

**MANO A MANO  
INTERNATIONAL  
PARTNERS**

**REPORT ON AUDIT**

**DECEMBER 31, 2015**



**LETHERT, SKWIRA, SCHULTZ & Co. LLP**  
CERTIFIED PUBLIC ACCOUNTANTS ♦ BUSINESS CONSULTANTS

*Helping Business Conduct Business Since 1918*

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Mano A Mano International Partners**

We have audited the accompanying financial statements of **Mano A Mano International Partners** (a nonprofit organization), which comprise the statements of financial position as of **December 31, 2015**, and the related statements of activities and cash flows for the year then ended, 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 audits. We conducted our audits 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 from 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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Mano A Mano International Partners** as of **December 31, 2015**, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Summarized Comparative Information

We have previously audited **Mano A Mano International Partners's** 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reported dated January 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended **December 31, 2014**, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**January 13, 2017**

*Lethert, Skwira, Schultz & Co. LLP*

**LETHERT, SKWIRA, SCHULTZ & CO. LLP**

**MANO A MANO INTERNATIONAL PARTNERS**

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**MANO A MANO INTERNATIONAL PARTNERS**

Statements of Financial Position

**December 31, 2015**

(with comparative totals for 2014)

|   | <u>2015</u>                |  |                     | <u>2014</u>         |
|---|----------------------------|--|---------------------|---------------------|
| <b><u>ASSETS</u></b>                          | <b><u>Unrestricted</u></b> | <b><u>Temporarily<br/>Restricted</u></b> | <b><u>Total</u></b> | <b><u>Total</u></b> |
| Cash  | \$ 462,524                 | \$ 338,134                               | \$ 800,658          | \$ 666,128          |
| Contributions receivable,<br>current (Note 3) | 899                        | 10,000                                   | 10,899              | 200,001             |
| Inventory                                     | 1,393                      | 256,430                                  | 257,823             | 96,061              |
| Allowance for obsolescence                    | (12,800)                   | -  | (12,800)            | (36,047)            |
| Short-term investments (Note<br>5)            | 15,143                     | -  | 15,143              | 14,668              |
| Prepayments                                   | 15,430                     | -  | 15,430              | 2,084               |
| <b>Total Current Assets</b>                   | <b>482,589</b>             | <b>604,564</b>                           | <b>1,087,153</b>    | <b>942,895</b>      |
| <b><u>Property and Equipment</u></b>          |                            |  |                     |                     |
| Land  | 234,800                    | -  | 234,800             | 234,800             |
| Building                                      | 368,987                    | -  | 368,987             | 368,987             |
| Vehicle                                       | 20,658                     | -  | 20,658              | 8,000               |
| <b>Total</b>                                  | <b>624,445</b>             | <b>-</b>                                 | <b>624,445</b>      | <b>611,787</b>      |
| Less: Accumulated<br>depreciation             | 36,873                     | -  | 36,873              | 26,449              |
| <b>Total Property and<br/>Equipment</b>       | <b>587,572</b>             | <b>-</b>                                 | <b>587,572</b>      | <b>585,338</b>      |
| <b><u>Other Assets</u></b>                    |                            |  |                     |                     |
| Deposits                                      | 2,000                      | -  | 2,000               | -                   |
| Intangible assets (Note 6)                    | 1,833                      | -  | 1,833               | 2,749               |
| <b>Total Other Assets</b>                     | <b>3,833</b>               | <b>-</b>                                 | <b>3,833</b>        | <b>2,749</b>        |
| <b>Total Assets</b>                           | <b>\$ 1,073,994</b>        | <b>\$ 604,564</b>                        | <b>\$ 1,678,558</b> | <b>\$ 1,530,982</b> |
| <b><u>LIABILITIES AND NET ASSETS</u></b>      |                            |  |                     |                     |
| <b><u>Current Liabilities</u></b>             |                            |  |                     |                     |
| Current maturities of long-term<br>debt       | 12,798                     | -  | 12,798              | 12,296              |
| Accounts payable                              | 10,545                     | -  | 10,545              | 13,260              |
| Accrued payroll and related                   | 4,831                      | -  | 4,831               | 7,180               |
| <b>Total Current Liabilities</b>              | <b>28,174</b>              | <b>-</b>                                 | <b>28,174</b>       | <b>32,736</b>       |
| <b><u>Long-Term Debt (Note 7)</u></b>         |                            |  |                     |                     |
| Mortgage payable                              | 314,599                    | -  | 314,599             | 326,896             |
| Less: Current maturities                      | 12,798                     | -  | 12,798              | 12,296              |
| <b>Total Long-Term Debt</b>                   | <b>301,801</b>             | <b>-</b>                                 | <b>301,801</b>      | <b>314,600</b>      |
| <b>Net Assets (Note 8)</b>                    | <b>744,019</b>             | <b>604,564</b>                           | <b>1,348,583</b>    | <b>1,183,646</b>    |
| <b>TOTAL LIABILITIES AND<br/>NET ASSETS</b>   | <b>\$ 1,073,994</b>        | <b>\$ 604,564</b>                        | <b>\$ 1,678,558</b> | <b>\$ 1,530,982</b> |

