MAN IN THE MIRROR, INC.

Financial Statements
For the Years Ended
December 31, 2013 and 2012

MAN IN THE MIRROR INC.

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For the Years Ended December 31, 2013 and 2012

CRI CARR RIGGS & INGRAM
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INDEPENDENT AUDITOR'S REPORT

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

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, 2013, 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
The Organization's 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 audit. We conducted our audit 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 Man in the Mirror, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Man in the Mirror, Inc.'s 2012 financial statements, and our report dated April 4, 2013, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material aspects, with the audited financial statements from which it has been derived.

Carr Riggs & Ingram LLC

Orlando, Florida
April 14, 2014

MAN IN THE MIRROR, INC.

Statements of Financial Position

December 31, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	$ 829,497	$ 614,400
Inventory	223,467	230,086
Furniture and equipment, net	35,197	41,064
Total assets	$ 1,088,161	$ 885,550
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 69,974	$ 52,818
Unearned revenue	30,607	25,470
Capital lease obligation	15,123	18,243
Total liabilities	115,704	96,531
Net assets		
Unrestricted	484,416	517,194
Temporarily restricted	488,041	271,825
Total net assets	972,457	789,019
Total liabilities and net assets	$ 1,088,161	$ 885,550

See accompanying notes to financial statements.

MAN IN THE MIRROR, INC.

Statement of Activities

For the Year Ended December 31, 2013

(with comparative totals for 2012)

	Unrestricted	Temporarily Restricted	Totals 2013	Totals 2012
Revenues and other support				
Contributions	$ 2,284,327	$ 219,388	$ 2,503,715	$ 2,072,972
Resource revenue	406,568	-	406,568	509,350
Event revenue	232,456	-	232,456	140,417
Other revenue	40,142	-	40,142	30,088
Net assets released from restrictions	3,172	(3,172)	-	-
Total revenues and other support	2,966,665	216,216	3,182,881	2,752,827
Expenses				
Program expenses				
Resource ministry	508,843	-	508,843	581,193
Leadership Community	1,553,375	-	1,553,375	951,849
Leadership Training Center	229,613	-	229,613	245,807
Seminars	95,471	-	95,471	127,549
Monthly partner - program	48,604	-	48,604	58,110
Other ministry activities	104,955	-	104,955	102,514
Total program expenses	2,540,861	-	2,540,861	2,067,022
Supporting expenses				
General and administrative	284,091	-	284,091	291,839
Fund raising	174,491	-	174,491	171,414
Total support services	458,582	-	458,582	463,253
Total expenses	2,999,443	-	2,999,443	2,530,275
Increase (decrease) in net assets	(32,778)	216,216	183,438	222,552
Net assets at beginning of year	517,194	271,825	789,019	566,467
Net assets at end of year	$ 484,416	$ 488,041	$ 972,457	$ 789,019

See accompanying notes to financial statements.

MAN IN THE MIRROR, INC.

Statements of Cash Flows

For the Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Changes in net assets	$ 183,438	$ 222,552
Adjustments to reconcile changes in net assets		
to net cash provided by operating activities		
Depreciation	5,867	8,520
Decrease in		
Inventory	6,619	18,149
Increase (decrease) in		
Accounts payable and accrued expenses	17,156	(51,907)
Unearned revenue	5,137	503
Total adjustments	34,779	(24,735)
Net cash provided by operating activities	218,217	197,817
Cash flows from investing activities		
Purchases of furniture and equipment and		
Net cash used by investing activities	-	(9,095)
Cash flows from financing activities		
Payments on capital lease obligation and		
Net cash used by financing activities	(3,120)	(2,431)
Net increase in cash and cash equivalents	215,097	186,291
Balance, beginning of year	614,400	428,109
Balance, end of year	$ 829,497	$ 614,400

See accompanying 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 a resource ministry, Leadership Community, Leadership Training Center (a program outreach directed at men’s discipleship and evangelism), as well as speaking engagements, worship meetings, seminars, and other ministry activities. The Organization is based in Casselberry, Florida.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT - Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “net assets released from restrictions.”

