

**Movember Foundation**

**Financial Statements**  
**For the Years Ended**  
**April 30, 2022 and 2021**  
**and**  
**Independent Auditor's Report**

**Movember Foundation**  
**Table of Contents**

---

	<u>Page</u>
Independent Auditor's Report .....	1 - 2
<b>Financial Statements</b>	
Statements of Financial Position .....	3
Statements of Activities and Changes in Net Assets .....	4
Statements of Functional Expenses .....	5 - 6
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8 - 17

## **Independent Auditor's Report**

To the Board of Directors  
Movember Foundation  
Santa Monica, California

### **Opinion**

We have audited the accompanying financial statements of Movember Foundation (a non-profit organization) (the Foundation), which comprise the statements of financial position as of April 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 the Foundation as of April 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Foundation'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 Foundation'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 Foundation'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.

*HBKA Certified Public Accountants, Inc.*

September 8, 2022

**Movember Foundation**  
**Statements of Financial Position**  
**April 30, 2022 and 2021**

	Notes	2022 \$	2021 \$
<b><u>Assets</u></b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	28,853,906	24,496,225
Accounts and other receivables, net of allowance for doubtful accounts of \$0 and \$35,700 at April 30, 2022 and 2021, respectively		585,845	125,379
Net related party receivable	3	169,048	16,158
Prepaid expenses		260,620	251,808
Total current assets		29,869,419	24,889,570
<b>Property and equipment, net</b>	4	219,115	19,749
<b>Other Assets</b>			
Investments	5	1,012,528	2,520,261
Deposits		156,169	116,169
Total assets		31,257,231	27,545,749
<b><u>Liabilities and Net Assets</u></b>			
<b>Current Liabilities</b>			
Accounts payable		274,368	489,466
Accrued expenses	6	1,437,749	1,341,877
Borrowings (PPP loan)	7	-	632,500
Other liabilities		299,361	93,317
Total current liabilities		2,011,478	2,557,160
<b>Net Assets</b>			
Without Donor Restrictions			
Board designated for Men's Health Programs		21,882,996	17,698,383
Undesignated		7,261,232	7,261,233
Total net assets without donor restrictions		29,144,228	24,959,616
With Donor Restrictions	8	101,525	28,973
Total net assets		29,245,753	24,988,589
Total liabilities and net assets		31,257,231	27,545,749

See accompanying notes to financial statements

**Movember Foundation**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended April 30, 2022 and 2021**

	Notes	2022 \$	2021 \$
<b>Changes in Net Assets Without Donor Restrictions</b>			
<b>Support and revenue</b>			
Fundraising contributions received		17,609,587	15,304,902
Government grants		632,500	633,400
Interest and other income		455,934	227,297
Net assets released from restriction		<u>30,000</u>	<u>37,001</u>
Total support and revenue without donor restrictions		<u>18,728,021</u>	<u>16,202,600</u>
<b>Expenses</b>			
Program			
Men's Health Programs		5,498,881	4,230,906
Funds donated and program delivery payments		4,640,732	5,793,709
Administration		1,346,624	949,208
Fundraising		<u>3,057,172</u>	<u>2,719,597</u>
Total expenses		<u>14,543,409</u>	<u>13,693,420</u>
Increase in net assets without donor restrictions		4,184,612	2,509,180
Net assets without donor restrictions at beginning of year		<u>24,959,616</u>	<u>22,450,436</u>
Net assets without donor restrictions at end of year		<u><u>29,144,228</u></u>	<u><u>24,959,616</u></u>
<b>Changes in Net Assets With Donor Restrictions</b>			
<b>Support and revenue</b>			
Fundraising contributions received	8	102,552	28,973
Net assets released from restriction		<u>(30,000)</u>	<u>(37,001)</u>
Increase (decrease) in net assets with donor restrictions		72,552	(8,028)
Net assets with donor restrictions at beginning of year		<u>28,973</u>	<u>37,001</u>
Net assets with donor restrictions at end of year		<u><u>101,525</u></u>	<u><u>28,973</u></u>

