

MENENGAGE GLOBAL ALLIANCE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2022

(With Summarized Comparative Information for the Year Ended December 31, 2021)

MENENGAGE GLOBAL ALLIANCE

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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, 2022, 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, 2022, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



HAN GROUP LLC
Washington, DC
March 17, 2023

MENENGAGE GLOBAL ALLIANCE
Statement of Financial Position
December 31, 2022
(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 1,888,755	\$ 2,172,667
Accounts receivable	32,000	-
Contributions receivable	-	300,000
Prepaid expenses	1,803	3,067
Property and equipment, net	<u>25,411</u>	<u>34,731</u>
Total assets	<u>\$ 1,947,969</u>	<u>\$ 2,510,465</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 19,972	\$ 16,599
Accrued vacation	37,411	39,621
Refundable advances	<u>1,674</u>	<u>244,771</u>
Total liabilities	<u>59,057</u>	<u>300,991</u>
Net Assets		
Without donor restrictions	943,819	80,318
With donor restrictions	<u>945,093</u>	<u>2,129,156</u>
Total net assets	<u>1,888,912</u>	<u>2,209,474</u>
Total liabilities and net assets	<u>\$ 1,947,969</u>	<u>\$ 2,510,465</u>

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Statement of Activities

Year Ended December 31, 2022

(With Summarized Comparative Information for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	\$ 41,606	\$ 1,130,938	\$ 1,172,544	\$ 2,224,943
Contract Income	32,000	-	32,000	-
Interest income	20,590	-	20,590	3,273
Foreign currency translation (loss) gain	(2,704)	-	(2,704)	1,276
Other income	100	-	100	2,069
Net assets released from restrictions:				
Expiration of time restrictions	300,000	(300,000)	-	-
Satisfaction of purpose restrictions	2,015,001	(2,015,001)	-	-
Total revenue and support	2,406,593	(1,184,063)	1,222,530	2,231,561
Expenses				
Program services:				
Core Activities	895,998	-	895,998	1,011,477
Ford Foundation	258,971	-	258,971	-
United Nations Foundation	139,551	-	139,551	157,922
World Health Organization	42,164	-	42,164	-
Amplify Change	-	-	-	355,043
Other Programs	28,413	-	28,413	84,726
Total program services	1,365,097	-	1,365,097	1,609,168
Supporting services:				
Management and general	177,995	-	177,995	246,412
Total supporting services	177,995	-	177,995	246,412
Total expenses	1,543,092	-	1,543,092	1,855,580
Change in Net Assets	863,501	(1,184,063)	(320,562)	375,981
Net Assets, beginning of year	80,318	2,129,156	2,209,474	1,833,493
Net Assets, end of year	\$ 943,819	\$ 945,093	\$ 1,888,912	\$ 2,209,474

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Statement of Functional Expenses

Year Ended December 31, 2022

(With Summarized Comparative Information for 2021)

	2022									2021	
	Program Services					Supporting Services				Total	Total
	Core Activities	Ford Foundation	United Nations Foundation	World Health Organization	Other Programs	Total Program Services	Management and General	Total Supporting Services	Total		
Salaries and related expenses	\$ 533,761	\$ 240,554	\$ 58,887	\$ 40,547	\$ 10,236	\$ 883,985	\$ 56,136	\$ 56,136	\$ 940,121	\$ 978,571	
Subgrants	173,936	-	61,824	-	15,276	251,036	-	-	251,036	392,070	
Professional fees	87,824	8,775	17,633	64	2,595	116,891	12,978	12,978	129,869	334,879	
Accounting services	-	-	-	-	-	-	80,958	80,958	80,958	94,399	
Travel and lodging	57,518	-	-	-	-	57,518	17,067	17,067	74,585	654	
Office expenses	11,318	3,354	279	632	93	15,676	9,332	9,332	25,008	24,736	
Events and meetings	18,602	-	283	-	-	18,885	401	401	19,286	7,864	
Rent	7,990	3,365	334	493	112	12,294	615	615	12,909	12,024	
Depreciation	5,049	2,923	311	428	101	8,812	508	508	9,320	10,383	
Total Expenses	\$ 895,998	\$ 258,971	\$ 139,551	\$ 42,164	\$ 28,413	\$ 1,365,097	\$ 177,995	\$ 177,995	\$ 1,543,092	\$ 1,855,580	

