

Financial statements of:

DESIRING GOD MINISTRIES

Years ended
June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Desiring God Ministries
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Desiring God Ministries, which comprise the statements of financial position as of June 30, 2025, and 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Desiring God Ministries as of June 30, 2025, and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Desiring God Ministries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Desiring God Ministries' ability to continue as a going concern for one year after the date that the financial statements are 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. 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 GAAS 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 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 GAAS, 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 Desiring God Ministries' 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 Desiring God Ministries' 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.

*Schechter Dokken Kanter
Andrews & Selzer Ltd.*

November 7, 2025
Minneapolis, MN

DESIRING GOD MINISTRIES

	<u>2025</u>	<u>2024</u>
Assets:		
Current assets:		
Cash	\$ 710,523	\$ 1,147,657
Investments	6,243,558	5,099,940
Accounts receivable	22,720	21,793
Prepaid expenses	<u>204,197</u>	<u>177,798</u>
Total current assets	<u>7,180,998</u>	<u>6,447,188</u>
Long-term assets:		
Property and equipment, net	117,718	170,955
Website development, net	326,607	655,431
Operating lease right-of-use asset, net	<u>809,058</u>	<u>202,809</u>
Total long-term assets	<u>1,253,383</u>	<u>1,029,195</u>
Total assets	<u>\$ 8,434,381</u>	<u>\$ 7,476,383</u>
Liabilities and net assets:		
Current liabilities:		
Accounts payable	\$ 186,128	\$ 123,352
Accrued expenses	278,720	256,879
Operating lease liabilities	<u>89,838</u>	<u>86,847</u>
Total current liabilities	<u>554,686</u>	<u>467,078</u>
Long-term liabilities:		
Operating lease liabilities, net of current portion	<u>720,118</u>	<u>130,424</u>
Total liabilities	<u>1,274,804</u>	<u>597,502</u>
Net assets without donor restrictions:		
Undesignated	2,715,252	2,052,495
Board designated	4,000,000	4,000,000
Property, equipment and website	<u>444,325</u>	<u>826,386</u>
Total net assets	<u>7,159,577</u>	<u>6,878,881</u>
Total liabilities and net assets	<u>\$ 8,434,381</u>	<u>\$ 7,476,383</u>

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

DESIRING GOD MINISTRIES

YEARS ENDED JUNE 30

	<u>2025</u>	<u>2024</u>
Support and revenue:		
Contributions	\$ 10,194,989	\$ 9,811,128
Investment income	443,618	462,783
Other income	52,559	37,978
	<u>10,691,166</u>	<u>10,311,889</u>
Expenses:		
Program expenses	8,502,514	8,287,076
Support expenses:		
Fundraising	331,905	326,217
Management and general	1,576,051	1,963,885
	<u>10,410,470</u>	<u>10,577,178</u>
Change in net assets without donor restrictions	280,696	(265,289)
Net assets without donor restrictions, beginning	<u>6,878,881</u>	<u>7,144,170</u>
Net assets without donor restrictions, ending	<u>\$ 7,159,577</u>	<u>\$ 6,878,881</u>

DESIRING GOD MINISTRIESSTATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 280,696	\$ (265,289)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Investment gains	(513,620)	(300,638)
Depreciation and amortization	406,600	382,036
(Increase) decrease in current assets:		
Accounts receivable	(927)	(11,755)
Prepaid expenses	(26,399)	165,305
Increase (decrease) in current liabilities:		
Accounts payable	62,776	(136,301)
Accrued expenses	21,841	(36,397)
Right-of-use assets and lease liabilities	(13,564)	1,463
Net cash provided by (used in) operating activities	<u>217,403</u>	<u>(201,576)</u>
Cash flows from investing activities:		
Purchase of:		
Property, equipment and website	(24,539)	(137,651)
Investments	(2,012,889)	(337,969)
Sale/redemptions of investments	1,382,891	973,909
Net cash (used in) provided by investing activities	<u>(654,537)</u>	<u>498,289</u>
Net change in cash	(437,134)	296,713
Cash, beginning	<u>1,147,657</u>	<u>850,944</u>
Cash, ending	<u>\$ 710,523</u>	<u>\$ 1,147,657</u>

