

**The ManKind Project USA
Management Discussion and Analysis
For the Year-Ended December 31, 2011**

The ManKind Project USA (MKPUSA) is a 501(c)(3) nonprofit organization that supports over 30 centers around the country helping MKPUSA achieve its mission , “To create a safer world, by growing better men.”

COST CONTAINMENT MEASURES

During the second half of 2011, MKPUSA, led by the MKPUSA Finance Committee, undertook a deep and comprehensive analysis of underperformance versus the 2011 Annual Operating Plan and through the course of its work developed a comprehensive forward cash flow analysis to make it possible to forecast with a reasonable degree of accuracy the impact of current decisions on future financial outcomes for the organization. With the ability to look ahead and the determination to guide the organization to solid financial footing, MKP USA elected to negotiate with two of the Fund the Plan donors to underpin a \$50,000 loan from Fund the Plan and in doing so committed to “NO NEW EXPENDITURES” in 2012 until the Fund the Plan loan is paid back in full.

Additional measures included:

- The elimination of planned conference and most travel expenses in late 2011 and 2012
- The reduction of in 2012 and phasing out of in 2013 stipends for Board positions
- The introduction in the 2012 budget of substantive unallocated expenses, unexpected expenses and an emergency reserve to mitigate the possibility of fiscal crisis in the future

MEMBERSHIP AND MEMBER RELATIONS

MKP USA made a long term and determined commitment to moving into a member based and driven culture, moving a degree of emphasis and financial pressure away from the flagship NWT A and time driven development campaigns into a broader, more scalable and reliable underpinning of the organization. At the time of this writing, MKP USA has over 2350 members and is committed to expanding and powerful member relations driven by a virtuous and well supported membership cycle.

FUND THE PLAN

As part and parcel of its work to continue to implement the Stanford Act II recommendations, MKP USA launched a campaign known to the Community as Fund the Plan. Fund the Plan raised \$20,000 in 2010 and over \$383,000 in 2011. Fund the Plan surpassed organizational expectations in accomplishing what had not been accomplished before in establishing a Trustee supervised, medium term restricted fund to underpin the organization during its transition into the Act II recommendations.

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FUND THE PLAN CENTER CONTRIBUTIONS AND CENTER CREDITS

Below is a summary of the donations received along with some notes regarding the potential future credit to the named centers:

Center	Pre Glen Ivy (potential 1.5 credit)	Post Glen Ivy	Total Possible Center Credit
Arizona	\$8,000		\$12,000
Central Plains	\$10,000		\$15,000
Greater Carolinas	\$2,500		\$3,750
Greater Washington	\$35,000		\$52,500
Kansas City	\$1,600		\$2,400
Kentucky	\$10,000		\$15,000
Los Angeles	\$40,000		\$60,000
Memphis	\$1,000		\$1,500
New England	\$30,000	\$10,000	\$55,000
New Jersey	\$3,000		\$4,500
New York Metro	\$10,000		\$15,000
Northern California	\$8,000		\$12,000
San Diego		\$5,000	\$5,000
Santa Barbara		\$10,000	\$10,000
St. Louis		\$500	\$500
Wisconsin	\$10,000		\$15,000
New Orleans	\$2,000		\$3,000
North Texas	\$5,000		\$7,500
Florida	\$10,000		15,000
Hawaii	\$5,000		\$7,500
TOTALS	\$191,100	\$25,500	\$312,150

FUND THE PLAN CENTER CONTRIBUTIONS AND CENTER CREDITS (Continued)

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Note 1: Contingent deferred liabilities such as this are to be annotated to the balance sheet per Financial Accounting Standards Boards (FASB) Accounting Standards Codification 450 *Contingencies*.

Note 2: Any center not listed did not contribute from its center treasuries to Fund the Plan.

Note 3: The portion of center contributions made prior to Glen Ivy is eligible for a 1.5 to 1 credit upon consolidation.

Note 4: Upon unification, up to 15% of the Fund the Plan balance can be used by centers to cover budgetary shortfalls. MKP USA believes a 50% usage rate of center credits available used in a calendar year would be abnormally high but will estimate 50% usage for budgeting purposes.

Total possible carry forward credits \$312,150 @ max rate of 15% per year = \$46,822 * 50% usage rating = \$23,411 estimated 2013 usage. In connection with the preparation of this analysis, the Finance Committee is considering a recommendation that the 2013 Center Credit Budget be set at \$24,000.

THE PATH AHEAD

As a result of taking the necessary steps beginning in 2011 and into, at the time of this writing, fiscal 2012, MKPUSA has forged a path that augurs well for the future growth and financial health of the organization. There are no shortage of challenges ahead and no shortage of courage and tenacity in the hearts of the men who serve and are served by MKPUSA.