



**Man in the Mirror, Inc.**

**FINANCIAL STATEMENTS**

**December 31, 2023 and 2022**



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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Man in the Mirror, Inc.  
Casselberry, Florida

### **Opinion**

We have audited the accompanying financial statements of Man in the Mirror, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Man in the Mirror, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Man in the Mirror, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Man in the Mirror, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Man in the Mirror, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Man in the Mirror, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## Report on Summarized Comparative Information

We have previously audited Man in the Mirror, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Orlando, Florida  
May 1, 2024

**Man in the Mirror, Inc.**  
**Statements of Financial Position**

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,039,842	\$ 1,894,083
Contributions in transit	145,954	107,651
Other assets	2,640	56,321
Investments	747,818	-
Inventory	80,707	83,545
Life insurance cash surrender value	42,152	40,460
Finance lease right-of-use assets, net	41,789	50,972
Property, furniture, and equipment, net	1,466,353	1,487,273
<b>Total assets</b>	<b>\$ 3,567,255</b>	<b>\$ 3,720,305</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 100,489	\$ 113,040
Contract liability	-	3,262
Finance lease liabilities	40,269	50,972
Long-term debt	637,444	679,635
<b>Total liabilities</b>	<b>778,202</b>	<b>846,909</b>
<b>Net assets</b>		
Without donor restrictions	1,850,518	1,974,606
With donor restrictions	938,535	898,790
<b>Total net assets</b>	<b>2,789,053</b>	<b>2,873,396</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,567,255</b>	<b>\$ 3,720,305</b>

*The accompanying notes are an integral part of these financial statements.*

**Man in the Mirror, Inc.**  
**Statement of Activities**  
**(with prior year summarized information)**

<i>For the years ended December 31,</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023 Total</b>	<b>2022 Total</b>
<b>Revenues and Other Support</b>				
Contributions	\$ 4,044,875	\$ 123,238	<b>\$ 4,168,113</b>	\$ 4,444,645
Resource revenue	70,687	-	<b>70,687</b>	76,409
Event revenue	33,030	-	<b>33,030</b>	68,046
Other revenue	44,116	-	<b>44,116</b>	7,176
Net assets released from restrictions	83,493	(83,493)	-	-
<b>Total revenues and other support</b>	<b>4,276,201</b>	<b>39,745</b>	<b>4,315,946</b>	<b>4,596,276</b>
<b>Expenses</b>				
<i>Program services</i>				
Resource Ministry	397,251	-	<b>397,251</b>	339,900
Area Directors	2,425,124	-	<b>2,425,124</b>	2,622,890
NMLB	88,051	-	<b>88,051</b>	149,295
Events	37,295	-	<b>37,295</b>	77,755
Mirror lab	164,263	-	<b>164,263</b>	199,130
Other ministry activities	153,270	-	<b>153,270</b>	179,174
<b>Total program expenses</b>	<b>3,265,254</b>	<b>-</b>	<b>3,265,254</b>	<b>3,568,144</b>
<i>Supporting services</i>				
General and administrative	315,984	-	<b>315,984</b>	281,663
Fund raising	819,051	-	<b>819,051</b>	1,010,227
<b>Total support services</b>	<b>1,135,035</b>	<b>-</b>	<b>1,135,035</b>	<b>1,291,890</b>
<b>Total expenses</b>	<b>4,400,289</b>	<b>-</b>	<b>4,400,289</b>	<b>4,860,034</b>
Change in net assets	(124,088)	39,745	<b>(84,343)</b>	(263,758)
Net assets at beginning of year	1,974,606	898,790	<b>2,873,396</b>	3,137,154
Net assets at end of year	\$ 1,850,518	\$ 938,535	<b>\$ 2,789,053</b>	\$ 2,873,396