See accompanying notes to financial statements

**Movember Foundation**  
**Statement of Functional Expenses**  
**For the Year Ended April 30, 2022**

	Notes	Program		Supporting Services		Total
		Men's Health Programs	Funds Donated and Program Delivery Payments	Administration	Fundraising	
		\$	\$	\$	\$	
Donation to Prostate Cancer Foundation		-	1,384,584	-	-	1,384,584
Program delivery payments		-	3,256,148	-	-	3,256,148
Administration		7,477	-	68,918	1,015	77,410
Marketing and promotion		649,584	-	-	649,584	1,299,168
Health education, awareness, and communication		258,511	-	-	258,511	517,022
Professional services		460,307	-	38,888	560,041	1,059,236
Information and technology		8,418	-	16,908	1,105	26,431
Salaries and related costs		1,983,142	-	-	876,220	2,859,362
Travel		32,579	-	-	21,800	54,379
Entertainment		996	-	14,951	1,149	17,096
Rent and utilities		204,816	-	543,299	-	748,115
Foreign exchange loss	11	-	-	20,577	-	20,577
Global services allocations	12	1,892,854	-	627,537	687,570	3,207,961
Depreciation		197	-	15,546	177	15,920
Total expenses		5,498,881	4,640,732	1,346,624	3,057,172	14,543,409

See accompanying notes to financial statements

**Movember Foundation**  
**Statement of Functional Expenses**  
**For the Year Ended April 30, 2021**

	<b>Program</b>		<b>Supporting Services</b>		<b>Total</b>	
	<b>Men's Health Programs</b>	<b>Funds Donated and Program Delivery Payments</b>	<b>Administration</b>	<b>Fundraising</b>		
		<b>\$</b>				<b>\$</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Donation to Prostate Cancer Foundation		-	1,946,028	-	-	1,946,028
Program delivery payments		-	3,847,681	-	-	3,847,681
Administration		7,649	-	40,392	-	48,041
Marketing and promotion		480,577	-	-	480,577	961,154
Health education, awareness, and communication		198,665	-	-	198,665	397,330
Professional services		274,337	-	41,388	518,823	834,548
Information and technology		17,340	-	29,006	5,477	51,823
Salaries and related costs		1,757,130	-	-	756,699	2,513,829
Travel		899	-	-	898	1,797
Entertainment		58	-	402	106	566
Rent and utilities		121,611	-	240,929	-	362,540
Foreign exchange loss	11	59	-	5,522	59	5,640
Global services allocations	12	1,369,385	-	575,747	755,197	2,700,329
Depreciation		3,196	-	15,822	3,096	22,114
<b>Total expenses</b>		<b>4,230,906</b>	<b>5,793,709</b>	<b>949,208</b>	<b>2,719,597</b>	<b>13,693,420</b>

See accompanying notes to financial statements



**Movember Foundation**  
**Statements of Cash Flows**  
**For the Years Ended April 30, 2022 and 2021**

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Increase in net assets without donor restrictions		4,184,612	2,509,180
Increase (decrease) in net assets with donor restrictions		72,552	(8,028)
		<u>4,257,164</u>	<u>2,501,152</u>
Total increase in net assets			
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Amortization of discount/premium of investments		7,733	7,100
Amortization of tenant improvement allowance and deferred rent		206,044	(9,291)
Depreciation		15,920	22,114
Borrowings (PPP loan) forgiven		(632,500)	(633,400)
(Increase) decrease in assets:			
Accounts and other receivables		(460,466)	290,190
Related party receivable		(152,890)	652,932
Deposits		(40,000)	(11,120)
Inventory		-	2,397
Prepaid expenses		(8,812)	(69,036)
Increase (decrease) in liabilities:			
Accounts payable		(215,098)	(507,333)
Accrued expenses		95,872	1,001,560
		<u>(1,184,197)</u>	<u>746,113</u>
		<u>3,072,967</u>	<u>3,247,265</u>
Net cash provided by operating activities			
<b>Cash flows from investing activities</b>			
Purchases of property and equipment		(215,286)	(9,656)
Purchases of investments		-	(529,855)
Redemptions of investments		1,500,000	-
		<u>1,284,714</u>	<u>(539,511)</u>
Net cash provided (used) by investing activities			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings (PPP loans)		-	1,265,900
		<u>4,357,681</u>	<u>3,973,654</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents, beginning of year		<u>24,496,225</u>	<u>20,522,571</u>
Cash and cash equivalents, end of year	9	<u><u>28,853,906</u></u>	<u><u>24,496,225</u></u>

