

PROVERBS 31 MINISTRY INC.  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023



# PROVERBS 31 MINISTRY INC.

## Table of Contents

---

	<u>Page No.</u>
Independent Auditor's Report .....	1
<i>Financial Statements</i>	
Statements of Financial Position .....	3
Statements of Activities and Changes in Net Assets .....	4
Statements of Functional Expenses .....	5
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8



## **Independent Auditor's Report**

To the Board of Directors  
Proverbs 31 Ministry Inc.  
Matthews, North Carolina

### ***Opinion***

We have audited the accompanying financial statements of Proverbs 31 Ministry Inc. (a nonprofit organization) (the "Ministry"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Proverbs 31 Ministry Inc. as of December 31, 2024, 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 ("U.S. GAAP").

### ***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 Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Ministry 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.

### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, 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 the Ministry's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 auditor's report that includes our opinion.

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 the Ministry'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 the Ministry'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.

### **Prior Period Financial Statements**

The financial statements of Proverbs 31 Ministry Inc. as of and for the year ended December 31, 2023 were audited by other auditors whose report dated March 14, 2024 expressed an unmodified opinion on those statements.

*Bernard Robinson & Company, L.L.P.*

Charlotte, North Carolina  
June 9, 2025

**PROVERBS 31 MINISTRY INC.**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	<u>Assets</u>	
	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and cash equivalents	\$ 1,400,139	\$ 1,904,205
Accounts and other receivables	295,810	337,584
Investments	4,695,322	4,392,169
Inventory	574,941	499,132
Prepaid expenses	248,465	325,140
Total current assets	<u>7,214,677</u>	<u>7,458,230</u>
Property and equipment, net	5,816,191	6,029,196
Collections	79,500	79,500
Other assets	<u>2,889</u>	<u>11,652</u>
Total assets	<u><u>\$ 13,113,257</u></u>	<u><u>\$ 13,578,578</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	\$ 126,456	\$ 117,633
Accrued expenses	102,427	106,046
Deferred revenue	178,683	191,414
Current portion of long-term debt	176,301	172,361
Total current liabilities	<u>583,867</u>	<u>587,454</u>
Long-term debt	<u>2,917,798</u>	<u>3,092,686</u>
Total liabilities	<u><u>3,501,665</u></u>	<u><u>3,680,140</u></u>
Net Assets:		
Net assets without donor restrictions	9,521,592	9,898,438
Net assets with donor restrictions	90,000	-
Total net assets	<u><u>9,611,592</u></u>	<u><u>9,898,438</u></u>
Total liabilities and net assets	<u><u>\$ 13,113,257</u></u>	<u><u>\$ 13,578,578</u></u>

**PROVERBS 31 MINISTRY INC.**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended December 31, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets Without Donor Restrictions:						
Support and Revenue:						
Contributions	\$ 4,128,281	\$ 122,000	\$ 4,250,281	\$ 4,534,396	\$ -	\$ 4,534,396
Resource sales, net of cost of goods sold						
<b>(\$1,603,639 for 2024 and \$1,737,293 for 2023)</b>	<b>971,054</b>	-	<b>971,054</b>	1,287,767	-	1,287,767
Ministry training	176,800	-	176,800	195,000	-	195,000
Ministry training -subscriptions	761,427	-	761,427	873,916	-	873,916
Conference income	519,962	-	519,962	550,022	-	550,022
Speaking ministry income	131,029	-	131,029	84,757	-	84,757
Special projects	322,358	-	322,358	291,658	-	291,658
Other income:						
Investment income, net	288,971	-	288,971	393,061	-	393,061
Miscellaneous income	46,978	-	46,978	24,648	-	24,648
Total support and revenue	<u>7,346,860</u>	<u>122,000</u>	<u>7,468,860</u>	<u>8,235,225</u>	<u>-</u>	<u>8,235,225</u>
Net assets released from restrictions	<u>32,000</u>	<u>(32,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:						
Program services expenses	6,170,070	-	6,170,070	6,017,957	-	6,017,957
Management and general expenses	1,104,776	-	1,104,776	1,219,979	-	1,219,979
Fundraising expenses	480,860	-	480,860	361,318	-	361,318
Total expenses	<u>7,755,706</u>	<u>-</u>	<u>7,755,706</u>	<u>7,599,254</u>	<u>-</u>	<u>7,599,254</u>
Changes in net assets	(376,846)	90,000	(286,846)	635,971	-	635,971
Net assets, beginning of year	<u>9,898,438</u>	<u>-</u>	<u>9,898,438</u>	<u>9,262,467</u>	<u>-</u>	<u>9,262,467</u>
Net assets, end of year	<u>\$ 9,521,592</u>	<u>\$ 90,000</u>	<u>\$ 9,611,592</u>	<u>\$ 9,898,438</u>	<u>\$ -</u>	<u>\$ 9,898,438</u>

