>1,862,862</u>	<u>1,862,371</u>
Other expenses								
Accounting fees	-	-	-	-	70,175	-	70,175	63,875
Advertising	-	-	-	-	-	-	-	101,909
Audit fees	-	-	-	-	27,662	-	27,662	18,550
Bank fees	-	-	17	17	43,936	120	44,073	54,273
Consultants	-	50,758	73,075	123,833	11,505	1,750	137,088	193,885
Depreciation and amortization	6,831	5,124	17,079	29,034	3,514	1,708	34,256	13,749
Employee relations	99	-	9	108	2,228	-	2,336	8,560
Equipment (non-capitalized)	-	-	-	-	-	-	-	1,819
Equipment lease	-	-	-	-	17,181	-	17,181	330
Gifts	-	-	47	47	71	191	309	1,089
Grants	30,000	-	42,696	72,696	-	-	72,696	709,198
Insurance (commercial policies)	-	-	22	22	19,583	-	19,605	18,170
Meals and entertainment	4,388	151	2,314	6,853	41	246	7,140	45,934
Media relations costs	-	4,395	-	4,395	-	-	4,395	36,388
Miscellaneous	60	-	106	166	2,770	-	2,936	387
Payroll fees	-	-	-	-	3,990	-	3,990	2,803
Postage and delivery	1,048	12,317	13,155	26,520	452	32,985	59,957	124,801
Premiums	449	-	3,006	3,455	-	-	3,455	(75)
Printing and reproduction	602	452	5,942	6,996	301	9,861	17,158	73,826
Professional services	3,233	23,017	19,487	45,737	80,652	51,352	177,741	192,596
Professional fundraising fees	-	-	-	-	-	82,800	82,800	194,679
Recruiting	109	-	-	109	32,006	-	32,115	2,396
Rent	50,156	37,617	125,416	213,189	25,078	12,539	250,806	164,615
Retirement plan fees	-	-	-	-	6,580	-	6,580	5,098
Site rental	-	28,455	9,802	38,257	-	-	38,257	31,124
Software	-	-	948	948	1	-	949	4,493
Stipend	924	307	4,068	5,299	(382)	-	4,917	3,009
Subscriptions and research	3,024	-	23,157	26,181	2,665	-	28,846	7,329
Supplies	2,371	1,825	5,255	9,451	834	593	10,878	-
Taxes	-	-	-	-	136	-	136	16,243
Telephone and communication	24,677	3,836	14,408	42,921	2,486	1,631	47,038	40,974
Temporary help	1,133	10,689	-	11,822	-	-	11,822	1,531
Training and development	45,937	34,484	117,200	197,621	22,968	12,385	232,974	81,253
Transportation and travel	35,773	4,126	101,475	141,374	1,758	24,398	167,530	112,339
Video production	-	1,497	-	1,497	12,800	-	14,297	19,462
Web site maintenance	-	4,542	102,047	106,589	20,648	36,835	164,072	150,044
	<u>210,814</u>	<u>223,592</u>	<u>680,731</u>	<u>1,115,137</u>	<u>411,639</u>	<u>269,394</u>	<u>1,796,170</u>	<u>2,496,656</u>
In-kind services - legal	-	-	-	-	61,265	-	61,265	176,407
	<u>\$ 588,980</u>	<u>\$ 497,072</u>	<u>\$ 1,615,834</u>	<u>\$ 2,701,886</u>	<u>\$ 654,984</u>	<u>\$ 363,427</u>	<u>\$ 3,720,297</u>	<u>\$ 4,535,434</u>

See accompanying notes and independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.

