

REALITY MINISTRIES, INC.
COMPILED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024



November 19, 2025

Ms. Julie DeConto
Reality Ministries, Inc.
Post Office Box 242
Durham, NC 27702

Dear Julie:

Enclosed please find a PDF copy of the Compiled Financial Statements for Reality Ministries, Inc. for the years ended June 30, 2025 and 2024.

If you have any questions or if we can be of further assistance, please do not hesitate to call.

Very truly yours,

BALANCE & STRATEGY ADVISORS, CPAs, LLP

A handwritten signature in cursive script that reads 'Deetra B. Watson'.

Deetra B Watson, CPA

Enclosures

BALANCE & STRATEGY ADVISORS, CPAs LLP

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Reality Ministries, Inc.

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, 2025 and 2024, 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.

Balance & Strategy

Chapel Hill, North Carolina
November 19, 2025

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REALITY MINISTRIES, INC.

STATEMENTS OF FINANCIAL POSITION

EXHIBIT A

June 30, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS:		
Cash	\$ 709,348	\$ 694,171
PROPERTY AND EQUIPMENT:		
Land	785,314	785,314
Buildings	2,041,415	2,041,415
Recording studio equipment	14,717	14,717
Computer and equipment	14,450	14,450
Furniture and fixtures	1,329	1,329
Less: accumulated depreciation	<u>(564,437)</u>	<u>(502,080)</u>
NET PROPERTY AND EQUIPMENT	<u>2,292,788</u>	<u>2,355,145</u>
TOTAL ASSETS	<u>\$ 3,002,136</u>	<u>\$ 3,049,316</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Security deposits payable	\$ 12,237	\$ 11,362
NET ASSETS:		
Net assets without donor restrictions	2,893,736	2,932,871
Net assets with donor restrictions	<u>96,163</u>	<u>105,083</u>
TOTAL NET ASSETS	<u>2,989,899</u>	<u>3,037,954</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,002,136</u>	<u>\$ 3,049,316</u>

See Independent Accountant's Compilation report.

REALITY MINISTRIES, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2025 and 2024

EXHIBIT B

Page 1 of 2

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE				
Public support:				
Contributions	\$ 1,242,620	\$ -	\$ 1,242,620	\$ 1,116,547
Contributions - Corner House	-	-	-	121,825
Contributions - camp scholarships	-	19,994	19,994	55,993
Reality Café Donations	-	2,307	2,307	925
Total public support	1,242,620	22,301	1,264,921	1,295,290
Other revenue:				
Camp fees	17,229	-	17,229	25,354
Program service fees	68,299	-	68,299	58,782
Building usage	50,838	-	50,838	36,595
Rental Income - Corner House	41,899	-	41,899	35,550
Rental Income - Friendship House	73,917	-	73,917	68,524
Rental Income - Isaac House	21,000	-	21,000	30,268
Sale of merchandise, net of cost of sales	1,584	-	1,584	1,799
Sales, net of cost of sales	4,836	-	4,836	7,490
Net investment return	(459)	-	(459)	1,535
Interest income	21,412	-	21,412	2,384
Other Income	81,989	-	81,989	-
Total other revenue	382,544	-	382,544	268,281
Net assets released from restrictions	31,221	(31,221)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	1,656,385	(8,920)	1,647,465	1,563,571
EXPENSES				
Program services	1,384,071	-	1,384,071	1,176,368
Support services:				
Management and general	225,647	-	225,647	216,956
Fundraising	85,807	-	85,807	75,762
Total support services	311,454	-	311,454	292,718
TOTAL EXPENSES	1,695,525	-	1,695,525	1,469,086
CHANGES IN NET ASSETS	(39,140)	(8,920)	(48,060)	94,485
NET ASSETS - BEGINNING OF PERIOD	2,932,871	105,083	3,037,954	2,943,469
NET ASSETS - END OF PERIOD	\$ 2,893,736	\$ 96,163	\$ 2,989,899	\$ 3,037,954

REALITY MINISTRIES, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

EXHIBIT B

For the Years Ended June 30, 2025 and 2024

Page 2 of 2

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
PUBLIC SUPPORT AND REVENUE			
Public support:			
Contributions - without donor restrictions	\$ 1,114,098	\$ 2,449	\$ 1,116,547
Contributions - Corner House	-	121,825	121,825
Contributions - camp scholarships	-	55,993	55,993
Contributions - Sarah Johnson support	-	925	925
Total public support	1,114,098	181,192	1,295,290
Other revenue:			
Camp fees	25,354	-	25,354
Program service fees	58,782	-	58,782
Building usage	36,595	-	36,595
Rental Income - Corner House	35,550	-	35,550
Rental Income - Friendship House	68,524	-	68,524
Rental Income - Isaac House	30,268	-	30,268
Sale of merchandise, net of cost of sales	1,799	-	1,799
Sales, net of cost of sales	7,490	-	7,490
Net investment return	1,535	-	1,535
Interest income	2,384	-	2,384
Total other revenue	268,281	-	268,281
Net assets released from restrictions	330,246	(330,246)	-
TOTAL PUBLIC SUPPORT	1,712,625	(149,054)	1,563,571
EXPENSES			
Program services	1,176,368	-	1,176,368
Support services:			
Management and general	216,956	-	216,956
Fundraising	75,762	-	75,762
Total support services	292,718	-	292,718
TOTAL EXPENSES	1,469,086	-	1,469,086
CHANGES IN NET ASSETS	243,539	(149,054)	94,485
NET ASSETS - BEGINNING OF PERIOD	2,689,332	254,137	2,943,469
NET ASSETS - END OF PERIOD	\$ 2,932,871	\$ 105,083	\$ 3,037,954

See Independent Accountant's Compilation report.