See accompanying notes to financial statements

# **Movember Foundation**

## **Notes to Financial Statements**

### **April 30, 2022 and 2021**

---

#### **1. Organization**

Movember Foundation (the Foundation) (a California non-profit Corporation), with an office in Santa Monica, California, is a not-for-profit organization formed in 2007 to raise funds and awareness for men's health. It is a global movement that aims to help men live happier, healthier, and longer lives through investing in the key cause areas of mental health and suicide prevention, prostate cancer, and testicular cancer.

While the Foundation is supported through year-round fundraising efforts, the annual Movember campaign held in November is the primary fundraising initiative for the Foundation. During the month, supporters sign up and fundraise by growing a moustache, taking the Move challenge, hosting an event or "Mo'ing their own way" through an idea of their own. Through their actions they seek donations from their networks and, consequently, help spread the Foundation's health messages to their family, friends, and colleagues.

The Foundation funds and delivers research and health programs covering prostate cancer, testicular cancer, mental health and suicide prevention, and men's health. It continues to fund prostate cancer biomedical research programs both directly and through its partnership with the Prostate Cancer Foundation. Research strategy is focused on supporting translational research and clinical trials with a particular focus on men who are at high risk of, or have already experienced, disease progression. Through the Prostate Cancer Foundation, the Foundation funds national research projects. As part of the Foundation's Global Action Plan, the Foundation funds research institutions in the United States as part of globally integrated research projects.

The Foundation's prostate cancer clinical quality registry and survivorship programs seek to improve the quality of life of men diagnosed and living with prostate or testicular cancer. A large number of hospitals and institutions in the United States participate in the Foundation's global prostate cancer registries, addressing men with both localized and advanced prostate cancer. These registries collect clinical and patient reported outcome data to improve the quality of treatment and care. Prostate cancer digital health products (True North for prostate cancer and Nuts and Bolts for testicular cancer) empower men with knowledge and information throughout their cancer journey.

The Foundation funds and oversees mental health and suicide prevention programs with a particular focus on prevention and early intervention. The Foundation continued to support the Making Connections program, which is aimed at improving the mental health and wellbeing of men and boys in high-need populations in the United States. In 2015, the Foundation partnered with the Prevention Institute to fund 13 community programs across the United States that work with groups at greater risk of poor mental health, including men and boys of color, members of the military, veterans, and their families. Five programs out of the original 13 have been granted funding for a further 18 months and the Foundation continues to work with the University of South Florida as the external third-party evaluator for the program. Sharing the knowledge and evidence collected during this five-year initiative regarding which intervention strategies work for men and boys was a major objective of the Making Connections program.

A comprehensive resource library called The Making Connections Backpack has been created and made available on the Prevention Institute website to support and connect with other organizations involved in similar prevention and early intervention work with men and boys.

In November 2021, the Foundation announced a partnership with the digital mental health community platform Togetherall that would enable men worldwide to access online mental health support 24 hours a day. Togetherall is a peer-to-peer mental health support community that allows users to share their concerns anonymously to get advice and support from fellow members while licensed and registered mental health practitioners monitor the community to ensure the safety and anonymity of all members. Currently available in five countries including the United States, the service is accessed through participating employers, universities, colleges, or healthcare providers.

# **Movember Foundation**

## **Notes to Financial Statements**

### **April 30, 2022 and 2021**

---

#### **1. Organization (Continued)**

A number of new initiatives were launched during the year ended April 30, 2022:

The Foundation's Rooted & Rising Collective pilot program was designed to improve the mental health and wellbeing of 15–25-year-old African Americans. The project enabled emerging Black content creators and influencers to grow their businesses and create content that inspires young Black men to practice self-care. The 11-week creative training program provided tailored support for each participant's business and personal goals and partnered with them in producing short films which highlighted the benefits that self-care can have on the lives of their audiences. The aim was to encourage influencers to openly address the subject of mental health with their audiences and share ways of prioritizing self-care to help normalize reaching out to ask for help when they need it.