The accompanying notes are an integral part of this financial statement.

**MANO A MANO INTERNATIONAL PARTNERS**

Statements of Activities  
Year Ended **December 31, 2015**  
(with comparative totals for 2014)

|  | 2015                  |                           |                         | 2014                    |
|--|-----------------------|---------------------------|-------------------------|-------------------------|
|  | Unrestricted          | Temporarily<br>Restricted | Total                   | Total                   |
| <b><u>Support</u></b>                                  |                       |                           |                         |                         |
| Contributions  | \$ 375,012            | \$ 587,112                | \$ 962,124              | \$ 1,476,080            |
| In-kind medical surplus,<br>transportation and related | -                     | 2,069,747                 | 2,069,747               | 894,889                 |
| In-kind other  | 483,420               | -                         | 483,420                 | 459,649                 |
| Miscellaneous  | 78,967                | -                         | 78,967                  | 50,350                  |
| Investment income                                      | 2,544                 | -                         | 2,544                   | 1,015                   |
| <b>Net Assets Released from<br/>Restrictions</b>       | <u>2,492,676</u>      | <u>(2,492,676)</u>        | <u>-</u>                | <u>-</u>                |
| <b>Total Support</b>                                   | <b>3,432,619</b>      | <b>164,183</b>            | <b>3,596,802</b>        | <b>2,881,983</b>        |
| <b><u>Expenses</u></b>                                 |                       |                           |                         |                         |
| <b><u>Program Services</u></b>                         |                       |                           |                         |                         |
| Program services                                       | 2,957,757             | -                         | 2,957,757               | 3,222,707               |
| <b><u>Supporting Services</u></b>                      |                       |                           |                         |                         |
| Management and general                                 | 226,435               | -                         | 226,435                 | 183,727                 |
| Fund raising   | 247,673               | -                         | 247,673                 | 258,207                 |
| <b>Total Supporting Services</b>                       | <u>474,108</u>        | <u>-</u>                  | <u>474,108</u>          | <u>441,934</u>          |
| <b>Total Expenses</b>                                  | <u>3,431,865</u>      | <u>-</u>                  | <u>3,431,865</u>        | <u>3,664,641</u>        |
| <br><b>Increase (Decrease) in<br/>Net Assets</b>       | <br>754               | <br>164,183               | <br>164,937             | <br>(782,658)           |
| <br><b>Net Assets, Beginning of<br/>Year</b>           | <br><u>743,265</u>    | <br><u>440,381</u>        | <br><u>1,183,646</u>    | <br><u>1,966,304</u>    |
| <br><b>Net Assets, End of Year</b>                     | <br><u>\$ 744,019</u> | <br><u>\$ 604,564</u>     | <br><u>\$ 1,348,583</u> | <br><u>\$ 1,183,646</u> |

The accompanying notes are an integral part of this financial statement.

**MANO A MANO INTERNATIONAL PARTNERS**

Statements of Cash Flows  
Year Ended **December 31, 2015**  
(with comparative totals for 2014)