*The accompanying notes are an integral part of these financial statements.*

**Man in the Mirror, Inc.**  
**Statements of Functional Expenses**

For the year ended December 31,

**2023**

	Program Expenses						Supporting Expenses		Total
	Resource Ministry	Area Directors	NMLB	Events	Mirror Lab	Other Ministry Activities	General and Administrative	Fund Raising	
Payroll, benefits and related costs	\$ 156,408	\$ 1,911,470	\$ 64,839	\$ 28,887	\$ 131,976	\$ 69,125	\$ 196,415	\$ 254,230	\$ 2,813,350
Event expense	1,912	80,012	2,352	34	1,075	18,329	5,559	464,749	574,022
Administration costs	22,225	121,091	307	725	8,165	22,633	51,275	23,122	249,543
Travel	1,793	125,117	1,700	10	1,154	11,880	303	23,917	165,874
Marketing	4,472	13,817	20	48	100	112	837	8,964	28,370
Product expense	75,496	24,105	3,859	294	318	301	290	258	104,921
Other expenses	8,418	35,950	1,694	1,660	3,521	2,748	7,452	14,104	75,547
Technology expense	14,101	30,792	2,370	2,245	5,281	3,766	3,540	6,552	68,647
Professional fees	95,393	14,237	5,582	-	3,878	19,553	31,936	9,469	180,048
Depreciation and amortization	10,876	10,876	2,175	2,175	5,221	3,480	3,480	5,221	43,504
Printed materials	436	7,742	1,987	51	122	82	82	5,105	15,607
Utilities	5,156	14,050	1,053	1,053	3,103	1,080	1,669	2,969	30,133
Furniture and equipment - maintenance and repairs	565	35,865	113	113	349	181	13,146	391	50,723
<b>Total expenses</b>	<b>\$ 397,251</b>	<b>\$ 2,425,124</b>	<b>\$ 88,051</b>	<b>\$ 37,295</b>	<b>\$ 164,263</b>	<b>\$ 153,270</b>	<b>\$ 315,984</b>	<b>\$ 819,051</b>	<b>\$ 4,400,289</b>

*The accompanying notes are an integral part of these financial statements.*



**Man in the Mirror, Inc.**  
**Statements of Functional Expenses (Continued)**

For the year ended December 31,

2022

	Program Expenses						Supporting Expenses		Total Expenses
	Resource Ministry	Area Directors	NMLB	Events	Mirror Lab	Other Ministry Activities	General and Administrative	Fund Raising	
Payroll, benefits and related costs	\$ 137,220	\$ 2,065,657	\$ 123,349	\$ 63,666	\$ 152,733	\$ 93,592	\$ 195,411	\$ 302,236	\$ 3,133,864
Event expense	11,167	75,011	6,206	94	4,287	17,445	1,555	590,632	706,397
Administration costs	20,341	123,941	4,495	3,360	7,326	32,826	45,134	34,352	271,775
Travel	8,727	141,022	1,656	1,058	4,084	4,085	346	18,758	179,736
Marketing	4,159	16,115	189	189	474	696	978	16,341	39,141
Product expense	61,590	37,724	1,420	1,031	3,146	18,566	328	1,039	124,844
Other expenses	8,922	37,463	2,004	1,745	3,928	2,672	2,343	13,972	73,049
Technology expense	9,249	33,121	1,871	1,871	4,220	3,217	2,890	5,559	61,998
Professional fees	58,396	13,849	-	168	3,424	168	21,554	9,918	107,477
Depreciation and amortization	11,939	11,939	2,388	2,388	5,731	3,821	3,820	5,731	47,757
Printed materials	1,422	11,197	4,221	748	171	332	124	7,900	26,115
Utilities	5,198	16,961	1,123	1,123	3,159	1,229	1,735	3,030	33,558
Furniture and equipment - maintenance and repairs	1,570	38,890	373	314	6,447	525	5,445	759	54,323
<b>Total expenses</b>	<b>\$ 339,900</b>	<b>\$ 2,622,890</b>	<b>\$ 149,295</b>	<b>\$ 77,755</b>	<b>\$ 199,130</b>	<b>\$ 179,174</b>	<b>\$ 281,663</b>	<b>\$ 1,010,227</b>	<b>\$ 4,860,034</b>

