



160 Spear St., Suite 1000
San Francisco, CA 94105
meedan.com

June 14, 2022

2021 Meedan Organizational Audit

Dear Meedan Funders:

As we face ongoing challenges in this stage of the pandemic, Meedan continues to be grateful for your ongoing support. Thanks to your generosity, we have implemented and grown key initiatives that have helped ensure our work around fact-checking and supporting journalists worldwide has had a direct impact toward informational equity through fact-checking support, microgrants, trainings and research in the face of the pandemic.

While we have shared with you our detailed program reports and financial reports for individual grants, this year we have undergone another organizational audit (as required under US law for 501(c)(3) organizations with more than \$2m in contributions) conducted by the auditing team at Cook & Company. We are pleased to report that, once again, our audit was returned with the highest possible rating, reflecting our continued efforts in ensuring sound and rigorous financial operational procedures.

We share these results not simply for transparency but to include you in our successes and accomplishments as we move into another year of projects. The report can be found in the following pages. If you have any questions, please do not hesitate to reach out to me directly at ed@meedan.com.

On behalf of Meedan's global team, we thank you for your generous support!

Regards,

Ed Bice
CEO, Meedan

Meedan, Inc.

Financial Statements &
Independent Auditor's Report
for the Year Ended
December 31, 2021

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

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A PROFESSIONAL ACCOUNTANCY CORPORATION

Independent Auditor's Report

To the Board of Directors
Meedan, Inc.
San Francisco, California

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meedan as of December 31, 2021, the changes in its net assets, its functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 required to be independent of Meedan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and Classification of Revenue and Support in the Financial Statements

We consider the recognition and classification of revenue and support, which is discussed in Note 2 of the accompanying financial statements, to be a key audit matter. This includes recording contributions and revenue from contracts with customers in the financial statements during the correct year. It also includes categorizing revenue and support to the appropriate category based on its reciprocal or nonreciprocal nature as well as the absence or existence of donor restrictions and/or conditions. In addition, this includes reliably determining when performance obligations to customers are satisfied, when donor conditions are met, and when restricted amounts should be released from restriction.

This matter is considered a key audit matter because the recognition and classification of support and revenue has a pervasive effect on the Organization's financial statements, including its changes in net assets, total current assets, and composition amongst *net assets without donor restrictions* and *net assets with donor restrictions*. This area of accounting also requires the Organization to exercise significant judgment in its application of accounting standards, which have undergone changes in the past few years.

This matter was addressed in the current audit through the examination of documentary evidence that supports the recognition and classification of contributed support and contracts with customers. These procedures were instrumental in forming our opinion on the financial statements as a whole.

Allocation of Expenses to Functional Groupings in the Financial Statements

We consider the allocation of natural expense categories amongst functional groupings (i.e., *program services, management & general, and fundraising*) to be a key audit matter. This is discussed in Note 2 of the financial statements.

This matter is considered a key audit matter because certain charity rating services and some institutional funding sources have been known to evaluate nonprofit organizations according to the overall proportion of expenses allocated to program services. Furthermore, these allocations require the Organization's personnel to exercise significant judgment.

This matter was addressed during the current audit through analysis of the design and execution of the Organization's cost allocation methodology. We assessed the methodology's consistency with GAAP, reviewed a selection of employee activity-based timesheets, and verified through reperformance certain allocation calculations as part of forming our opinion on the financial statements as a whole.

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 Meedan'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 Meedan'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 Meedan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate, and have communicated, 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.

Meedan, Inc.
Independent Auditor's Report
March 30, 2022
Page Four of Four

Report on Summarized Comparative Information

We have previously audited Meedan's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cook & Company

A Professional Accountancy Corporation
San Francisco, California
March 30, 2022

Meedan, Inc.

Statement of Financial Position December 31, 2021 with Comparative Totals for December 31, 2020

	<u>12/31/2021</u>	<u>12/31/2020</u> (Note 2)
ASSETS		
Cash & cash equivalents	\$ 1,856,875	\$1,106,641
Contributions receivable, current (Note 3)	497,074	221,557
Accounts receivable	488,998	111,325
Prepaid expenses and other assets	94,570	42,081
Total current assets	<u>2,937,517</u>	<u>1,481,604</u>
Contributions receivable, non-current (Note 3)	212,504	-
Property & equipment, net (Note 4)	12,311	7,204
TOTAL ASSETS	<u>\$ 3,162,332</u>	<u>\$1,488,808</u>
LIABILITIES & NET ASSETS		
Accounts payable	\$ 192,240	\$ 253,319
Accrued payroll	102,074	63,888
Accrued vacation	22,364	28,814
Total current liabilities	<u>316,678</u>	<u>346,021</u>
Forgivable government loan	-	113,608
TOTAL LIABILITIES	<u>316,678</u>	<u>459,629</u>
Net Assets		
Without donor restrictions	1,803,978	996,041
With donor restrictions (Note 5)	1,041,676	33,138
TOTAL NET ASSETS	<u>2,845,654</u>	<u>1,029,179</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 3,162,332</u>	<u>\$1,488,808</u>