| <u><b>Cash Flows From Operating Activities</b></u>   | <u><b>2015</b></u>              | <u><b>2014</b></u>       |
|--|---------------------------------|--------------------------|
| Increase (decrease) in net assets  | \$ <b>164,937</b>               | \$ (782,658)             |
| <b>Adjustments to reconcile decrease in net assets to net cash provided by operating activities:</b> |                                 |                          |
| Depreciation   | <b>10,424</b>                   | 9,225                    |
| Amortization   | <b>916</b>                      | 916                      |
| <b>Increase (decrease) in cash flows from:</b>   |                                 |                          |
| Contributions receivable   | <b>189,102</b>                  | 228,187                  |
| Inventory  | <b>(185,009)</b>                | 779,239                  |
| Short-term investments   | <b>(475)</b>                    | (14,668)                 |
| Prepayments  | <b>(13,346)</b>                 | 5,227                    |
| Deposits   | <b>(2,000)</b>                  | 5,236                    |
| Accounts payable   | <b>(2,715)</b>                  | (134,893)                |
| Accrued payroll and related  | <u><b>(2,349)</b></u>           | <u>638</u>               |
| <b>Net Cash Provided by Operating Activities</b>   | <b>159,485</b>                  | 96,449                   |
| <br><u><b>Cash Flows Used by Investing Activities</b></u>  |                                 |                          |
| Purchase of property and equipment   | <b>(12,659)</b>                 | -                        |
| <br><u><b>Cash Flows Used by Financing Activities</b></u>  |                                 |                          |
| Payments of long-term debt   | <u><b>(12,296)</b></u>          | <u>(11,780)</u>          |
| <br><b>Net Increase in Cash</b>  | <b>134,530</b>                  | 84,669                   |
| <br><b>Cash, Beginning of Year</b>   | <u><b>666,128</b></u>           | <u>581,459</u>           |
| <br><b>Cash, End of Year</b>   | <u><u><b>\$ 800,658</b></u></u> | <u><u>\$ 666,128</u></u> |

**Supplemental Disclosures of Cash Flows Information**

During the years ended **December 31, 2015** and 2014, the Organization made interest payments of **\$13,845** and \$14,363, respectively.

The accompanying notes are an integral part of this financial statement.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE 1    NATURE OF ORGANIZATION**

**Mano A Mano International Partners** (the "Organization") is guided by the simple premise that groups of committed individuals can reach across national boundaries to make a dramatic difference in the lives of others. The power of this premise has been demonstrated by the extent to which the Organization has grown. Mano a Mano was established in 1994 and has created an infrastructure for health care and economic development in hundreds of rural communities. This infrastructure is constructed, supported, and run by Bolivians. Mano a Mano accomplishes its work in Bolivia through three counterpart organizations which it helped create: Mano a Mano – Bolivia, which focuses on health and education; Mano a Mano - Nuevo Mundo (New World), which addresses the economic development aspect of its mission; and, Mano a Mano – Apoyo Aereo (Air Support), which provides emergency air rescue to rural communities and air transport for Mano a Mano and other organizations with similar missions. These organizations are headquartered in the Andean city of Cochabamba, located in the Department (state) of Cochabamba.

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
AND USE OF ACCOUNTING ESTIMATES****Financial Statement Presentation**

The financial statements have been prepared in conformity with the disclosure requirements of generally accepted accounting standards for not-for-profit organizations. Under these provisions, net assets and revenues, expenses, gains, and losses are classified on the existence or absence of donor imposed restrictions.

Accordingly, the Organization's net assets and changes thereto are classified and reported as follows:

**Unrestricted net assets** have no donor imposed restrictions, or the donor imposed restrictions have expired. Unrestricted net assets may be designated for specific purposes by the Board of Directors.

**Temporarily restricted net assets** have donor imposed restrictions that are satisfied either by the passage of time or expenditures that meet the donor specified purpose.

**Permanently restricted net assets** have donor imposed restrictions which do not expire.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements

**December 31, 2015 and 2014**

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
AND USE OF ACCOUNTING ESTIMATES (CONTINUED)**

**Accounting Estimates**

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

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Contributions Receivable**

Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions that are restricted by the donor are reported as unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions receivable expected to be collected in greater than one year are reflected in the financial statements at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Amortization of the discounts is recorded as contribution revenue.

**Inventory**

Inventory consists of donated and purchased medical supplies and crafts and is recorded at fair market value if donated or cost if purchased. The obsolescence reserve is set up to account for the decline in value on the items. Due to the quick turn around on inventory obsolescence reserve is estimated at the actual bad inventory. During the current year there was no obsolete inventory held at year-end.

**Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the following estimated useful lives:

|          |          |
|----------|----------|
| Building | 40 Years |
| Vehicle  | 5 Years  |

Maintenance and repairs of property and equipment are charged to operations, and major renewals in excess of \$5,000 are capitalized.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements

**December 31, 2015 and 2014****NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
AND USE OF ACCOUNTING ESTIMATES (CONTINUED)****Intangible Assets**

The Organization amortizes mortgage acquisition costs over the term of the mortgage.

**Contributions**

The Organization follows the "Accounting for Contributions Received and Contributions Made" standard; contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Donated Materials and Services**

Donated materials are reflected as contributions in the financial statements at their estimated fair values at the date of receipt. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In-kind contributions, consisting primarily of medical supplies, totaled **\$2,553,167** and \$1,354,538 for the years ended **December 31, 2015** and 2014, respectively.