*See Notes to Financial Statements*

**PROVERBS 31 MINISTRY INC.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2024**

---

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	2024 Total Expenses
Compensation and benefits	\$ 4,550,688	\$ 674,176	\$ 393,269	\$ 1,067,445	\$ 5,618,133
Conferences	344,104	-	-	-	344,104
Ministry training	388,681	118,010	-	118,010	506,691
Office expense	140,030	19,812	12,027	31,839	171,869
Volunteer and staff expense	66,618	15,626	-	15,626	82,244
Travel expense	45,692	-	-	-	45,692
Online processing fees	35,454	78,239	-	78,239	113,693
Professional fees	-	123,135	-	123,135	123,135
Marketing expense	305,430	-	-	-	305,430
Mid-year and year-end letter	-	-	30,025	30,025	30,025
Fundraising - other	-	9,018	45,539	54,557	54,557
Interest	76,042	17,837	-	17,837	93,879
Depreciation and amortization	217,331	48,923	-	48,923	266,254
	<u>\$ 6,170,070</u>	<u>\$ 1,104,776</u>	<u>\$ 480,860</u>	<u>\$ 1,585,636</u>	<u>\$ 7,755,706</u>

**PROVERBS 31 MINISTRY INC.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2023**

---

	Program Services	Supporting Services			2023 Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Compensation and benefits	\$ 4,570,041	\$ 805,320	\$ 291,265	\$ 1,096,585	\$ 5,666,626
Conferences	177,556	-	-	-	177,556
Ministry training	445,276	92,149	-	92,149	537,425
Office expense	127,719	26,151	8,057	34,208	161,927
Volunteer and staff expense	71,631	17,186	-	17,186	88,817
Travel expense	57,094	-	-	-	57,094
Online processing fees	35,417	90,650	-	90,650	126,067
Professional fees	-	101,254	-	101,254	101,254
Marketing expense	220,417	-	-	-	220,417
Mid-year and year-end letter	-	-	27,608	27,608	27,608
Fundraising - other	-	17,302	34,388	51,690	51,690
Interest	79,489	19,072	-	19,072	98,561
Depreciation and amortization	233,317	50,895	-	50,895	284,212
	<u>\$ 6,017,957</u>	<u>\$ 1,219,979</u>	<u>\$ 361,318</u>	<u>\$ 1,581,297</u>	<u>\$ 7,599,254</u>



**PROVERBS 31 MINISTRY INC.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Changes in net assets	\$ (286,846)	\$ 635,971
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	266,254	284,212
Change in inventory reserve	167,107	12,640
(Gain) loss on disposal of assets	(4,499)	167
Gain on investments	(288,971)	(393,061)
(Increase) decrease in:		
Accounts and other receivables	41,774	(260,811)
Inventory	(242,916)	(66,916)
Prepaid expenses	76,675	(27,581)
Increase (decrease) in:		
Accounts payable	8,823	(131,877)
Accrued expenses	(3,619)	(4,354)
Deferred revenue	(12,731)	37,274
Net cash provided by (used in) operating activities	<u>(278,949)</u>	<u>85,664</u>
Cash flows from investing activities:		
Purchase of property and equipment	(44,486)	(18,092)
Proceeds from sale of equipment	4,499	-
Payments on website development	-	(2,800)
Sale of securities	235,818	1,448,960
Purchase of securities	(250,000)	(1,451,632)
Net cash used in investing activities	<u>(54,169)</u>	<u>(23,564)</u>
Cash flows from financing activities:		
Payments on long-term debt	(170,948)	(166,266)
Net cash used in financing activities	<u>(170,948)</u>	<u>(166,266)</u>
Decrease in cash and cash equivalents	(504,066)	(104,166)
Cash and cash equivalents - beginning	<u>1,904,205</u>	<u>2,008,371</u>
Cash and cash equivalents - ending	<u>\$ 1,400,139</u>	<u>\$ 1,904,205</u>
Supplemental disclosures of cash flow information:		
Cash payments for interest	<u>\$ 93,879</u>	<u>\$ 98,561</u>

