ANNUAL REPORT 2013

CONVERSATIONS THAT GROW

cru®

A caring community passionate about connecting people to Jesus Christ

OUR PURPOSE:

Helping to fulfill the Great Commission
in the power of the Holy Spirit
by winning people to faith in Jesus Christ,
building them in their faith
and sending them to win and build others;
and helping the Body of Christ
do evangelism
and discipleship.

From the President

We are passionate about connecting people to Jesus Christ. That passion for a clear, relevant connection to Christ drives us to keep improving and adapting our methods.

The gospel itself never changes. God loves us, but we are sinful and separated from Him. That is why He sent Jesus to die for our sins. But it is not enough just to know that. We must personally receive God's gift.

Yes, the gospel is the same, but effective starting points in spiritual conversations can be quite different. For example, young people today are more visual than the previous generation. So we have discovered that short films can help begin a conversation about Christ.

At one of our beach projects, nine teenagers were about ready to leave a Christian who was trying to reason with them about the gospel. Just then, a second Christian walked up and offered to show the teens a short story on film. They all crowded around his smart phone and watched a modern-day version of the prodigal-son story. The second Christian stopped the film just as the prodigal was thinking about getting off the bus to reconnect with the father. He said, "This is a version of an old story which was told to illustrate God's love and persistent willingness to restore a relationship with someone who has drifted from Him. If you knew that God was waiting for you, would you get off the bus to connect with Him?"

The teens enthusiastically responded, "Oh, yes, I would definitely get off the bus if it was God." The Christian then said, "Well, let me share with you more on how you can establish a relationship with God." The gospel was then presented to an interested audience, because of a good connection through a short film.

On the next several pages you will read about a few of the ways we equip people to start spiritual conversations, which then point people to Jesus Christ. You will also read about how we help those believers equip others to do the same.

Since our early days as a ministry, we have stressed the importance of winning people to Christ, building them in their faith and sending them out to do the same. As spiritual multiplication occurs, the life-changing gospel spreads from life to life—eventually to entire networks of families and friends, and to whole communities and nations.

Obviously, this involves many ministries, local churches and denominations. For example, we have worked with one denomination to use the *JESUS* film to help cause 66 million exposures to the gospel, 12 million indicated decisions for Christ, 5 million initial discipleship follow-ups, and 42,000 planted churches and preaching points. Those new disciples and churches are continuing.

A few years ago, we helped form the Global Alliance for Church Multiplication. This is a group of 27 organizations committed to planting 5 million house churches/fellowships by the end of 2020. The main strategies used involve spiritual multiplication.

Obviously, our being involved in such large endeavors requires us to operate in a financially credible fashion. What you read on page 12 and following is a record of how God has blessed financially and how we have sought to handle those finances. We are audited by one of the largest accounting firms in the world. We have an audit committee composed entirely of outside directors. We are a charter member of the Evangelical Council for Financial Accountability and continue to conform to its standards.

Thank you so much for your interest in our ministry. I hope this report is helpful to you as we explore how to work together.

Steve Douglass

Steve Douglass
President
Cru and Campus Crusade for Christ International, Inc.

Starting the Conversation

Sometimes, the hardest thing about a spiritual conversation is getting one started.

It might start with a question, a tool or a compassionate act.

It's about engaging with people and helping them move forward in considering Christ.

WASHINGTON, D.C.

Bonnie, a mother of three, was visiting her daughter in Washington, D.C., this spring. One day, helping her daughter out, she toted the laundry off to be washed. "I have never been one to feel comfortable evangelizing. My lack of confidence in my abilities to do so has, at times, made me feel like I was disappointing my Lord.

"While waiting on machines to do their work at the laundromat, I noticed all the people sitting around also waiting. Several played on their smartphones; some had bored and busy little children they were trying to entertain. I brought up the Jesus Film Media app on my iPhone, approached them, and asked if they would like to download a free movie that they could watch while they waited on their laundry. If they had children, I asked if they might want to download a free movie that their children could watch (*The Story of Jesus for Children*).

