

MENENGAGE GLOBAL ALLIANCE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2021

(With Summarized Comparative Information for the Year Ended December 31, 2020)

MENENGAGE GLOBAL ALLIANCE

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December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
MenEngage Global Alliance

Opinion

We have audited the accompanying financial statements of MenEngage Global Alliance (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited MenEngage Global Alliance's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



HAN GROUP LLC
Washington, DC
May 16, 2022

MENENGAGE GLOBAL ALLIANCE
Statement of Financial Position
December 31, 2021
(With Summarized Comparative Information for 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 2,172,667	\$ 2,567,674
Contributions receivable	300,000	-
Prepaid expenses	3,067	3,388
Property and equipment, net	<u>34,731</u>	<u>28,515</u>
Total assets	<u>\$ 2,510,465</u>	<u>\$ 2,599,577</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 16,599	\$ 27,519
Accrued vacation	39,621	46,978
Refundable advances	<u>244,771</u>	<u>691,587</u>
Total liabilities	<u>300,991</u>	<u>766,084</u>
Net Assets		
Without donor restrictions	80,318	(138,255)
With donor restrictions	<u>2,129,156</u>	<u>1,971,748</u>
Total net assets	<u>2,209,474</u>	<u>1,833,493</u>
Total liabilities and net assets	<u>\$ 2,510,465</u>	<u>\$ 2,599,577</u>

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE
Statement of Activities
Year Ended December 31, 2021
(With Summarized Comparative Information for 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	\$ 300,000	\$ 1,924,943	\$ 2,224,943	\$ 2,010,417
Interest income	3,273	-	3,273	4,918
Foreign currency translation gain	1,276	-	1,276	80,153
Other income	2,069	-	2,069	3,540
Net assets released from restrictions:				
Satisfaction of purpose restrictions	1,767,535	(1,767,535)	-	-
Total revenue and support	2,074,153	157,408	2,231,561	2,099,028
Expenses				
Program services:				
Core Activities	1,011,477	-	1,011,477	844,747
Amplify Change	355,043	-	355,043	695,526
United Nations Population Fund	157,922	-	157,922	23,800
Other Programs	84,726	-	84,726	14,268
Prevention+	-	-	-	92,012
PAK programs	-	-	-	40,563
Total program services	1,609,168	-	1,609,168	1,710,916
Supporting services:				
Management and general	246,412	-	246,412	362,600
Fundraising	-	-	-	8,693
Total supporting services	246,412	-	246,412	371,293
Total expenses	1,855,580	-	1,855,580	2,082,209
Change in Net Assets	218,573	157,408	375,981	16,819
Net (Deficit) Assets, beginning of year	(138,255)	1,971,748	1,833,493	1,816,674
Net Assets, end of year	\$ 80,318	\$ 2,129,156	\$ 2,209,474	\$ 1,833,493

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Statement of Functional Expenses

Year Ended December 31, 2021

(With Summarized Comparative Information for 2020)

	2021							2020	
	Program Services				Supporting Services			Total	
	Core Activities	Amplify Change	United Nations Population Fund	Other Programs	Total Program Services	Management and General	Total Supporting Services		
Salaries and related expenses	\$ 563,607	\$ 124,971	\$ 70,185	\$ 79,834	\$ 838,597	\$ 139,974	\$ 139,974	\$ 978,571	\$ 968,941
Subgrants	198,023	114,047	80,000	-	392,070	-	-	392,070	483,030
Professional fees	219,091	109,421	4,810	1,186	334,508	371	371	334,879	304,972
Accounting services	-	-	-	-	-	94,399	94,399	94,399	70,741
Office expenses	13,620	1,725	1,142	1,370	17,857	6,879	6,879	24,736	33,794
Rent	6,516	1,614	941	1,401	10,472	1,552	1,552	12,024	28,727
Depreciation	5,079	1,172	715	935	7,901	2,482	2,482	10,383	10,718
Events and meetings	5,541	2,093	129	-	7,763	101	101	7,864	104,425
Travel and lodging	-	-	-	-	-	654	654	654	76,861
Total Expenses	<u>\$ 1,011,477</u>	<u>\$ 355,043</u>	<u>\$ 157,922</u>	<u>\$ 84,726</u>	<u>\$ 1,609,168</u>	<u>\$ 246,412</u>	<u>\$ 246,412</u>	<u>\$ 1,855,580</u>	<u>\$ 2,082,209</u>