Statement of Functional Expenses
for the year ended September 30, 2010

	Programs				Management and general	Fundraising	Total
	Policy and gov't relations	Education and awareness	Advocacy	Total			
Salary and related expenses							
Salaries	\$ 366,047	\$ 259,283	\$ 625,331	\$ 1,250,661	\$ 152,520	\$ 122,016	\$ 1,525,197
Fringes	31,807	22,530	54,337	108,674	13,253	10,602	132,529
Pension	20,263	14,353	34,615	69,231	8,443	6,754	84,428
Payroll taxes	28,852	20,437	49,289	98,578	12,022	9,617	120,217
	<u>446,969</u>	<u>316,603</u>	<u>763,572</u>	<u>1,527,144</u>	<u>186,238</u>	<u>148,989</u>	<u>1,862,371</u>
Other expenses							
Accounting fees	-	-	-	-	63,875	-	63,875
Advertising	-	17,800	84,109	101,909	-	-	101,909
Audit fees	-	-	-	-	18,550	-	18,550
Bank fees	-	-	-	-	53,853	420	54,273
Consultants	6,000	21,500	164,348	191,848	-	2,037	193,885
Depreciation and amortization	3,300	2,337	5,637	11,274	1,375	1,100	13,749
Employee relations	50	164	2,154	2,368	6,085	107	8,560
Equipment (non-capitalized)	272	-	768	1,040	779	-	1,819
Equipment lease	-	-	330	330	-	-	330
Gifts	-	-	674	674	91	324	1,089
Grants	347,998	-	361,200	709,198	-	-	709,198
Insurance (commercial policies)	935	400	1,264	2,599	15,571	-	18,170
Meals and entertainment	5,927	4,360	3,226	13,513	149	32,272	45,934
Media relations costs	-	36,113	275	36,388	-	-	36,388
Miscellaneous	1,213	21	1,915	3,149	(2,769)	7	387
Payroll fees	-	-	-	-	2,803	-	2,803
Postage and delivery	1,244	30,782	24,020	56,046	502	68,253	124,801
Premiums	-	-	-	-	242	(317)	(75)
Printing and reproduction	117	9,829	27,667	37,613	39	36,174	73,826
Professional services	3,320	39,705	27,076	70,101	43,325	79,170	192,596
Professional fundraising fees	-	-	-	-	-	194,679	194,679
Recruiting	-	-	-	-	2,396	-	2,396
Rent	39,508	27,985	67,492	134,985	16,461	13,169	164,615
Retirement plan fees	-	-	-	-	5,098	-	5,098
Site rental	-	7,051	24,073	31,124	-	-	31,124
Software	-	-	968	968	3,421	104	4,493
Stipend	954	501	1,554	3,009	-	-	3,009
Subscriptions and research	4,249	373	1,152	5,774	1,185	370	7,329
Supplies	3,944	2,742	6,725	13,411	1,497	1,335	16,243
Telephone and communication	11,332	9,840	15,507	36,679	2,386	1,909	40,974
Temporary help	-	-	-	-	-	1,531	1,531
Training and development	19,499	13,969	33,438	66,906	7,906	6,441	81,253
Transportation and travel	29,497	12,088	55,636	97,221	3,895	11,223	112,339
Video production	-	19,462	-	19,462	-	-	19,462
Web site maintenance	-	23,353	95,215	118,568	99	31,377	150,044
	<u>479,359</u>	<u>280,375</u>	<u>1,006,423</u>	<u>1,766,157</u>	<u>248,814</u>	<u>481,685</u>	<u>2,496,656</u>
In-kind services - legal	-	-	-	-	176,407	-	176,407
	<u>\$ 926,328</u>	<u>\$ 596,978</u>	<u>\$ 1,769,995</u>	<u>\$ 3,293,301</u>	<u>\$ 611,459</u>	<u>\$ 630,674</u>	<u>\$ 4,535,434</u>

See accompanying notes and independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.

Statements of Cash Flows
for the years ended September 30,

2011

2010

Cash flows from operating activities

Change in net assets	\$ 632,824	\$ (1,051,939)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and amortization	34,256	13,749
Donated furniture and equipment	(40,900)	-
(Increase) decrease in operating assets		
Pledges receivable	(57,674)	(17,794)
Grants receivable	35,272	(35,272)
Inventory	107,977	(78,729)
Prepaid expenses	(71,577)	116,733
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	116,865	(105,481)
Net cash provided (used) by operating activities	<u>757,043</u>	<u>(1,158,733)</u>

Cash flows from investing activities

Purchase of property and equipment	<u>(53,492)</u>	<u>(1,352)</u>
Net cash used by investing activities	(53,492)	(1,352)

Net increase in cash and cash equivalents

703,551 (1,160,085)

Cash and cash equivalents, beginning of year

1,102,466 2,262,551

Cash and cash equivalents, end of year

\$ 1,806,017 \$ 1,102,466

Supplemental cash flow information

Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.
Notes to Financial Statements
September 30, 2011 and 2010

1. Organization and purpose

United to End Genocide, Inc. is an activist organization dedicated to preventing and ending genocide and mass atrocities worldwide. United to End Genocide, Inc. are faith leaders, students, artists, investors, genocide survivors, and all who believe in the promise “Never Again!” Formed from the merger of the Save Darfur Coalition and Genocide Intervention Network on November 1, 2010, United to End Genocide mobilizes thousands of committed activists globally, has an unparalleled nationwide student division, and coordinates a network of institutional investors with over \$3 trillion in assets under management.

2. Significant accounting policies

Method of accounting

The accompanying statements have been prepared on an accrual basis of accounting, whereby revenues are recognized as they are earned and expenses are recognized as they are incurred.

Basis of presentation

United to End Genocide, Inc. reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. United to End Genocide, Inc. had no permanently restricted net assets at September 30, 2011 and 2010.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Revenue recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. A contribution is classified as temporarily restricted when the donor has designated it for future use or specified an event that must transpire before it is available for use. When a donor 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Other revenue is recognized when earned.