"Five of the six were interested, and I helped them begin the download. When I told the Spanish speakers that the movie was also in Spanish, their faces lit up! It was so simple. On my way out, a woman smiled and said, 'I am going to help my mother download this!' " •

Photograph by Janell Searles/JESUS Film

Photograph courtesy of Nancy Wilson

IDAHO

Ralph Cooley works in Idaho and Washington with Faculty Commons, Cru's ministry to university professors. Ralph understands that God is the One who changes lives, but he believes that often begins with an exchange of ideas. "At least let's have a conversation," he says. "You may not agree, and you might be really opposed, but let's at least have a conversation."

For two years in a row, he has helped create a partnership among Christian groups and churches in a public dialogue, on the subject of faith and reason. "We have been praying," explains Ralph, "that we would have Christian students across the table with non-Christian students and Christian professors sitting across the table from non-Christian professors having a significant conversation." For this year's event, 420 people—full capacity—packed into Washington State University's Todd Auditorium. In the most unchurched region in the U.S., students lined up for 45 minutes afterward to continue the conversation with the philosophy professors. •

"Sometime" is a free guide to help students move past some common obstacles in engaging their friends about their spiritual journeys. During this experience, students will be asking their friends, "Sometime, I'd like to hear about your spiritual journey...would you be up for that?" SomeTime seeks to provide easy connections to the gospel through planned conversations.

- More than four out of five will agree to get together to have a spiritual conversation.
- Of those, three out of four of those spiritual conversations will turn into gospel conversations.

"Sometime" can be found at www.crupressgreen.com/sometime

MICHIGAN

"I used Perspective [cards] with a student sitting in the Student Union. He told us a lot about Islam, and he is a member of the Muslim Student Association. We were able to talk about differences between Islam and following Jesus, but it did not feel combative at all."

—Jeff Mehne, West Michigan University

Find out more about Perspective at www.perspectivecards.com

Summer project students shared the gospel with **82,328** people this summer, on **202** projects.And **4,230** people placed their faith in Christ.

Pointing the Conversation to Christ

All over the world, on campus, in cities, through churches and over the internet, we talk about Jesus. We help believers know how to share their faith in ways that are personal and natural. Communicating the good news of God's love and forgiveness remains the central mission of Cru.

145,573 one-to-one conversations within the United States by Cru's work on universities last year **included an opportunity to respond to Jesus Christ**.

In 2013, more than 450 people a day indicated decisions to follow Jesus as a result of EveryStudent.com.

"Thank you for your reply and sending me the articles. I have asked God into my life. I am really trying to let God guide our lives in order to get our problems resolved. I really do feel more at ease.... I feel like I am not carrying the weight of the world on my back anymore. But, it doesn't come easy to me and am still working on it.... I am so very grateful for the time you took to answer me. Someday I would like to do the same for someone else."

—Cecilia, in a response to everystudent.com

OREGON

"After the first Cru meeting at Treasure Valley Community College in Ontario, Ore., a student named Kayleen walked in. I could tell right away that something was bothering her, and, as I asked about her background, it was clear she didn't know much at all about Jesus or the Bible. I gently asked more about her journey to that point, and in tears she shared about one broken relationship after another.

"Kayleen was looking for anything that might bring hope, and though I was distraught at her pain, I could hardly contain my excitement at how obviously God was working. I showed her a video called "Falling Plates" on YouTube. She loved it, and it helped her begin to understand the gospel. Then I shared the basic gospel message using the *Would You Like to Know God Personally?* booklet, and she clearly understood it. She said this was what she needed and wanted. I could hardly restrain her from praying on the spot as she tearfully placed her faith in Christ!

"The next day I connected Kayleen with two other girls, and they've already started discipling her. Just a week later, I checked in on Kayleen and she'd already devoured most of the Gospel of John." •

—Angie Mogensen, Cru staff member

Last year, **6,499 people were trained to talk with people about Jesus** through Cru's partnership with inner-city churches. As a result, **35,768 people heard a gospel presentation**.

UNITED KINGDOM

"Born Again Christian: 50 Shades of Grace" read the poster advertising an event at Anglia Ruskin University in Cambridge, England. Former-pornographic film star Teresa Carey spent most of her adult life appearing in x-rated films until she became a Christian. Now she was standing in front of 140 students about to tell the story of how Jesus had radically changed her life.