BASIS OF PRESENTATION - 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 accounting principles generally accepted in the United States of America. Accordingly, the comparative information presented should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2012, from which the summarized information was derived.

CASH AND CASH EQUIVALENTS - The Organization considers all investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

INVENTORY – Inventory, consisting of books, CDs and DVDs, workbooks, and gifts and apparel, is accounted for at the lower of cost or market value on a first in-first out basis and includes the shipping costs of inventory received.

FURNITURE AND EQUIPMENT - Furniture and equipment are carried at cost or fair value, if donated. Depreciation is provided on the straight-line basis over the assets’ estimated useful lives, which are generally between 3-10 years. Additions and betterments are capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently. It is the Organization’s policy to capitalize property and equipment with a cost or estimated fair value over $5,000 at the date of gift or purchase.

UNEARNED REVENUE - Unearned revenue consists primarily of event fees collected in advance of the related events.

INCOME TAXES - The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. As a result, no income tax provision or liability has been provided for in the accompanying financial statements. The Organization has not incurred unrelated business income taxes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED) - 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. All tax years remain subject to examination for all major tax jurisdictions.

USE OF ESTIMATES - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those related to determining the useful lives of furniture and equipment and the functional allocation of expenses. Actual results could differ from the estimates.

ADVERTISING COSTS - Costs of advertising are expensed as incurred. Advertising expense was approximately $71,800 and $70,500 for the years ended December 31, 2013 and 2012, respectively.

NOTE 3 – FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at December 31:

	2013	2012
Office furniture and equipment	$ 88,095	$ 88,095
Computer equipment and software	115,768	115,768
	203,863	203,863
Less: accumulated depreciation	(168,666)	(162,799)
Net furniture and equipment	$ 35,197	$ 41,064

Depreciation expense amounted to $5,867 and $8,520 for 2013 and 2012, respectively.

NOTE 4 – CAPITAL LEASE OBLIGATION

In 2011, the Organization entered into a non-cancelable capital lease agreement for a copier. Required monthly payments on the lease are $615 through November 2016.

Gross amounts of office equipment and related accumulated depreciation recorded under the capital lease obligation are as follows as of December 31:

	2013	2012
Office equipment	$ 20,850	$ 20,850
Less: accumulated depreciation	(4,518)	(2,433)
	$ 16,332	$ 18,417

NOTE 4 – CAPITAL LEASE OBLIGATION (CONTINUED)

The following is a schedule of future minimum lease payments under the capital lease agreement, together with the present value of the net minimum lease payments as of December 31:

2014	$	7,376
2015		7,376
2016		6,761
Total minimum lease payments		21,513
Less: amount representing interest		(6,390)
Present value of net minimum lease payments		15,123
Less: current maturities		(7,376)
	$	7,747

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2013 and 2012 were restricted by donors for the following purposes:

		2013		2012
Leadership community	$	482,712	$	263,340
Resource ministry		5,329		8,485
	$	488,041	$	271,825

NOTE 6 – LEASES

The Organization entered into an operating lease for office space. With proper notice, the Organization has options to terminate the lease twice per year for a termination fee. The lease calls for approximate monthly payments of $5,630 through December 2014. The Organization also leases a postage machine with monthly payments of $199 through October 2014. Lease expense related to all operating leases was approximately $70,700 and $70,500 for 2013 and 2012.

NOTE 7 – RETIREMENT PLAN

The Organization participates in a defined contribution 401(k) retirement plan (the "Plan"). Employees are eligible to participate in the Plan upon completing six months of service, as defined in the Plan document. 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 $24,542 and $20,152 for 2013 and 2012, respectively.

NOTE 8 – 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.

One of the Organization's donor's contributions totaled $450,000, or approximately 18% of the total contributions for 2013 and one major donor's contributions totaled $760,000, or approximately 37% of total contributions for 2012.

NOTE 9 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash was paid during the year for:

	2013	2013
Interest	$ 4,256	$ 4,945
Income taxes	$ -	$ -

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 14, 2014 which represents the date the financial statements were issued.