*The accompanying notes are an integral part of these financial statements.*

## Man in the Mirror, Inc. Statements of Cash Flows

<i>For the years ended December 31,</i>	<b>2023</b>	2022
<b>Operating Activities</b>		
Changes in net assets	\$ (84,343)	\$ (263,758)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	34,321	38,192
Amortization of right-of-use assets	9,183	9,565
Gain on early termination of lease	-	(3,064)
Change in cash surrender value of life insurance policy	(1,692)	(3,635)
Changes in operating assets and liabilities		
Decrease (increase) in		
Contributions in transit	(38,303)	60,046
Other assets	53,681	(53,681)
Inventory	2,838	(33,880)
Increase (decrease) in		
Accounts payable and accrued expenses	(12,551)	(103,899)
Contract liability	(3,262)	930
Total adjustments	44,215	(89,426)
Net cash provided (used) by operating activities	(40,128)	(353,184)
<b>Investing Activities</b>		
Purchases of investments	(747,818)	-
Purchases of building improvements	(13,204)	(96,595)
Net cash provided (used) by investing activities	(761,022)	(96,595)
<b>Financing Activities</b>		
Payments on finance lease liabilities	(10,703)	(11,140)
Principal payments on long-term debt	(42,388)	(41,072)
Net cash provided (used) by financing activities	(53,091)	(52,212)
Net change in cash and cash equivalents	(854,241)	(501,991)
Cash and cash equivalents beginning of year	1,894,083	2,396,074
Cash and cash equivalents at end of year	\$ 1,039,842	\$ 1,894,083

*The accompanying notes are an integral part of these financial statements.*

**Man in the Mirror, Inc.**  
**Statements of Cash Flows (Continued)**

**Non-Cash Investing and Financing Activities**

During 2022, the Organization terminated its copier finance lease and entered into a new finance lease for two copiers valued at \$52,490.

**Schedule of Certain Cash Flow Information**

	<b>2023</b>	<b>2022</b>
Interest	\$ 29,011	\$ 29,269
Income taxes	\$ -	\$ -

*The accompanying notes are an integral part of these financial statements.*

## **Man in the Mirror, Inc.** **Notes to Financial Statements**

### **Note 1: NATURE OF ACTIVITIES**

Man in the Mirror, Inc. (the Organization) is a not-for-profit Florida corporation. The Organization is dedicated to spreading the Christian gospel and accomplishes its mission primarily through the dissemination of Christian literature through its resource ministry, Area Directors program, No Man Left Behind events (NMLB) (a program outreach directed at men's discipleship and evangelism), as well as speaking engagements, worship meetings, seminars, research and development, and other ministry activities. The Organization is based in Casselberry, Florida.

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the accounting standards Codification (ASC) and related Accounting Standards Updates (ASUs).

#### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to determining the useful lives of property, furniture, and equipment and allocation of functional expenses.

#### ***Comparative Financial Information***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Investments***

The Organization reports investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

***Contributions in Transit***

Contributions in transit are expected to be realized within one month from the statement of financial position date. As of December 31, 2023 and 2022, contributions in transit consisted of gifts of cash without donor restrictions totaling \$145,954 and \$107,651, respectively, that were postmarked but not received and deposited as of year-end.

***Other Assets***

Other assets consists of prepaid expenses and deposits held by others.

***Inventory***

Inventory, consisting of books, CDs and DVDs, workbooks, and gifts is accounted for at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method and includes the shipping costs of inventory received.

***Property, Furniture, and Equipment, Net***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Building and building improvements	40 years
Office furniture and equipment	5 years
Computer equipment and software	3 - 5 years

***Long-Lived Assets***

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount of the asset, an impairment loss is recognized. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Contract Liability***

Contract liability consists primarily of event fees collected in advance of the related events.

***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

The sale of resources, such as books, CDs, DVDs, and workbooks, and event revenue are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

The Organization assists churches with hosting men's events. The church markets the event and administers the registration process and the Organization receives a fee for the event materials. For an additional fee, the Organization can also facilitate the event.

NMLB are city-wide events for men's leaders, pastors, laymen, and potential new leaders to learn about the No Man Left Behind model and to plan for its implementation. The host church enters into a contract with the Organization to hold the event. Each individual who wants to attend this event pays a tuition fee to the Organization in advance of the event.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue Recognition (Continued)***

Revenue is recognized when performance obligations under the terms of the contracts with customers are satisfied, which would be the point of time when the goods are shipped to the customer or the period of time when the events occur.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

***Debt Issuance Costs***

Under the requirements of FASB ASC 835-30, debt issuance costs are presented in the accompanying statements of financial position as a reduction of the carrying amount of the long-term debt. The estimated annual amortization expense is approximately \$200 for 2024 through 2036.

***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. A portion of the general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across program expenses and other supporting expenses based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents and usage of office space by a program or other support service versus the total office space.

***Advertising Costs***

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 31, 2023 and 2022, advertising costs totaled approximately \$15,700 and \$21,100, respectively.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Income Taxes***

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income.