Teresa described her story then answered questions for 30 minutes. "The whole room was silent when she was speaking; her story was really touching. I couldn't believe what she had been through, and I thought, how can someone like this be touched by God?" says Obatare Uwegba, a second-year student.

"You could ask Teresa anything," says Cru staff member Andy Atkins, "and people did. But the interesting thing was how much they wanted to know about her relationship with God, how she knew that was real, how her life had changed." •

CONTINUING THE CONVERSATION

When someone experiences the joy and freedom of knowing Christ, they often want to share it with others. We're committed to providing opportunities to help both new and seasoned believers around the world to participate in the Great Commission.

CÔTE D'IVOIRE

Olivier Niambe, a student at the university of Abidjan, was excited about what he was learning regarding God and evangelism. Oliver wanted Cru staff member Craig Hauquitz to teach students at his church how to tell others about Jesus.

Instead, Craig suggested Olivier do the training himself. So Olivier arranged a meeting with young men of his church. He introduced the Four Spiritual Laws evangelistic booklet, which was received with excitement. "They had never seen it!" Olivier says. The students were Christians, but had never been taught how to communicate their faith. "They didn't know they could be telling others about Jesus."

That same week, Olivier took seven students out in the town to start spiritual conversations with people. The group saw people pray and accept Christ, and became so excited that they wanted to do it again.

"I have something precious," Olivier says, "the Word of God, and I know that I have to share it with somebody."

CALIFORNIA

Jason Dinh was a senior playing high-school football when a teammate collapsed on the field and sustained permanent brain injury.

Christians at a local church invested time in Jason and his teammates, and Jason later became a believer in Christ.

In college, when Jason heard about a Cru mission trip to Estonia, he signed up. The project was a blend of college and high-school students. The hope for the mixed-age group was that college students would naturally pour their lives into high-school students as they worked on their mission together. Two of the six college students now volunteer with Cru's high-school ministry.

In Estonia, Shawn Faulkner, trip organizer and director of Cru's high-school ministry in San Diego, observed Jason's ability to invest in young people. So he asked Jason if he'd volunteer at a high school back home.

Jason is now 23 and a full-time engineer and volunteer with Cru. He says, "It's been awesome getting to know students, live life with them and get to share the gospel with them."

SINGAPORE

Chatel Cheon, a second-year English major in Singapore, meets regulary with Cru staff member Ashely Yang for Bible study, evangelism and prayer. For the past two years, Chatel has prayed for her mother to soften to God's love. Over the last year, Chatel has sent a daily text with a Bible verse and an encouraging truth Scripture. "I thought she was untouchable," Chantel confessed to Ashley.

But one day, Chantel began rejoicing: a few days earlier, her mother asked if she could come with her to church. Chantel agreed, and during the service, Chantel's mom made a decision to follow Christ. "I was crying as I went down with her," the young woman explains with a wide grin stretching across her face.

Ministries of Cru

André Kole Ministry www.andrekole.org

Athletes in Action® www.athletesinaction.org

Christian Embassy® D.C www.christianembassy.com

Christian Embassy® U.N. www.ce-un.org

City www.cru.org

Cru Military www.crumilitary.org

FamilyLife® www.familylife.com

Global Aid Network® (GAiN®) www.gainusa.org

Great Commission Foundation www.gcfccc.org

The JESUS Film Project® www.jesusfilm.org

Josh McDowell Ministry www.josh.org

Keynote™ www.keynote.org

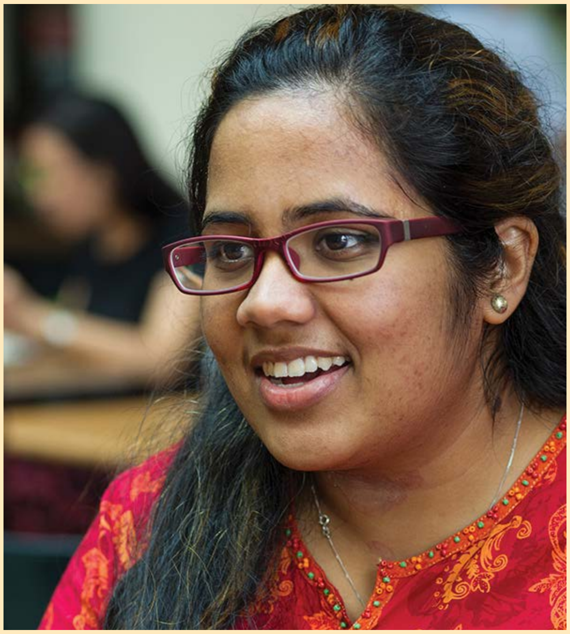
New Life Resources www.campuscrusade.com

