

**Manito Life Center
(A Non-Profit Organization)**

Financial Statements

December 31, 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Manito Life Center
Allentown, PA 18104

We have reviewed the accompanying financial statements of Manito Life Center (a non-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Stortz and Associates
Emmaus, PA
August 5, 2019



MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
 STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2018

ASSETS

CURRENT ASSETS	
Cash - non-interest bearing (Note 2)	\$ 14,176
Total Current Assets	14,176
PROPERTY AND EQUIPMENT (NOTES 2 & 5)	
Furniture and equipment	15,990
Horses	11,700
Accumulated depreciation	(12,871)
Total Property and Equipment	14,819
TOTAL ASSETS	\$ 28,995

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 32,258
Due to MEC (Note 8)	3,815
Total Current Liabilities	36,073
LONG-TERM LIABILITIES	
Note payable (Note 8)	6,978
Total Long-Term Liabilities	6,978
NET ASSETS	
Unrestricted net assets	(14,056)
Total Net Assets	(14,056)
TOTAL LIABILITIES AND NET ASSETS	\$ 28,995

See accompanying notes and independent accountants' review report.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

UNRESTRICTED NET ASSETS

Unrestricted Revenues (Note 2)

Grants	\$ 75,500
Contributions	96,212
Program service revenue	126,673
Fundraising	<u>45,106</u>
Total Revenues	<u>343,491</u>

Expenses

Program services	332,994
Management and general	8,388
Fundraising	<u>25,702</u>
Total Expenses	<u>367,084</u>

DECREASE IN UNRESTRICTED NET ASSETS (23,593)

BEGINNING OF YEAR UNRESTRICTED NET ASSETS 9,537

END OF YEAR UNRESTRICTED NET ASSETS \$ (14,056)

See accompanying notes and independent accountants' review report.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Fundraising expenses	\$ -	\$ -	\$ 23,412	\$ 23,412
In-kind donation-other	-	750	-	750
Bank service fees	-	58	-	58
Paypal fees	-	1,422	-	1,422
Feed & bedding	15,401	-	-	15,401
Advertising	-	906	-	906
Hauling	-	950	-	950
Credit card fees	-	728	-	728
Depreciation	5,514	60	-	5,574
Veterinary	991	-	-	991
Farrier	200	-	-	200
Service fees - facility (Note 6 & 8)	306,670	-	-	306,670
Board meeting expense	-	64	-	64
Office supplies	-	255	-	255
Accounting fees	-	2,500	-	2,500
Repairs and maintenance	567	-	-	567
Dues and subscriptions	-	635	-	635
Insurance	800	-	-	800
Rental expense	-	-	2,290	2,290
Postage and mailing service	-	25	-	25
Supplies	2,851	-	-	2,851
Taxes and licenses	-	35	-	35
	<u>\$ 332,994</u>	<u>\$ 8,388</u>	<u>\$ 25,702</u>	<u>\$ 367,084</u>

See accompanying notes and independent accountants' review report.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (23,593)
Adjustments to reconcile net income to net cash provided (used) by operating activities	
Depreciation	5,574
Increase in accounts payable	15,223
Increase in due to MEC	<u>1,885</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchase of assets	<u>(8,146)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(8,146)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,057)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>23,233</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 14,176</u></u>

See accompanying notes and independent accountants' review report.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1: ORGANIZATION AND NATURE OF ACTIVITIES

Manito Life Center, a 501 (c)(3), is dedicated to helping children and adults who are experiencing trauma, children diagnosed on the autism spectrum and individuals with a variety of physical, cognitive and emotional disabilities.

Services include Equine Assisted Psychotherapy, Equine Assisted Learning, therapeutic Riding and Hippotherapy.

Manito Life Center's support comes from therapy sessions and grants and donations provided by corporations and individuals.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Public Support and Revenues

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Use of Accounting 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 and disclosures. Actual results could differ from those estimated by management.

Cash and Cash Equivalents

The Company includes all cash accounts which are not subject to withdraw restrictions or penalties, and all short-term, highly liquid investments with an original maturity to the holder of three months or less as cash or cash equivalents. There were no cash equivalents as of December 31, 2018.

Property and Equipment

Property and equipment are stated at cost or at estimated fair value at the date of the gift.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

No amounts have been reflected in the financial statements for donated services. Manito Life Center generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist in the program services, administrations and fundraising, but these services do not meet the criteria for recognition of contributed services.

Income Taxes

Manito Life Center is a non-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Forms 990N and 990, Return of Organization Exempt from Income Tax, for the years ended December 31, 2016, 2017 and 2018 are subject to examination by the IRS and Pennsylvania Bureau of Charitable Organizations, generally for three years after they are filed.

NOTE 3: TEMPORARY RESTRICTIONS ON NET ASSETS

Temporary restrictions on net assets are related to donations to be used towards programming in a subsequent year.

NOTE 4: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture and equipment	\$ 15,990
Horses	11,700
Accumulated depreciation	<u>(12,871)</u>
Total	<u>\$ 14,819</u>

Depreciation expense was computed using the straight-line method of depreciation.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6: FACILITY SERVICE FEES

Manito Life Center pays a monthly service fee to Chinqualippa, Inc. for the use of the equestrian center located in Allentown, PA. Monthly fees are billed based on sessions provided to clients. Lisa Schadt is President of Manito Life Center and sole shareholder and President of Chinqualippa, Inc. Service fees paid are approved by the board of directors.

NOTE 7: UNCERTAIN TAX POSITIONS

Manito Life Center follows FASB Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. The guidance prescribes a recognition and measurement of a tax position taken or expected to be taken in a tax return and also provided guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2018, Manito Life Center had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were recorded for the year ended December 31, 2018.

NOTE 8: RELATED PARTY TRANSACTIONS

Lisa Schadt, President of the board, loaned various monies to Manito Life Center for operating expenses prior to 2017. No additional monies were loaned during 2018. The balance as of December 31, 2018 is \$6,978. There are no set repayment terms for this loan.

Lisa Schadt serves as President of the board of Manito Life Center and is also sole shareholder and President of Chinqualippa, Inc. Manito Life Center pays facility service fees to Chinqualippa, Inc. Facility service fees reported for the year totaled \$306,670. Chinqualippa, Inc. made an in-kind donation of facility service fees to Manito Life Center in the amount of \$62,805 for the year ended December 31, 2018.

As of December 31, 2018, Manito Life Center owed Manito Equestrian Center \$3,815 for various expenses paid on their behalf. The balance due was repaid in full on June 13, 2019.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated its financial statements for subsequent events through August 5, 2019, the filing date of this report. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.