DESIRING GOD MINISTRIES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program services				Support services				Total all services
	Teaching	Product	Spreading	Ministry partners	Total program services	Fundraising	Management and general	Total support services	
Salaries	\$ 1,149,824	\$ 1,166,644	\$ 604,862	\$ 837,372	\$ 3,758,702	\$ 93,238	\$ 389,759	\$ 482,997	\$ 4,241,699
Payroll taxes and benefits	455,583	462,043	239,341	331,671	1,488,638	36,881	166,509	203,390	1,692,028
Contract services	63,747	169,969	1,027,898	237,249	1,498,863	19,992	520,065	540,057	2,038,920
Marketing	-	1,598	295,244	45	296,887	-	-	-	296,887
Outreach events	-	-	166,984	70,397	237,381	-	8,165	8,165	245,546
Professional fees	3,882	3,938	2,042	2,827	12,689	315	194,691	195,006	207,695
Donated resources	-	-	239,311	270	239,581	-	46,106	46,106	285,687
Supplies and other	13,335	151,659	81,250	13,273	259,517	168,165	143,329	311,494	571,011
Depreciation & Amortization	110,220	111,831	57,981	80,269	360,301	8,938	37,361	46,299	406,600
Travel	29,999	20,278	81,682	41,405	173,364	-	39,519	39,519	212,883
Facilities	53,970	54,760	28,391	39,470	176,591	4,376	30,547	34,923	211,514
Total expenses	\$ 1,880,560	\$ 2,142,720	\$ 2,824,986	\$ 1,654,248	\$ 8,502,514	\$ 331,905	\$ 1,576,051	\$ 1,907,956	\$ 10,410,470
Percentages of total	18%	21%	27%	16%	82%	3%	15%	18%	100%

See notes to financial statements.

DESIRING GOD MINISTRIES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program services					Support services			Total all services
	Teaching	Product	Spreading	Ministry partners	Total program services	Fundraising	Management and general	Total support services	
Salaries	\$ 1,009,056	\$ 597,927	\$ 1,059,271	\$ 746,944	\$ 3,413,198	\$ 95,038	\$ 712,627	\$ 807,665	\$ 4,220,863
Payroll taxes and benefits	352,751	218,717	420,792	262,650	1,254,910	30,377	301,769	332,146	1,587,056
Contract services	72,266	375,501	1,165,091	211,300	1,824,158	19,992	256,375	276,367	2,100,525
Marketing	-	-	324,232	-	324,232	-	-	-	324,232
Outreach events	-	-	354,359	-	354,359	-	-	-	354,359
Professional fees	3,544	2,100	3,720	2,623	11,987	334	279,502	279,836	291,823
Donated resources	-	-	176,740	74	176,814	-	98,360	98,360	275,174
Supplies and other	1,228	119,255	138,892	-	259,375	168,072	126,413	294,485	553,860
Depreciation and amortization	91,331	54,119	95,876	67,607	308,933	8,603	64,500	73,103	382,036
Travel	4,280	9,799	91,136	85,077	190,292	-	72,732	72,732	263,024
Facilities	46,300	29,370	58,532	34,616	168,818	3,801	51,607	55,408	224,226
Total expenses	\$ 1,580,756	\$ 1,406,788	\$ 3,888,641	\$ 1,410,891	\$ 8,287,076	\$ 326,217	\$ 1,963,885	\$ 2,290,102	\$ 10,577,178
Percentages of total	15%	13%	37%	13%	78%	3%	19%	22%	100%

1. Nature of business and significant accounting policies:**Nature of business:**

As a faith-based non-profit, the mission of Desiring God ministries (the Organization) is to move people to live for the glory of God by helping them be satisfied in God above all else, especially in their suffering. The organization produces God centered, Christian Hedonistic content, and distributes 16,000+ audio, video and written resources over the Internet for free to the world through desiringGod.org and partner channels, including web and mobile app streaming services and SAT-TV.

Financial statement presentation:

Net assets and revenues, gains, and losses of the Organization are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions – Resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board has set aside for a particular purpose.

With donor restrictions – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time. The Organization does not currently have any net assets with donor restrictions.

Concentrations of credit risk:

The Organization deposits its cash in high credit quality financial institutions. At times, such balances may be in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. The Organization has not experienced any loss with this practice.

Accounts receivable:

Receivables are stated at realizable value. The Organization provides an allowance for credit losses using the allowance method, which is based on management judgement considering historical information. Services are sold on an unsecured basis. An allowance is provided for accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off against the written allowance. At June 30, 2025 and 2024, all amounts were considered collectible and no allowance was deemed necessary.

Investments:

Investments are measured at fair value in the statement of financial position. Investment income or loss including realized and unrealized gains and losses on investments, interest and dividends are included in investment earnings included in total support and revenue.

Property and equipment:

Property and equipment are carried at cost, less accumulated depreciation. Property and equipment expenditures over \$5,000 are capitalized. Depreciation of property and equipment is computed using the straight-line method over the estimated useful asset lives (shorter of asset life or lease term for leasehold improvements). Depreciation expense was \$77,776 and \$77,268 for the years ended June 30, 2025 and 2024, respectively.

1. Nature of business and significant accounting policies (continued):

Website development:

Expenditures for website development are capitalized when both the preliminary project stage is completed, and it is probable that the website will be used as intended. Capitalized costs include only external direct costs of materials and services utilized in developing or obtaining computer software. Capitalized software is amortized on a straight-line basis when placed into service over the estimated useful life, which approximates 5 years. Amortization expense was \$328,824 and \$304,768 for the years ended June 30, 2025 and 2024, respectively.