StoryRunners® www.storyrunners.com

Student Ministries

- » High School www.cruoncampus.org
- » Faculty Commons™ www.facultycommons.com
- » University www.cruoncampus.org
- » Bridges International™ www.bridgesinternational.com
- » Destino Movement™ www.destinomovement.com
- » Epic Movement® www.epicmovement.com
- » Impact Movement™ (a partnering ministry) www.impactmovement.com
- » Nations Movement® www.nationsmovement.com

World Headquarters www.cru.org





ATHLETES IN ACTION
niuaia.com

espresso
studio

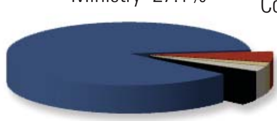
FINANCIAL HIGHLIGHTS

	2013	**2012**	2011	2010
United States Revenues	**$ 543,658,000**	**$ 527,635,000**	$ 519,359,000	$ 512,084,000
Operating Change in Net Assets[1]	**$ 29,291,000**	**$ 7,355,000**	$ (2,852,000)	$ 25,164,000
Non-Operating Change in Net Assets[1]	**$ 567,000**	**$ (13,164,000)**	$ 31,425,000	$ (22,430,000)
Total Change in Net Assets	**$ 29,858,000**	**$ (5,809,000)**	$ 28,573,000	$ 2,734,000
International Revenues[2]	**$ 145,591,000**	**$ 139,554,000**	$ 153,826,000	$ 134,236,000
World Revenues (U.S. and International)	**$ 689,249,000**	**$ 667,189,000**	$ 673,185,000	$ 646,320,000
Fund-Raising Expenses[3]	**7.8%**	**8.6%**	8.2%	7.8%
General and Administrative Expenses[3]	**8.2%**	**7.2%**	7.1%	6.9%
Average Size of Gift Received	**$ 124**	**$ 122**	$ 120	$ 121
Most Frequent Contribution	**$ 50**	**$ 50**	$ 50	$ 50
Average Staff Family's Monthly Compensation	**$ 5,427**	**$ 5,295**	$ 5,233	$ 5,181
Average Staff Single's Monthly Compensation	**$ 2,082**	**$ 2,055**	$ 2,055	$ 2,074

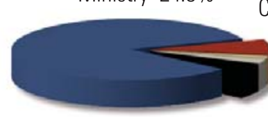
1. Operating change in net assets excludes Pension and Derivative expenses. Non-Operating change in net assets includes Pension and Derivative expenses.
2. International revenues reflect monies raised by ministries associated with Campus Crusade for Christ, Inc., and who cooperate with us in our efforts outside of the United States. These funds are audited, in large part, in the respective countries, not by our U.S. auditors.
3. Fund-raising expenses are shown as a percentage of contributions. General and administrative expenses are shown as a percentage of total functional expenses.

SOURCES OF U.S. REVENUES

2013

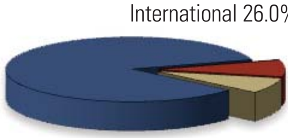


2012

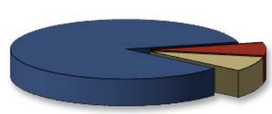


USES OF FUNDS

2013



2012



Expenses are shown as a percentage of total functional expenses.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Campus Crusade for Christ, Inc.