See accompanying notes to financial statements
and independent auditor's report.

Meedan, Inc.

Statement of Activities and Changes in Net Assets for the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total (Note 2)
Support & Revenue:				
Contributions / grants	\$ 1,199	\$ 2,859,956	\$ 2,861,155	\$ 2,374,837
In-kind support	14,330	-	14,330	10,927
Net assets released from restriction:				
Satisfaction of donor restrictions	1,851,418	(1,851,418)	-	-
Program fees	2,400,560	-	2,400,560	1,279,736
Forgiveness of government loan	113,608	-	113,608	-
Other	3,970	-	3,970	(74)
Total support & revenue	4,385,085	1,008,538	5,393,623	3,665,426
Expenses:				
Program services	3,146,753	-	3,146,753	3,275,958
Management & general	400,141	-	400,141	291,338
Fundraising	30,254	-	30,254	23,075
Total expenses	3,577,148	-	3,577,148	3,590,371
CHANGE IN NET ASSETS	807,937	1,008,538	1,816,475	75,055
NET ASSETS, January 1	996,041	33,138	1,029,179	954,124
NET ASSETS, December 31	\$ 1,803,978	\$ 1,041,676	\$ 2,845,654	\$ 1,029,179

See accompanying notes to financial statements
and independent auditor's report.

Meedan, Inc.

Statement of Functional Expenses for the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	Program Services	Management & General	Fundraising	2021 Total	2020 Total (Note 2)
Salaries	\$ 933,410	\$ 127,845	\$ 9,096	\$ 1,070,351	\$ 860,657
Payroll taxes	66,848	9,036	665	76,549	58,043
Employee benefits	132,810	23,213	1,544	157,567	114,942
Contractors (Note 1)	1,321,045	53,598	17,590	1,392,233	859,994
Consultants (Note 1)	457,717	-	-	457,717	1,308,693
Accounting & auditing (Note 1)	9	162,255	-	162,264	163,145
Legal fees	3,119	3,420	-	6,539	1,535
Office expenses	6,663	239	72	6,974	5,411
Information technology	136,704	3,633	356	140,693	126,736
Occupancy	10,845	505	95	11,445	26,405
Supplies	19,346	5,999	156	25,501	12,407
Conferences, meetings & meals	723	394	1	1,118	786
Insurance	6,792	6,197	58	13,047	14,864
Travel	3,701	161	21	3,883	11,520
Microgrants	36,920	-	-	36,920	-
Depreciation	3,663	-	46	3,709	1,425
Miscellaneous	6,438	3,646	554	10,638	23,808
Total	<u>\$ 3,146,753</u>	<u>\$ 400,141</u>	<u>\$ 30,254</u>	<u>\$3,577,148</u>	<u>\$3,590,371</u>

See accompanying notes to financial statements
and independent auditor's report.

Meedan, Inc.

Statement of Cash Flows for the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	2021	2020 (Note 2)
Cash flows from operating activities:		
Cash received from grantors/contributors	\$ 2,373,134	\$ 2,471,639
Cash received from payments of program fees	2,022,887	1,149,860
Cash received from other sources	3,970	-
Cash generated from operating activities	4,399,991	3,621,499
Cash paid to, or for the benefit of, employees	(1,258,401)	(980,739)
Cash paid to contractors and suppliers	(2,382,094)	(2,694,064)
Cash disbursed for operating activities	(3,640,495)	(3,674,803)
Net cash flows generated from operating activities	759,496	(53,304)
Cash flows from investing activities:		
Purchases of fixed assets	(9,262)	(8,629)
Net cash flows from investing activities	(9,262)	(8,629)
Cash flows from financing activities:		
Cash provided by forgivable government loan	-	113,608
Net cash flows from financing activities	-	113,608
 NET INCREASE IN CASH	 750,234	 51,675
CASH & CASH EQUIVALENTS, beginning of year	1,106,641	1,054,966
CASH & CASH EQUIVALENTS, end of year	\$ 1,856,875	\$ 1,106,641
 <u>Supplemental information:</u>		
<i>Reconciliation of change in net assets to cash flows generated from operating activities:</i>		
Change in net assets	\$ 1,816,475	\$ 75,055
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Forgiveness of government loan	(113,608)	-
Depreciation expense	3,709	1,425
Other non-cash item	446	-
Changes in assets and liabilities:		
Contributions receivable	(488,021)	96,802
Accounts receivable	(377,673)	(51,275)
Prepaid expenses and other assets	(52,489)	(8,634)
Accounts payable	(61,079)	(130,052)
Accrued payroll liabilities	38,186	13,162
Accrued vacation	(6,450)	28,814
Deferred revenue	-	(78,601)
Net cash flows generated from operating activities	\$ 759,496	\$ (53,304)

