

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

Financial Statements

December 31, 2020

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*The path for a better business
and a better life*

Independent Accountants' Compilation Report

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

The Board of Directors 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, 2020, and the related statements of activities, functional expenses, 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.


Stortz & Associates

Emmaus, PA
September 30, 2021

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash - non-interest bearing (Note 2)	\$ 16,588
Total Current Assets	<u>16,588</u>

PROPERTY AND EQUIPMENT (NOTES 2 & 5)

Furniture and equipment	42,774
Horses	26,100
Accumulated depreciation	<u>(33,802)</u>
Total Property and Equipment	<u>35,072</u>

OTHER ASSETS

Due from MEC (Note 9)	2,010
Total Other Assets	<u>2,010</u>

TOTAL ASSETS	<u><u>\$ 53,670</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 9,471
Current portion of long-term debt (Note 6)	<u>4,357</u>
Total Current Liabilities	<u>13,828</u>

LONG-TERM LIABILITIES

Note payable (Note 6 & 9)	6,978
Loans payable (Note 6)	<u>10,531</u>
Total Long-Term Liabilities	<u>17,509</u>

NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>22,333</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 53,670</u></u>
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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, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues and gains	
Grants	\$ 91,740
Contributions	102,434
Program service revenue	75,235
Fundraising	10,181
Gain on forgiveness of PPP loan (Note 10)	47,400
Total revenues and gains without donor restrictions	<u>326,990</u>
Expenses	
Program services	294,870
Management and general	11,155
Fundraising	382
Total expenses	<u>306,407</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	20,583
NET ASSETS WITHOUT DONOR RESTRICTIONS, JANUARY 1	<u>1,750</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, DECEMBER 31	<u>\$ 22,333</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, 2020

	Program Services	Management and General	Fundraising	Total
Accounting fees	\$ -	\$ 2,600	\$ -	\$ 2,600
Advertising (Note 2)	-	553	-	553
Bank service fees	-	48	-	48
Credomatic service fees	-	370	-	370
Depreciation	9,145	4,417	-	13,562
Dues and subscriptions	-	1,277	-	1,277
Equipment rental and maintenance	1,250	-	-	1,250
Feed & bedding	26,347	-	-	26,347
Fundraising expenses	-	-	382	382
Insurance	800	-	-	800
Interest expense (Note 6)	-	138	-	138
Licenses	-	35	-	35
Office supplies	-	162	-	162
Paypal fees	-	1,271	-	1,271
Postage and mailing service	-	81	-	81
Repairs and maintenance	1,827	-	-	1,827
Service fees - facility (Note 7 & 9)	250,564	-	-	250,564
Supplies	3,823	-	-	3,823
Travel and meetings	-	203	-	203
Veterinary	1,114	-	-	1,114
	<u>\$ 294,870</u>	<u>\$ 11,155</u>	<u>\$ 382</u>	<u>\$ 306,407</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, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 20,583
Adjustments to reconcile net income to net cash provided (used) by operating activities	
Depreciation	13,562
Decrease in due from MEC	4,200
Decrease in accounts payable	<u>(13,629)</u>
Net Cash Provided By (Used In) Operating Activities	<u>24,716</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchase/donation of assets	<u>(15,000)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(15,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Notes payable repayments	<u>(4,357)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(4,357)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,359
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>11,229</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 16,588</u></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, 2020

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 Organization 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, 2020.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 Organization 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, 2020 were \$553.

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, 2018, 2019 and 2020 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 2020.

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, 2020

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture and equipment	\$ 42,774
Horses	26,100
Accumulated depreciation	<u>(33,802)</u>
Total	<u>\$ 35,072</u>

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

NOTE 6: LOANS PAYABLE

Long-term debt at December 31, 2020 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>14,888</u>
Total	\$ 21,866
Less current portion	<u>(4,357)</u>
Total long-term debt	<u>\$ 17,509</u>

Principal maturities of long-term debt are as follows:

December 31, 2021	\$4,357
December 31, 2022	\$4,357
December 31, 2023	\$4,357
December 31, 2024	\$1,817
December 31, 2025	\$ -0-

Interest expense was \$138 for the year ended December 31, 2020.

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, 2020

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 and 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, 2020, 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, 2020.

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 since then. The balance as of December 31, 2020 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 \$250,564. Chinqualippa, Inc. made an in-kind donation of facility service fees to Manito Life Center in the amount of \$71,582 for the year ended December 31, 2020.

As of December 31, 2020, Manito Life Center is owed \$2,010 by Manito Equestrian Center for various expenses paid on their behalf. The balance due was repaid in full in January 2021.

NOTE 10: COVID RESPONSE

During 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Government restrictions on business operations began in March 2020 and have been made more or less restrictive over time as the number of persons in the area impacted by the disease has increased or decreased. Operations were temporarily suspended at the beginning of the pandemic, but have since been restored. In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans.

MANITO LIFE CENTER (A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10: COVID RESPONSE (CONTINUED)

In April 2020, the organization obtained a PPP loan of \$47,400. The organization used all of its proceeds from the note for qualifying expenses and thus received approval of its application for the loan to be forgiven. The organization recognized a gain on forgiveness of the loan.

NOTE 11: SUBSEQUENT EVENTS

The Board of Directors has evaluated its financial statements for subsequent events through September 30, 2021, the filing date of this report. The Board of Directors is not aware of any subsequent events that would require recognition or disclosure in the financial statements.