Merchandise sales are recognized as revenue upon shipment of the merchandise.

See independent auditor’s report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.
Notes to Financial Statements
September 30, 2011 and 2010

2. Significant accounting policies (continued)

Cash and cash equivalents

For purposes of the statements of cash flows, United to End Genocide, Inc. considers all cash and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured (FDIC) limits. Unlimited FDIC insurance for noninterest-bearing transaction accounts became effective on December 31, 2010 and continues through December 31, 2013. FDIC insurance on interest bearing accounts as of December 31, 2010 is \$250,000 per depositor, per insured bank.

Grants and pledges receivable

Unconditional promises to give are recorded as grants and pledges receivable when they are made. Specific bad debts are expensed as they become known.

Inventory

Inventory consists of t-shirts, wristbands, bumper stickers, candles and promotional materials, and is stated at the lower of cost or market. Inventory is reviewed periodically to determine whether it should be updated or the quantities are excessive and a valuation adjustment is appropriate. Cost of goods sold on the accompanying statement of financial position includes inventory items written off due to damage and obsolescence. Management believes inventory to be saleable and there was no provision for obsolescence at September 30, 2011 and 2010.

Shipping and handling costs

Shipping and handling costs of \$9,589 and \$26,069 in 2011 and 2010, respectively are included in postage and delivery on the accompanying statement of functional expenses.

Property and equipment

United to End Genocide, Inc. capitalizes property and equipment with a cost of \$1,000 or more. Property and equipment are recorded at cost and depreciated on a straight-line basis over its estimated useful lives. Leasehold improvements are also recorded at cost and amortized over their estimated useful lives or the terms of the lease, whichever is shorter.

Donated professional services

United to End Genocide, Inc. receives donated legal services. These donated services are reflected in the financial statements because the services require specialized skills as defined by U.S. generally accepted accounting principles.

See independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.
Notes to Financial Statements
September 30, 2011 and 2010

2. Significant accounting policies (continued)

Functional classification of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

Advertising and marketing costs are expensed as incurred.

Compensated absences

Employees of United to End Genocide, Inc. are entitled to paid vacation depending on job classification, length of service and other factors. As of September 30, 2011 and 2010, estimated compensated absences of \$30,622 and \$23,828 respectively, are included in accounts payable and accrued expenses in the accompanying statement of financial position.

Financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents, pledges receivable, grants receivable, inventory and prepaid expenses. Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

Subsequent events

United to End Genocide, Inc. assessed events occurring subsequent to September 30, 2011 through January 16, 2012, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to the financial statements.

Income taxes

United to End Genocide, Inc. is exempt from federal income tax as a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. The Organization did not have a liability for unrelated business income for the years ended September 30, 2011 and 2010.

The material jurisdictions subject to potential examination by taxing authorities include the U.S. and District of Columbia. The Board does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on the Organization's results of operations. Tax years that remain subject to examination by the IRS are 2007 through 2010.

See independent auditor's report.

United to End Genocide, Inc.
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Notes to Financial Statements
September 30, 2011 and 2010

2. Significant accounting policies (continued)

Conflict Risk Network

The Conflict Risk Network (CRN) is a network of institutional investors, financial service providers and related stakeholders whose combined efforts to mitigate conflict risk and increase responsible foreign investment aims to protect civilians as well as investment returns. CRN informs stakeholders by producing in-depth, comprehensive research and compiling financial data on companies materially involved in select United to End Genocide Inc. areas of concern. It also tailors specific corporate responsibility standards and recommendations for responsible corporate behavior in select United to End Genocide Inc. areas of concern and engages companies directly with the goal of persuading them to adopt corporate responsibility standards and to use their spheres of influence to reduce conflict risk.

3. Cash and cash equivalents

Cash and cash equivalents as of September 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Checking	\$ 105,914	\$ 51,493
Money market funds	1,700,055	1,050,692
Petty cash	48	281
	<u>\$ 1,806,017</u>	<u>\$ 1,102,466</u>
Covered by Federal Deposit Insurance Corporation (FDIC)	<u>\$ 258,491</u>	<u>\$ 276,038</u>

Interest income of \$11,978 and \$7,743 was earned for the years ended September 30, 2011 and 2010, respectively.

See independent auditor's report.