See accompanying notes to financial statements
and independent auditor's report.

Meedan, Inc.

Notes to the Financial Statements for the Year Ended December 31, 2021

1. The Organization

Nature of Activities

Meedan, Inc. (Meedan or the Organization) is a California nonprofit public benefit corporation that focuses on improving the quality and equity of online information. Meedan builds software and designs human-powered initiatives for newsrooms, NGOs and academic institutions. The projects and products support open-source investigations, digital media verification, media literacy training and long-term research into indicators of information quality.

Organizational Structure

Meedan is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is governed by a board of directors. In addition to its core staff of employees, Meedan relies on independent contractors to carry out its activities. This includes an outside firm that handles many of the Organization's accounting and administrative functions.

Funding

Major funding is received in the form of grants from foreign and domestic agencies. In addition, a substantial amount of revenue is generated from program service contracts with corporate partners.

Programs

Major programs conducted during the year include:

The **Check Global** Program encompasses all areas of Meedan's work in programs, research, network, content, and technology. Built around Check, our award-winning, open source collaborative media annotation and misinformation response workflow software, and implemented through partnerships with a range of global independent media and civil society organizations. We measure the impact of our work in partnership with Birmingham City University's M&E (measurement and evaluation) Lab.

All aspects of the Check Global Program share a goal of improving digital literacy, community-building and political engagement skills for citizen journalists, activists, journalism students, civil society organizations and human rights defenders, thus strengthening their role as investigators and contributors to the public sphere.

Over the past ten years we have worked with a number of civil society groups, grassroots organizations and independent media and activist collectives who made it possible for us to widen the reach and impact of the Check Global program across four major regions of the Global South (North Africa Western Asia, Latin America, Sub-Saharan Africa and the APAC region). These organizations have all been working at the forefront of the fight for freedom, social justice and equality, and for a better and more equitable Internet in some of the most fraught contexts of the world.

We are committed to supporting our partners through a) developing the open-access tech tools they need to achieve their goals, b) using our programmatic knowledge and expertise to help them develop impactful yet achievable programs, c) building around them supportive networks which they can learn from, and with which they can grow and prosper, and d) investing in research so we all are up-to-speed with the ever changing trends which govern the relations between tech and our societies.

Meedan's **Digital Health Lab** expresses the technology, research, and ethical program design approach we have built into online health information projects. Founded in 2018 with support from the Robert Wood Johnson Foundation (RWJF), the lab's work is researching, designing and testing a digital

Meedan, Inc.

Notes to the Financial Statements for the Year Ended December 31, 2021

response framework for addressing health misinformation online, centered around accessibility and equity.

Since 2020, expressed through <https://health-desk.org> (formerly under <https://learnaboutcovid19.org>), our Digital Health Lab team has researched, tested and co-designed a collaborative fact-checking model for health content based on syndication. We showed that a rapid-response process where a team of health experts distill scientific evidence based on requests made by fact-checkers—requests that other communicators around the world may also have—we can meet the needs of audiences searching for health information online more efficiently, at larger scales, across regions, and directly where searching takes place.

This initiative involves:

- Collecting critical pandemic-related queries directly from fact-checking organizations and other community information leaders
- Triaging COVID-19 content to send to team members with specific public health expertise to provide standardized responses
- Designing content packages for responses grounded in standards of care for health communications
- Working directly with third-party fact-checkers to disseminate query answers to the public, with a special emphasis on closed messaging integration software

Meedan Research has conducted ground-breaking research focused on challenging computer science and computational social science topics including multilingual claim matching, audio hashing, temporal analysis of messaging platforms, and interviews of fact-checking and community organizations. This includes two recent papers:

Claim Matching Beyond English to Scale Global Fact-Checking (ACL 2021), which builds datasets and machine learning models for matching claims across messages in English, Hindi, Bengali, Tamil, and Malayalam.

