MENENGAGE GLOBAL ALLIANCE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2019
(With Summarized Comparative Information for the Year Ended December 31, 2018)

CHAN GROUP
Certified Public Accountants and Consultants

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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, 2019, 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.

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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, 2019, 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.

Emphasis of Matter

As discussed in Note 2, MenEngage Global Alliance has adopted new accounting guidance, Financial Accounting Standards Board Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited MenEngage Global Alliance's 2018 financial statements , and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

Washington, DC
April 6, 2019

MENENGAGE GLOBAL ALLIANCE
Statement of Financial Position
December 31, 2019
(With Summarized Comparative Information for 2018)

	2019	2018
Assets		
Cash and cash equivalents	$ 1,746,026	$ 1,129,643
Contributions receivable, net	640,560	2,005,806
Prepaid expenses	9,673	2,498
Property and equipment, net	28,542	4,251
Total assets	$ 2,424,801	$ 3,142,198
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 42,030	$ 18,780
Accrued vacation	23,043	6,495
Deferred revenue	130,671	-
Funds held as fiscal agent	412,383	-
Subgrants payable	-	68,391
Total liabilities	608,127	93,666
Net (Deficit) Assets		
Without donor restrictions	(139,682)	322,121
With donor restrictions	1,956,356	2,726,411
Total net assets	1,816,674	3,048,532
Total liabilities and net assets	$ 2,424,801	$ 3,142,198

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE
Statement of Activities
Year Ended December 31, 2019
(With Summarized Comparative Information for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	$ -	$ 707,064	$ 707,064	$ 175,327
Interest income	15,631	-	15,631	10,440
Foreign currency translation loss	(153,002)	-	(153,002)	(292,781)
Other income	-	-	-	1,980
Net assets released from restrictions:				
Satisfaction of purpose restrictions	1,477,119	(1,477,119)	-	-
Total revenue and support	1,339,748	(770,055)	569,693	(105,034)
Expenses				
Program services:				
Core Activities	792,681	-	792,681	618,680
Amplify Change	548,028	-	548,028	11,527
Prevention+	80,282	-	80,282	73,695
PAK programs	3,356	-	3,356	-
Total program services	1,424,347	-	1,424,347	703,902
Supporting services:				
Management and general	375,312	-	375,312	382,598
Fundraising	1,892	-	1,892	11,695
Total supporting services	377,204	-	377,204	394,293
Total expenses	1,801,551	-	1,801,551	1,098,195
Change in Net Assets	(461,803)	(770,055)	(1,231,858)	(1,203,229)
Net Assets, beginning of year	322,121	2,726,411	3,048,532	4,251,761
Net (Deficit) Assets, end of year	$ (139,682)	$ 1,956,356	$ 1,816,674	$ 3,048,532

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE
Statement of Functional Expenses
Year Ended December 31, 2019
(With Summarized Comparative Information for 2018)

	2019									2018
	Program Services					Supporting Services				
	Core Activities	Amplify Change	Prevention+	PAK Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	Total
Salaries and related expenses	$ 254,073	$ 186,555	$ 35,610	$ 3,097	$ 479,335	$ 160,673	$ 1,697	$ 162,370	$ 641,705	$ 428,129
Subgrants	294,547	155,000	-	-	449,547	-	-	-	449,547	167,836
Travel and lodging	124,153	184,178	26,940	-	335,271	108,995	53	109,048	444,319	241,497
Professional fees	87,008	204	4,110	-	91,322	13,693	-	13,693	105,015	56,865
Accounting services	-	-	-	-	-	68,613	-	68,613	68,613	68,646
Rent	13,298	11,172	1,864	162	26,496	9,466	89	9,555	36,051	61,077
Events and meetings	10,786	1,059	10,536	-	22,381	795	-	795	23,176	27,937
Office expenses	4,618	3,560	647	56	8,881	2,918	31	2,949	11,830	9,626
Insurance	2,108	1,549	296	26	3,979	1,334	14	1,348	5,327	3,025
Bank fees	-	-	-	-	-	3,565	-	3,565	3,565	1,872
Depreciation and amortization	1,241	912	174	15	2,342	786	8	794	3,136	2,039
Legal services	-	-	-	-	-	3,063	-	3,063	3,063	12,371
Other expenses	849	3,839	105	-	4,793	1,411	-	1,411	6,204	17,275
Total Expenses	$ 792,681	$ 548,028	$ 80,282	$ 3,356	$ 1,424,347	$ 375,312	$ 1,892	$ 377,204	$ 1,801,551	$ 1,098,195

See accompanying notes.