United to End Genocide, Inc.
formerly known as Save Darfur, Inc.
Notes to Financial Statements
September 30, 2011 and 2010

4. Property and equipment

Property and equipment and accumulated depreciation at September 30, are as follows:

	2011			Estimated Useful Life (in years)
	Cost	Accumulated depreciation	Depreciation expense	
Leasehold improvements	\$ -	\$ -	1,031	4
Computer equipment	40,384	22,273	13,242	3-5
Furniture	35,029	16,532	7,177	5-7
Website	92,490	30,789	12,806	3
	<u>\$ 167,903</u>	<u>\$ 69,594</u>	<u>\$ 34,256</u>	

	2010			Estimated Useful Life (in years)
	Cost	Accumulated depreciation	Depreciation expense	
Computer equipment	40,499	26,519	8,061	3-5
Furniture	35,029	10,836	5,688	5-7
	<u>\$ 75,528</u>	<u>\$ 37,355</u>	<u>\$ 13,749</u>	

5. Temporarily restricted net assets

Net assets were released from donor restrictions during the year ended September 30, 2011 and 2010 by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

Temporarily restricted net assets at September 30, are as follows:

	2010	Contributions	Release of Restrictions	2011
Ashoka	\$ -	\$ 50,000	\$ (50,000)	\$ -
Civilian Protection	-	257,401	(257,401)	-
Hunt Alternatives Fund	-	45,441	(12,375)	33,066
Humanity International	10,272	-	(10,272)	-
Total Temporarily Restricted	<u>\$ 10,272</u>	<u>\$ 352,842</u>	<u>\$ (330,048)</u>	<u>\$ 33,066</u>

See independent auditor's report.

United to End Genocide, Inc.
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6. Allocation of joint costs and functional expenses

Operating costs have been allocated among the programs, fundraising activities, and administrative functions based on estimates provided by management. United to End Genocide, Inc. incurs joint costs for informational materials and activities that included fundraising appeals. These costs were allocated based on management's analysis of the content of each communication. Joint costs for the year ended September 30, 2011 totaled \$84,386, of which, \$50,968 was allocated to fundraising and \$33,418 to education. Joint costs for the year ended September 30, 2010 totaled \$444,883, of which, \$266,930 was allocated to fundraising and \$177,953 to education.

7. Retirement plan

United to End Genocide, Inc. established a 401(k) profit sharing plan, effective September 4, 2007. Employee participation in the plan is restricted to employees obtaining age 21. The employer matches 100% of contributions up to 3% of the employees' wages and 50% of contributions of up to 2% of the employees' wages, plus a discretionary 2% contribution. Employer contributions are discretionary. Pension expense was \$70,662 and \$84,428 for the years ended September 30, 2011 and 2010, respectively.

8. Operating leases

In 2009, United to End Genocide, Inc. signed a three year lease agreement for office space in Washington, DC. The agreement commenced June 1, 2009 and expires May 31, 2012. The lease calls for monthly rental payments of \$13,500 which increase 4% per annum.

United to End Genocide, Inc. paid GI-Net's office lease for ten months until the lease was terminated on August 31, 2011. Rent expense for the years ended September 30, 2011 and 2010 was \$250,806 and \$164,615, respectively.

In 2011, United to End Genocide, Inc. renewed their lease agreement in Washington, DC for a sixteen month period from June 1, 2012 to September 31, 2013. The lease calls for monthly rental payments of \$15,188 with a 3% increase during the last 4 months.

Minimum rentals due are as follows:

For the year ending September 30,

2012	\$	74,250
2013		199,868
	\$	<u>274,118</u>

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9. Merger

On November 1, 2010, Save Darfur Coalition, Inc. merged with Genocide Intervention Network (GI-NET), a not for profit organization. SDC and GI-NET are joining forces to create a more powerful voice dedicated to preventing and stopping large-scale, deliberate atrocities against civilians. GI-NET and Save Darfur Coalition have been working together on similar projects for several years. More than a year ago, management of both entities started having conversations about a planned merger to share resources and form a stronger organization towards the same goal. At the meeting held on October 28, 2010, the Board of Directors of GI-Net unanimously voted to merge with SDC, which became effective on November 1, 2010. Pursuant to the merger agreement, the identity, existence, corporate organization, purposes, powers, objects, franchises, privileges, rights, immunities, restrictions, assets, debts, liabilities and duties (collectively referred to as “corporate rights”) of SDC shall continue in effect and be unimpaired by the merger, and the corporate rights of GI-NET shall be merged with and into SDC, which shall, as the surviving corporation, be fully vested at the effective date of the merger. This resulted in a net asset contribution from GI-NET to SDC of \$1,925,361 as reflected in the statement of activities.

No consideration was transferred as part of the merger transaction. All transactions are reported as a merged entity effective November 1, 2010, under the SDC umbrella. On June 6, 2011 Save Darfur, Inc. became United to End Genocide, Inc.

10. In-kind contributions

In-kind contributions for the year ended September 30, 2011 and 2010 consisted of legal services valued at \$61,265 and \$176,407, respectively. The donated services are reflected in the financial statements as they require specialized skills, were provided by individuals possessing those skills, and would have needed to be purchased if not donated. The donated services supported the management and general function of the Organization.

See independent auditor’s report.