Tiplines to Combat Misinformation on Encrypted Platforms: A Case Study of the 2019 Indian Election on WhatsApp, which compares the content received on a WhatsApp misinformation tipline run during the 2019 Indian general election with content scraped from large, political groups on WhatsApp during the same time period. We found that the tipline captured a meaningful proportion of the most popular content, and, most significantly, this content often appears on the tipline before appearing in the public groups.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned, and expenses are recognized when they are incurred.

Cash & Cash Equivalents

Cash and cash equivalents include deposits held in bank checking and money market accounts.

Meedan, Inc.

Notes to the Financial Statements for the Year Ended December 31, 2021

Accounts Receivable

Receivables from program service contracts with corporate partners consist of amounts management expects to collect on balances outstanding at year-end.

Contributions Receivable

Contributions receivable are reported at the amount management expects to receive from contributors based on formal, written promises received. Amounts due within one year are presented at face value and classified as current, while amounts due in one to two years are presented as non-current and discounted to present value using an annual interest rate of 0.39%.

Property & Equipment

Fixed assets consist of computers and other office equipment with an initial cost of at least \$2,000 and a useful life of at least one year. Depreciation is recognized using the straight-line method over the assets' estimated useful life of three years.

Forgivable Government Loan

In connection with economic uncertainties resulting from the Coronavirus pandemic, Meedan applied for and received a forgivable loan through the U.S. Small Business Administration's Paycheck Protection Program (PPP) during 2020. In accordance with ASC 470, the loan was presented as a liability on the statement of financial position. The loan was subsequently forgiven as of May 3, 2021, and recognized as revenue in the 2021 financial statements.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions, which includes resources not subject to, or are no longer subject to, donor-imposed stipulations.

Net assets with donor restrictions, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

Recognition of Contributions

Contributions are recognized when the Organization receives cash, securities or other assets, an unconditional promise to give, or notification of an irrevocable beneficial interest.

Contributions are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. Expirations of donor-restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets. 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 substantially met. The Organization receives contributions from certain funding sources that are conditioned upon performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2021, conditional contributions approximating \$2.65 million, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Meedan, Inc.

Notes to the Financial Statements for the Year Ended December 31, 2021

In-kind Support

In-kind support consists of the monetary value of vacation time earned by the Organization's senior executives and contributed to the Organization.

Revenue Recognized from Contracts with Customers

Revenue recognized from contracts with customers is included under the program fees caption of the statement of activities. Such revenue includes amounts charged to various companies and institutions for consulting activities, including software services, training and support.

The Organization recognizes contracts with customers in accordance with FASB ASC 606, which provides a comprehensive framework for revenue recognition from reciprocal transactions. Under ASC 606, Meedan allocates each contract's total revenue to its various performance obligations (i.e., deliverables to be provided to the customer). Some contracts have one overall performance obligation, while others have several performance obligations. Depending on the nature of each performance obligation, revenue is recognized either at the point in time when the service obligation is complete or over the period of performance. Revenue is recognizable over a period of time when one or more of the following conditions is met: a) as the Organization performs the obligation, the customer simultaneously receives and consumes the benefits, b) the customer controls the asset (deliverable) as the Organization creates or enhances it, or c) the Organization has no alternative use for the asset (deliverable) being created (for example, it is not salable to another customer), and the Organization has an enforceable right to receive payment for its performance completed to date.

The majority of program revenue is derived from contracts that begin and end within a single fiscal year, although contracts occasionally cross fiscal years. Accordingly, the 2021 financial statements exclude approximately \$958,000 in revenues from ongoing contracts with unmet performance obligations. These revenues will be recognized when the underlying performance obligations are satisfied, which is scheduled to occur by October 2022. Unmet performance obligations relate to various consulting services, including fact-checking crowdsourcing and dissemination, developing and publishing academic analysis, identifying legal action points, and services to be performed under the Organization's FACT CHAMP program to advance scientific understanding of how trust, misinformation, abuse, and hateful content affect underrepresented groups.

Contracts have various payment terms. Accounts receivable are recorded when performance obligations have been satisfied and payment from the customer is only conditioned upon the passage of time.