We have audited the accompanying consolidated financial statements of Campus Crusade for Christ, Inc. and subsidiaries (the Ministry), which comprise the consolidated statements of financial position as of August 31, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Family Life, Great Commission Foundation, New Life Insurance Co., or GAiN International, wholly owned subsidiaries, which statements reflect total assets constituting 24% and 33% in 2013 and 2012, respectively, and total revenues constituting 12% and 18% in 2013 and 2012, respectively, of the related consolidated totals. In addition, we did not audit the financial statements of The King's College, which statements comprise 100% of the amounts reported as discontinued operations in 2013 and 2012. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in Family Life, The King's College, Great Commission Foundation, New Life Insurance Co., and GAiN International, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Ministry as of August 31, 2013 and 2012, and the consolidated changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Orlando, Fla.
January 10, 2014

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2013 and 2012
(In Thousands)

		2013	2012
ASSETS	Cash and cash equivalents	**$ 54,623**	$ 42,796
	Investments	**92,578**	81,184
	Contributions receivable, net	**—**	8,877
	Accounts and other receivables	**9,847**	5,010
	Inventories	**4,171**	4,209
	Gifts-in-kind inventories	**6,809**	5,970
	Property held for sale	**1,549**	2,173
	Restricted cash and investments	**4,895**	5,395
	Prepaid and other assets	**11,079**	12,749
	Property and equipment:		
	Land and land improvements	**12,502**	12,568
	Buildings and improvements	**87,391**	88,329
	Furniture and equipment	**38,648**	39,184
	Leased equipment	**—**	240
	Total property and equipment	**138,541**	140,321
	Accumulated depreciation	**(68,769)**	(64,805)
	Net property and equipment	**69,772**	75,516
	TOTAL ASSETS	**$ 255,323**	$ 243,879
LIABILITIES AND NET ASSETS	Liabilities:		
	Accounts payable	**$ 6,699**	$ 7,182
	Accrued salaries and related expenses	**20,503**	20,977
	Long-term severance and other accrued liabilities	**42,907**	45,190
	Pension liability	**11,399**	19,155
	Long-term debt	**26,320**	33,738
	TOTAL LIABILITIES	**107,828**	126,242
	Net assets:		
	Unrestricted	**137,904**	101,392
	Temporarily restricted	**7,091**	12,995
	Permanently restricted	**2,500**	3,250
	Total net assets	**147,495**	117,637
	TOTAL LIABILITIES AND NET ASSETS	**$ 255,323**	$ 243,879

See accompanying notes.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended August 31, 2013
(In Thousands)

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
Contributions	$ 470,417	$ 3,240	$ —	$ 473,657
Gifts-in-kind contributions	30,218	—	—	30,218
Literature and material sales	9,791	—	—	9,791
Conference registrations	13,694	—	—	13,694
Other income	15,979	319	—	16,298
Net assets released from restrictions	1,557	(1,557)	—	—
Total revenues	541,656	2,002	—	543,658
Expenses:				
Operating Expenses:				
Campus	149,819	—	—	149,819
Community	94,637	—	—	94,637
Coverage	54,729	—	—	54,729
International ministries	133,616	—	—	133,616
General and administrative	42,243	—	—	42,243
Fundraising	39,323	—	—	39,323
Total expenses	514,367	—	—	514,367
Change in net assets before other changes	27,289	2,002	—	29,291
Other changes:				
Change in fair value of interest rate swaps	1,179	—	—	1,179
Pension-related changes	6,624	—	—	6,624
Change in net assets before effects of discontinued operations	35,092	2,002	—	37,094
Gain (loss) on operations of discontinued component (including separation loss)	1,420	(7,906)	(750)	(7,236)
Change in net assets	36,512	(5,904)	(750)	29,858
Net assets – beginning of year	$ 101,392	12,995	3,250	117,637
Net assets – end of year	$ 137,904	$ 7,091	$ 2,500	$ 147,495

See accompanying notes.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended August 31, 2012
(In Thousands)

