

**THE MANKIND PROJECT USA**

Financial Statements  
with Report of Independent Auditors  
Years ended December 31, 2017 and 2016

***Traveller &***  

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***Company, LLC***  
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# **The ManKind Project USA**

## **Financial Statements**

**December 31, 2017 and 2016**

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## **Report of Independent Auditors**

The Board of Directors of  
The ManKind Project USA  
Glendale, California

We have audited the accompanying financial statements of The ManKind Project USA (a nonprofit organization) (the “Organization”) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and related notes to the financial statements.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ManKind Project USA as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report of Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Traveller & Company, LLC*

July 17, 2018

**The ManKind Project USA**  
**Statements of Financial Position**  
**December 31, 2017 and 2016**

<b>Assets:</b>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 857,821	\$ 769,010
Accounts receivable, net of allowance of \$15,731 and \$0 in 2017 and 2016, respectively	94,290	111,478
Prepaid expenses	23,136	31,150
Total current assets	<u>975,247</u>	<u>911,638</u>
Property and equipment, net	—	1,945
Total assets	<u>\$ 975,247</u>	<u>\$ 913,583</u>
<b>Liabilities:</b>		
Accounts payable and accruals	\$ 68,258	\$ 20,060
Deferred revenue	121,727	95,012
Total liabilities	<u>189,985</u>	<u>115,072</u>
<b>Net Assets:</b>		
Unrestricted	434,134	459,729
Temporarily restricted	351,128	338,782
Total net assets	<u>785,262</u>	<u>798,511</u>
Total liabilities and net assets	<u>\$ 975,247</u>	<u>\$ 913,583</u>

See accompanying notes.

**The ManKind Project USA**  
**Statements of Activities**  
**For the years ended December 31, 2017 and 2016**

	Temporarily		Total	
	Unrestricted	Restricted	2017	2016
Revenue				
Contributions	\$ 552,683	\$ 171,214	\$ 723,897	\$ 691,286
Contributions from unifying centers	—	—	—	26,139
Total contributions	552,683	171,214	723,897	717,425
Program revenue				
Support fee income	393,950	—	393,950	394,275
Training and other project fees	1,451,840	—	1,451,840	1,495,607
Events registration	53,214	—	53,214	33,683
Total program revenue	1,899,004	—	1,899,004	1,923,565
Other revenue	21,266	—	21,266	30,033
Net assets released from restrictions	158,868	(158,868)	—	—
Total revenues	2,631,821	12,346	2,644,167	2,671,023
Functional expense:				
Program services	1,896,380	—	1,896,380	1,981,419
Management and general	646,176	—	646,176	592,870
Fundraising	114,860	—	114,860	107,922
Total functional expenses	2,657,416	—	2,657,416	2,682,211
Changes in net assets	(25,595)	12,346	(13,249)	(11,188)
Net assets - beginning of year	459,729	338,782	798,511	809,699
Net assets - end of year	\$ 434,134	\$ 351,128	\$ 785,262	\$ 798,511

See accompanying notes.

**The ManKind Project USA**  
**Statements of Cash Flows**  
**December 31, 2017 and 2016**

<b>Operating activities:</b>	<u>2017</u>	<u>2016</u>
Changes in net assets	\$ (13,249)	\$ (11,188)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Allowance for doubtful accounts	15,731	—
Depreciation and amortization	1,945	5,387
Changes in assets and liabilities:		
Accounts receivable	1,457	(62,304)
Prepaid expenses	8,014	(5,456)
Accounts payable	48,198	522
Deferred revenue	26,715	29,637
Net cash provided by (used in) operating activities	<u>88,811</u>	<u>(43,402)</u>
Net increase (decrease) in cash and cash equivalents	88,811	(43,402)
Cash and cash equivalents at beginning of year	<u>769,010</u>	812,412
Cash and cash equivalents at end of year	<u>\$ 857,821</u>	<u>\$ 769,010</u>

See accompanying notes.

# The ManKind Project USA

## Notes to Financial Statements

December 31, 2017 and 2016

### 1. Nature of Activities

The ManKind Project USA (the “Organization”) is an Illinois nonprofit corporation which provides education and training for men, to create a safer world by creating better men. The Organization serves as the umbrella organization for twenty-seven U.S.-based local chapters (the “Chapters”).

### 2. Significant Accounting Policies

#### Basis of Presentation

The accounting policies of the Organization conform to U.S. generally accepted accounting principles. The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958, “Financial Statements of Not-For-Profit Organizations”. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

#### Net Assets

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

*Unrestricted net assets* – includes contributions, fees and other forms of revenues that are not restricted by the donor or grantor as well as expenditures related to the general operations of the Organization.

*Temporarily restricted net assets* – includes contributions that are temporarily restricted by the donor or grantor. When the restriction expires, the net assets of this classification are reclassified to unrestricted net assets. Restricted contributions where restrictions are met in the same reporting period are classified as unrestricted.

*Permanently restricted net assets* – includes contributions that have been restricted by the donor in perpetuity. The Organization had no permanently restricted net assets as of December 31, 2017 and 2016.

#### Cash and Cash Equivalents

Cash and cash equivalents consisted of deposit accounts in financial institutions.



# The ManKind Project USA

## Notes to Financial Statements

### 2. Significant Accounting Policies (continued)

#### Revenue recognition

Contributions consisted primarily of donations from foundations, businesses and the general public. Contributions are accrued when committed to the Organization by the donor.

Program revenue is recognized as revenue when earned. The amount of program revenue collected but unearned as of December 31, 2017 and 2016 is recorded as deferred revenue.

#### Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated accordingly.

