

PROVERBS 31 MINISTRY INC.

FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2025



**PROVERBS 31 MINISTRY INC.**

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## 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 September 30, 2025, and the related statements of activities and change in net assets, functional expenses, and cash flows for the nine months 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 September 30, 2025, and the change in its net assets and its cash flows for the period 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.

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

Charlotte, North Carolina  
February 6, 2026

**PROVERBS 31 MINISTRY INC.**  
**Statement of Financial Position**  
**September 30, 2025**

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**Assets**

Current Assets:	
Cash and cash equivalents	\$ 1,409,272
Accounts and other receivables	148,272
Investments	4,763,814
Inventory	330,889
Prepaid expenses	179,489
Total current assets	<u>6,831,736</u>
Property and equipment, net	5,727,731
Collections	79,500
Other assets	<u>20,848</u>
Total assets	<u><u>\$ 12,659,815</u></u>

**Liabilities and Net Assets**

Current Liabilities:	
Accounts payable	\$ 105,176
Accrued expenses	84,330
Deferred revenue	188,810
Current portion of long-term debt	180,216
Total current liabilities	<u>558,532</u>
Long-term debt	<u>2,781,948</u>
Total liabilities	<u>3,340,480</u>
Net Assets:	
Net assets without donor restrictions	<u>9,319,335</u>
Total net assets	<u>9,319,335</u>
Total liabilities and net assets	<u><u>\$ 12,659,815</u></u>

**PROVERBS 31 MINISTRY INC.**  
**Statement of Activities and Change in Net Assets**  
**For the Nine Months Ended September 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets Without Donor Restrictions:			
Support and Revenue:			
Contributions	\$ 3,467,267	\$ -	\$ 3,467,267
Resource sales, net of cost of goods sold (\$659,651)	196,161	-	196,161
Ministry training	148,067	-	148,067
Ministry training - subscriptions	503,881	-	503,881
Conference income	284,161	-	284,161
Speaking ministry income	71,381	-	71,381
Special projects	321,029	-	321,029
Other income:			
Investment income, net	309,278	-	309,278
Miscellaneous income	22,982	-	22,982
Total support and revenue	<u>5,324,207</u>	<u>-</u>	<u>5,324,207</u>
Net assets released from restrictions	<u>90,000</u>	<u>(90,000)</u>	<u>-</u>
Expenses:			
Program services expenses	4,454,947	-	4,454,947
Management and general expenses	777,175	-	777,175
Fundraising expenses	384,342	-	384,342
Total expenses	<u>5,616,464</u>	<u>-</u>	<u>5,616,464</u>
Change in net assets	(202,257)	(90,000)	(292,257)
Net assets, beginning of period	<u>9,521,592</u>	<u>90,000</u>	<u>9,611,592</u>
Net assets, end of period	<u>\$ 9,319,335</u>	<u>\$ -</u>	<u>\$ 9,319,335</u>

*See Notes to Financial Statements*

**PROVERBS 31 MINISTRY INC.**  
**Statement of Functional Expenses**  
**For the Nine Months Ended September 30, 2025**

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Compensation and benefits	\$ 3,213,195	\$ 431,038	\$ 274,297	\$ 705,335	\$ 3,918,530
Conferences	301,595	-	-	-	301,595
Ministry training	242,862	91,478	-	91,478	334,340
Office expense	100,703	13,509	8,597	22,106	122,809
Volunteer and staff expense	29,360	3,939	2,506	6,445	35,805
Travel expense	27,514	-	-	-	27,514
Online processing fees	23,542	65,547	-	65,547	89,089
Professional fees	71,339	122,100	41,339	163,439	234,778
Marketing expense	254,552	-	-	-	254,552
Mid-year and year-end letter	-	-	52,018	52,018	52,018
Fundraising - other	-	7,795	5,585	13,380	13,380
Interest	54,683	12,003	-	12,003	66,686
Depreciation and amortization	135,602	29,766	-	29,766	165,368
	<u>\$ 4,454,947</u>	<u>\$ 777,175</u>	<u>\$ 384,342</u>	<u>\$ 1,161,517</u>	<u>\$ 5,616,464</u>

**PROVERBS 31 MINISTRY INC.**  
**Statement of Cash Flows**  
**For the Nine Months Ended September 30, 2025**

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Cash flows from operating activities:	
Change in net assets	\$ (292,257)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	165,368
Increase in inventory reserve	105,753
Gain on disposal of assets	(250)
Gain on investments	(319,223)
(Increase) decrease in:	
Accounts and other receivables	147,538
Inventory	138,299
Prepaid expenses	68,976
Increase (decrease) in:	
Accounts payable	(21,280)
Accrued expenses	(18,097)
Deferred revenue	10,127
Net cash used in operating activities	<u>(15,046)</u>
Cash flows from investing activities:	
Purchase of property and equipment	(75,092)
Payments on website development	(19,775)
Proceeds from sale of equipment	250
Sale of investments	520,325
Purchase of securities	-
Net cash provided by investing activities	<u>425,708</u>
Cash flows from financing activities:	
Payments on long-term debt	<u>(131,935)</u>
Net cash used in financing activities	<u>(131,935)</u>
Increase in cash and cash equivalents	278,727
Cash and cash equivalents - beginning	<u>1,130,545</u>
Cash and cash equivalents - ending	<u><u>\$ 1,409,272</u></u>
Supplemental disclosures of cash flow information:	
Cash payments for interest	<u><u>\$ 66,686</u></u>

