

MOVEMBER FOUNDATION
FINANCIAL REPORT
APRIL 30, 2024

MOVEMBER FOUNDATION
CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3 – 4
Statements of Activities and Changes in Net Assets	5
Statements of Functional Expenses	6 – 7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 20

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Movember Foundation

Opinion

We have audited the financial statements of Movember Foundation (a nonprofit organization) (the "Foundation"), which comprise the statements of financial position as of April 30, 2024 and 2023, 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 (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of April 30, 2024 and 2023, 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 (GAAS). 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 independent of the Foundation, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits, which include relevant ethical requirements in the United States of America. 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 issued or 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 GAAS 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 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 GAAS, 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.

Singer Lewak LLP

September 12, 2024

MOVEMBER FOUNDATION
STATEMENTS OF FINANCIAL POSITION
April 30,

ASSETS

	2024	2023
Current assets		
Cash and cash equivalents	\$ 26,379,467	\$ 26,932,484
Accounts and other receivables	179,122	167,603
Related party receivables	254,780	596,275
Investments	7,815,090	4,922,196
Prepaid expenses	225,378	400,542
Total current assets	34,853,837	33,019,100
Equipment and leasehold improvements, net	240,303	284,559
Operating lease right-of use assets	2,825,495	3,441,716
Deposits	40,000	137,719
Total assets	\$ 37,959,635	\$ 36,883,094

See notes to financial statements.

MOVEMBER FOUNDATION
STATEMENTS OF FINANCIAL POSITION (Continued)
April 30,

LIABILITIES AND NET ASSETS

	2024	2023
Current liabilities		
Accounts payable	\$ 288,097	\$ 111,288
Accrued expenses	1,360,443	1,105,949
Operating lease liabilities, current	334,286	591,074
Total current liabilities	1,982,826	1,808,311
Operating lease liabilities, noncurrent	2,803,262	3,137,549
Total liabilities	4,786,088	4,945,860
Net assets		
Without donor restrictions		
Board designated for men's health programs	25,810,790	24,574,477
Undesignated	7,261,232	7,261,232
Total net assets without donor restrictions	33,072,022	31,835,709
With donor restrictions	101,525	101,525
Total net assets	33,173,547	31,937,234
Total liabilities and net assets	\$ 37,959,635	\$ 36,883,094

See notes to financial statements.

MOVEMBER FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended April 30,

	2024	2023
Change in Net Assets Without Donor Restrictions		
Support and revenue		
Fundraising contributions received	\$ 15,736,104	\$ 16,405,924
Interest and other income	1,085,472	436,255
Total support and revenue	16,821,576	16,842,179
Expenses		
Program		
Men's health programs	6,216,309	5,581,340
Funds donated and program delivery payments	4,662,354	3,871,604
Administration	1,250,554	1,215,777
Fundraising	3,456,046	3,481,977
Total expenses	15,585,263	14,150,698
Change in net assets without donor restrictions	1,236,313	2,691,481
Net assets without donor restrictions, beginning	31,835,709	29,144,228
Net assets without donor restrictions, ending	\$ 33,072,022	\$ 31,835,709
Change in Net Assets With Donor Restrictions		
Fundraising contributions received	\$ -	\$ -
Net assets released from restrictions	-	-
Change in net assets with donor restrictions	-	-
Net assets with donor restrictions, beginning	101,525	101,525
Net assets with donor restrictions, ending	\$ 101,525	\$ 101,525

See notes to financial statements.

MOVEMBER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended April 30, 2024

	Program		Supporting Services		Total
	Men's Health Program	Funds Donated and Program Delivery Payments	Administration	Fundraising	
Donation to Prostate Cancer Foundation	\$ -	\$ 1,001,988	\$ -	\$ -	\$ 1,001,988
Program delivery payments	-	3,660,366	-	-	3,660,366
Administration	17,427	-	49,083	7,475	73,985
Marketing and promotion	750,370	-	-	748,854	1,499,224
Health education, awareness, and communication	501,563	-	-	501,198	1,002,761
Professional services	97,841	-	51,465	342,213	491,519
Information and technology	10,440	-	25,659	6,500	42,599
Salaries and related costs	2,134,842	-	-	1,101,477	3,236,319
Travel	98,299	-	-	47,897	146,196
Entertainment	4,694	-	9,822	3,808	18,324
Rent and utilities	124,028	-	357,143	-	481,171
Foreign exchange loss	-	-	41,725	-	41,725
Global services allocations	2,476,805	-	650,186	696,624	3,823,615
Depreciation	-	-	65,471	-	65,471
Total expenses by function	<u>\$ 6,216,309</u>	<u>\$ 4,662,354</u>	<u>\$ 1,250,554</u>	<u>\$ 3,456,046</u>	<u>\$ 15,585,263</u>

See notes to financial statements.