2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
Contributions	$ 434,864	$ 11,571	$ —	$ 446,435
Gifts-in-kind contributions	45,350	—	—	45,350
Literature and material sales	9,431	—	—	9,431
Conference registrations	12,648	—	—	12,648
Other income	13,499	272	—	13,771
Net assets released from restrictions	1,925	(1,925)	—	—
Total revenues	517,717	9,918	—	527,635
Expenses:				
Operating Expenses:				
Campus	140,015	—	—	140,015
Community	99,988	—	—	99,988
Coverage	47,346	—	—	47,346
International ministries	153,612	—	—	153,612
General and administrative	37,261	—	—	37,261
Fundraising	42,058	—	—	42,058
Total expenses	520,280	—	—	520,280
Change in net assets before other changes	(2,563)	9,918	—	7,355
Other changes:				
Change in fair value of interest rate swaps	610	—	—	610
Pension-related changes	(16,110)	—	—	(16,110)
Change in net assets before effects of discontinued operations	(18,063)	9,918	—	(8,145)
Gain (loss) on operations of discontinued component	3,784	(1,456)	8	2,336
Change in net assets	(14,279)	8,462	8	(5,809)
Net assets – beginning of year	$ 115,671	4,533	3,242	123,446
Net assets – end of year	$ 101,392	$ 12,995	$ 3,250	$ 117,637

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2013 and 2012
(In Thousands)

		2013	2012
OPERATING ACTIVITIES	Change in net assets	**$ 29,858**	$ (5,809)
	Adjustments to reconcile change in net assets to net cash provided by operating activities:		
	Depreciation and amortization	**6,656**	5,981
	Pension-related changes	**(6,250)**	16,613
	Net realized and unrealized gains on investments	**(4,686)**	(3,607)
	Loss on sale of property held for sale	**483**	32
	Loss on disposal of fixed assets	**1,013**	236
	Change in fair value of interest rate swaps	**(1,179)**	(610)
	Gifts of property held for sale	**(1,219)**	(707)
	Separation loss	**12,823**	—
	Changes in operating assets and liabilities:		
	Contributions receivable	**(10,452)**	1,502
	Accounts and other receivables	**(5,513)**	(136)
	Inventories	**(803)**	(1,049)
	Prepaid expenses	**(169)**	(88)
	Other assets	**389**	(96)
	Accounts payable	**465**	(1,394)
	Pension liability	**(1,506)**	(4,857)
	Accrued salaries and related expenses	**6,822**	(1,599)
	Long-term severance and other accrued liabilities	**2,286**	4,844
	Net cash provided by continuing operating activities	**29,018**	9,256
	Net cash used in discontinued operations	**(2,235)**	(1,926)
	Net cash provided by operating activities	**26,783**	7,330
INVESTING ACTIVITIES	Sales and maturities of investments	**34,480**	102,633
	Purchases of investments	**(41,243)**	(100,436)
	Purchases of intangible assets	**(129)**	(252)
	Capital expenditures	**(2,905)**	(5,144)
	Proceeds from sale of property held for sale	**1,360**	470
	Net cash used in continuing investing activities	**(8,437)**	(2,729)
	Net cash provided by (used in) discontinued investing activities	**899**	(175)
	Net cash used in investing activities	**(7,538)**	(2,904)
FINANCING ACTIVITIES	Net proceeds from long-term debt	**946**	—
	Payments on long-term debt	**(2,864)**	(1,814)
	Net cash used in continuing financing activites	**(1,918)**	(1,814)
	Net cash used in discontinued financing activities	**(5,500)**	(250)
	Net cash used in financing activities	**(7,418)**	(2,064)
	Net increase in cash and cash equivalents	**11,827**	2,362
	Cash and cash equivalents — beginning of year	**42,796**	40,434
	Cash and cash equivalents — end of year	**54,623**	42,796
	Supplemental disclosures of cash flow information		
	Interest paid	**$ 767**	$ 1,117

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013
(In Thousands)

1. Summary of Significant Accounting Policies

Organization Campus Crusade for Christ, Inc., operating in the U.S. as Cru, and its subsidiaries (the Ministry) is an interdenominational, Christian evangelistic and discipleship ministry with the objective of helping the church fulfill the Great Commission (Matthew 28:18-20) in this generation.

The Ministry is organized as a not-for-profit entity under the General Non-Profit Corporation Law of the State of California. Exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and a similar exemption from California franchise taxation have been obtained.

The Ministry operates throughout the United States and provides ministry and financial assistance to associated ministries serving in virtually every major country, representing most of the world's population. Donations received by the Ministry in the United States are disbursed in part through international affairs offices.

