

# Reciprocal Ministries International, Inc.

REVIEWED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024



**TaxSavers CPA**

Reporting Solutions

CHRISTOPHER M. VAAL, CPA  
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# **Reciprocal Ministries International, Inc.**

## **TABLE OF CONTENTS**

	<u>Page</u>
Independent Accountant's Review Report	1
<u>Financial Statements:</u>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 - 12



# TaxSavers CPA

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Reciprocal Ministries International, Inc.

I have reviewed the accompanying financial statements of **Reciprocal Ministries International, Inc.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### Management's Responsibility 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; 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.

### Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of **Reciprocal Ministries International, Inc.** and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*TaxSavers CPA LLC*

Tax Savers CPA LLC  
August 1, 2025

# Reciprocal Ministries International, Inc.

## Statement of Financial Position

As of December 31, 2024

### ASSETS

#### Current Assets

Cash and cash equivalents	\$ 1,959,650
Investments	613,877
Accounts receivable	123,914
Loans receivable	9,000
Prepaid and other current assets	7,507
<b>Total Current Assets</b>	<b>2,713,948</b>

#### Noncurrent Assets

Property and equipment, net	85,406
Security Deposits	300
<b>Total Noncurrent Assets</b>	<b>85,706</b>

<b>Total Assets</b>	<b>\$ 2,799,654</b>
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### LIABILITIES AND NET ASSETS

#### Current Liabilities

Accounts Payable	\$ 8,507
Accrued Expenses	28,990
<b>Total Current Liabilities</b>	<b>37,497</b>

<b>Total Liabilities</b>	<b>37,497</b>
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#### Net Assets

Without donor restrictions	2,761,257
With donor restrictions	900
<b>Total Net Assets</b>	<b>2,762,157</b>

<b>Total Liabilities and Net Assets</b>	<b>\$ 2,799,654</b>
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# **Reciprocal Ministries International, Inc.**

## **Statement of Activities**

**For the Year Ended December 31, 2024**

### **Changes in Net Assets without Donor Restrictions**

#### **Revenues**

Contributions	\$ 2,859,672
Total revenues without donor restrictions	<u>2,859,672</u>

#### **Expenses**

Programs services	2,363,389
Management and general	224,207
Fundraising	<u>148,298</u>
Total Expenses	2,735,894

Increase in Net Assets without Donor Restrictions	<u>123,778</u>
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### **Other Changes in Net Assets without Donor Restrictions**

Employer retention tax credit repayment	(54,672)
Interest income	4,107

Total Other Changes in Net Assets without Donor Restrictions	<u>(50,565)</u>
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Increase in Net Assets	73,213
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Net Assets at the Beginning of Period	<u>2,688,944</u>
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Net Assets at the End of Period	<u><u>\$ 2,762,157</u></u>
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# Reciprocal Ministries International, Inc.

## Statement of Cash Flows

For the Year ended December 31, 2024

### Cash Flows From Operating Activities

Change in Net Assets	\$ 73,213
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	21,938
Write-off of uncollectible accounts receivable	27,444
Changes in Operating Assets and Liabilities:	
Investments	(4,056)
Accounts receivable	(73,476)
Prepaid expenses	(7,507)
Other current assets	1,740
Accounts payable	4,238
Accrued expenses	25,990
<b>Net Cash Provided by Operating Activities</b>	<u>69,524</u>

### Cash Flows From Investing Activities:

Purchase of property and equipment	<u>(23,000)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(23,000)</u>

### Cash Flows from Financing Activities:

Issuance of loans receivable, net	(6,000)
Repayment of line of credit	<u>(675)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(6,675)</u>

<b>Net Increase in Cash</b>	<b>39,849</b>
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<b>Cash, Beginning of Period</b>	<u><b>1,919,801</b></u>
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<b>Cash, End of Period</b>	<u><u><b>\$ 1,959,650</b></u></u>
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# Reciprocal Ministries International, Inc.