MOVEMBER FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended April 30, 2023

	Program		Supporting Services		
	Men's Health Program	Funds Donated and Program Delivery Payments	Administration	Fundraising	Total
Donation to Prostate Cancer Foundation	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Program delivery payments	-	2,730,887	-	-	2,730,887
Reimbursement of donation to Prostate Cancer Foundation	-	(359,283)	-	-	(359,283)
Administration	24,205	-	110,360	62	134,627
Marketing and promotion	683,325	-	-	682,075	1,365,400
Health education, awareness, and communication	403,780	-	-	403,780	807,560
Professional services	151,882	-	45,603	407,740	605,225
Information and technology	17,039	-	31,202	6,500	54,741
Salaries and related costs	1,810,894	-	-	940,740	2,751,634
Travel	125,949	-	-	64,703	190,652
Entertainment	1,675	-	18,430	2,143	22,248
Rent and utilities	141,127	-	360,650	-	501,777
Foreign exchange loss	-	-	517	-	517
Global services allocations	2,221,464	-	591,333	974,234	3,787,031
Depreciation	-	-	57,682	-	57,682
Total expenses by function	\$ 5,581,340	\$ 3,871,604	\$ 1,215,777	\$ 3,481,977	\$ 14,150,698

See notes to financial statements.

MOVEMBER FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended April 30,

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 1,236,313	\$ 2,691,481
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	65,471	57,682
Amortization of bond premium	(293,448)	(18,444)
Operating lease right-of-use assets	616,221	707,974
Changes in operating assets and liabilities:		
Accounts and other receivables	(11,519)	418,242
Prepaid expenses	175,164	(139,922)
Related party receivables	341,495	(427,227)
Deposits	97,719	18,460
Operating lease liabilities	(591,075)	(720,428)
Accounts payable	176,809	(163,080)
Accrued expenses	254,494	(331,800)
Net cash provided by operating activities	2,067,644	2,092,938
Cash flows from investing activities		
Purchases of equipment and leasehold improvements	(21,215)	(123,136)
Held-to-maturity debt securities:		
Maturities	9,500,000	500,000
Purchases	(12,099,446)	(4,391,224)
Net cash used in investing activities	(2,620,661)	(4,014,360)
Net decrease in cash and cash equivalents	(553,017)	(1,921,422)
Cash and cash equivalents, beginning	26,932,484	28,853,906
Cash and cash equivalents, ending	\$ 26,379,467	\$ 26,932,484

See notes to financial statements.

MOVEMBER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Nature of Business

Movember Foundation (the “Foundation”) (a California non-profit Corporation), headquartered in Santa Monica, California, is a not-for-profit organization established in 2007 to raise funds and awareness for men’s health. As a global entity, its mission is to help men lead healthier, longer lives by investing in key cause areas such as mental health and suicide prevention, prostate cancer, and testicular cancer.

The Foundation’s year-round fundraising efforts culminate in the annual Movember campaign every November. This flagship campaign encourages supporters to raise funds by growing a moustache, participating in the Move challenge, hosting an event, or adopting more creative and innovative approaches to fundraising by “Moving their own way.” Through these efforts, supporters not only raise funds for Movember but also play a vital role in spreading health messaging and amplifying the impact of the Foundation’s work around the world.

Current Programs and Initiatives

During the year ended April 30, 2024, the Foundation began implementing a new impact strategy designed to steer future programmatic investments in mental health and suicide prevention, prostate cancer, and testicular cancer. While new initiatives were temporarily paused during the strategy planning phase, the Foundation continued to fund and deliver existing programs, as outlined below.

Prostate Cancer and Testicular Cancer Programs

The Foundation supports prostate biomedical research through direct funding and a partnership with the Prostate Cancer Foundation. The Foundation’s research strategy focuses on translational research and clinical trials aimed at men who are high risk for disease progression or have already experienced it. By focusing on these high-risk groups, the Foundation strives to advance medical innovations and improve treatment outcomes for those most in need. 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. The Foundation’s global prostate cancer registries, involving numerous hospitals in the United States, collect clinical and patient-reported data to improve treatment quality and care, and digital health tools like True North and Nuts&Bolts offer valuable support for men throughout their cancer journey.

Mental Health and Suicide Prevention Programs

The Foundation funds mental health and suicide prevention initiatives with a particular focus on prevention and early intervention. The Making Connections program, now in its eighth year, supports marginalized communities in the United States by promoting community-led approaches for boys and young men. The Foundation continues to collaborate with the University of South Florida as an external evaluator for the program, aiming to share knowledge and evidence for effective intervention strategies.