The Organization has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject the Organization to any material income tax exposure. A reconciliation of the beginning and ending amount of unrecognized tax benefit is not included, nor is there any interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses as there are no unrecognized tax benefits.

***Leases***

The Organization leases office equipment. The Organization determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use assets (ROU), net and finance lease liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses 3.95% based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

***Subsequent Events***

Management has evaluated subsequent events through the date the financial statements were available to be issued, May 1, 2024, and determined that there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.



**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 3: LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions:

<i>December 31,</i>	<b>2023</b>	2022
Cash and cash equivalents	\$ <b>1,039,842</b>	\$ 1,894,083
Contributions in transit	<b>145,954</b>	107,651
Investments	<b>747,818</b>	-
Financial assets, at year-end	<b>1,933,614</b>	2,001,734
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donors with purpose restrictions	<b>(938,535)</b>	(898,790)
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 995,079</b>	\$ 1,102,944

***Liquidity Management***

Management of the Organization monitors its cash flow by reviewing cash flow reports on a weekly basis. Although borrowing money is an option, management prefers to control cash flow by reducing expenses. In addition, the Organization will negotiate extended terms for larger purchases, reduce salaries, or reduce employees if a cash flow need arises.

See Note 7 regarding minimum net worth requirements the Organization has in conjunction with its long-term debt.

**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 4: INVESTMENTS**

Investments consist of the following:

<i>December 31,</i>	<b>2023</b>	2022
Treasury bills	\$ 747,818	\$ -
Total investments	<b>\$ 747,818</b>	<b>\$ -</b>

**Note 5: PROPERTY, FURNITURE, AND EQUIPMENT, NET**

Property, furniture, and equipment, net consisted of the following:

<i>December 31,</i>	<b>2023</b>	2022
Land	\$ 602,690	\$ 602,690
Building and building improvements	<b>1,041,404</b>	1,028,198
Office furniture and equipment	<b>52,044</b>	52,044
Computer equipment and software	<b>88,427</b>	88,427
Total property and equipment	<b>1,784,565</b>	1,771,359
Less accumulated depreciation	<b>(318,212)</b>	(284,086)
Property and equipment, net	<b>\$ 1,466,353</b>	<b>\$ 1,487,273</b>

Depreciation expense amounted to \$34,321 and \$38,192 for 2023 and 2022, respectively.

**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 6: FINANCE LEASES**

In 2022, the Organization entered into a 63 month non-cancelable finance lease agreement for two copiers. Required monthly payments on the lease are \$1,071 through January 2028.

As of December 31, 2023 and 2022, assets recorded under finance leases were:

<i>For the years ended December 31,</i>	<b>2023</b>	2022
Finance lease right-of-use assets	\$ 52,490	\$ 52,490
Less accumulated depreciation	<b>(10,701)</b>	(1,518)
	<b>\$ 41,789</b>	\$ 50,972

The components of lease expense consist of the following:

<i>For the years ended December 31,</i>	<b>2023</b>	2022
Amortization of right-of-use asset	\$ 9,183	\$ 9,565
Interest on lease liabilities	<b>2,150</b>	960
Total finance lease cost	<b>\$ 11,333</b>	\$ 10,525

**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 6: FINANCE LEASES (Continued)**

The following is a schedule of future minimum lease payments under the capital lease agreements, together with the present value of the net minimum lease payments:

<i>For the years ended December 31,</i>	Finance Leases
2024	\$ 11,173
2025	11,173
2026	11,173
2027	11,173
2028	928
Total minimum lease payments	45,620
Less amount representing interest	(5,351)
Present value of net minimum lease payments	\$ 40,269

**Note 7: LONG TERM DEBT**

Long-term debt at December 31 is as follows:

	2023	2022
Twenty-year term note payable due March 4, 2036, bearing interest at 3.95%. Monthly principal and interest payments of approximately \$5,780.	\$ 643,949	\$ 686,337
Less unamortized debt issuance costs	(6,505)	(6,702)
	\$ 637,444	\$ 679,635

The note payable contains various affirmative covenants relating to the Organization's financial performance, operating results and reporting, including to maintain a minimum net worth of not less than \$560,000 and to maintain a minimum debt service coverage ratio of no less than 1.25 or a minimum cash balance of \$1 million. The loan is collateralized by the building, land, assignment of rents and leases on the property, and all other business assets of the Organization.