## **PROVERBS 31 MINISTRY INC.**

### **Notes to Financial Statements**

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

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

The Proverbs 31 Ministry, Inc. (the “Ministry”) is a nondenominational, nonprofit Christian ministry, incorporated as a charitable organization in North Carolina in 1996, that seeks to lead women into a personal relationship with Christ. With Proverbs 31:10-31 as a guide, the Ministry reaches women in the middle of their busy days through free devotions; podcasts; speaking events; conferences; resources; and training in the call to write, speak, and lead others. We are real women offering real life solutions to those striving to maintain life’s balance, in spite of today’s hectic pace and cultural pull away from godly principles. Wherever a woman may be on her spiritual journey, Proverbs 31 Ministries exists to be a trusted friend who understands the challenges she faces and walks by her side, encouraging her as she walks toward the heart of God.

##### **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.

## **PROVERBS 31 MINISTRY INC.**

### **Notes to Financial Statements**

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

##### **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 September 30, 2025, no allowance was required.

##### **Inventory**

Inventory, primarily consisting of books, décor, 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 Change in Net Assets.

##### **Collections**

The Ministry holds a collection item consisting of a complete Hebrew Torah Scroll, which was donated in a prior year and is currently on display at the Ministry's office. The item is held for purpose of preservation. In accordance with the Ministry's collections policy, collection items are protected, cared for, and preserved.

In accordance with the Ministry's capitalization policy, collection items are recorded at cost if purchased or at fair value at the date of donation, if contributed. 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.

## **PROVERBS 31 MINISTRY INC.**

### **Notes to Financial Statements**

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

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

###### *Donated Services*

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

###### *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 Change in Net Assets as net assets released from restrictions.

###### *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.

##### **Marketing**

Marketing costs are expensed as incurred. Total marketing expense for the period ended September 30, 2025 was \$254,552.

##### **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. Compensation and benefits are allocated based on a time-allocation analysis prepared by management. Management allocates depreciation and interest expense in a similar manner.

##### **Tax Status**

The Ministry 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 nine months ended September 30, 2025.

## PROVERBS 31 MINISTRY INC.

### Notes to Financial Statements

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

##### **Tax Status (Continued)**

It is the Ministry'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 the nine months ended September 30, 2025.

##### **Change in Fiscal Year-End**

During 2025, the Ministry elected to change its fiscal year-end from December 31 to September 30. As a result, these financial statements present the results of operations for the nine-month period ended September 30, 2025. Accordingly, the amounts presented are not comparable to a full fiscal year.

##### **Subsequent Events**

Management has evaluated events and transactions for potential recognition or disclosure through February 6, 2026, which is the date the financial statements were available to be issued.

#### 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.

**PROVERBS 31 MINISTRY INC.**

**Notes to Financial Statements**

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NOTE 2 - INVESTMENTS (Continued)

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 table sets forth the financial assets as of September 30, 2025 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:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of deposit	\$ 279,540	\$ 279,540	\$ -	\$ -
Fixed income	300,192	300,192	-	-
Exchange-traded products	694,207	694,207	-	-
Mutual funds	3,489,875	3,489,875	-	-
	<u>\$ 4,763,814</u>	<u>\$ 4,763,814</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, \$309,278, is reflected in the Statements of Activities and Change in Net Assets for the period ended September 30, 2025.

NOTE 3 - INVENTORY

As of September 30, 2025, inventory amounts consist of the following:

Books and guides	\$ 300,757
Apparel and jewelry	6,361
Décor	18,690
Other	5,081
Total inventory	<u>\$ 330,889</u>

**PROVERBS 31 MINISTRY INC.**

**Notes to Financial Statements**

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NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2025:

Building	\$ 5,159,528
Building improvements	586,181
Office technology	356,702
Furniture and fixtures	320,545
Office equipment	251,120
Land	<u>239,000</u>
	6,913,076
Less accumulated depreciation	<u>(1,185,345)</u>
Property and equipment, net	<u>\$ 5,727,731</u>

NOTE 5 - LONG-TERM DEBT

	<u>2025</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>\$ 2,962,164</u>
Less current maturities	<u>(180,216)</u>
	<u>\$ 2,781,948</u>

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

<u>Years Ending September 30,</u>	
2026	\$ 180,216
2027	185,545
2028	190,909
2029	196,800
2030	202,671
Thereafter	<u>2,006,023</u>
Total debt	<u>\$ 2,962,164</u>

NOTE 6 - 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 nine months ended September 30, 2025 was \$117,381.

**PROVERBS 31 MINISTRY INC.**

**Notes to Financial Statements**

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NOTE 7 - LIQUIDITY AND AVAILABILITY

The following reflects the Ministry's financial assets as of September 30, 2025, 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.

Financial assets:	
Cash and cash equivalents	\$ 1,409,272
Accounts and other receivables	148,272
Investments	<u>4,763,814</u>
Total financial assets	6,321,358
Less amounts not available for general use within one year:	
Net assets with donor restrictions	-
Total financial assets available to meet general expenditures within one year	<u><u>\$ 6,321,358</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 8- CONCENTRATIONS OF CREDIT RISK

The Ministry maintains cash balances at financial institutions that may exceed federally insured limits. The Ministry has not experienced losses on such accounts and believes it is not exposed to significant credit risk.

NOTE 9 - RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2025, the Ministry paid \$21,300 to an LLC owned by the president of the Ministry to reimburse travel expenses incurred.