## **PROVERBS 31 MINISTRY INC.**

### **Notes to Financial Statements**

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of Activities**

The Proverbs 31 Ministry, Inc. (the "Ministry") was incorporated as a charitable organization in North Carolina in 1996. The Ministry is a nonprofit organization dedicated to glorifying God. The Ministry uses daily devotions, a mobile application, Book Club, social media, resources, web-based training, podcasts, speaking events, and conferences to share God's Word and help women grow in Christ.

##### **Basis of Accounting**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

##### **Financial Statement Presentation**

In accordance with Financial Accounting Standards Board ASC Topic 958, *Financial Statements for Not-For-Profit Entities*, the Ministry is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* are those currently available for use in the operations of the Ministry under the direction of the Board.

*Net assets with donor restrictions* are those stipulated by donors for specific purposes or those not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interest have ceased.

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

The Ministry considers all highly-liquid investments, purchased with a maturity of three months or less, to be cash equivalents.

##### **Accounts and Other Receivables**

Accounts receivable are recorded at unpaid balances, net of an allowance for credit losses when necessary. The Ministry uses the allowance method, based on historical experience and specific circumstances, to estimate credit losses. Receivables are considered impaired if payments are delinquent and management determines they are uncollectible. Uncollectible accounts are written off when deemed unrecoverable. As of December 31, 2024 and 2023, no allowance was required.

## PROVERBS 31 MINISTRY INC.

### Notes to Financial Statements

---

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Inventory**

Inventory, primarily consisting of books, gifts, and apparel held for program and fundraising purposes, is stated at net realizable value using the first-in, first-out (FIFO) method. The Ministry reviews inventory regularly for obsolescence, considering turnover rates and other relevant factors. Adjustments are made through specific identification or estimated reserves for items unlikely to be sold.

##### **Property and Equipment**

Property and equipment are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Property and equipment acquisitions are capitalized if they are in excess of \$1,000. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, using the half-year convention. The cost of property and equipment sold or retired and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected within miscellaneous income on the Statement of Activities and Changes in Net Assets.

##### **Collections**

The Ministry holds a collection item consisting of a Complete Hebrew Torah Scroll, which was donated and is currently on display at the Ministry's office. In accordance with the Ministry's capitalization policy, collection items are recorded at cost if purchased or at fair value if donated. The Torah Scroll was appraised at the time of donation and recorded at its fair value of \$79,500.

##### **Revenue Recognition**

###### *Subscriptions and Conferences*

Under *ASC Topic 606, Revenue Recognition*, events like *She Speaks* or subscriptions for membership to products like COMPEL require revenue to be recorded at the point at which the deliverable has been provided to the participant. In these exchange transactions, receipts for *She Speaks* are recorded as deferred revenue until the time the event occurs, at which point the revenue is recognized. As for COMPEL subscriptions, since the products are made available for a set period, based on the length of the subscription, the receipts are recorded as deferred revenue and then recognized as revenue evenly over the length of the subscription.

Deferred revenue also includes amounts received in advance, such as prepayments for podcast sponsorships, devotion sponsorships, and unearned royalty payments.

###### *Contributions*

The Ministry receives revenue primarily from contributions. The Ministry records gifts 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

## **PROVERBS 31 MINISTRY INC.**

### **Notes to Financial Statements**

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Revenue Recognition (Continued)**

###### *Resource Sales*

Revenue from resource sales is recognized in accordance with *ASC 606, Revenue from Contracts with Customers*. The Ministry's contracts are established when customers place orders through its website or purchase items through another point of sale terminal at events or conferences. The performance obligation is satisfied upon shipment or transfer of goods, at which point control transfers to the customer. The transaction price is the stated sales price, which is allocated entirely to the goods sold. Revenue is recognized at the time of shipment. Deposits received for products that have not yet shipped are reported in deferred revenue.