**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 7: LONG TERM DEBT (Continued)**

For the years ended December 31, 2023 and 2022, interest expense relating to the long-term debt was \$29,011 and \$29,269, respectively.

The aggregate principal payments for the remaining life of the long-term debt are as follows for the year ended December 31:

2024	\$	44,401
2025		46,187
2026		48,044
2027		49,976
2028		51,987
Thereafter		403,354
		<hr/>
	\$	643,949
		<hr/> <hr/>

**Note 8: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2023 and 2022 are as follows:

<i>December 31,</i>	<b>2023</b>	2022
	<hr/>	<hr/>
Restricted for specific purpose:		
Area Directors ministries	\$ 831,879	\$ 878,372
Spiritual Fathers curriculum development	18,000	-
International program	25,000	5,000
Other ministry activities	58,516	12,943
Launching Pad	5,140	2,475
	<hr/>	<hr/>
	\$ 938,535	\$ 898,790
	<hr/> <hr/>	<hr/> <hr/>

**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 8: NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. Net assets released from restrictions during the years ended December 31, 2023 and 2022 are as follows:

<i>For the years ended December 31,</i>	<b>2023</b>	<b>2022</b>
<hr/>		
Purpose restrictions accomplished:		
Area Directors ministries	\$ <b>46,493</b>	\$ 414,908
Other ministry activities	<b>32,000</b>	26,579
International	<b>5,000</b>	20,000
Launching Pad	-	250
Spiritual Fathers curriculum development	-	154,400
	<hr/>	<hr/>
	<b>\$ 83,493</b>	<b>\$ 616,137</b>
	<hr/> <hr/>	

**Note 9: REVENUE**

The Organization is recognizing resource revenue at the point in time when resources are shipped to the customer and event revenue at the time the event takes place. As of December 31, 2022, there were \$3,262 of performance obligations to be satisfied, of which was recognized in revenue in 2023. These performance obligations were based upon events occurring.

**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 9: REVENUE (Continued)**

Resource revenue and event revenue consists of the following:

<i>For the years ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Resource revenue</b>		
Books	\$ 25,754	\$ 44,295
Event resources	184	2,284
Mail order resources	44,749	29,830
Total resource revenue	<b>70,687</b>	76,409
<b>Event revenue</b>		
Per man fee	3,228	3,331
Scheduling fees	9,337	18,302
Extra printed materials	764	285
Honorariums	2,476	1,701
Ticket sales	1,975	15,567
Special events	890	9,953
NMLB tuition	14,360	18,907
Total event revenue	<b>33,030</b>	68,046
<b>Total resource and event revenue</b>	<b>\$ 103,717</b>	<b>\$ 144,455</b>

***Contract Balances***

The balance of contract liability was as follows:

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
Beginning of year	\$ 3,262	\$ 2,332
End of year	\$ -	\$ 3,262

**Note 10: DEFINED CONTRIBUTION PLAN**

The Organization sponsors a defined contribution 401(k) retirement plan (the Plan) covering all employees with at least six months of services. Eligible employees may make salary deferral contributions to the Plan. Additionally, the Organization may make discretionary matching contributions to the Plan. Employees vest in employer contributions over a six-year graded period. Employer contributions to the Plan were approximately \$56,500 and \$61,400, for the years ended December 31, 2023 and 2022, respectively.

**Note 11: CONCENTRATIONS**

The Organization maintains cash and cash equivalent deposits at banks and other financial institutions. Cash deposits in the banks, at times, exceed federally insured limits. Cash equivalent deposits in other financial institutions are not federally insured. The Organization has not experienced any losses in its cash and cash equivalents, and believes that there is no significant risk with respect to these deposits.

**Note 12: FAIR VALUE MEASUREMENTS**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- 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; or
  - can be corroborated by observable market data.

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.



**Man in the Mirror, Inc.**  
**Notes to Financial Statements**

**Note 12: FAIR VALUE MEASUREMENTS (Continued)**

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, 2023 and 2022.

*Treasury bills:* Valued at the trade history in the exact security.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets measured at fair value on a recurring basis consists of the following:

<i>December 31, 2023</i>	Level 1	Level 2	Level 3	<b>Total</b>
Treasury bills	\$ 747,818	\$ -	\$ -	<b>\$ 747,818</b>
Total investments at fair value	<b>\$ 747,818</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 747,818</b>