

PROJECT M.A.N.A.
FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
JUNE 30, 2015

PROJECT M.A.N.A.
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of
Project M.A.N.A.

We have reviewed the accompanying financial statements of Project M.A.N.A. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses 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 Organization 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

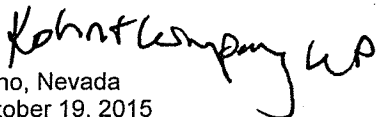
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 American Institute of Certified Public Accountants. 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 conformity with accounting principles generally accepted in the United States of America.


Reno, Nevada
October 19, 2015

PROJECT M.A.N.A.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

ASSETS	<u>2015</u>	<u>2014</u> (Memorandum Only)
CURRENT ASSETS		
Cash	\$ 44,791	\$ 66,281
Grants receivable	25,000	-
Inventory	33,055	27,923
Prepaid expenses	<u>4,863</u>	<u>4,464</u>
Total current assets	107,709	98,668
 EQUIPMENT , net of accumulated depreciation of \$33,167 and \$32,486 for 2015 and 2014, respectively	 <u>3,264</u>	 <u>3,945</u>
 Total assets	 <u>\$ 110,973</u>	 <u>\$ 102,613</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,197	\$ 936
Deferred revenue	3,580	-
Accrued payroll and employee benefits	<u>5,477</u>	<u>4,320</u>
Total current liabilities / total liabilities	12,254	5,256
 NET ASSETS		
Unrestricted net assets	 <u>98,719</u>	 <u>97,357</u>
 Total liabilities and net assets	 <u>\$ 110,973</u>	 <u>\$ 102,613</u>

See independent accountants' review report and accompanying notes to financial statements

PROJECT M.A.N.A.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	2015	2014 Total (Memorandum Only)
UNRESTRICTED PUBLIC AND GOVERNMENTAL SUPPORT, REVENUE AND RECLASSIFICATIONS		
Contributions	\$ 282,489	\$ 246,307
In-kind contributions		
Food	316,704	244,039
Office and meeting space	96,937	220,356
Special events	18,979	51,464
Miscellaneous	39	98
Total unrestricted public and governmental support and revenue	715,148	762,264
EXPENSES		
Program services	605,210	633,863
Supporting services		
General and administrative	62,155	73,173
Fundraising	46,421	62,488
Total expenses	713,786	769,524
Change in unrestricted net assets	1,362	(7,260)
UNRESTRICTED NET ASSETS, beginning of year	97,357	103,600
UNRESTRICTED NET ASSETS, end of year	\$ 98,719	\$ 96,340

See independent accountants' review report and accompanying notes to financial statements

PROJECT M.A.N.A.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	2015				2014
	Program Services	Supporting Services			Total (Memorandum Only)
		General and Administrative	Fundraising	Total	
Payroll and related expenses					
Salaries and wages	\$ 125,884	\$ 20,892	\$ 37,494	\$ 184,270	\$ 187,140
Payroll taxes	9,570	1,588	2,850	14,008	14,050
Worker's compensation	1,816	301	541	2,658	1,995
Employee benefits	1,115	185	332	1,632	3,745
Total payroll and related expenses	138,385	22,966	41,217	202,568	206,930
AmeriCorps supplement	18,000	-	-	18,000	18,000
Automotive	4,098	780	-	4,878	2,489
Bank service charges	9	2,511	650	3,170	2,353
Community house coordinator	3,701	-	-	3,701	3,701
Conferences and training	805	918	26	1,749	2,629
Depreciation	-	681	-	681	681
Dues and subscriptions	25	1,413	-	1,438	2,084
Fees and licensing	385	1,053	-	1,438	1,379
Food					
Purchased and distributed	28,534	-	-	28,534	38,927
Donated and distributed	312,009	-	-	312,009	236,395
Insurance	2,248	4,030	-	6,278	3,585
Maintenance and repairs	68	500	-	568	2,452
Marketing and outreach	565	74	110	749	-
Office and meeting space, donated	82,783	14,154	-	96,937	220,357
Postage	60	737	205	1,002	1,390
Printing and publications	589	2,039	802	3,430	1,409
Professional fees	-	3,500	2,500	6,000	1,535
Rent	4,929	4,930	-	9,859	9,655
Staff and volunteer recognition	1,398	294	-	1,692	1,655
Supplies	4,442	497	886	5,825	8,956
Travel	1,256	708	25	1,989	1,681
Utilities and telephone	921	370	-	1,291	264
Total expenses	\$ 605,210	\$ 62,155	\$ 46,421	\$ 713,786	\$ 768,507