For the years ended **December 31, 2015** and 2014, the value of contributed services meeting the requirements for recognition in the financial statements was **\$483,420** and \$442,799, respectively.

Donated services, which consisted of 22,800 hours by volunteers, did not meet recognition criteria under generally accepted accounting principles and, accordingly, are not included in the Statements of Activities.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements

**December 31, 2015 and 2014**

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
AND USE OF ACCOUNTING ESTIMATES (CONTINUED)**

**Income Taxes**

The Organization was granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation. Accordingly, no provision for income taxes has been provided for in these financial statements.

The Organization follows a "more likely than not" criterion for recognizing the tax benefits. The Organization has identified no such exposures. The current tax years open are 2013 through 2015. During the upcoming 12 months, the Organization expects no material changes to occur related to Accounting for Uncertainty in Income Taxes. The Organization recognizes interest and penalties related to income taxes and accrued unrecognized tax benefits in interest and penalties. The amount of interest and penalties expensed totaled **\$0** and \$0 for the years ended **December 31, 2015** and 2014, respectively.

**Functional Expense Allocation**

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on allocation measures determined by management.

**Vacation Pay**

Employees of the Organization earn a vested right to compensation for unused vacation and personal absence time. Accordingly, the Organization has made an accrual for vacation and personal absence compensation that employees have earned but have not taken.

**NOTE 3    CONTRIBUTIONS RECEIVABLE**

Contributions receivable at **December 31, 2015** and 2014, are measured at present value. Collection of receivables is expected as follows:

|                                       |                         |                          |
|---------------------------------------|-------------------------|--------------------------|
|                                       | <b>2015</b>             | <b>2014</b>              |
| Due in one year                       | \$ <u>10,899</u>        | \$ <u>200,001</u>        |
| <b>Total Contributions Receivable</b> | \$ <u><b>10,899</b></u> | \$ <u><b>200,001</b></u> |

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE 4 INVESTMENTS**

As of **December 31, 2015** and 2014, the Organization held investments as follows:

|              | 2015             |                     |                        | 2014             |                     |                        |
|--------------|------------------|---------------------|------------------------|------------------|---------------------|------------------------|
|              | <u>Cost</u>      | <u>Market Value</u> | <u>Unrealized Gain</u> | <u>Cost</u>      | <u>Market Value</u> | <u>Unrealized Gain</u> |
| Common Stock | \$ <u>15,143</u> | \$ <u>15,143</u>    | \$ <u>-</u>            | \$ <u>14,668</u> | \$ <u>14,668</u>    | \$ <u>-</u>            |

**NOTE 5 FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in inactive markets
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at **December 31, 2015** and 2014.

**MANO A MANO INTERNATIONAL PARTNERS**  
Notes to Financial Statements  
**December 31, 2015 and 2014**

**NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Level 1 Fair Value Measurements**

The fair value of common stock is based on quoted net assets values of the shares held by the Organization at year-end.

The Organization's investments are reported at fair value in the accompanying statements of financial position.

|                          | <u>Fair Value</u>       | <u>Quoted Prices in Active<br/>Markets for Identical<br/>Assets<br/>(Level 1)</u> |
|--------------------------|-------------------------|---|
| <u>December 31, 2015</u> |                         |   |
| Stocks                   |                         |   |
| Healthcare               | \$ <u>15,143</u>        | \$ <u>15,143</u>  |
| <b>Total</b>             | <b>\$ <u>15,143</u></b> | <b>\$ <u>15,143</u></b>   |
| <u>December 31, 2014</u> |                         |   |
| Stocks                   |                         |   |
| Healthcare               | \$ <u>14,668</u>        | \$ <u>14,668</u>  |
| <b>Total</b>             | <b>\$ <u>14,668</u></b> | <b>\$ <u>14,668</u></b>   |

**NOTE 6 INTANGIBLE ASSETS**

At **December 31, 2015** and 2014, intangible assets consist of the following:

|  | <u>2015</u>       |                                     |                  | <u>2014</u>     |                                     |                  |
|--|-------------------|-------------------------------------|------------------|-----------------|-------------------------------------|------------------|
|  | <u>Cost</u>       | <u>Accumulated<br/>Amortization</u> | <u>Net Value</u> | <u>Cost</u>     | <u>Accumulated<br/>Amortization</u> | <u>Net Value</u> |
|  | Intangible assets | \$ <u>4,582</u>                     | \$ <u>2,749</u>  | \$ <u>1,833</u> | \$ <u>4,582</u>                     | \$ <u>1,833</u>  |

Amortization of intangible assets for the years ended **December 31, 2015** and 2014 was **\$916** and \$916, respectively.