Principles of Consolidation The consolidated financial statements include the accounts of Campus Crusade for Christ, Inc. and its not-for-profit U.S. affiliates in which the Ministry has a controlling interest and its U.S. for-profit and not-for-profit subsidiaries. Certain international offices are not consolidated in the consolidated financial statements since the Ministry has control or an economic interest, but not both. All intercompany balances have been eliminated in consolidation.

Basis of Presentation Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by explicit donor-imposed restrictions and the donor restrictions are not met in the same reporting period as the donation. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period made or received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contributions revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided when, based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity, an allowance is considered necessary.

The Ministry 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 contributions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents Cash and cash equivalents include unrestricted cash and financial instruments with maturities of three months or less at date of acquisition. The majority of the Ministry's cash equivalents are invested in money market accounts and certificate of deposit accounts. The majority of cash is maintained in cash accounts with large financial institutions where accounts are guaranteed by the Federal Deposit Insurance Corporation up to $250. The Ministry does have some cash accounts that exceed the federally insured amount. The Ministry does not anticipate nonperformance by these financial institutions.

Inventories Inventories are presented at the lower of cost (first-in, first-out method) or market and consist principally of books, literature, CDs, and DVDs.

Gift-in-kind Inventories Gift-in-kind inventories consist primarily of items such as clothing, medical supplies, school supplies, and other materials donated. Donated inventory is recorded at fair value on the date of donation. The fair value of the donated materials is based upon estimated wholesale value of gifts received. To determine wholesale value, the Ministry obtains the value of the item from sources such as the internet, industry publications, or other nonprofit organizations.

Investments The Ministry has a cash management program that provides for the investment of excess cash in highly liquid interest-bearing investments and marketable securities. Investment income consists of interest and dividends received on investments and realized and unrealized gains and losses. Investments in marketable equity securities and debt securities, including mutual funds, are recorded at their estimated fair values, which are based on quoted market prices or recognized pricing services. Alternative investments, if any, are stated at fair value, as estimated, using net asset value. Fair value for alternative investments may be based on historical cost, appraisals, or estimates that require varying degrees of judgment.

The Ministry maintains an Investment Policy Statement (IPS) approved by the Board of Directors that governs the investment of ministry funds. The Ministry also retains an independent Investment Advisory Consultant who advises management and the board on the investment of ministry funds within the IPS parameters. The Investment Advisory Consultant assists with finding and retaining appropriate investment vehicles and managers. The primary objective of the Ministry's investments is preserving the purchasing power of ministry funds with a secondary objective of long-term capital growth.

Interest Rate Swap Agreements The interest rate swap agreements included in the accompanying consolidated statements of financial position are presented at fair value. The change in the fair value of the interest rate swap agreements is reported in the accompanying consolidated statements of activities.

Property Held for Sale Property held for sale includes land, buildings, and improvements and is presented at acquisition cost, which does not exceed estimated fair value less cost to sell. Property held for sale includes property that meets certain criteria. These criteria include that it is probable that these assets will be sold within one year. Those assets held for sale where disposal is not probable within one year remain in land, buildings, and improvements until their sale is probable within one year.

Property and Equipment Property and equipment are located primarily at the Ministry's World Headquarters at Lake Hart in Orlando, Florida, and its former headquarters in Arrowhead Springs, California. Property and equipment are presented at historical cost. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets, ranging from 3 to 40 years. Amortization of leased assets is included as a component of depreciation expense. For the years ended August 31, 2013 and 2012, depreciation expense was $6,029 and $5,354, respectively.

As of August 31, 2013 and 2012, the Ministry had unamortized software costs totaling $7,002 and $7,769, respectively. As of August 31, 2013, the software has been put into service and has had amortization expense totaling approximately $1,198 for fiscal 2013.