Movember Conversations is a free interactive digital tool that offers practical guidance on how to have more effective conversations with men who may be struggling with their mental health. Guided by an international team of mental health experts, the tool uses simulated conversations to explore different scenarios, such as job loss or isolation. It demonstrates to the user that by changing the way they respond, even subtly, can lead to deeper, more meaningful conversations. It focuses on skills such as learning how to frame questions appropriately, asking open-ended questions, and practicing non-judgmental responses.

Movember's Family Man is the world's first online parenting program designed with dads in mind and aimed at helping fathers engage in the parenting process and improve their parenting confidence and knowledge. The free, online course was initially designed to equip parents of children aged between two and eight, with the practical skills to manage challenging child behavior and increase their own parenting confidence. As the product continues to evolve, the intention is to include content that helps parents of children and adolescents between the ages of 9 and 16 years old. The evidence-based program, which has been vetted by a global panel of psychologists and parenting experts, currently consists of three 15-minute interactive episodes focusing on reinforcing positive behavior, managing misbehavior, and managing high-risk situations.

In August 2021, the Foundation announced that 15 projects from around the globe would receive funding through the Veterans and First Responders Mental Health Grant Program. The initiative in support of veterans and first responders, as well as their families, is a collaboration between the Foundation and The Distinguished Gentleman's Ride. There is growing evidence that firefighters, paramedics, police officers and military veterans are at increased risk of poor mental health and suicide. The aim of the grant program – launched in seven countries, including the United States – is to identify promising mental health or suicide prevention programs and collaborate with those projects to demonstrate their effectiveness through rigorous program evaluation.

In addition to the Prostate Cancer Foundation, the Foundation provides donations to select organizations such as the Prevention Institute, the University of Michigan, WETA, the University of South Florida, the University of Washington, the University of California Los Angeles, Farmington Valley Health District, Kokua Kalihi Valley Comprehensive Family Services, SecondMuse LLC, Sinai Health System, and Southern Plans Tribal Health Board.

The Foundation is an affiliate of the Australian-based Movember Group Pty Limited (MGPL), Trustee of the Movember Foundation.

#### **2. Summary of Significant Accounting Policies**

##### Support and Revenue

The Foundation receives most of its income from contributions. The primary campaign activities occur in the month of November each year. Amounts contributed are recognized when they are received by the Foundation or when there is a written unconditional promise to give by the donor.

**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**2. Summary of Significant Accounting Policies (Continued)**

The Foundation reports information regarding contributions and support received in its statements of financial position and statements of activities and changes in net assets according to two classes of net assets based upon the existence or absence of donor-imposed restrictions:

Net Assets Without Donor Restrictions – Contributions that are considered to be available for unrestricted use.

Net Assets With Donor Restrictions – Contributions received that are restricted by donors for a specific time period or purpose. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Income earned on these assets may or may not be restricted, depending upon the donor-imposed restrictions.

When donor restrictions on contributions are satisfied in the same period as the receipt of the contribution, the Foundation reports both the revenue and the related expense in the net assets without donor restrictions category.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers cash on hand, cash in demand deposit accounts including money market funds, and instruments with an original maturity date of 90 days or less at date of purchase to be cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Foundation provides for losses on accounts receivable using the allowance method. The allowance for doubtful accounts is determined based on past collection experience and consideration of current economic conditions. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Property and Equipment

Property and equipment are stated at cost, or fair market value at the date of donation if the property is donated, less accumulated depreciation. Depreciation is accounted for on the straight-line method over the estimated useful life of the asset, which is 5 years for furniture and fixtures and 2.5 years for computer equipment. Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the lease term, including renewal periods that are reasonably assured.

Expenditures for maintenance and repairs are expensed in the period incurred. Expenditures for major improvements are capitalized. Costs of assets sold or retired, and the related amounts of accumulated depreciation, are eliminated from the accounts in the year of sale or retirement.

Investments

Investments in fixed income securities are reported at amortized cost. Discounts and premiums to the face amount are accreted and amortized using the effective interest rate method over the lives of the respective securities. Interest income is recognized on the accrual basis.

