



Man in the Mirror, Inc.

FINANCIAL STATEMENTS

December 31, 2021 and 2020



	Page
REPORT	
Independent Auditors' Report.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statement of Activities (with prior year summarized information).....	4
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8



Carr, Riggs & Ingram, LLC
1031 West Morse Boulevard
Suite 200
Winter Park, FL 32789

407.644.7455
407.628.5277 (fax)
CRLcpa.com

INDEPENDENT AUDITORS' 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, 2021 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, 2021, 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 Auditors' 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.

Auditors' 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 auditors' 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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
April 14, 2022

Man in the Mirror, Inc.
Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 2,396,074	\$ 2,049,137
Contributions in transit	167,697	107,179
Other assets	2,640	2,640
Inventory	49,665	59,620
Life insurance cash surrender value	36,825	36,825
Property, furniture, and equipment, net	1,454,287	1,491,076
Total assets	\$ 4,107,188	\$ 3,746,477
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 102,505	\$ 80,918
Contract liability	2,332	463
Capital lease obligations	30,253	41,311
Long-term debt	720,510	759,708
Total liabilities	855,600	882,400
Net assets		
Without donor restrictions	1,768,800	1,363,277
With donor restrictions	1,482,788	1,500,800
Total net assets	3,251,588	2,864,077
Total liabilities and net assets	\$ 4,107,188	\$ 3,746,477

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>	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenues and Other Support				
Contributions	\$ 4,197,210	\$ 198,125	\$ 4,395,335	\$ 3,712,285
Resource revenue	99,652	-	99,652	95,976
Event revenue	98,054	-	98,054	29,436
Other revenue	18,750	-	18,750	17,839
Forgiveness of Paycheck Protection Program loan	-	-	-	502,800
Net assets released from restrictions	216,137	(216,137)	-	-
Total revenues and other support	4,629,803	(18,012)	4,611,791	4,358,336
Expenses				
<i>Program services</i>				
Resource Ministry	194,384	-	194,384	198,132
Area Directors	2,429,300	-	2,429,300	2,439,836
NMLB	129,785	-	129,785	107,575
Events	105,115	-	105,115	75,364
Mirror lab	178,455	-	178,455	-
Other ministry activities	184,257	-	184,257	148,820
Total program expenses	3,221,296	-	3,221,296	2,969,727
<i>Supporting services</i>				
General and administrative	252,111	-	252,111	215,803
Fund raising	750,873	-	750,873	456,346
Total support services	1,002,984	-	1,002,984	672,149
Total expenses	4,224,280	-	4,224,280	3,641,876
Change in Net Assets	405,523	(18,012)	387,511	716,460
Net assets at beginning of year	1,363,277	1,500,800	2,864,077	2,147,617
Net assets at end of year	\$ 1,768,800	\$ 1,482,788	\$ 3,251,588	\$ 2,864,077

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,

2021

	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	\$ 97,399	\$ 2,009,080	\$ 102,997	\$ 78,406	\$ 129,089	\$ 110,027	\$ 158,243	\$ 286,187	\$ 2,971,428
Event expense	4,788	45,115	4,887	137	1,722	12,606	426	338,211	407,892
Administration costs	10,011	105,473	8,204	8,877	7,892	32,336	45,843	33,100	251,736
Travel	6	92,244	1,531	1,249	683	398	5,816	10,985	112,912
Marketing	3,615	19,838	132	59	1,489	118	59	14,658	39,968
Product expense	50,057	31,367	570	69	2,550	493	1,209	1,768	88,083
Other expenses	5,889	36,156	1,901	3,814	1,898	3,895	2,533	23,889	79,975
Technology expense	4,777	40,086	3,687	3,660	4,927	7,494	3,642	4,665	72,938
Professional fees	8,740	5,449	-	-	23,550	750	20,638	13,500	72,627
Depreciation	4,438	2,959	1,479	4,438	1,110	4,069	2,959	15,534	36,986
Printed materials	2,398	6,953	2,190	2,156	-	98	175	5,038	19,008
Utilities	2,124	12,417	2,124	2,124	2,104	4,267	2,143	2,604	29,907
Furniture and equipment - maintenance and repairs	142	22,163	83	126	1,441	7,706	8,425	734	40,820
Total expenses	\$ 194,384	\$ 2,429,300	\$ 129,785	\$ 105,115	\$ 178,455	\$ 184,257	\$ 252,111	\$ 750,873	\$ 4,224,280