Functional Expenses

The Organization presents its expenses by natural category (e.g., salaries, office expenses, etc.) and by function. The three major functions included in the accompanying financial statements are *program services*, *management & general* and *fundraising*.

Program services include the direct conduct and direct supervision of specific program activities.

Fundraising includes efforts to solicit monetary and nonmonetary contributions. (Because the Organization maintains long-term relationships with a small group of major contributors, very little is spent on fundraising activities.)

Management & general includes general oversight, solicitation and administration of contracts with customers, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific program services or fundraising activities.

Meedan, Inc.

Notes to the Financial Statements for the Year Ended December 31, 2021

The Organization has developed a cost allocation methodology to charge its expenses to the appropriate functions described above. On a monthly basis, the cost of each staff member's compensation is allocated to functions according to activities reported on timesheets. Shared costs, primarily consisting of occupancy and office expenses, are accumulated in a shared cost pool and allocated to functions according to the Organization's aggregated time and effort expended on each function.

Other expenses are charged directly to the appropriate function based on specific identification.

Income Taxes

As a public charity, the Organization is exempt from income taxes except on activities unrelated to its mission. As management believes that all of the Organization's activities are directly related to its mission, no provision has been made for income tax expense. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in 2019 through 2021 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's California *Exempt Organization Annual Information Return* (Form 199) filings for the tax years ending in 2018 through 2021 are subject to examination by the California Franchise Tax Board, generally for four years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Year Comparative Data

The financial statement information for the year ended December 31, 2020, presented for comparative purposes, is not intended to be a complete financial statement presentation. Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation. For a complete presentation of 2020, please refer to the financial statements for that year.

3. Contributions Receivable

Current

Amounts due within one year	\$497,074
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Non-current

Amounts due in one to two years	213,333
Less: unamortized discount (discounted at 0.39%)	(829)
Subtotal – non-current	212,504

Contributions receivable, net	\$709,578
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4. Property & Equipment

Computers and equipment	\$17,891
Less: accumulated depreciation	(5,580)
Net book value	\$12,311

Meedan, Inc.

Notes to the Financial Statements for the Year Ended December 31, 2021

5. Net Assets with Donor Restrictions

The balance of *net assets with donor restrictions* represents unspent grants and contributions that donors have earmarked for the following:

Digital Health Lab (see description in Note 1)	\$782,954
Check Global program (see description in Note 1)	<u>258,722</u>
Total	\$1,041,676

6. Related Party Transactions

The Organization's CEO also serves as the CEO for a for-profit entity with which Meedan has an agreement to share labor and/or facilities. For the year-ended December 31, 2021, Meedan invoiced the entity approximately \$202,000 for staffing services provided under the agreement.

In addition, businesses of two board members were compensated approximately \$11,000 during 2020 for services provided to Meedan.

7. Leases

Meedan rents office space in various cities in North and South America on a month-to-month basis. The total rent expense in 2021 was approximately \$11,445

8. Contingencies, Risks and Uncertainties

COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Organization's ability to conduct program activities or raise contributions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As such, the financial impact of this situation cannot be reasonably estimated at this time.

Concentration of Cash Deposits

As of December 31, 2021, Meedan's bank deposits exceeded FDIC insurance limits by approximately \$1.376 million.

Concentration of Revenue and Support

During 2021, approximately one-half of the Organization's total revenue and support was derived from two funding sources. Should funding from these sources decrease, Meedan could experience a contraction in its services.

Satisfaction of Donor Requirements

Meedan receives contributions that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that all donor requirements have been met for contributions that have been released from *net assets with donor restrictions* or recorded directly to *net assets without donor restrictions*.

Meedan, Inc.

Notes to the Financial Statements for the Year Ended December 31, 2021

9. Liquidity & Availability of Financial Assets

Meedan consistently reviews cash flow through analysis of projected incoming cash and overlaying that with projected outgoing cash. Meedan also receives monthly compilation reports that have budget to actual expenses shown annually and monthly. The majority of receivables are based on contracts or grants from our corporate partners, foundations and governments. Contracts generally have payment schedules outlined in the contract. Grants often get paid as lump sums at or near time of commitment or by expense reimbursement to actual expenses.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

Cash & equivalents	\$1,856,875
Contributions receivable	497,074
Accounts receivable	<u>488,998</u>
Total	\$2,842,947

The total amount presented as *financial assets available to meet cash needs for general expenditures within one year* is not reduced by *net assets with donor restrictions* because such restricted amounts are available for the Organization's major and ongoing activities.

10. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 30, 2022, the date the financial statements were available to be issued.