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE
Statement of Cash Flows
Year Ended December 31, 2022
(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (320,562)	\$ 375,981
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	9,320	10,383
Change in operating assets and liabilities:		
Accounts receivable	(32,000)	-
Contributions receivable	300,000	(300,000)
Prepaid expenses	1,264	321
Accounts payable and accrued expenses	3,373	(10,920)
Accrued vacation	(2,210)	(7,357)
Refundable advances	<u>(243,097)</u>	<u>(446,816)</u>
Net cash used in operating activities	<u>(283,912)</u>	<u>(378,408)</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>-</u>	<u>(16,599)</u>
Net cash used in investing activities	<u>-</u>	<u>(16,599)</u>
Net Decrease in Cash and Cash Equivalents	(283,912)	(395,007)
Cash and Cash Equivalents, beginning of year	<u>2,172,667</u>	<u>2,567,674</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,888,755</u>	<u>\$ 2,172,667</u>

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2022

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.

Accounts Receivable

Accounts receivable represent amounts due from various contracting entities. There was no allowance recorded at December 31, 2022 as the entire balance has been deemed by management to be fully collectible within one year. If an amount becomes uncollectible, it is expensed when that determination is made.

Contributions Receivable

Contributions receivable represent amounts due from the Organization's various contributors and are recorded at their net present realizable value. If an amount becomes uncollectible, it is expensed when that determination is made. There is no allowance for doubtful accounts as all contributions receivable at December 31, 2022 are considered by management to be collectible within one year.

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.

2. Summary of Significant Accounting Policies (continued)

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, 2022.

Revenue Recognition

Contributions

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 are recorded in refundable advances. Refundable advances totaled \$1,674 at December 31, 2022 and are presented on the accompanying statement of financial position. The Organization had approximately \$1,183,600 in unrecognized conditional contributions which management expects the conditions to be met over the upcoming year.

Contract Income

Contract income is recognized once the services are rendered. Amounts due are reported in accounts receivable and conversely amounts received in advance are reported in deferred revenue. There was no deferred revenue related to contract income at December 31, 2022.

2. Summary of Significant Accounting Policies (continued)

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, professional fees, office expense, rent and depreciation.

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 2021 amounts have been reclassified to conform to the 2022 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, 2022 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.

Two grantors accounted for 88% of the Organization's total revenue for the year ended December 31, 2022. A change in the amount or continuation of funding from these sources could have a significant effect on the Organization's operations. Additionally, amounts due from one source comprised 100% of the total receivables due at December 31, 2022.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2022

4. Property and Equipment

The Organization held the following property and equipment at December 31, 2022:

Website	\$	43,755
Office equipment		17,754
Total property and equipment		<u>61,509</u>
Less: accumulated depreciation and amortization		<u>(36,098)</u>
Property and equipment, net	\$	<u>25,411</u>

5. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2022, 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	\$	1,888,755
Accounts receivable		<u>32,000</u>
Total financial assets		1,920,755
Less: Donor-imposed restrictions on the financial assets		<u>(945,093)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>975,662</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 has a lease agreement for office space that commenced on 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 expenses was \$12,909 for the year ended December 31, 2022 and is presented in the accompany statement of functional expenses.

At December 31, 2022, future minimum lease payments required under the lease are \$9,167 for the year ending December 31, 2023, with no commitment thereafter.

MENENGAGE GLOBAL ALLIANCE

Notes to Financial Statements

December 31, 2022

7. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2022:

Subject to the passage of time:	<u>\$ 945,093</u>
Total net assets with donor restrictions	<u><u>\$ 945,093</u></u>

During the year ended December 31, 2022, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions:	\$ 300,000
Satisfaction of purpose restrictions:	
Core Activities	1,800,850
United Nations Foundation	155,066
Prevention+	28,306
Other Programs	<u>30,779</u>
Total net assets released from restriction	<u><u>\$ 2,315,001</u></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 each qualified employee's compensation. The Organization contributed \$39,139 to the plan for the year ended December 31, 2022, 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, 2022, 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, 2022

9. Income Taxes (continued)

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2022 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 March 17, 2023, 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.