The aggregate annual amortization of intangible assets at **December 31, 2015** is:

| <u>Year Ended December 31,</u> | <u>Amount</u>          |
|--------------------------------|------------------------|
| 2016                           | \$ 917                 |
| 2017                           | <u>916</u>             |
|                                | <b>\$ <u>1,833</u></b> |

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE 7 LONG-TERM DEBT**

Long-term debt consists of the following:

|  | <u>2015</u>              | <u>2014</u>              |
|--|--------------------------|--------------------------|
| Mortgage payable to bank bearing interest at 4.25% with monthly installments of \$2,179, matures December, 2032. Secured by land and building. | \$ 314,599               | \$ 326,896               |
| Less: Current maturities   | <u>12,798</u>            | <u>12,296</u>            |
| <b>Total Long-Term Debt</b>  | <b><u>\$ 301,801</u></b> | <b><u>\$ 314,600</u></b> |

The aggregate annual maturities of long-term debt at **December 31, 2015**, are as follows:

| <u>Year Ended December 31,</u> | <u>Amount</u>            |
|--------------------------------|--------------------------|
| 2016                           | \$ 12,798                |
| 2017                           | 13,399                   |
| 2018                           | 13,988                   |
| 2019                           | 14,603                   |
| 2020                           | 15,213                   |
| After 2020                     | <u>244,598</u>           |
|                                | <b><u>\$ 314,599</u></b> |

**NOTE 8 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following:

|   | <u>2015</u>              | <u>2014</u>              |
|---|--------------------------|--------------------------|
| Constructing, equipping, and staffing health clinics in Bolivia | \$ 193,369               | \$ 475,327               |
| Garden project and miscellaneous                                | 160,284                  | (34,163)                 |
| Emergency air   | (5,519)                  | (52,719)                 |
| Medical inventory   | <u>256,430</u>           | <u>51,936</u>            |
| <b>Total Temporarily Restricted Net Assets</b>                  | <b><u>\$ 604,564</u></b> | <b><u>\$ 440,381</u></b> |

Corresponding assets were as follows:

|  | <u>2015</u>              | <u>2014</u>              |
|--|--------------------------|--------------------------|
| Cash   | \$ 340,596               | \$ 290,907               |
| Accounts payable                               | (2,462)                  | (2,462)                  |
| Contributions receivable                       | 10,000                   | 100,000                  |
| Inventory - medical supplies                   | <u>256,430</u>           | <u>51,936</u>            |
| <b>Total Temporarily Restricted Net Assets</b> | <b><u>\$ 604,564</u></b> | <b><u>\$ 440,381</u></b> |

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE 9 RELATED PARTY TRANSACTIONS**

The president of the Board of the Organization is an honorary board member of Mano a Mano - Bolivia, Mano a Mano - Apoyo Aereo, and Mano a Mano - Nuevo Mundo. These organizations, which are located in Bolivia, are recipients of grants from the Organization. As an honorary board member, the president has veto power over any disbursements that are contrary to the mission of the Organization.

Grants paid to the recipient organizations were as follows for the years ended December 31:

|                             | <u>2015</u>       | <u>2014</u>         |
|-----------------------------|-------------------|---------------------|
| Mano a Mano - Bolivia       | \$ 255,367        | \$ 139,178          |
| Mano a Mano - Apoyo Aereo   | 79,375            | 266,236             |
| Mano a Mano - International | 173,596           | 219,050             |
| Mano a Mano - Nuevo Mundo   | <u>188,745</u>    | <u>487,160</u>      |
| Total Related Party Grants  | <u>\$ 697,083</u> | <u>\$ 1,111,624</u> |

**NOTE 10 OPERATING LEASES**

The Organization purchased a building in December, 2012, and cancelled its other leases effective January 1, 2013. The Organization incurred rent expense of **\$3,600** in 2014 on the former space while it was being renovated.

The Organization had a copier lease signed in 2013 for sixty months at \$111 per month. This is an operating lease.