MENENGAGE GLOBAL ALLIANCE
Statement of Cash Flows
Year Ended December 31, 2019
(With Summarized Comparative Information for 2018)

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	$ (1,231,858)	$ (1,203,229)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,136	2,039
Foreign currency translation loss	153,002	292,781
Change in operating assets and liabilities:		
Contributions receivable	1,212,244	1,329,625
Prepaid expenses	(7,175)	(1,430)
Accounts payable and accrued expenses	23,250	(23,746)
Accrued vacation	16,548	5,455
Deferred revenue	130,671	-
Funds held as fiscal agent	412,383	-
Subgrants payable	(68,391)	68,391
Net cash provided by operating activities	643,810	469,886
Cash Flows from Investing Activities		
Purchases of property and equipment	(27,427)	(4,046)
Net cash used by investing activities	(27,427)	(4,046)
Net Increase in Cash and Cash Equivalents	616,383	465,840
Cash and Cash Equivalents, beginning of year	1,129,643	663,803
Cash and Cash Equivalents, end of year	$ 1,746,026	$ 1,129,643

See accompanying notes.

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. The balance of contributions receivable at December 31, 2019 is expected by management to be fully 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.

Subgrants Payable

Subgrants payable represent amounts owed to various organizations for support of grant programs at December 31, 2019. The Organization records a liability for subgrants when the commitments have been made. At December 31, 2019, the Organization had no subgrants payable.

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, 2019.

Revenue Recognition

Unconditional contributions are recognized as revenue when received or promised and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the 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 not recognized until the conditions on which they depend have been met. During the year ended December 31, 2019, the Organization had received contributions totaling approximately $1,530,000 from a single donor, of which $130,671 was and remains conditional and will be recognized as qualified expenditures are made. This amount is reflected as deferred revenue in the accompanying statement of financial position.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in 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, depreciation, and other expenses.

2. Summary of Significant Accounting Policies (continued)

Changes in Accounting Principles

Effective January 1, 2019, the Organization adopted Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires that an entity evaluate whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. The Organization adopted ASU 2018-08 using a modified prospective approach. The implementation of ASU 2018-08 did not have a material effect on the Organization's financial positions, results of operations, or cash flows. There was no cumulative effect of a change in accounting principle recorded related to the adoption of ASU 2018-08 on January 1, 2019. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

Effective January 1, 2019, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. The core principle of ASU 2014-09 requires the recognition of revenue for exchange and partial exchange transactions when, or as goods or services are delivered, in the amount that reflects the consideration to which the organization is entitled in exchange for what has been delivered. The ASU requires that the Organization use the following five step process: 1) Identify exchange agreements or partial exchange agreements that create a contract; 2) Identify their performance obligations; 3) Determine the transaction price; 4) Allocate the transaction price among the performance obligations; 5) Recognize revenue at the point in time when, or over the time period during which, a performance obligation is recognized. The adoption of the ASU did not impact the change in net assets.

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, 2020.

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 2018 amounts have been reclassified to conform to the 2019 financial statement presentation.

2. Summary of Significant Accounting Policies (continued)

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, 2018 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, 2019, the Organization received all of its contributions from one donor. The entire balance of the Organization's contributions receivable was due from this donor at December 31, 2019.

4. Property and Equipment

The Organization held the following property and equipment at December 31, 2019:

Website	$ 23,499
Office equipment	10,718
Total property and equipment	34,217
Less: accumulated depreciation and amortization	(5,675)
Property and equipment, net	$ 28,542

5. Funds Held as Fiscal Agent

From time to time the Organization receives funds as fiscal agent for other parties, over which the Organization has no variance power over the ultimate recipient of the funds. As of December 31, 2019, the Organization held $412,383 as fiscal agent as shown in the accompanying statement of financial position. These funds will be delivered to the ultimate recipients in the upcoming year, as directed by the provider of the funds.

6. Liquidity and Availability of Resources

At December 31, 2019, the Organization had financial assets totaling $2,386,586, comprised of $1,746,026 in cash and cash equivalents and $640,560 in contributions receivable. These financial assets are subject to donor restrictions in the amount of $1,956,356 and to funds to be disbursed to others at the direction of the donor, as fiscal agent, of $412,383. 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.

7. Leases

In May 2016, 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 November 2020. Rent expense was $36,051 for the year ended December 31, 2019.

At December 31, 2019, future minimum lease payments required under the operating lease are $25,122 for the year ending December 31, 2020.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2019:

Subject to expenditure for specific purposes:	
Core Activities	$ 1,928,050
Prevention+	28,306
Total net assets with donor restrictions	$ 1,956,356

During the year ended December 31, 2019, releases from net assets with donor restrictions were for the following:

Satisfaction of expenditures for specific purposes:	
Core Activities	$ 787,571
Amplify Change	584,206
Prevention+	101,766
PAK program	3,576
Total net assets released from restrictions	$ 1,477,119

9 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 $31,816 to the plan for the year ended December 31, 2019.

10. 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, 2019, 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, 2019 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.

11. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 6, 2020, 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, other than as noted in the paragraph below.

The COVID-19 outbreak has caused disruption for nonprofit organizations and other businesses and has resulted in significant volatility in the financial markets. There have been mandated and voluntary closings of businesses including cancellations of events and meetings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions on gatherings and potential economic impacts. At this time the potential related financial impact and duration cannot be reasonably estimated.