**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**2. Summary of Significant Accounting Policies (Continued)**

Deferred Rent

Rent expense on the facility lease, including free rent, lease incentives, and scheduled rent increases, is recorded on a straight-line basis over the term of each lease. The net excess of rent expense over cash paid to date has been recorded as deferred rent, included in other liabilities in the accompanying statements of financial position.

Income Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and under Section 23701(d) of the California Revenue and Taxation Code.

Management Estimates

Preparing the Foundation's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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. Actual results could differ from those estimates.

Borrowings (PPP Loans)

The Foundation accounted for the loans under the Paycheck Protection Program (PPP) as conditional contributions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities - Revenue Recognition*. Under this standard, loan proceeds are deemed a refundable advance until such time as the related conditions are met. In the case of the PPP loans, this included meeting certain employee counts and incurring eligible expenditures.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will require entities to recognize lease assets and lease liabilities on the face of the financial statements and to disclose key information about leasing arrangements to enable readers of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. This ASU will be effective for nonpublic entities with annual reporting periods beginning after December 15, 2021. Management is evaluating the impact of adopting this new ASU on the financial statements.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to current year presentation. These reclassifications have no effect on the previously reported net assets or change in net assets.

**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**3. Related Party Transactions**

The Foundation performs a variety of services, primarily related to salaries, for MGPL, Movember Canada, and other related entities, and charges them for these services. Expense reimbursements received or receivable from MGPL for services provided during the years ended April 30, 2022 and 2021 totaled \$1,784,350 and \$1,441,250, respectively. Expense reimbursements paid or payable to Movember Canada totaled \$147,631 for the year ended April 30, 2022. Expense reimbursements received or receivable from Movember Canada totaled \$663,735 for the year ended April 30, 2021.

During the year ended April 30, 2022, the Foundation received donations on behalf of entities outside the US for their fundraising initiatives, for which the funds payable to the non-US entities as of April 30, 2022 totaled \$40,001. During the year ended April 30, 2021, entities outside the US received donations on behalf of the Foundation's fundraising initiatives, for which the funds receivable to the Foundation as of April 30, 2021 totaled \$110,517.

Reimbursements received or receivable were netted against the related operating expenses.

MGPL charged the Foundation its share of certain costs for services provided by MGPL through the global services allocation (see Note 8) and for program management.

Amounts receivable from (payable to) related parties consisted of the following at April 30:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
MGPL	161,350	(270,711)
Canada	1,200	198,476
Europe (Consolidated)	6,498	89,393
e.V. (Germany)	-	(1,000)
	<u>169,048</u>	<u>16,158</u>

**4. Property and Equipment**

Property and equipment consisted of the following at April 30:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Furniture and fixtures	61,156	61,156
Computer equipment	169,752	162,861
Leasehold improvements	49,863	32,661
Construction in process	191,192	-
	<u>471,963</u>	<u>256,678</u>
Total property and equipment	471,963	256,678
Less accumulated depreciation	<u>(252,848)</u>	<u>(236,929)</u>
	<u>219,115</u>	<u>19,749</u>

**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**5. Investments**

The Foundation invests in a bond portfolio and uses a hold-to-maturity strategy for these investments. All bond investments are rated BBB+ or above, in line with the Foundation's low risk investment policy. As of April 30, 2022, this bond portfolio was comprised of the following assets:

Bond Issuer	Settlement Date	Maturity Date	Face Value \$	Coupon Rate %	Effective Interest Rate %	Carrying Value \$
Bank of NY Mellon	06/08/18	04/28/23	500,000	3.500	3.454	500,519
Oracle Corp	12/16/20	09/15/23	500,000	2.400	0.434	512,009
						<u>1,012,528</u>

**6. Accrued Expenses**

Accrued expenses consisted of the following at April 30:

	2022 \$	2021 \$
General accruals	1,316,883	1,177,894
Employee-related accruals	120,866	163,983
Total accrued expenses	<u>1,437,749</u>	<u>1,341,877</u>

**7. Borrowings (PPP Loans)**

On May 13, 2020, the Foundation received a loan from Sunwest Bank totaling \$633,400, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted on March 27, 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. During the year ended April 30, 2021, the Foundation used the full \$633,400 loan amount for qualifying expenses and recognized an equivalent amount as government grant income in the statement of activities and changes in net assets. The loan was forgiven on March 31, 2021.