###### *Donated Services*

Donated services are provided by volunteers but not reflected herein inasmuch as the amount of the services is indeterminable.

##### **Marketing**

Marketing costs are expensed as incurred. Total marketing expense for the years ended December 31, 2024 and 2023 was \$305,430 and \$220,417, respectively.

##### **Functional Allocation of Expenses**

The cost of providing various programs and activities has been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited on estimates made by the Ministry's management.

##### **Tax Status**

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax under the provisions of Section 501(a). Certain non-exempt activities are subject to federal income taxes. No such non-exempt activities were undertaken during the years ended December 31, 2024 and 2023.

It is the Organization's policy to evaluate all tax positions and to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the financial statements. No material uncertain tax positions were identified for 2024 and 2023.

##### **Reclassification**

In order to conform with the current year presentation, certain 2023 amounts were reclassified. Net assets were not affected by these reclassifications.

##### **Subsequent Events**

Management has evaluated events and transactions for potential recognition or disclosure through June 9, 2025, which is the date the financial statements were available to be issued.

**PROVERBS 31 MINISTRY INC.**  
**Notes to Financial Statements**

---

**NOTE 2 - INVESTMENTS**

*Fair Value Measurement*

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value for the purpose of indicating the relative levels of uncertainty in the fair value measurements as of the reporting date. This hierarchy consists of three broad levels:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Ministry has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Ministry uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Ministry measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. When quoted market prices are not available, fair value is estimated by reference to market values for similar securities or by discounting cash flows at an appropriate risk rate, taking into consideration the varying degrees of risk specific to each financial asset. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following tables set forth the financial assets as of December 2024 and 2023, that are measured at fair value on a recurring basis by level within the fair value hierarchy. As required, assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement:

<b>2024</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Fixed income	\$ 301,731	\$ 301,731	\$ -	\$ -
Exchange-traded products	650,615	650,615	-	-
Mutual funds	3,742,976	3,742,976	-	-
	<u>\$ 4,695,322</u>	<u>\$ 4,695,322</u>	<u>\$ -</u>	<u>\$ -</u>

**PROVERBS 31 MINISTRY INC.****Notes to Financial Statements**

---

**NOTE 2 - INVESTMENTS (Continued)**

Financial assets as of December 2023 (Continued):

<u>2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ -	\$ -	\$ -	\$ -
Exchange-traded products	680,359	680,359	-	-
Mutual funds	3,711,810	3,711,810	-	-
	<u>\$ 4,392,169</u>	<u>\$ 4,392,169</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income includes interest, dividends, and both realized and unrealized gains and losses. Interest and dividend income are recognized when earned. Realized gains and losses are recognized upon the sale of investments, and unrealized gains and losses are recognized based on changes in fair value.

The net income on investments, \$288,971 and \$393,061, is reflected in the Statements of Activities and Changes in Net Assets for the years ended December 31, 2024 and 2023, respectively.

**NOTE 3 - INVENTORY**

As of December 31, 2024 and 2023, inventory amounts consist of the following:

	<u>2024</u>	<u>2023</u>
Books and guides	\$ 464,421	\$ 376,476
Apparel and jewelry	29,857	35,876
Gifts	71,428	50,163
Other	9,235	36,617
Total inventory	<u>\$ 574,941</u>	<u>\$ 499,132</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Building	\$ 5,398,528	\$ 5,398,528
Building improvements	489,056	489,056
Office technology	356,702	356,702
Furniture and fixtures	317,723	315,840
Office equipment	257,465	282,197
Construction in Progress	21,448	2,315
	<u>6,840,922</u>	<u>6,844,638</u>
Less accumulated depreciation	<u>(1,024,731)</u>	<u>(815,442)</u>
Property and equipment, net	<u>\$ 5,816,191</u>	<u>\$ 6,029,196</u>