See independent accountants' review report and accompanying notes to financial statements

PROJECT M.A.N.A.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	<u>2015</u>	<u>2014</u> (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,362	\$ (6,243)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	681	681
Changes in certain components of working capital		
(Increase) decrease in:		
Grants receivable	(25,000)	-
Inventory	(5,132)	(7,643)
Prepaid expenses	(399)	(2,136)
Increase (decrease) in:		
Accounts payable	2,261	(3,735)
Accrued payroll and employee benefits	1,157	1,238
Deferred revenue	3,580	(28,000)
Net cash flows from operating activities	<u>(21,490)</u>	<u>(45,838)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>-</u>	<u>(929)</u>
 NET CHANGE IN CASH	 (21,490)	 (46,767)
 CASH, beginning of year	 <u>66,281</u>	 <u>113,048</u>
 CASH, end of year	 <u>\$ 44,791</u>	 <u>\$ 66,281</u>
 SUPPLEMENTAL CASH FLOW DATA		
None		

See independent accountants' review report and accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

PROJECT M.A.N.A.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Project M.A.N.A. (the Organization) was incorporated on May 13, 1991, as a nonprofit corporation under the laws of the State of Nevada. The Organization's mission is to reduce the incidence of hunger and its detrimental effects upon individuals, families, the community, and the region; and, to develop programs designed to alleviate the causes of hunger and promote nutrition through education and awareness. The Organization operates in the north and west shores of Lake Tahoe and the town of Truckee, California.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based upon the existence or absence of donor-imposed restrictions.

Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. If contributions are received whose restrictions are met in the same reporting period, they are reflected as unrestricted contributions. The Organization has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Revenue Recognition and Concentrations

The majority of food contributions are received from the general public and private businesses in Northern Nevada and California. Food that is contributed from the general public is recorded as unrestricted support at the time of receipt based upon the average wholesale price per pound as determined by Feeding America in its annual study. The Organization is significantly dependent upon the support of the local public.

Cash and Cash Equivalents

For purposes of financial reporting, the Organization considers highly liquid investments with original maturities of three months or less from the balance sheet date to be cash equivalents. The Organization has no items that it considers to be cash equivalents.

Inventory

Inventory consists of donated perishable and non-perishable food items. Inventory is valued at a per pound basis.

Equipment

The Organization's policy is to capitalize property and equipment with an estimated useful life of more than one year and state these items at cost, or estimated fair value if donated.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives on a straight-line basis. The Organization's policy is to capitalize property and equipment with an estimated useful life of more than one year and a value of more than \$500.

See independent accountants' review report

PROJECT M.A.N.A.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Services requiring specialized skills are those provided by accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers, and other professionals. The program did not receive any donated services meeting the above qualifications during the year ended June 30, 2015.

Additionally, the Organization receives a significant amount of skilled, contributed time, which does not meet the two recognition criteria above. Accordingly, the value of the contributed time is not reflected in the accompanying financial statements. See Note 6 for additional information regarding volunteer services.

Donated Assets

Fixed assets donated to the Organization are recorded as a contribution at fair market value. Donated facilities, or facilities rented at substantially lower than market rates, are recorded as contributions at the estimated fair rental value less rent paid by the Organization, if any. The Organization received donated office and meeting space valued at \$96,937 by the donating entity.