MOVEMBER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION (Continued)

Current Programs and Initiatives (Continued)

Digital Tools and Online Resources

The Foundation continues to invest in interactive digital tools and resources such as Movember Conversations, which provides practical guidance for having effective discussions about mental health, and Movember Family Man, the world's first online parenting program designed for dads to boost their parenting confidence and knowledge.

Veterans and First Responders Mental Health Grant Funding

In partnership with The Distinguished Gentleman's Ride, the Foundation funds the Veterans and First Responders Mental Health grant program, which operates in seven countries, including the United States. This program identifies promising mental health and suicide prevention strategies and evaluates their effectiveness.

Collaborations and Donations

The Foundation continues to support organizations, such as the Prostate Cancer Foundation, and donates to various institutions, including University of Michigan, University of South Florida, University of Washington, UCLA, Farmington Valley Health District, Kokua Kalihi Valley Comprehensive Family Services, Sinai Health System, and South Plains Tribal Health Board.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the 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.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Revenue (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 and Other Receivables

Accounts and other receivables are stated at unpaid balances, less an allowance for expected credit losses. The Foundation provides for losses on accounts receivable using the expected credit loss method.

Equipment and Leasehold Improvements

Equipment and leasehold improvements 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.

MOVEMBER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Held-to-maturity securities consist solely of debt securities that the Foundation has the positive intent and ability to hold to maturity and are stated at amortized cost. Premiums and discounts on investments in debt securities are amortized over the contractual lives of those securities, except for mortgage-backed securities for which prepayments are probable and predictable which are amortized over the estimated expected lives of those securities. The method of amortization results in a constant effective yield on those securities (the interest method). Interest on debt securities is recognized in income as earned. Realized gains and losses, including losses from declines in value of specific securities determined by management to be other-than-temporary, are included in income. Realized gains and losses are determined on the basis of the average cost of the securities sold.

The Foundation evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. The Foundation employs a systematic methodology that considers available evidence in evaluating potential impairment of its investments. In the event that the cost of an investment exceeds its fair value, the Foundation evaluates, among other factors, the magnitude and duration of the decline in fair value; the expected cash flows of the securities; the financial health of and business outlook for the issuer; the performance of the underlying assets for interests in securitized assets; and the Foundation's intent and ability to hold the investment. The Foundation assesses whether it intends to sell or it is more likely than not that it will be required to sell a security before recovery of its amortized cost basis. For debt securities that are considered other-than-temporarily impaired and that the Foundation does not intend to sell and will not be required to sell prior to recovery of the amortized cost basis, the Foundation separates the amount of the impairment into the amount that is credit related (credit loss component) and the amount due to all other factors. The credit loss component is recognized in earnings and is the difference between the security's amortized cost basis and the present value of its expected future cash flows discounted at the security's effective yield. The remaining difference between the security's fair value and the present value of future expected cash flows is recognized in other comprehensive income. The Foundation's investment strategy is to hold debt securities to maturity.

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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Foundation determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Foundation obtains substantially all of the economic benefits from the use of those underlying asset and directs how and for what purpose the assets are used during the term of the contract. The Foundation also considers whether its service arrangements include the right to control the use of an asset.

The Foundation recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

The Foundation made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or May 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Foundation made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Foundation has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. As of April 30, 2024 and 2023, the Foundation had two real estate leases and no vehicle or equipment leases. The non-lease components typically represent additional services transferred to the Foundation, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

MOVEMBER FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncement

In June 2016, the FASB issued ASC Topic 326, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in Topic 326 were accounts receivable and investments measured at amortized cost. The Foundation adopted the standard on May 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in expanded disclosures.

NOTE 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, 2024 and 2023 totaled \$1,692,180 and \$893,078, respectively. Expense reimbursements receivable from Movember Canada totaled \$183,728 and \$233,504 for the years ended April 30, 2024 and 2023, respectively.

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,:

	2024	2023
MGPL	\$ 263,487	\$ 595,985
Canada	(13,912)	(5,507)
Europe (Consolidated)	67	-
New Zealand	5,138	5,797
Total	\$ 254,780	\$ 596,275

MOVEMBER FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements consisted of the following at April 30,:

	2024	2023
Furniture and fixtures	\$ 159,056	\$ 159,056
Computer equipment	225,534	208,290
Leasehold improvements	227,744	227,744
Total equipment and leasehold improvements	612,334	595,090
Accumulated depreciation	(372,031)	(310,531)
	\$ 240,303	\$ 284,559

NOTE 5 – INVESTMENT IN DEBT SECURITIES

The following is a summary of the Foundation’s investment in held-to-maturity debt securities as of April 30, 2024:

	Amortized Cost	Gross Unrealized Losses	Fair Value
U.S. Government and Agencies Obligations	\$ 7,815,090	\$ (13,425)	\$ 7,801,665

The following is a summary of the Foundation’s investment in held-to-maturity debt securities as of April 30, 2023:

	Amortized Cost	Gross Unrealized Losses	Fair Value
U.S. Government and Agencies Obligations	\$ 4,418,836	\$ (1,287)	\$ 4,417,549
Corporate Debt Obligations	503,360	(8,933)	494,427
	\$ 4,922,196	\$ (10,220)	\$ 4,911,976

The amortized cost and fair value of debt securities classified as held-to-maturity, by contractual maturity, as of April 30, 2024, are as follows:

	Amortized Cost	Fair Value
Due within one year	\$ 7,815,090	\$ 7,801,665

MOVEMBER FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – INVESTMENT IN DEBT SECURITIES (Continued)

The amortized cost and fair value of debt securities classified as held-to-maturity, by contractual maturity, as of April 30, 2023, are as follows:

	Amortized Cost	Fair Value
Due within one year	\$ 4,922,196	\$ 4,911,976

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The Foundation received donations totaling \$101,525 during the years ended April 30, 2021 and April 30, 2022, 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 are to be used.

NOTE 7 – 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 primarily by MGPL and not by the Foundation. During the years ended April 30, 2024 and 2023, fluctuations in the value of the U.S. dollar caused a net foreign exchange loss of \$41,725 and a net foreign exchange gain of \$11,947, respectively.

MOVEMBER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – GLOBAL SERVICE ALLOCATION

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 \$3,823,615 and \$3,787,031 for the years ended April 30, 2024 and 2023, respectively.

NOTE 9 – ALLOCATION OF JOINT COSTS

During the years ended April 30, 2024 and 2023, the Foundation conducted activities that included a campaign and special events and incurred joint costs of \$7,169,419 and \$6,931,342, respectively. Joint costs were allocated as follows:

	<u>2024</u>	<u>2023</u>
Men's health awareness	\$ 3,320,607	\$ 3,121,867
Administration	650,186	591,333
Fundraising	<u>3,198,626</u>	<u>3,218,142</u>
	<u>\$ 7,169,419</u>	<u>\$ 6,931,342</u>

NOTE 10 – EMPLOYEE BENEFIT 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.

MOVEMBER FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – LEASES

The Foundation had two real estate leases under operating lease agreements, one of which was sublet to a sublessee through to October 2023, that have initial terms of 5 years. The leases include one or more options to renew, generally at the Foundation’s sole discretion, with renewal terms that can extend the lease term up to 5 years. In addition, the leases contain termination options, where the rights to terminate are held by either the Foundation, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Foundation will exercise that option. The Foundation’s operating leases generally do not contain any material restrictive covenants or residual value guarantees. The sub-lease in which the Foundation acted as the sub-lessor had an initial term of 2.7 years.

Operating lease cost and sub-lease income is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended April 30,:

	2024	2023
Operating lease cost	\$ 751,399	\$ 1,052,891
Sublease rental income	(284,364)	(568,727)
	\$ 467,035	\$ 484,164

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of April 30, 2024:

Years Ending	Operating Leases
2025	\$ 453,745
2026	468,813
2027	489,550
2028	506,719
2029	523,425
Thereafter	1,192,931
Total lease payments	3,635,183
Less imputed interest	(497,635)
Total present value of lease liabilities	\$ 3,137,548

MOVEMBER FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – AVAILABILITY OF FINANCIAL ASSETS AND LIQUIDITY

The Foundation has \$8,716,142 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, as follows:

	2024	2023
Financial assets at April 30,:		
Cash and cash equivalents	\$ 26,379,467	\$ 26,932,484
Accounts receivable	179,122	167,603
Related party receivables	254,780	596,275
Investments that mature within one year	7,815,090	4,922,196
Total financial updates	34,628,459	32,618,558
Less those available for general expenditures		
Within one year, due to:		
Donor restrictions:		
Mr. Porter Health and Mind Fund	(101,525)	(101,525)
Board designations:		
Amounts set aside for men’s health programs	(25,810,792)	(24,574,477)
Financial assets available to meet cash needs		
For general expenditures within one year	\$ 8,716,142	\$ 7,942,556

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.

NOTE 13 – 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.

MOVEMBER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

NOTE 13 – FUNCTIONAL EXPENSES (Continued)

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

NOTE 14 – CONCENTRATIONS

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.

NOTE 15 – SUBSEQUENT EVENTS

The Foundations has evaluated subsequent events through September 12, 2024, the date on which the financial statements were available to be issued.