## Statement of Functional Expenses

For the Year ended December 31, 2024

	Total	Programs Services	Management and General	Fund Raising
Ministry expenses	\$ 748,403	\$ 748,403	\$ -	\$ -
Payroll expenses	563,429	380,781	126,701	55,947
Hope For Kidz program expenses	463,705	463,705	-	-
Benefits expenses	133,496	93,895	25,725	13,876
Haiti - Food expenses	112,151	112,151	-	-
Field Missionary expenses	109,281	109,281	-	-
Haiti - Field expenses	93,292	93,292	-	-
Office expenses	87,108	54,530	18,989	13,589
Occupancy expenses	62,109	39,750	14,906	7,453
Service Fees expenses	61,236	29,876	24,021	7,339
Payroll Tax expenses	47,141	33,941	8,957	4,243
FFH - Hot Lunch expenses	40,600	40,600	-	-
Travel expenses	39,385	24,340	748	14,297
Haiti - MEBSH expenses	32,000	32,000	-	-
Dominican Republic - Travel expenses	29,489	29,489	-	-
Advertising expenses	27,975	-	-	27,975
Haiti - Travel expenses	25,757	25,757	-	-
Depreciation expenses	21,938	16,012	3,949	1,977
Education expenses	19,872	19,872	-	-
Haiti - Home construction expenses	15,300	15,300	-	-
Development expenses	1,500	-	-	1,500
Interest/Finance expenses	727	414	211	102
<b>TOTAL</b>	<b>\$ 2,735,894</b>	<b>\$ 2,363,389</b>	<b>\$ 224,207</b>	<b>\$ 148,298</b>

# **Reciprocal Ministries International, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

### **NOTE 1 - NATURE OF ORGANIZATION**

#### Organizational Activity and Operating Cycle

Reciprocal Ministries International, Inc. (the Organization) is a non-profit corporation that was incorporated on April 26, 1988, under the laws of the State of Florida. The Organization is dedicated to spreading the Gospel of Jesus Christ through church ministry and missionary activity in the Third World. Reciprocal Ministries International, Inc. strives to link churches in the US to those in Haiti and those in the Dominican Republic. Major program services include Hope for Kids, the Food Program and the Sister Church Program. Financial and volunteer resources are provided to linked churches and include ministry training, medical teams, child education sponsorships, agronomy assistance, child food provision, small construction projects and the construction of prefab housing.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14 dated August 2016, the Organization uses the following classifications to distinguish among restrictions.

*Net assets without donor restrictions* — Contributions and all other revenue sources that are not subject to donor-imposed stipulations. Net Assets without donor restrictions include both undesignated and board designated funds. Undesignated net assets may be used at the discretion of management to support the mission of the Organization and consist of net assets accumulated from the results of operations. From time to time, the Board may designate net assets without donor restrictions for specific operational purposes.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors or grantors. Some restrictions are temporary in nature; those restrictions will be met by actions of the Organization and/or the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization has a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.



# **Reciprocal Ministries International, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

### Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all demand deposits, money market funds, and securities with original maturities of three months or less to be cash equivalents.

### Investments

Certificates of deposit, with a 12 month or less maturity, totaling \$613,877 are included in investments. The certificates bear interest at 5% and .050% with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

### Fair Value of Financial Instruments

Generally accepted accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques that measure fair market value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements).

The carrying value for cash and cash equivalents and the certificates of deposit approximated fair value and are considered Level I measurements.

### Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments (certificates of deposit). Both are maintained at high quality financial institutions which provide \$250,000 of insurance by the Federal Deposit Insurance Corporation (FDIC) per depositor at each financial institution. At December 31, 2024, the Organization had deposits at financial institutions of \$1,815,571 in excess of FDIC insurance coverage.

### Loans to Management

From time to time, short-term loans are made to management at nominal interest rates. During 2024, \$10,000 was loaned to a senior manager at 0% interest. At December 31, 2024, the loan balance receivable was \$9,000. No other loans to management were issued during 2024 or outstanding at December 31, 2024.

# **Reciprocal Ministries International, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

### Property and Equipment

Property and equipment used in the United States operations are capitalized at cost. Property and equipment used in the field is expensed. Donated assets to be used in the ministry are recorded at their fair market value on the date of the gift. Gain or loss from retirement or disposal of assets is reflected in the statement of unrestricted revenues and expense in the period in which the transaction occurs. Property and equipment are depreciated using a straight-line method.

### Revenues, Support and Expenses

Contribution income mainly from churches and individuals is recorded when cash is received or when ownership of donated assets is transferred. Expenses are recorded when incurred or when funds are ready to be transferred to the foreign field.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

The Organization allocates a predetermined percentage of certain donations received to administrative fee income and other unrestricted income accounts. This allocation is to reimburse for the overhead to ministry support functions.

### Functional Expenses

The cost of providing the various programs and supporting activities of the Organization have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs which do not relate directly to a particular activity have been allocated among program services, management and general services, and fund-raising activities.

# **Reciprocal Ministries International, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

### Donated Materials and Services

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

No amounts have been reflected in the statements for donated services, since no objective basis is available to measure the value of such services. However, a substantial number of volunteers from U.S. Sister Churches have donated significant amounts of their time in the Organization's program services.

### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

### Income Taxes

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Organization has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Accordingly, no provision is required to be made for income taxes in the financial statements. There was no unrelated business income for the year ended December 31, 2024.

The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Accordingly, the Organization has filed Internal Revenue Service Form 990, *Return of Organization Exempt from Income Tax*, as required.

# **Reciprocal Ministries International, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax return to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current year. Reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions, or settlements. The Organization is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

The Organization's informational returns filed with IRS are generally subject to examination for three years after the later of the due date or date of filing. However, the Organization is not currently under audit nor has the Organization been contacted by any of the taxing authorities.

### **NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following at December 31, 2024:

Office equipment and software	\$ 50,011
Transportation equipment	126,940
Furniture and fixtures	36,020
Total	<u>212,971</u>
Less: Accumulated depreciation	<u>(127,565)</u>
Net Property and Equipment	<u>\$ 85,406</u>

Estimated useful lives for property and equipment are 3 to 10 years and amounts are depreciated or amortized using a straight-line method.

Depreciation in the amount of \$21,938 has been included in the statement of activities for the year ended December 31, 2024.

Property and equipment for use in Haiti is expensed in the year of purchase. Significant amounts spent in prior years for property and equipment has been expensed but much of the property and equipment is still in use in Haiti operations. These included vehicles, office equipment, improvements in the new office, the converted old office, the repair depot, the retreat center and the construction of the original buildings at the retreat center. Ownership of these assets is held by a strategic national partner in Haiti.

# **Reciprocal Ministries International, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

### **NOTE 4 - LEASE ARRANGEMENTS**

The Organization conducts its operations in the U.S. from facilities that are leased annually, beginning August 1 each year, for \$2,667 monthly. In Haiti, the Organization subleases office space on an annual basis from MEBSH for \$5,000 annually. In addition the Organization also leases the former office and a duplex, now converted for missionary use. Partnered with MEBSH, the Organization maintains but pays no rent for the retreat center and the repair depot, utilized by the Organization.

Beginning November 2024, the Organization initiated a missionary lease for a residence in the Dominican Republic, on a month to month basis for \$1,700 per month.

Occupancy costs include an amount of lease expense in 2024 of approximately \$51,453.

### **NOTE 5 - DONOR RESTRICTED NET ASSETS**

Donor restricted net assets of \$900 are available for endowment purposes at December 31, 2024.

### **NOTE 6 - RETIREMENT PLAN**

The Organization has a 401K plan with a matching feature for employees contributing into the plan. A 2023 matching amount of \$15,818 and a 2024 matching amount of \$15,990 were paid and accrued, respectively, during and at the year ended December 31, 2024.

### **NOTE 7 - LINE OF CREDIT**

The Organization has a \$50,000 line of credit with Busey Bank which renewed on October 17, 2024 for a two year period, maturing October 17, 2026. At December 31, 2024 there was \$0 balance due against this line at an interest rate of 7.75%.

### **NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization monitors its liquidity so that it is able to meet its operating needs and other commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expense without limitations.

# **Reciprocal Ministries International, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

Cash and cash equivalents	\$ 1,959,650
Investments	613,877
Accounts receivable	123,914
Total	<u>2,697,441</u>
Less: Net assets with donor restrictions	900
Net financial assets	<u>\$ 2,696,541</u>

### **NOTE 9 - NONMONETARY CONTRIBUTION INCOME**

Included within 2024 Contribution revenue is a nonmonetary contribution of food, with a donated cost of \$67,651. The food consists of 1,080 MannaPacks (fortified rice and soy protein meals), providing an estimated 233,280 meals. The food was donated by Feed My Starving Children and was shipped directly to MEBSH in Port au Prince, Haiti for humanitarian relief.

### **NOTE 10 - EMPLOYEE RETENTION TAX CREDIT REPAYMENT**

In 2023, the Organization applied for and received funds under the Employee Retention Tax Credit (ERTC) program, as provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation. During the fiscal year ended December 31, 2023, the Organization was credited a total of \$287,762 under this program.

Subsequent to the initial receipt, the Organization determined that a portion of the ERTC was not eligible due to further analysis of eligibility requirements determined by an outsourced consulting company. Accordingly, during February 2024, the Organization repaid \$54,672 to the U.S. Treasury. The Organization continues to monitor guidance from the U.S. Treasury and the Internal Revenue Service and will record any future adjustments as necessary.

### **NOTE 11 - SUBSEQUENT EVENTS**

The Organization's management has performed subsequent events procedures through August 1, 2025, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.