Donated food items are recognized as unrestricted public support and then as expense as distributed. Donated food items are valued at \$1.72 per pound based upon Feeding America's most recent calculation of average wholesale price per pound which is directly related to the mix of projects received.

Income Taxes

The Organization is a nonprofit organization, exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The Organization has also been granted an exemption from California income taxes. Accordingly, no provision for federal or state income taxes is reflected in the financial statements. Tax positions to consider include, but are not limited to:

- Classification of program services, administrative and fundraising expenses
- Characterization of its activities as related or unrelated to its tax exempt purpose

It is the Organization's tax position that it has not engaged in activities that would jeopardize its exempt status nor has it engaged in activities that would result in unrelated business income tax.

Although the Organization has not been notified of any pending Internal Revenue Service (IRS) or Franchise Tax Board examinations, its returns are subject to examination within a three year statute of limitations. At June 30, 2015, the 2011 through the current period returns are subject to examination by the IRS. The Organization has not yet filed returns for California and therefore all of the years are open to examination by the Franchise Tax Board. The Organization may be subjected to penalties and interest for late filing. Any such potential liabilities cannot be determined and are not reflected in the accompanying financial statements.

Functional Allocation of Expenses

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent accountants' review report

PROJECT M.A.N.A.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through October 19, 2015, which represents the date we completed our review procedures. Subsequent events after that date have not been evaluated.

Memorandum Only – Total Columns

Total columns in the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, changes in net assets or cash flows in conformity with generally accepted accounting principles.

Reclassification

Certain items on the 2014 issued financial statements have been reclassified to conform to the 2015 current year presentation.

NOTE 2 - EQUIPMENT

Balances of major classes of depreciable assets at June 30 are:

		2015		2014
Equipment	\$	5,884	\$	5,884
Vehicles		30,547		30,547
		36,431		36,431
Less accumulated depreciation		(33,167)		(32,486)
	\$	3,264	\$	3,945

Depreciation expense for the year ended June 30, 2015 totaled \$681.

NOTE 3 - LINE OF CREDIT

The Organization has an unsecured revolving line of credit with Wells Fargo Bank in the amount of \$25,000. As of June 30, 2015, no transactions or draws had been made utilizing the line of credit.

NOTE 4 - AGENCY GRANT MATCH COMMITMENT

The Organization received use of office space from another nonprofit organization under a Residence Grant Agreement in effect through June 30, 2015. The Organization was required to provide an agency grant match of 30% of the value of office space received. For the year ended June 30, 2015, the required grant match was \$6,065, which the Organization reflected as rent expense in the accompanying financial statements.

NOTE 5 - RENTAL COMMITMENT

The Organization entered into an agreement to rent space to distribute food effective through December 31, 2015. The rental cost is approximately \$20 per hour of use.

The Organization also distributes food at other facilities, pursuant to the terms of the use agreements, paying as the space is used.

For the year ended June 30, 2015, the Organization incurred rental costs of \$3,794 in conjunction with its food distribution activities.

PROJECT M.A.N.A.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

NOTE 6 - VOLUNTEER HOURS

The Organization's mission includes food distribution and nutrition education and awareness, making the Organization's operation significantly dependent upon the volunteers who assist with these services. For the year ended June 30, 2015, volunteers provided a total of 4,700 hours assisting with these services. Based upon the average hourly wage for nonagricultural workers as determined by the Bureau of Labor Statistics, increased for fringe benefits, the Independent Sector has estimated the value of volunteer hours to approximate an hourly rate of \$19.81 in Nevada and \$26.87 per hour in California. Accordingly, the Organization's programs have received volunteer services valued at approximately \$118,000, which is not reflected in the accompanying financial statements because the services do not meet the criteria for recognition as set forth in Note 1. If the volunteer services that support the Organization's activities were included in the financial statements, program costs would comprise more than 85% of the Organization's total costs.