The following is a schedule of future minimum lease payments under operating leases:

| <u>Year Ended December 31,</u>             | <u>Amount</u>          |
|--|------------------------|
| 2016                                       | \$ 1,332               |
| 2017                                       | 1,332                  |
| 2018                                       | <u>222</u>             |
| <b>Total Minimum Future Lease Payments</b> | <b><u>\$ 2,886</u></b> |

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

During the years ended **December 31, 2015** and 2014, one donor accounted for **14%** and **12%**, respectively, of the Organization's support and revenues and **0%** and **61%** of its contributions receivable at **December 31, 2015** and 2014, respectively.

**MANO A MANO INTERNATIONAL PARTNERS**

Notes to Financial Statements

**December 31, 2015 and 2014****NOTE 12 CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITED IN EXCESS OF INSURED LIMITS**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash balances at two financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Accounts at other institutions may be privately insured.

At **December 31, 2015** and 2014, amounts not insured by the FDIC were approximately **\$547,300** and \$398,000, respectively.

**NOTE 13 SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through **January 13, 2017**, the date the financial statements were available to be issued.

**MANO A MANO INTERNATIONAL PARTNERS**  
Schedules of Functional Expenses  
Year Ended **December 31, 2015**  
(with comparative totals for 2014)  
(See Independent Auditor's Report on Additional Information)

|  | <u>2015</u>             |                               |                     | <u>2014</u>         |                     |
|--|-------------------------|-------------------------------|---------------------|---------------------|---------------------|
|  | <u>Program Services</u> | <u>Management and General</u> | <u>Fund Raising</u> | <u>Total</u>        | <u>Total</u>        |
| Salaries                                   | \$ 284,775              | \$ 139,358                    | \$ 181,771          | \$ 605,904          | \$ 606,214          |
| Employee benefits                          | 6,347                   | 2,741                         | 5,337               | 14,425              | 29,981              |
| Payroll taxes                              | 5,035                   | 2,175                         | 4,234               | 11,444              | 14,618              |
| <b>Total Salaries and Related Benefits</b> | <b>296,157</b>          | <b>144,274</b>                | <b>191,342</b>      | <b>631,773</b>      | <b>650,813</b>      |
| Donated materials                          | 165,833                 | 12,800                        | -                   | 178,633             | 29,672              |
| Grants to Bolivia                          | 2,373,361               | -                             | -                   | 2,373,361           | 2,750,621           |
| Professional services                      | 6,758                   | 9,461                         | 675                 | 16,894              | 41,650              |
| Office supplies                            | 663                     | 857                           | 429                 | 1,949               | 3,037               |
| Other supplies                             | 1,758                   | 1,137                         | 3,606               | 6,501               | 8,140               |
| Telephone                                  | 2,027                   | 1,312                         | 2,623               | 5,962               | 4,675               |
| Postage                                    | 371                     | 203                           | 1,964               | 2,538               | 2,704               |
| Occupancy costs                            | 1,292                   | 14,860                        | -                   | 16,152              | 5,192               |
| Utilities                                  | 906                     | 10,414                        | -                   | 11,320              | 13,858              |
| Repairs and maintenance                    | 912                     | 10,491                        | -                   | 11,403              | 5,621               |
| Printing and publications                  | 12,370                  | 8,004                         | 17,695              | 38,069              | 32,579              |
| Travel                                     | 75,671                  | -                             | -                   | 75,671              | 66,343              |
| Vehicle expense                            | 1,564                   | 2,023                         | 1,012               | 4,599               | 1,215               |
| Conferences, conventions, and meetings     | 30                      | -                             | -                   | 30                  | 180                 |
| Interest                                   | 4,707                   | 3,046                         | 6,092               | 13,845              | 14,363              |
| Bank charges                               | 284                     | 173                           | 347                 | 804                 | 1,084               |
| Payroll fees                               | 612                     | 825                           | 92                  | 1,529               | 1,428               |
| Insurance                                  | 3,458                   | 4,013                         | 4,476               | 11,947              | 10,130              |
| Miscellaneous                              | -                       | 749                           | -                   | 749                 | 5,351               |
| Volunteer expenses                         | 1,361                   | -                             | -                   | 1,361               | 1,578               |
| Fund raising expenses                      | -                       | -                             | 15,435              | 15,435              | 4,266               |
| Amortization                               | 366                     | 229                           | 321                 | 916                 | 916                 |
| Depreciation                               | 7,296                   | 1,564                         | 1,564               | 10,424              | 9,225               |
| <b>Total Expenses</b>                      | <b>\$ 2,957,757</b>     | <b>\$ 226,435</b>             | <b>\$ 247,673</b>   | <b>\$ 3,431,865</b> | <b>\$ 3,664,641</b> |