

**REALITY MINISTRIES, INC.**

**Durham, North Carolina**

**COMPILED FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**



## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of  
Reality Ministries, Inc.  
Durham, North Carolina

Management is responsible for the accompanying financial statements of Reality Ministries, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all disclosures required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Blackman & Sloop*

Chapel Hill, North Carolina  
December 6, 2024

**REALITY MINISTRIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2024 and 2023**

**ASSETS**

	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 694,171	\$ 714,022
<b>TOTAL CURRENT ASSETS</b>	694,171	714,022
<b>PROPERTY AND EQUIPMENT</b>		
Land	785,314	785,314
Buildings	2,041,415	2,041,414
Recording studio equipment	14,717	14,717
Computer and equipment	14,450	14,450
Furniture and fixtures	1,329	1,329
Less: accumulated depreciation	(502,080)	(439,509)
<b>NET PROPERTY AND EQUIPMENT</b>	2,355,145	2,417,715
<b>TOTAL ASSETS</b>	\$ 3,049,316	\$ 3,131,737

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Security deposits payable	\$ 11,362	\$ 8,563
Current portion of long-term debt	-	16,300
<b>TOTAL CURRENT LIABILITIES</b>	11,362	24,863
<b>LONG TERM LIABILITIES</b>		
Long-term debt, net of current portion	-	163,405
<b>TOTAL LIABILITIES</b>	11,362	188,268
<b>NET ASSETS</b>		
Net assets without donor restrictions	2,932,871	2,689,332
Net assets with donor restrictions	105,083	254,137
<b>TOTAL NET ASSETS</b>	3,037,954	2,943,469
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 3,049,316	\$ 3,131,737

See Independent Accountant's Compilation report.

## REALITY MINISTRIES, INC.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2024  
(With Comparative Totals for the Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public support				
Contributions - without donor restrictions	\$ 1,114,098	\$ -	\$ 1,114,098	882,098
Contributions - Corner House	-	121,825	121,825	69,181
Contributions - camp scholarships	-	55,993	55,993	20,944
Contributions - Isaac House	-	-	-	460,241
Contributions - with donor restrictions	-	2,449	2,449	10,870
Total public support	1,114,098	180,267	1,294,365	1,443,334
Other revenue				
Camp fees	25,354	-	25,354	18,783
Program service fees	58,782	-	58,782	75,701
Building usage	36,595	-	36,595	35,082
Rental Income - Corner House	35,550	-	35,550	18,500
Rental Income - Friendship House	68,524	-	68,524	78,625
Rental Income - Isaac House	30,268	-	30,268	2,991
Sale of merchandise, net of cost of sales	1,799	-	1,799	828
Sales, net of cost of sales	7,490	-	7,490	5,404
Realized gain (loss) on investments	1,266	-	1,266	(133)
Reality Café Donations	-	925	925	680
Interest	2,653	-	2,653	554
Total other revenue	268,281	925	269,206	237,015
Net assets released from restrictions	330,246	(330,246)	-	-
<b>TOTAL PUBLIC SUPPORT AND OTHER REVENUE</b>	<b>1,712,625</b>	<b>(149,054)</b>	<b>1,563,571</b>	<b>1,680,349</b>
<b>EXPENSES</b>				
Program services	1,176,368	-	1,176,368	1,172,308
Support services				
Management and general	216,956	-	216,956	160,516
Fundraising	75,762	-	75,762	71,100
Total support services	292,718	-	292,718	231,616
<b>TOTAL EXPENSES</b>	<b>1,469,086</b>	<b>-</b>	<b>1,469,086</b>	<b>1,403,924</b>
<b>CHANGES IN NET ASSETS</b>	<b>243,539</b>	<b>(149,054)</b>	<b>94,485</b>	<b>276,425</b>
<b>NET ASSETS - BEGINNING OF PERIOD</b>	<b>2,689,332</b>	<b>254,137</b>	<b>2,943,469</b>	<b>2,667,044</b>
<b>NET ASSETS - END OF PERIOD</b>	<b>\$ 2,932,871</b>	<b>\$ 105,083</b>	<b>\$ 3,037,954</b>	<b>\$ 2,943,469</b>

See Independent Accountant's Compilation report.

