

MENENGAGE GLOBAL ALLIANCE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2020

(With Summarized Comparative Information for the Year Ended December 31, 2019)

MENENGAGE GLOBAL ALLIANCE

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December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
MenEngage Global Alliance

We have audited the accompanying financial statements of MenEngage Global Alliance (the Organization), which comprise of the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 MenEngage Global Alliance as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited MenEngage Global Alliance's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

Washington, DC
July 2, 2021

MENENGAGE GLOBAL ALLIANCE
Statement of Financial Position
December 31, 2020
(With Summarized Comparative Information for 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 2,567,674	\$ 1,746,026
Contributions receivable	-	640,560
Prepaid expenses	3,388	9,673
Property and equipment, net	<u>28,515</u>	<u>28,542</u>
Total assets	<u>\$ 2,599,577</u>	<u>\$ 2,424,801</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 27,519	\$ 42,030
Accrued vacation	46,978	23,043
Refundable advances	691,587	130,671
Funds held as fiscal agent	<u>-</u>	<u>412,383</u>
Total liabilities	<u>766,084</u>	<u>608,127</u>
Net Assets		
Without donor restrictions	(138,255)	(139,682)
With donor restrictions	<u>1,971,748</u>	<u>1,956,356</u>
Total net assets	<u>1,833,493</u>	<u>1,816,674</u>
Total liabilities and net assets	<u>\$ 2,599,577</u>	<u>\$ 2,424,801</u>

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Statement of Activities

Year Ended December 31, 2020

(With Summarized Comparative Information for 2019)

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	\$ -	\$ 2,010,417	\$ 2,010,417	\$ 707,064
Foreign currency translation gain/(loss)	-	80,153	80,153	(153,002)
Interest income	4,918	-	4,918	15,631
Other income	3,540	-	3,540	-
Net assets released from restrictions:				
Satisfaction of purpose restrictions	2,075,178	(2,075,178)	-	-
Total revenue and support	2,083,636	15,392	2,099,028	569,693
Expenses				
Program services:				
Core Activities	844,747	-	844,747	792,681
Amplify Change	695,526	-	695,526	548,028
Prevention+	92,012	-	92,012	80,282
PAK programs	40,563	-	40,563	3,356
United Nations Population Fund	23,800	-	23,800	-
Other Programs	14,268	-	14,268	-
Total program services	1,710,916	-	1,710,916	1,424,347
Supporting services:				
Management and general	362,600	-	362,600	375,312
Fundraising	8,693	-	8,693	1,892
Total supporting services	371,293	-	371,293	377,204
Total expenses	2,082,209	-	2,082,209	1,801,551
Change in Net Assets	1,427	15,392	16,819	(1,231,858)
Net (Deficit) Assets, beginning of year	(139,682)	1,956,356	1,816,674	3,048,532
Net (Deficit) Assets, end of year	\$ (138,255)	\$ 1,971,748	\$ 1,833,493	\$ 1,816,674

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Statement of Activities

Year Ended December 31, 2020

(With Summarized Comparative Information for 2019)

	2020						
	Program Services						
	Core Activities	Amplify Change	Prevention+	PAK Programs	United Nations Population Fund	Other Programs	Total Program Services
Salaries and related	\$ 374,618	\$ 320,695	\$ 46,913	\$ 21,794	\$ 2,282	\$ 13,344	\$ 779,646
Subgrants	301,490	165,299	-	16,241	-	-	483,030
Professional fees	111,955	113,510	6,999	-	18,840	-	251,304
Events and meeting	16,329	52,211	25,387	-	2,500	-	96,427
Travel and lodging	15,149	22,926	9,748	-	-	-	47,823
Accounting services	-	-	-	-	-	-	-
Rent	11,825	10,427	1,122	862	40	225	24,501
Office expenses	9,148	6,497	1,404	1,354	105	509	19,017
Depreciation	4,233	3,961	439	312	33	190	9,168
Total Expenses	\$ 844,747	\$ 695,526	\$ 92,012	\$ 40,563	\$ 23,800	\$ 14,268	\$ 1,710,916

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Statement of Activities (continued)

Year Ended December 31, 2020

(With Summarized Comparative Information for 2019)

	2020				2019
	Supporting Services		Total Supporting Services	Total	Total
	Management and General	Fundraising			
Salaries and related	\$ 181,229	\$ 8,066	\$ 189,295	\$ 968,941	\$ 641,705
Subgrants	-	-	-	483,030	449,547
Professional fees	53,668	-	53,668	304,972	105,015
Events and meeting	7,998	-	7,998	104,425	23,175
Travel and lodging	29,038	-	29,038	76,861	444,319
Accounting services	70,741	-	70,741	70,741	68,613
Rent	3,900	326	4,226	28,727	36,051
Office expenses	14,592	185	14,777	33,794	29,990
Depreciation	1,434	116	1,550	10,718	3,136
Total Expenses	\$ 362,600	\$ 8,693	\$ 371,293	\$ 2,082,209	\$ 1,801,551