Leases:

The Organization leases office space and determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities on the statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As the office space leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also includes any lease payments made and non-lease costs and lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position.

Revenue recognition:

Contributions, including unconditional promises to give, are recognized as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in the net assets with donor restrictions. When a 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 reported in the statement of activities as net assets released from restrictions. The Organization did not receive any donor restricted contributions in either year.

Unconditional contribution pledges are recognized as revenues or gains in the period received. Pledges are recognized at the estimated net collectible value based on historical collection trends. Conditional contributions are recognized when the conditions on which they depend are substantially met.

1. Nature of business and significant accounting policies (continued):

Accounting estimates:

The timely 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Functional expenses:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses are allocated on a reasonable basis that is consistently applied. Some costs are allocated on the basis of employee time and effort. These include salaries, payroll taxes, some employee benefits and payroll fees. Other costs are allocated on the basis of full-time equivalent numbers. These costs include insurance, some employee benefits, and occupancy costs.

Advertising costs:

Advertising costs are expensed as incurred. Advertising costs for the years ended June 30, 2025 and 2024 was \$128,342 and \$324,232, respectively.

Fair value measurement:

The financial statements reflect the adoption of Accounting Standards Codification (ASC) 820. ASC 820 establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (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 asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

1. Nature of business and significant accounting policies (continued):

Fair value measurement (continued):

Investments are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities and corporate debt securities that are traded by dealers or brokers in active over-the-counter markets.

Subsequent events:

Management has evaluated for subsequent events through November 7, 2025, the date the financial statements were available for issuance.

2. Liquidity:

The following represents the Organization’s financial assets at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash	\$ 710,523	\$ 1,147,657
Accounts receivable	22,720	21,793
Investments	<u>6,243,558</u>	<u>5,099,940</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 6,976,801</u>	<u>\$ 6,269,390</u>

The Organization’s goal is to maintain financial assets to meet 180 days of expenses. As part of its liquidity plan, excess cash is invested in money market, equities and fixed income securities, including bonds and U.S. Treasuries.

3. Investments:

Investments are reported on the basis of quoted market prices and consist of the following at June 30:

	<u>2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market	\$ 192,068			\$ 192,068
Equities	1,273,387			1,273,387
Fixed income	<u>4,778,103</u>			<u>4,778,103</u>
Total	<u>\$ 6,243,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,243,558</u>

DESIRING GOD MINISTRIESNOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 20243. Investments (continued):

	2024			Total
	Level 1	Level 2	Level 3	
Money Market	\$ 50,291			\$ 50,291
Equities	1,064,571			1,064,571
Fixed income	<u>3,985,078</u>			<u>3,985,078</u>
Total	<u>\$ 5,099,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,099,940</u>

4. Tax exempt status:

The Organization qualifies as a tax-exempt organization described in Section 501(c)(3) and is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. As such, it is subject to federal and state income taxes on net unrelated business income.

The Organization has evaluated its tax positions for uncertainty and has not recognized a liability related to tax matters nor identified unrecognized tax matters that are required to be disclosed.

5. Property, plant, equipment, website:

Property, plant, equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 716,787	\$ 699,337
Furnishing and equipment	<u>170,160</u>	<u>163,072</u>
	886,947	862,409
Less accumulated depreciation	<u>(769,229)</u>	<u>(691,454)</u>
Net property and equipment	<u>\$ 117,718</u>	<u>\$ 170,955</u>

Website development assets consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Website development	\$ 1,644,118	\$ 1,644,118
Less accumulated amortization	<u>(1,317,511)</u>	<u>(988,687)</u>
Net website development	<u>\$ 326,607</u>	<u>\$ 655,431</u>

6. Leases:

The Organization entered into various leases agreements which terminate on various dates through October 2032. Rent expense for the years ended June 30, 2025 and 2024 was \$103,621 and \$90,708, respectively.

The following is the future minimum lease payments under leases:

<u>Year ended</u> <u>June 30</u>	<u>Amount</u>
2026	\$ 123,059
2027	125,574
2028	128,721
2029	128,470
2030	129,075
Thereafter	<u>311,381</u>
Total minimum lease payments	946,460
Less amount representing interest	<u>(136,504)</u>
Present value of lease liabilities	<u>\$ 809,956</u>

The weighted-average remaining lease term is 7.3 years or (87 months) and 2.4 years (or 28 months) for operating leases, as of June 30, 2025 and 2024, respectively. The weighted-average discount rate is 4.38% and 4.16% for operating leases, as of June 30, 2025 and 2024, respectively.

7. Retirement plan:

The Organization has a 401(k) plan that covers substantially all employees. Employees participate in the plan if they have one year of service and work at least 500 hours per year. The Organization matches up to 5% of employee's annual gross salary. Contributions to the plan totaled \$176,914 and \$166,552 for the years ended June 30, 2025 and 2024, respectively.