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,

2020

	Program Expenses					Supporting Expenses		Total Expenses
	Resource Ministry	Area Directors	NMLB	Events	Other Ministry Activities	General and Administrative	Fund Raising	
Payroll, benefits and related costs	\$ 70,732	\$ 1,836,927	\$ 84,561	\$ 55,283	\$ 102,009	\$ 140,325	\$ 268,751	\$ 2,558,588
Event expense	3,953	86,326	2,764	(1,178)	4,749	1,261	126,452	224,327
Administration costs	5,238	145,216	4,385	3,813	23,759	40,527	15,857	238,795
Travel	586	97,314	-	890	754	-	3,937	103,481
Marketing	3,863	15,560	42	1,501	20	13	8,173	29,172
Product expense	41,009	32,799	881	1,665	493	335	2,563	79,745
Other expenses	5,215	99,475	4,068	3,089	4,603	4,087	12,703	133,240
Technology expense	4,224	49,631	3,523	2,785	4,687	1,379	3,431	69,660
Professional fees	57,636	6,618	45	36	430	19,267	6,286	90,318
Depreciation	3,128	16,422	3,910	3,128	4,692	4,692	3,128	39,100
Printed materials	266	7,659	1,306	2,561	113	172	2,959	15,036
Utilities	2,027	16,360	1,916	1,528	2,221	2,295	1,969	28,316
Furniture and equipment - maintenance and repairs	255	29,529	174	263	290	1,450	137	32,098
Total expenses	\$ 198,132	\$ 2,439,836	\$ 107,575	\$ 75,364	\$ 148,820	\$ 215,803	\$ 456,346	\$ 3,641,876

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>	2021	2020
Operating Activities		
Changes in net assets	\$ 387,511	\$ 716,460
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	36,986	39,100
Changes in operating assets and liabilities		
Decrease (increase) in		
Contributions in transit	(60,518)	(45,789)
Inventory	9,955	(2,426)
Increase (decrease) in		
Accounts payable and accrued expenses	21,587	13,405
Contract liability	1,869	(258)
Total adjustments	9,879	4,032
Net cash provided by operating activities	397,390	720,492
Financing Activities		
Payments on capital lease obligations	(11,058)	(11,065)
Principal payments on long-term debt	(39,395)	(27,433)
Net cash used by financing activities	(50,453)	(38,498)
Net change in cash and cash equivalents	346,937	681,994
Cash and cash equivalents beginning of year	2,049,137	1,367,143
Cash and cash equivalents at end of year	\$ 2,396,074	\$ 2,049,137

Non-cash investing and financing activities

During 2020, the Organization entered into a capital lease for a postage meter valued at \$7,685.

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 Presentation

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 those used in the functional allocation of 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, 2020, 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)

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, 2021 and 2020, contributions in transit consisted of gifts of cash without donor restrictions totaling \$167,697 and \$107,179, respectively, that were postmarked but not received and deposited as of year-end.

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.

Contract Liability

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Organization receives a fee for the event materials and the church markets the event and administers the registration process. For an additional fee, the Organization can also facilitate the event.

NMLB are city-wide events. 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 in advance of the event.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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 2022 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, 2021 and 2020, advertising costs totaled approximately \$21,700 and \$19,700, respectively.

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's unrelated business income results from rental income received.

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.

Man in the Mirror, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 14, 2022, 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.

New Accounting Standards

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its 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:

<u>December 31,</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,396,074	\$ 2,049,137
Contributions in transit	167,697	107,179
Financial assets, at year-end	<u>2,563,771</u>	<u>2,156,316</u>
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donors with purpose restrictions	<u>(1,482,788)</u>	<u>(1,500,800)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,080,983</u>	<u>\$ 655,516</u>

Man in the Mirror, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

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

Note 4: PROPERTY, FURNITURE, AND EQUIPMENT, NET

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

<i>December 31,</i>	2021	2020
Land	\$ 602,690	\$ 602,690
Building and building improvements	931,603	931,603
Office furniture and equipment	52,044	52,044
Computer equipment and software	139,124	139,124
Total property and equipment	1,725,461	1,725,461
Less accumulated depreciation	(271,174)	(234,385)
Property and equipment, net	\$ 1,454,287	\$ 1,491,076

Depreciation expense amounted to \$36,986 and \$39,100 for 2021 and 2020, respectively.

Note 5: CAPITAL LEASE OBLIGATIONS

In 2016, the Organization entered into a 60 month non-cancelable capital lease agreement for two copiers. In May 2019, the Organization traded in one of these copiers for a new one and entered into a new lease agreement for the new copier and the remaining copier for 63 months. Required monthly payments on the lease are \$870 through August 2024.

In 2020, the Organization entered into a 63 month non-cancelable capital lease agreement for a postage meter. Required monthly payments on the lease are \$133 through November 2024.

