

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

Financial Statements

December 31, 2019

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3775 Chestnut Street
P.O. Box 247
Emmaus, PA 18049
phone: 610.967.4711
fax: 610.965.7766

www.dstortz.com

Independent Accountants' Compilation Report

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

Management is responsible for the accompanying financial statements of Manito Life Center (a non-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

A handwritten signature in cursive script that reads "Stortz & Associates".

Stortz & Associates
Emmaus, PA
November 9, 2020

**MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS

Cash - non-interest bearing (Note 2)	\$ 11,229
Total Current Assets	11,229

PROPERTY AND EQUIPMENT (NOTES 2 & 5)

Furniture and equipment	42,774
Horses	11,700
Accumulated depreciation	(20,840)
Total Property and Equipment	33,634

OTHER ASSETS

Due from MEC (Note 9)	6,210
Total Other Assets	6,210

TOTAL ASSETS	\$ 51,073
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 23,100
Total Current Liabilities	23,100

LONG-TERM LIABILITIES

Note payable (Note 6 & 9)	6,978
Loans payable (Note 6)	19,245
Total Long-Term Liabilities	26,223

NET ASSETS WITHOUT DONOR RESTRICTIONS

TOTAL LIABILITIES AND NET ASSETS	\$ 51,073
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See accompanying notes and independent accountants' compilation report.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues and gains	
Grants	\$ 82,500
Contributions	100,046
Program service revenue	122,943
Fundraising	64,132
Equipment Rental Income	2,542
Total revenues and gains without donor restrictions	<u>372,163</u>
Expenses	
Program services	288,255
Management and general	8,508
Fundraising	59,594
Total expenses	<u>356,357</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	15,806
NET ASSETS WITHOUT DONOR RESTRICTIONS, JANUARY 1	<u>(14,056)</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, DECEMBER 31	<u>\$ 1,750</u>

See accompanying notes and independent accountants' compilation report.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting fees	\$ -	\$ 2,600	\$ -	\$ 2,600
Advertising (Note 2)	-	137	-	137
Bank service fees	-	48	-	48
Credit card fees	-	1,628	-	1,628
Depreciation	7,909	60	-	7,969
Dues and subscriptions	-	1,098	-	1,098
Equipment rental and maintenance	433	-	-	433
Feed & bedding	24,878	-	-	24,878
Fundraising expenses	-	-	57,034	57,034
Hauling	-	1,000	-	1,000
Insurance	1,600	-	-	1,600
Landscaping	-	128	-	128
Office supplies	-	297	-	297
Paypal fees	-	1,486	-	1,486
Postage and mailing service	-	26	-	26
Rental expense	-	-	2,560	2,560
Repairs and maintenance	15,731	-	-	15,731
Service fees - facility (Note 7 & 9)	231,304	-	-	231,304
Supplies	4,562	-	-	4,562
Veterinary	1,838	-	-	1,838
	<u>\$ 288,255</u>	<u>\$ 8,508</u>	<u>\$ 59,594</u>	<u>\$ 356,357</u>

See accompanying notes and independent accountants' compilation report.

**MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 15,806
Adjustments to reconcile net income to net cash provided (used) by operating activities	
Depreciation	7,969
Increase in due from MEC	(6,210)
Decrease in accounts payable	(9,158)
Decrease in due to MEC	<u>(3,815)</u>
Net Cash Provided By (Used In) Operating Activities	<u>4,592</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchase of assets	<u>(26,784)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(26,784)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Notes payable borrowings	<u>19,245</u>
Net Cash Provided By (Used In) Financing Activities	<u>19,245</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,947)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>14,176</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,229</u>

See accompanying notes and independent accountants' compilation report.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

Basis of Accounting

The financial statements of Manito Life Center (a non-profit organization) have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

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, 2019.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

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

Revenue Recognition

The Company recognizes revenue when the service is performed and collection is reasonably assured.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the year ended December 31, 2019 were \$137.

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, 2017, 2018 and 2019 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. There were no temporary restrictions on net assets in 2019.

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.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture and equipment	\$ 42,774
Horses	11,700
Accumulated depreciation	<u>(20,840)</u>
Total	<u>\$ 33,634</u>

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

NOTE 6: LOANS PAYABLE

Long-term debt at December 31, 2019 consisted of the following:

Note payable to Lisa Schadt, no set repayments terms have been established	\$ 6,978
Kubota Credit Corporation, monthly payment \$672.29, interest rate 0.00% for 5 years	<u>19,245</u>
Total long-term debt	<u>\$ 26,223</u>

Principal maturities of long-term debt are as follows:

December 31, 2020	\$4,357
December 31, 2021	\$4,357
December 31, 2022	\$4,357
December 31, 2023	\$4,357
December 31, 2024	\$1,817

NOTE 7: 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.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8: 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, 2019, 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, 2019.

NOTE 9: 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 & 2019. The balance as of December 31, 2019 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 \$231,304. Chinqualippa, Inc. made an in-kind donation of facility service fees to Manito Life Center in the amount of \$64,455 for the year ended December 31, 2019.

As of December 31, 2019, Manito Life Center is owed \$6,210 by Manito Equestrian Center for various expenses paid on their behalf. The balance due was repaid in full in April 2020.

NOTE 10: SUBSEQUENT EVENTS

Management has evaluated its financial statements for subsequent events through November 9, 2020, the filing date of this report. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

As a result of the COVID-19 outbreak in the United States, economic uncertainties have arisen that are likely to negatively impact gross revenues and income. Voluntary, and then subsequently mandatory, shelter-in-place orders necessitated temporary business closing as the uncertainty continues. Though the extent of the disruption is expected to be temporary, the extent of the financial impact and other possible impacting matters are unknown at this time.