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE
Statement of Cash Flows
Year Ended December 31, 2020
(With Summarized Comparative Information for 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 16,819	\$ (1,231,858)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,718	3,136
Foreign currency translation (gain)/loss	(28,367)	153,002
Change in operating assets and liabilities:		
Contributions receivable	668,927	1,212,244
Prepaid expenses	6,285	(7,175)
Accounts payable and accrued expenses	(14,511)	23,250
Accrued vacation	23,935	16,548
Refundable advances	560,916	130,671
Funds held as fiscal agent	(412,383)	412,383
Subgrants payable	-	(68,391)
Net cash provided by operating activities	<u>832,339</u>	<u>643,810</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>(10,691)</u>	<u>(27,427)</u>
Net cash used by investing activities	<u>(10,691)</u>	<u>(27,427)</u>
Net Increase in Cash and Cash Equivalents	821,648	616,383
Cash and Cash Equivalents, beginning of year	<u>1,746,026</u>	<u>1,129,643</u>
Cash and Cash Equivalents, end of year	<u>\$ 2,567,674</u>	<u>\$ 1,746,026</u>

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2020

1. Nature of Operations

MenEngage Global Alliance (the Organization) is a not-for-profit corporation organized under the laws of Washington, DC in 2016. The Organization is organized for education and charitable purposes, including, but not limited to, building a global network of organizations with increased commitment and capacity to implement, document, and advocate for effective, evidence-based and structural interventions to engage boys and men in achieving gender equality. The Organization funds its program and supporting services primarily through contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts and all highly liquid investments with initial maturities of three months or less.

Contributions Receivable

Contributions receivable represent amounts due from the Organization's various contributors and are recorded at their net present realizable value. There were no contributions receivable at December 31, 2020. If an amount becomes uncollectible, it is expensed when that determination is made.

Property and Equipment

Property and equipment over \$1,000 with a projected useful life exceeding one year are capitalized and recorded at cost or fair value at date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of their useful lives or the life of the lease.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2020.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions without conditions are recognized upon notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are recognized in revenue once the conditions on which they depend have been met. Amounts received in advance of the conditions being met are recorded as refundable advances.

At December 31, 2020, the Organization had received approximately \$4,000,000 in conditional contributions which includes \$691,587 in refundable advances, presented on the accompanying statement of financial position, for which management expects the conditions to be met over the upcoming three years.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, rent, office expenses, and depreciation.

Pending Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The core principles of ASU 2020-07 address the measurement of nonfinancial contributions and increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The amendments in the update are to be applied on a retrospective basis. ASU 2020-07 is effective for non-public entities for fiscal years beginning after June 15, 2021.

Management is currently evaluating the impact of ASU 2016-02 and ASU 2020-07 on the Organization's financial statements.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2020

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain 2019 amounts have been reclassified to conform to the 2020 financial statement presentation.

Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

3. Concentrations

The Organization maintains demand deposits with a financial institution that may, from time to time, exceed insurable limits. The Organization routinely assesses the financial condition of the institution and believes the risk of any loss is minimal.

During the year ended December 31, 2020, the Organization received 91% of its contributions from two donors.

4. Property and Equipment

The Organization held the following property and equipment at December 31, 2020:

Website	\$	27,155
Office equipment		<u>17,754</u>
		44,909
Less: accumulated depreciation and amortization		<u>(16,394)</u>
Property and equipment, net	\$	<u><u>28,515</u></u>

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2020

5. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year.

Financial Assets:

Cash and cash equivalents	<u>\$ 2,567,674</u>
Total financial assets	2,567,674
Less: Donor-imposed restrictions on the financial assets	<u>(1,971,748)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 595,926</u></u>

The Organization's policy is to structure its financial assets to become available as general expenditures, liabilities and other obligations become due, operating within a prudent range of financial soundness and stability while maintaining and monitoring reserves to provide reasonable assurance that long-term program goals with donor restrictions will continue to be met.

At December 31, 2020, the Organization had a net deficit without donor restrictions of \$138,255, net assets with donor restrictions of \$1,971,748 for total ending net assets of \$1,833,493, as presented on the accompanying statement of financial position. This indicates a temporary borrowing from net assets with donor restrictions, which management expects to resolve in the upcoming year.

6. Leases

The Organization entered into a lease agreement for office space commencing May 1, 2016. The lease is cancellable with three-month notice. The Organization has amended the lease to extend through December 2021. Rent expense was \$28,727 for the year ended December 31, 2020.

At December 31, 2020, future minimum lease payments required under the operating lease are \$6,860 for the year ending December 31, 2021.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2020

7. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2020:

Satisfaction of expenditures for specific purposes:	
Core Activities	\$ 1,943,442
Prevention+	<u>28,306</u>
Total net assets released from restrictions	<u>\$ 1,971,748</u>

During the year ended December 31, 2020, releases from net assets with donor restrictions were for the following:

Subject to expenditure for specific purposes:	
Core Activities	\$ 1,190,638
Amplify Change	711,969
Prevention+	98,797
PAK program	35,930
United Nations Population Fund	23,766
Other Programs	<u>14,078</u>
Total net assets with donor restrictions	<u>\$ 2,075,178</u>

8. Pension Plan

The Organization maintains a defined contribution pension plan for all eligible employees. The Organization allows unlimited contributions to the pension plan and contributes 8% of qualified employee's compensation. The Organization contributed \$44,926 to the plan for the year ended December 31, 2020.

9. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2020, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2020

9. Income Taxes (continued)

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2020 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

10. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 2, 2021, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.