On January 25, 2021, the Foundation received a second loan under the PPP of \$632,500 from Sunwest Bank. The forgiveness feature was similar to the first-round loan. The Foundation used the entire loan amount for qualifying expenses and recognized an equivalent amount as government grant income in the statements of activities and changes in net assets. The loan was forgiven on July 12, 2022.

**8. Net Assets with Donor Restrictions**

On May 24, 2019, the Foundation received a residuary estate allocation of \$100,000 to be used toward the Movember Rated program. During the year ended April 30, 2020, the Foundation spent \$62,999 of the contribution for this purpose. The remaining \$37,001 was reported as fundraising contributions received with donor restrictions on the statement of activities and changes in net assets for the year ended April 30, 2020. The balance of the residuary estate allocation of \$37,001 was used for the Movember Rated program during the year ended April 30, 2021 and released from restriction.

The Foundation received donations totaling \$72,552 and \$26,786 during the years ended April 30, 2022 and 2021, respectively, that are restricted for the Mr. Porter Health in Mind Fund, which will go toward men's mental health initiatives in accordance with the Foundation's mental health strategy. A committee comprised of representatives from both the Foundation and Mr. Porter, a retailer that specializes in designer menswear, will decide how the funds

**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**8. Net Assets with Donor Restrictions (Continued)**

are to be used. During the year ended April 30, 2022, the Foundation also received \$30,000 restricted for Movember Rooted and Rising, which will be used to support stipends to the participants of the pilot program cohort.

**9. Cash and Cash Equivalents**

Cash and cash equivalents consisted of the following at April 30:

	<u>2022</u>	<u>2021</u>
	\$	\$
Cash	21,353,906	19,496,225
Term Deposits	7,500,000	5,000,000
Total cash and cash equivalents	<u>28,853,906</u>	<u>24,496,225</u>

**10. Operating Leases**

The Foundation leases office space in Culver City, California under a lease agreement (the Agreement) amended and extended on August 28, 2017 and expiring on October 31, 2023. Minimum monthly payments under the Agreement were \$46,055 and \$44,713 as of April 30, 2022 and 2021, respectively, plus various common area charges and utilities. The Agreement provides for rent increases. The Foundation allocated a portion of its facility rent to related entities.

On April 10, 2021, the Foundation entered into a lease agreement for office space in Santa Monica, California commencing on July 1, 2021 for a term of five years, with an option to extend the lease for another five years. Minimum monthly payments under this lease are \$34,478 plus various common area charges and utilities. Rent was abated from August 2021 through November 2021. The lease agreement provides for rent increases and also provides for tenant improvement allowances of \$119,055. Unreimbursed tenant improvement allowances are included in accounts and other receivables at April 30, 2022. The unamortized portion of the tenant improvement allowances is included in other liabilities at April 30, 2022.

The Foundation leases office space in New York on a month-to-month basis.

Rent expense, net of amounts allocated to related entities, was approximately \$590,000 and \$348,000 for the years ended April 30, 2022 and 2021, respectively.

Future minimum lease payments under lease agreements that have initial or remaining lease terms in excess of one year are as follows for the years ending April 30:

<u>Year</u>	<u>\$</u>
2023	988,828
2024	726,648
2025	453,745
2026	468,813
2027	75,556
Total	<u>2,713,590</u>

The Foundation entered into a sub-lease agreement for the original office space in Culver City commencing March 1, 2021 and expiring on October 31, 2023. Minimum monthly payments to be received under the sub-lease are \$46,158. The sub-lease provides for rent increases.