## REALITY MINISTRIES, INC.

## STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 94,485	\$ 276,425
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	62,570	53,638
Realized gain/loss on investments	(1,266)	133
Donated investments/properties	(56,689)	(450,000)
Long-term debt forgiveness	-	-
Increase (decrease) in cash arising from changes in assets and liabilities:		
Prepaid expenses	-	19,824
Security deposits payable	2,800	650
	<u>101,900</u>	<u>(99,330)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	57,955	(133)
Purchase of property and equipment	-	(408,965)
	<u>57,955</u>	<u>(409,098)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(179,706)	(15,338)
	<u>(179,706)</u>	<u>(15,338)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
<b>NET INCREASE/(DECREASE) IN CASH</b>	<u>(19,851)</u>	<u>(523,766)</u>
<b>CASH - BEGINNING OF PERIOD</b>	<u>714,022</u>	<u>1,237,788</u>
<b>CASH - END OF PERIOD</b>	<u>\$ 694,171</u>	<u>\$ 714,022</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	<u>\$ 2,440</u>	<u>\$ 11,445</u>
Donated investments/properties	<u>\$ 56,689</u>	<u>\$ 450,000</u>

See Independent Accountant's Compilation report.

## REALITY MINISTRIES, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2024  
(With Comparative Totals for the Year Ended June 30, 2023)

	Program Services	Management and General	Fundraising	Total	
				2024	2023
Regular salaries & wages	\$ 648,132	\$ 76,251	\$ 38,125	\$ 762,508	\$ 732,439
Employee benefits	108,092	16,214	10,809	135,115	128,363
Directors salary	17,239	44,821	6,896	68,956	70,863
Payroll taxes	52,748	7,912	5,275	65,935	63,524
Depreciation	62,570	-	-	62,570	53,638
Insurance	32,011	8,003	-	40,014	55,243
Daytime at the Reality Center	38,987	-	-	38,987	36,536
Friendship House	34,068	-	-	34,068	26,300
Accounting fees	-	27,294	-	27,294	25,317
Special needs ministry	26,123	-	-	26,123	22,989
Fellows program	20,500	-	-	20,500	5,937
Camp expenses	19,473	-	-	19,473	22,035
Bank service charges	-	18,603	-	18,603	7,903
Isaac House	18,290	-	-	18,290	11,745
Corner House	18,061	-	-	18,061	14,624
Cleaning service	12,528	4,176	-	16,704	16,562
Utilities	10,582	3,528	-	14,110	10,616
Building Maintenance	9,540	3,180	-	12,720	17,038
Community care	9,420	-	-	9,420	4,504
Fundraising	-	-	8,285	8,285	18,808
Other program expenses	6,497	-	-	6,497	409
Postage & mailing service	322	322	5,801	6,445	2,814
Conference, convention, meeting	5,940	-	-	5,940	13,308
Contract services	1,148	4,590	-	5,738	4,076
Business Expenses	5,553	-	-	5,553	3,599
Volunteer care	5,156	-	-	5,156	1,554
Supplies	2,832	708	-	3,540	3,741
Operations	1,993	664	-	2,657	4,479
Reality Cafe	2,636	-	-	2,636	2,855
Interest	2,440	-	-	2,440	11,445
Printing & copying	1,143	571	571	2,285	1,451
Vehicles expenses	1,809	-	-	1,809	4,190
Books, subscriptions, reference	385	-	-	385	-
Facilities and Equipment	150	-	-	150	-
Business registration fees	-	119	-	119	93
Farm	-	-	-	-	3,904
Travel	-	-	-	-	925
Real Estate, Personal Prop Tax	-	-	-	-	55
Other costs	-	-	-	-	42
	<u>\$ 1,176,368</u>	<u>\$ 216,956</u>	<u>\$ 75,762</u>	<u>\$ 1,469,086</u>	<u>\$ 1,403,924</u>

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