#### Income Tax

The Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code ("IRC") and corresponding state provisions. Therefore no provision has been made for federal income taxes in the accompanying financial statements. There was no unrelated business income for the years ended December 31, 2017 and 2016. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the IRC.

The Organization's federal and state income tax and informational returns for tax years ending December 31, 2014 and subsequent remain subject to examination by the Internal Revenue Service.

#### Fair Value Disclosure

At December 31, 2017 and 2016, the Organization's financial instruments approximate fair value.

# The ManKind Project USA

## Notes to Financial Statements

### 2. Significant Accounting Policies (continued)

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (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.

#### Concentration of Risk

Occasionally, the Organization's cash balances exceed FDIC-insured limits. The Organization has not experienced and does not anticipate any losses related to these balances.

#### Property and Equipment

Purchases of property and equipment are recorded at cost. Donated items are recorded at fair value when received. Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related asset or the term of the lease for leasehold improvements as follows:

Computers	5 years
Software	3 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or extended useful lives are capitalized and depreciated over the estimated remaining useful lives of the related assets.

#### Subsequent Events

The Organization has evaluated subsequent events through July 17, 2018, the date which the financial statements were available to be issued.

### 3. Accounts Receivable

The accounts receivable consisted of monies due from members and are deemed to be collectible.

# The ManKind Project USA

## Notes to Financial Statements

### 4. Property and Equipment

Property and equipment are recorded at cost and consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Furniture and fixtures	\$ 29,473	\$ 29,473
Less accumulated depreciation	<u>(29,473)</u>	<u>(27,528)</u>
	<u>\$ —</u>	<u>\$ 1,945</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$1,945 and \$5,387, respectively.

### 5. Temporarily Restricted Net Assets

Temporarily restricted net assets and releases during the years are as follows:

	<b>Balance December 31, 2016</b>	<b>Temporarily Restricted Revenue</b>	<b>Released from Restrictions</b>	<b>Balance December 31, 2017</b>
<b>Constituencies</b>	\$ 11,302	\$ 8,462	\$ (3,929)	\$ 15,835
<b>Support services</b>	36,709	26,265	(28,740)	34,234
<b>Area funds</b>	290,771	136,487	(126,199)	301,059
	<u>\$ 338,782</u>	<u>\$ 171,214</u>	<u>\$ (158,868)</u>	<u>\$ 351,128</u>

	<b>Balance December 31, 2015</b>	<b>Temporarily Restricted Revenue</b>	<b>Released from Restrictions</b>	<b>Balance December 31, 2016</b>
Constituencies	\$ 10,980	\$ 4,572	\$ (4,250)	\$ 11,302
Support services	31,124	16,664	(11,079)	36,709
Area funds	267,853	134,417	(111,499)	290,771
	<u>\$ 309,957</u>	<u>\$ 155,653</u>	<u>\$ (126,828)</u>	<u>\$ 338,782</u>

# The ManKind Project USA

## Notes to Financial Statements

### 6. Board Designated Net Assets

Board designated net assets are included in unrestricted net assets and consisted of the following at December 31, 2017 and 2016:

	<b>2017</b>		<b>2016</b>
UNY Elder Fund	\$ 585	\$	2,161
North American Leader Body	<b>53,158</b>		66,658
Lodge Keepers Society International	<b>7,172</b>		12,133
Elder Fund	<b>2,314</b>		5,245
Multicultural	<b>5,533</b>		5,533
Board Travel	<b>1,204</b>		1,204
Unification reserve credits	<b>38,000</b>		38,000
	<b>\$ 107,966</b>	\$	<b>130,934</b>

# Supplemental Information

**The ManKind Project USA**  
**Schedule of Functional Expenses**  
**For the year ended December 31, 2017**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Bad debt	\$ 36,007	\$ —	\$ —	\$ 36,007
Bank charges	—	51,779	—	51,779
Conferences and meetings	1,236,582	—	—	1,236,582
Corporate registrations	—	5,449	—	5,449
Depreciation	—	1,945	—	1,945
Donor relations	—	—	11,778	11,778
Insurance	—	110,423	—	110,423
Marketing	35,824	—	—	35,824
Payroll taxes	252	38,422	—	38,674
Professional fees	109,450	117,256	103,082	329,788
Royalties	19,381	2,794	—	22,175
Salaries	149,636	277,463	—	427,099
Supplies	135,686	—	—	135,686
Travel	166,592	500	—	167,092
Utilities	6,970	—	—	6,970
Website	—	40,145	—	40,145
<b>Total expense</b>	<b>\$ 1,896,380</b>	<b>\$ 646,176</b>	<b>\$ 114,860</b>	<b>\$ 2,657,416</b>

**The ManKind Project USA**  
**Schedule of Functional Expenses**  
**For the year ended December 31, 2016**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Awards	\$ 1,200	\$ —	\$ —	\$ 1,200
Bank charges	—	46,891	—	46,891
Conferences and meetings	1,244,910	—	—	1,244,910
Corporate registrations	—	5,860	—	5,860
Depreciation	—	5,387	—	5,387
Donor relations	—	—	3,640	3,640
Insurance	—	108,822	—	108,822
Marketing	6,630	—	—	6,630
Payroll taxes	—	28,575	—	28,575
Professional fees	115,639	106,649	104,282	326,570
Royalties	15,104	16,923	—	32,027
Salaries	201,407	270,517	—	471,924
Scholarships	50	—	—	50
Supplies	156,552	—	—	156,552
Travel	158,817	3,246	—	162,063
Utilities	11,452	—	—	11,452
Website	69,658	—	—	69,658
<b>Total expense</b>	<b>\$ 1,981,419</b>	<b>\$ 592,870</b>	<b>\$ 107,922</b>	<b>\$ 2,682,211</b>