**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**10. Operating Leases (Continued)**

Future minimum lease payments to be received are as follows for the years ending April 30:

<u>Year</u>	<u>\$</u>
2023	564,976
2024	288,110
Total	<u>853,086</u>

**11. Foreign Exchange**

Included in administration costs are foreign exchange gains and losses, which relate to expenses allocated from MGPL for the Foundation's share of its global expenses (see Note 8). These intercompany allocations are subject to the inherent risks associated with foreign exchange rate movements. Foreign currency denominated assets and liabilities are translated into U.S. dollars at the exchange rate existing at the statement of financial position date, and revenue and expense items are translated at the exchange rate existing at the transaction date. MGPL structures intercompany transactions and settlements to ensure that the majority of foreign exchange gains or losses, representing changes in exchange rates from the transaction date to the settlement date, are borne by MGPL and not by the Foundation. During the years ended April 30, 2022 and 2021, fluctuations in the value of the U.S. dollar caused a net foreign exchange loss of \$2,458 and gain of \$23,857, respectively.

**12. Global Service Allocations**

MGPL, together with local country affiliates (including the Foundation), is a global operation with its head office based in Melbourne, Australia. In order to minimize costs in all countries in which the Foundation operates, MGPL charges the Foundation for its share of certain costs for central services. These services are conducted centrally to ensure consistency over the Movember brand and to achieve economies of scale for Movember's global programs, thereby resulting in lower costs in each country. The services carried out centrally include website development, hosting and maintenance; campaign theme design and related materials; financial and accounting services; human resources services; and general management, including program implementation and beneficiary partner management services. Management of MGPL and the Foundation believe the charge from MGPL is significantly less than if the Foundation were to conduct all of these activities on a stand-alone local basis. The costs are charged on actual consumption or, where this cannot be identified, on an equitable basis that is considered fair to all regions. MGPL does not charge interest or mark up costs. The global services allocation expense for the Foundation was \$3,207,961 and \$2,700,329 for the years ended April 30, 2022 and 2021, respectively.

**13. Allocation of Joint Costs**

During the years ended April 30, 2022 and 2021, the Foundation conducted activities that included a campaign and special events and incurred joint costs of \$6,289,300 and \$5,461,741, respectively. Joint costs were allocated as follows:

	<b>2022</b>	<b>2021</b>
	<u>\$</u>	<u>\$</u>
Men's Health Awareness	2,868,097	2,431,511
Administration	627,699	583,514
Fundraising	2,793,504	2,446,716
Total	<u>6,289,300</u>	<u>5,461,741</u>

**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**14. Retirement Plan**

The Foundation maintains a 401(k) retirement plan for its employees who are 21 years of age and older. Under the plan, eligible employees may elect to defer up to 80% of their compensation, subject to Internal Revenue Service limits. The Foundation does not make any matching contributions.

**15. Availability of Financial Assets and Liquidity**

The Foundation has \$8,226,322 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, as follow:

	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Financial assets*, at April 30:	30,109,318	26,136,303
Less those unavailable for general expenditures within one year, due to:		
Board designations:		
Amounts set aside for Men's Health Programs	<u>(21,882,996)</u>	<u>(17,698,383)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>8,226,322</u>	<u>8,437,920</u>

\* Total assets, less nonfinancial assets (i.e. property and equipment, prepaid expenses, and non-current investments).

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in certificates of deposit and bond portfolios to use the interest income as a secondary revenue stream.

**16. Functional Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Additionally, the financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Those expenses include salaries and wages, facility expenses, and depreciation. The allocations for salaries and wages are made on an individual employee basis, and the percentages used to allocate those employees to the various departments is evaluated on an annual basis during the budget preparation process. Rent, utilities, insurance, and depreciation expense are allocated based on a square footage analysis of the floor plans at the Foundation's various locations.

All donations to Men's Health Partners are included under program expenses in the statements of activities and changes in net assets.

**Movember Foundation**  
**Notes to Financial Statements**  
**April 30, 2022 and 2021**

---

**17. Concentrations and Contingencies**

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, deposits of up to \$250,000 at FDIC-insured institutions are covered by FDIC insurance. Deposits are generally in excess of the FDIC insurance limit; however, management does not believe the Foundation is exposed to any significant related credit risk.

One corporate sponsor accounted for 26% of the accounts and other receivables balance as of April 30, 2022. There were no such concentrations as of April 30, 2021.

The Foundation is subject to various claims and legal proceedings covering matters that arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the Foundation.

**18. Subsequent Events**

Management has evaluated subsequent events through September 8, 2022, the date the financial statements were available to be issued.