Man in the Mirror, Inc.
Notes to Financial Statements

Note 5: CAPITAL LEASE OBLIGATIONS (Continued)

Gross amounts of office equipment and related accumulated depreciation recorded under the capital lease obligations are as follows:

<i>December 31,</i>	2021	2020
Office furniture	\$ 58,382	\$ 58,382
Less accumulated depreciation	(29,166)	(18,046)
	\$ 29,216	\$ 40,336

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 for the years ending December 31:

2022	\$ 12,040
2023	12,040
2024	7,555
Total minimum lease payments	31,635
Less amount representing interest	1,382
Present value of net minimum lease payments	\$ 30,253

Note 6: LONG-TERM DEBT

Long-term debt at December 31 is as follows:

	2021	2020
Twenty-year term note payable due March 4, 2036, bearing interest at 3.95%. Monthly principal and interest payments of approximately \$5,780	\$ 727,409	\$ 766,805
Less unamortized debt issuance costs	(6,899)	(7,097)
	\$ 720,510	\$ 759,708

During 2020, the financial institution agreed to modify the note and the interest rate decreased from 4.5% to 3.95%. No other terms and conditions of the note have changed in 2021.

Man in the Mirror, Inc.
Notes to Financial Statements

Note 6: LONG-TERM DEBT (Continued)

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. Additionally, there is a prepayment fee that will be incurred if the note payable is prepaid by another financial institution during the first five years of the loan. The loan is collateralized by the building, land, assignment of rents and leases on the property, and all other business assets of the Organization.

For the years ended December 31, 2021 and 2020, interest expense relating to the long-term debt was \$31,040 and \$36,219, respectively.

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

2022	\$	41,033
2023		42,684
2024		44,401
2025		46,187
2026		48,044
Thereafter		505,060
		<hr/>
	\$	727,409
		<hr/> <hr/>

Note 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 and 2020 are as follows:

	2021	2020
Restricted for specific purpose		
Area Directors ministries	\$ 1,293,280	\$ 1,394,899
Spiritual Fathers curriculum development	154,400	-
International program	25,000	-
Founders weekend	-	100,000
Other ministry activities	10,108	5,901
		<hr/>
	\$ 1,482,788	\$ 1,500,800
		<hr/> <hr/>

Man in the Mirror, Inc.
Notes to Financial Statements

Note 7: 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, 2021 and 2020 are as follows:

	2021	2020
<hr/>		
Purpose restrictions accomplished:		
Area Directors ministries	\$ 101,619	\$ -
Founders weekend	100,000	-
Other ministry activities	14,518	3,058
<hr/>		
	\$ 216,137	\$ 3,058
<hr/>		

Note 8: 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, 2021, there were \$2,332 of performance obligations to be satisfied, of which all is expected to be recognized in revenue in 2022. These performance obligations are based upon events occurring.

Contract Balances

The balance of contract liability was as follows:

<i>December 31,</i>	2021	2020
<hr/>		
Beginning of year	\$ 463	\$ 721
End of year	\$ 2,332	\$ 463
<hr/>		

Note 9: OPERATING LEASES

Operating Lease

In May 2021, the Organization entered into a lease for space for weekly prayer service through December 2022. Monthly lease payments are \$1,229. Lease expense for the year ended December 31, 2021 was approximately \$8,600. Future minimum lease payments are \$14,400 for the year ended December 31, 2022.

Man in the Mirror, Inc.
Notes to Financial Statements

Note 9: OPERATING LEASES (Continued)

Operating Lease Income

The Organization entered into a lease agreement with a tenant for office space with a term of two years through July 2021, which was then later extended to February 2022. Lease income related to this operating lease was approximately \$12,500 and \$10,400 for the years ended December 31, 2021 and 2020, respectively, and is included in the accompanying statement of activities as other revenue. The lease was terminated early by the tenant as of December 31, 2021.

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 \$48,800 and \$41,100, for the years ended December 31, 2021 and 2020, 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: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash was paid during the year for:

	2021	2020
Interest	\$ 31,040	\$ 36,219
Income taxes	\$ -	\$ -

Note 13: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including the effects on the financial markets, possible labor shortages or labor rate increases, and the effects on the economy overall, all of which are uncertain and can affect donors' level of giving.

Note 14: PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received a loan from a bank in the amount of \$502,800 under the Paycheck Protection Program (PPP) granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the program terms, PPP loans are forgiven and recognized as revenue if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the loan. In 2021 the loan was fully forgiven. The loan forgiveness was reported as revenue in 2020 on the accompanying statement of activities.