REALITY MINISTRIES, INC.

STATEMENTS OF CASH FLOWS

EXHIBIT C

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (48,060)	\$ 94,485
Adjustments to reconcile changes in net assets to net cash provided by (used in) provided by operating activities:		
Depreciation	62,357	62,570
Realized loss (gain) on investments	490	(1,266)
Donated investments	(62,138)	(56,689)
Changes in assets and liabilities:		
Security deposits payable	875	2,800
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(46,476)</u>	<u>101,900</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	<u>61,653</u>	<u>57,955</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	<u>-</u>	<u>(179,706)</u>
NET INCREASE (DECREASE) IN CASH	<u>15,177</u>	<u>(19,851)</u>
CASH - BEGINNING OF PERIOD	<u>694,171</u>	<u>714,022</u>
CASH - END OF PERIOD	<u>\$ 709,348</u>	<u>\$ 694,171</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	<u>\$ -</u>	<u>\$ 2,440</u>
Donated investments	<u>\$ 62,138</u>	<u>\$ 56,689</u>

See Independent Accountant's Compilation report.

REALITY MINISTRIES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2025 and 2024

EXHIBIT D

Page 1 of 2

	2025				2024
	Program Services	Management and General	Fundraising	Total	Total
Regular salaries & wages	\$ 751,938	\$ 88,463	\$ 44,232	\$ 884,633	\$ 762,508
Employee benefits	113,654	17,048	11,365	142,067	135,115
Friendship House	94,213	-	-	94,213	34,068
Payroll taxes	61,174	9,176	6,117	76,467	65,935
Directors salary	16,398	42,637	6,560	65,595	68,956
Depreciation	62,357	-	-	62,357	62,570
Daytime at the Reality Center	47,045	-	-	47,045	38,987
Insurance	35,273	8,818	-	44,091	40,014
Accounting fees	-	34,111	-	34,111	27,294
Special needs ministry	30,349	-	-	30,349	26,123
Corner House	35,335	-	-	35,335	18,061
Camp expenses	27,841	-	-	27,841	19,473
Other program expenses	21,464	-	-	21,464	6,497
Facilities and Equipment	13,538	-	-	13,538	150
Cleaning service	12,510	4,170	-	16,680	16,704
Fundraising	-	-	15,721	15,721	8,285
Utilities	8,623	2,874	-	11,497	14,110
Conference, convention, meeting	10,311	-	-	10,311	5,940
Building Maintenance	5,237	1,746	-	6,983	12,720
Isaac House	9,357	-	-	9,357	18,290
Bank service charges	-	8,892	-	8,892	18,603
Community care	6,770	-	-	6,770	9,420
Contract services	1,297	5,190	-	6,487	5,738
Supplies	3,828	957	-	4,785	3,540
Business Expenses	4,046	-	-	4,046	5,553
Volunteer care	3,446	-	-	3,446	5,156
Operations	2,290	764	-	3,054	2,657
Reality Cafe	2,622	-	-	2,622	2,636
Printing & copying	1,015	507	507	2,029	2,285
Vehicles expenses	1,963	-	-	1,963	1,809
Postage & mailing service	72	73	1,305	1,450	6,445
Other costs	-	221	-	221	-
Books, subscriptions, reference	105	-	-	105	385
Fellows program	-	-	-	-	20,500
Interest	-	-	-	-	2,440
Business registration fees	-	-	-	-	119
	<u>\$ 1,384,071</u>	<u>\$ 225,647</u>	<u>\$ 85,807</u>	<u>\$ 1,695,525</u>	<u>\$ 1,469,086</u>

See Independent Accountant's Compilation report.

REALITY MINISTRIES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

EXHIBIT D

For the Years Ended June 30, 2025 and 2024

Page 2 of 2

	2024			Total
	Program Services	Management and General	Fundraising	
Regular salaries & wages	\$ 648,132	\$ 76,251	\$ 38,125	\$ 762,508
Employee benefits	108,092	16,214	10,809	135,115
Friendship House	34,068	-	-	34,068
Payroll taxes	52,748	7,912	5,275	65,935
Directors salary	17,239	44,821	6,896	68,956
Depreciation	62,570	-	-	62,570
Daytime at the Reality Center	38,987	-	-	38,987
Insurance	32,011	8,003	-	40,014
Accounting fees	-	27,294	-	27,294
Special needs ministry	26,123	-	-	26,123
Corner House	18,061	-	-	18,061
Camp expenses	19,473	-	-	19,473
Other program expenses	6,497	-	-	6,497
Facilities and Equipment	150	-	-	150
Cleaning service	12,528	4,176	-	16,704
Fundraising	-	-	8,285	8,285
Utilities	10,582	3,528	-	14,110
Conference, convention, meeting	5,940	-	-	5,940
Building Maintenance	9,540	3,180	-	12,720
Isaac House	18,290	-	-	18,290
Bank service charges	-	18,603	-	18,603
Community care	9,420	-	-	9,420
Contract services	1,148	4,590	-	5,738
Supplies	2,832	708	-	3,540
Business Expenses	5,553	-	-	5,553
Volunteer care	5,156	-	-	5,156
Operations	1,993	664	-	2,657
Reality Cafe	2,636	-	-	2,636
Printing & copying	1,143	571	571	2,285
Vehicles expenses	1,809	-	-	1,809
Postage & mailing service	322	322	5,801	6,445
Books, subscriptions, reference	385	-	-	385
Fellows program	20,500	-	-	20,500
Interest	2,440	-	-	2,440
Business registration fees	-	119	-	119
	<u>\$ 1,176,368</u>	<u>\$ 216,956</u>	<u>\$ 75,762</u>	<u>\$ 1,469,086</u>

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