**PROVERBS 31 MINISTRY INC.****Notes to Financial Statements**

---

**NOTE 5 - LONG-TERM DEBT**

	<u>2024</u>	<u>2023</u>
The Ministry holds a loan in the original amount of \$4,000,000 at a fixed interest rate of 2.90%, with monthly payments in the amount of \$22,069. The final payment is due on April 1, 2031 for all remaining unpaid principal and interest.	<u>\$ 3,094,099</u>	<u>\$ 3,265,047</u>
Less current maturities	<u>(176,301)</u>	<u>(172,361)</u>
	<u><u>\$ 2,917,798</u></u>	<u><u>\$ 3,092,686</u></u>

The required principal payments due for the next five years and beyond are as follows:

<u>Year Ending December 31,</u>	
2025	\$ 176,301
2026	181,555
2027	186,923
2028	192,321
2029	198,268
Thereafter	<u>2,158,731</u>
Total debt	<u><u>\$ 3,094,099</u></u>

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2024, net assets with donor restrictions consist of \$90,000 restricted for expenditures related to the *She Speaks* Conference. No net assets with donor restrictions existed as of December 31, 2023.

**NOTE 7 - DEFINED CONTRIBUTION PLAN**

The Ministry maintains a defined contribution plan as defined under Section 401(k) of the U.S. Internal Revenue Code. Employees are eligible to participate after six months of service. The Ministry matches plan contributions up to 5% of wages, excluding bonuses and commission. Employer contributions during the years ended December 31, 2024 and 2023 were \$156,628 and \$167,233, respectively.

**NOTE 8 - JOINT COSTS AND ALLOCATION METHODS**

The Ministry incurs compensation and benefits expense for employees that affects program expense, supporting expense, and fundraising expense. Total compensation and benefits expense for the years ended December 31, 2024 and 2023 were \$5,618,133 and \$5,666,626, respectively. The Ministry allocated \$4,550,688 and \$4,570,041, respectively, to program expense, \$674,176 and \$805,320, respectively, to supporting services expense, and \$393,269 and \$291,265, respectively, to fundraising expense for the years ended December 31, 2024 and 2023. Compensation and benefits are allocated based on a time-allocation analysis prepared by management. Management allocates depreciation and interest expense in a similar manner.

**PROVERBS 31 MINISTRY INC.****Notes to Financial Statements**

---

**NOTE 9 - LIQUIDITY AND AVAILABILITY**

The following reflects the Ministry's financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date.

	<u>2024</u>
Financial assets:	
Cash and cash equivalents	\$ 1,400,139
Accounts and other receivables	295,810
Investments	<u>4,695,322</u>
Total financial assets	6,391,271
Less amounts not available for general use within one year:	
Net assets with donor restrictions	(90,000)
Total financial assets available to meet general expenditures within one year	<u><u>\$ 6,301,271</u></u>

The Ministry is supported by contributions with and without donor restrictions. As part of the Ministry's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 10 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments, which potentially subject the Ministry to concentrations of credit risk, consist principally of cash, cash equivalents and mutual funds. The Ministry maintains its cash accounts with a federally insured financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024, the Ministry had deposits in excess of FDIC limits in the amount of \$1,145,663. The mutual funds (see Note 2) are held at an investment company that is protected under the Securities Investor Protection Corporation, which provides coverage up to \$500,000, including \$250,000 in cash. At December 31, 2024, the Ministry held \$4,476 of cash in the investment company account. Management believes these financial institutions have strong credit ratings and that credit risk related to these deposits is minimal.

**NOTE 11 - RELATED PARTY TRANSACTIONS**

During 2024 and 2023, the Ministry incurred expenses paid to a nonprofit organization that was established by the president of the Ministry. Total amounts paid to this nonprofit organization were \$13,564 and \$42,802 during 2024 and 2023, respectively, for expenses including a share of net revenue from speaking engagements, travel reimbursements, and space rental. In 2024, the Ministry paid \$17,019 to an LLC owned by the president of the Ministry to reimburse travel expenses incurred.

The Ministry receives contributions from members of the Executive Team and Board of Directors. Total contributions from these individuals in 2024 and 2023 were \$204,959 and \$241,119, respectively.