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE
Statement of Cash Flows
Year Ended December 31, 2021
(With Summarized Comparative Information for 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 375,981	\$ 16,819
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	10,383	10,718
Foreign currency translation (gain)	-	(28,367)
Change in operating assets and liabilities:		
Contributions receivable	(300,000)	668,927
Prepaid expenses	321	6,285
Accounts payable and accrued expenses	(10,920)	(14,511)
Accrued vacation	(7,357)	23,935
Refundable advances	(446,816)	560,916
Funds held as fiscal agent	-	(412,383)
Net cash (used in) provided by operating activities	<u>(378,408)</u>	<u>832,339</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>(16,599)</u>	<u>(10,691)</u>
Net cash used in investing activities	<u>(16,599)</u>	<u>(10,691)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(395,007)	821,648
Cash and Cash Equivalents, beginning of year	<u>2,567,674</u>	<u>1,746,026</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 2,172,667</u></u>	<u><u>\$ 2,567,674</u></u>

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2021

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 as obligations are 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. The entirety of contributions receivable at December 31, 2021 is considered by management to be collectible within one year. 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, 2021.

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.

Contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. The Organization has adopted the simultaneous release option for conditional contributions or portions of conditional contributions for which the contribution is received and the condition is met in the same period. Accordingly, these are recognized as revenue without donor restrictions. Amounts recognized in revenue that have not been received are included in contributions receivable. Conversely, amounts received in advance of the conditions being met would be recorded as refundable advances. At December 31, 2021, the Organization had received approximately \$3,600,000 in conditional contributions which includes \$244,771 of refundable advances which is presented on the accompanying statement of financial position. 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.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Pending Accounting Pronouncements (continued)

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

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 2020 amounts have been reclassified to conform to the 2021 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, 2020 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.

Three grantors accounted for 92% of the Organization's total income for the year ended December 31, 2021. A change in the amount or continuation of funding from these sources could have a significant effect on the Organization's operations. Additionally, 100% of the Organization's contributions receivable is due from one source.

4. Property and Equipment

The Organization held the following property and equipment at December 31, 2021:

Website	\$	43,755
Office equipment		17,754
		<u>61,509</u>
Less: accumulated depreciation and amortization		<u>(26,778)</u>
Property and equipment, net	\$	<u>34,731</u>

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2021

5. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2021, 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	\$ 2,172,667
Contributions receivable	<u>300,000</u>
Total financial assets	2,472,667
Less: Donor-imposed restrictions on the financial assets	<u>(2,129,156)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 343,511</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.

6. Leases

The Organization entered into a lease agreement for office space commencing May 1, 2016. The lease was cancellable with a three-month notice. In November 2021, the lease was amended to extend through December 2022 and to reduce the cancellation notice to two months after the end of the committed period. Rent expense was \$12,024 for the year ended December 31, 2021.

At December 31, 2021, future minimum lease payments required under the lease are \$5,490 for the year ending December 31, 2022, with no commitment thereafter.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2021:

Subject to the passage of time:	\$ 300,000
Subject to expenditure for specific purposes:	
Core Activities	1,800,850
Prevention+	<u>28,306</u>
Total net assets with donor restrictions	<u>\$ 2,129,156</u>

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2021

7. Net Assets With Donor Restrictions (continued)

During the year ended December 31, 2021, releases from net assets with donor restrictions were for the following:

Satisfaction of purpose restrictions:	
Core Activities	\$ 1,244,376
Amplify Change	355,043
United Nations Population Fund	157,922
Other Programs	<u>10,194</u>
Total net assets released from restriction	<u>\$ 1,767,535</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 \$46,382 to the plan for the year ended December 31, 2021, which is included in salaries and related expenses on the statement of functional expenses.

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, 2021, 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.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2021 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 May 16, 2022, 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.