

MEN'S HEALTH NETWORK

FINANCIAL STATEMENTS  
AND  
REPORT OF INDEPENDENT AUDITORS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Men's Health Network

We have audited the accompanying financial statements of Men's Health Network (MHN) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and cash flows for the year then ended, the statement of functional expenses for the year ended December 31, 2019, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

**INDEPENDENT AUDITOR'S REPORT  
MEN'S HEALTH NETWORK**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Men's Health Network as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

As described in Note 1 to the financial statements, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. As required by the FASB, Men's Health Network adopted the provisions of ASU 2016-14 during the year ended December 31, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources and schedule of functional expenses. Our opinion is not modified with respect to this matter.

A rectangular box containing a handwritten signature in black ink that reads "Debra Company".

Bowie, Maryland  
November 14, 2020

**MEN'S HEALTH NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$123,680
Accounts receivable	30,900
Prepaid expenses	9,607
Security deposit	<u>4,000</u>

Total current assets 168,187

**Non current assets**

Long-term investments	2,265,575
Furniture and equipment	29,520
less: accumulated depreciation	<u>( 29,520)</u>

Total non current assets 2,265,575

**Total assets** \$2,433,762

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable	\$ 3,142
Deferred grants	<u>-</u>

Total current liabilities 3,142

**Net assets**

Without donor restrictions	2,335,620
With donor restrictions	<u>95,000</u>

Total net assets 2,430,620

**Total liabilities and net assets** \$2,433,762

**MEN'S HEALTH NETWORK**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and support</b>			
Contributions and grants	\$ 807,715	\$ 190,000	\$ 997,715
Interest and dividends	23,724		23,724
Investment loss	483,631		483,631
Net assets released from restrictions	<u>190,000</u>	<u>( 190,000)</u>	<u>-</u>
Total revenue and support	<u>1,505,070</u>	<u>-</u>	<u>1,505,070</u>
<b>Expenses</b>			
Program services	973,280		973,280
Management and general	102,994		102,994
Fundraising	<u>15,059</u>		<u>15,059</u>
Total expenses	<u>\$1,091,333</u>	<u>-</u>	<u>\$1,091,333</u>
<b>Change in net assets</b>	413,737	-	413,737
<b>Net assets at beginning of year</b>	<u>1,921,883</u>	<u>95,000</u>	<u>2,016,883</u>
<b>Net assets at end of year</b>	<u>\$2,335,620</u>	<u>\$ 95,000</u>	<u>\$2,430,620</u>

- SEE ACCOUNTANT'S NOTES -

**MEN'S HEALTH NETWORK**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2019**

	Total	Program services	Management and general	Fundraising
Salaries	\$ 234,269	\$ 200,727	\$ 33,542	\$ -
Payroll taxes	22,650	19,932	2,718	-
Accounting fees	17,103	7,352	9,751	-
Advertising	0	-	-	-
Bank charges	2,629	-	2,629	-
Consulting	134,180	121,276	5,560	7,344
Cost-sharing with other organizations	145,251	145,251	-	-
Insurance	5,079	-	5,079	-
Legal fees	24,564	-	24,564	-
Materials	228,789	224,213	4,576	-
Meetings	3,926	3,926	-	-
Memberships and dues	730	730	-	-
Telephone	18,072	15,904	1,271	897
Postage	8,350	7,347	586	417
Printing	22,501	22,501	-	-
Rent	100,053	85,045	10,005	5,003
Screening tests	43,969	43,969	-	-
Supplies	20,153	17,998	1,254	901
Travel	17,969	16,013	1,459	497
Website	41,096	41,096	-	-
Totals	\$ 1,091,333	\$ 973,280	\$ 102,994	\$ 15,059

**MEN'S HEALTH NETWORK**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2019**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 413,737
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Increase in accounts receivables	( <u>30,900</u> )
Total adjustments	( <u>30,900</u> )
<b>Net cash provided by operating activities</b>	<u>382,837</u>
<b>Cash flows from investing activities</b>	
Increase in long-term investments	( <u>407,356</u> )
<b>Net cash used by investing activities</b>	( <u>407,356</u> )
Net decrease in cash and cash equivalents	( 24,519 )
<b>Cash and cash equivalents, beginning of year</b>	<u>148,199</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$123,680</u></u>

- SEE ACCOUNTANT'S NOTES -



**MEN'S HEALTH NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**Note 1. - General information and summary of significant accounting policies**

**General information**

The Men's Health Network (MHN), founded in 1993, is an independent research and public education organization whose mission is to improve the health and longevity of men. Through its public education activities, MHN seeks to reduce the premature mortality of men and boys, increase the physical and mental health of men so that they can live fuller and happier lives.

**Summary of significant accounting policies**

***Basis of accounting***

MHN's financial statements are prepared using the accrual basis of accounting.

***Cash and cash equivalents***

Cash on hand, deposits in banks, and highly liquid investments with original maturities of three months or less are considered cash and cash equivalents for purposes of these financial statements.

***Long-term investments***

Long-term investments are carried at fair market value, and realized and unrealized gains and losses are reported in the statement of activities.

***Property and equipment***

Property and equipment are recorded at cost. Depreciation is recognized over the related assets' estimated useful lives, using the straight-line method. Repairs and maintenance are charged to expense as incurred.

***Net assets***

For financial statement purposes, net assets are classified as follows:

**MEN'S HEALTH NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

Without donor restrictions

Represents the portion of net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

With donor restrictions

Represents the portion of net assets whose use by MHN has been restricted by donors with specified time or purpose limitations. As of December 31, 2019 net assets with donor restrictions represented contributions of \$95,000.

***Revenue recognition***

Revenue is recognized during the period in which it is earned. Contributions are recognized in accordance with the provisions of Financial Accounting Standards Board Statement No. 116.

***Expenses***

Expenses are recognized by MHN during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

***Functional allocation of expenses***

The costs of MHN's various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, supporting general and administrative costs have been allocated among the programs and supporting services benefitted.

***Subsequent events***

Subsequent events have been considered through November 14, 2020.

***New Accounting Principle***

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). MHN adopted the provisions of ASU 2016-14 during the year ended December 31, 2019.

**MEN'S HEALTH NETWORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources and schedule of functional expenses.

***Liquidity***

MHN's cash balances include money market funds and cash in bank. The following provides a summary of financial assets available for general expenditures at December 31, 2019:

Cash and cash equivalents	\$2,389,255
Net assets with donor restrictions	<u>(95,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,294,255</u>

***Pervasiveness of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Income tax status***

MHN is exempt from federal income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia. MHN had no unrelated business income during the year ended December 31, 2019.

**Note 2. - Major sources of funding**

MHN received a substantial portion of support from contributions received from various corporations and individual donors.