Intangible Assets Intangible assets consist primarily of contract rights, intellectual property, and master tapes relating to the JESUS film but also include film projects under production and website development. Intangible assets relating to the JESUS film, and similar intangible assets, are being amortized on a straight-line basis over their useful lives (10 to 20 years). Intangible assets are evaluated for impairment annually, or more frequently if events or changes in circumstances indicate the asset may be impaired. The amount of impairment, if any, is measured based upon the difference between the asset's carrying value and its fair value. Intangible assets are included, net of accumulated depreciation, in prepaid and other assets in the accompanying consolidated statements of financial position. At August 31, 2013 and 2012, intangible assets were $7,505 and $8,003, respectively. For the years ended August 31, 2013 and 2012, amortization expense was $627. Intangible assets will be amortized over future periods approximately as follows:

Years Ending August 31:	
2014	$ 605
2015	580
2016	529
2017	482
2018	469
Thereafter	4,840
	$ 7,505

Income Taxes The Ministry is organized as a not-for-profit entity under the General Non-Profit Corporation Law of the State of California. The Internal Revenue Service (IRS) has determined that the Ministry is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As a qualified tax-exempt organization, the Ministry must operate in conformity with the Internal Revenue Code in order to maintain its tax-exempt status. The Ministry is also exempt from state corporate income tax.

The Ministry follows the guidance contained in Accounting Standards Codification (ASC) 740-10-25, *Accounting for Uncertainty in Income Taxes*. ASC 740-10-25 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken. Based upon its evaluation, the Ministry concluded that there are no significant uncertain tax positions requiring recognition in its consolidated financial statements.

Severance Pay The Ministry records an accrual for future severance payments based on several factors and estimates, including eligibility and length of service. The estimated liability for severance pay is included in long-term severance and other accrued liabilities in the accompanying consolidated statements of financial position. At August 31, 2013 and 2012, the Ministry recorded $16,445 and $17,571, respectively, in accrued severance pay.

Liability for Losses and Loss Adjustment Expenses New Life Insurance Co. (New Life) is a wholly owned subsidiary of the Ministry, incorporated under the laws of the state of Vermont as a pure captive. New Life was formed to provide comprehensive workers' compensation, general liability, and auto liability coverages for the Ministry. New Life records liabilities for unpaid losses and loss adjustment expenses, which comprise case basis estimates of reported losses, plus incurred but not reported losses calculated based upon loss projections using industry data and past claims history. In establishing the liability for losses and loss adjustment expenses, New Life uses industry data and past claims history and uses the findings of an independent consulting actuary. Management believes that its aggregate liability for unpaid losses and loss adjustment expenses as of August 31, 2013 and 2012, represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. As of August 31, 2013 and 2012, the accrued liability for losses and loss adjustment expenses was approximately $3,829 and $2,824, respectively, which is included in long-term severance and other accrued liabilities in the accompanying consolidated statements of financial position.

In order for New Life to maintain its license in Vermont as a pure captive, it has to maintain a minimum of unimpaired capital of $250. As of August 31, 2013 and 2012, New Life's surplus was approximately $10,455 and $12,106, respectively.

Liabilities for Annuities and Trusts For irrevocable split-interest arrangements such as charitable gift annuities and charitable remainder trusts in which the Ministry is trustee or custodian, a liability is recognized related to the present value of benefits payable to other beneficiaries. At August 31, 2013 and 2012, the liability for annuities and trusts was $3,467 and $3,691, respectively, which is included in long-term severance and other accrued liabilities in the accompanying consolidated statements of financial position. For all irrevocable split-interest arrangements, regardless of whether the Ministry acts as trustee or custodian, contribution revenue related to split-interest agreements totaling $178 and $198 as of August 31, 2013 and 2012, respectively, is recognized for the estimated present value of the Ministry's benefits (if any) under the arrangements in the year the arrangements are established or in the year in which the Ministry is provided sufficient information about the existence and nature of the arrangements. Periodic adjustments are made for changes in estimated present values, using applicable mortality tables and discount rates that vary from approximately 3% to 6%. Funds held pursuant to split-interest trust agreements consist primarily of investments, which are carried at fair value. These funds totaled $121 and $122 at August 31, 2013 and 2012, respectively, and are included in investments in the accompanying consolidated statements of financial position.

Functional Allocation of Expenses The costs of providing for various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the ministries and supporting services benefited.

Among the costs allocated for functional expense purposes, staff member expenses are the largest costs allocated and include the costs of their salary, training, ministry, and fundraising.

The portion of total staff member expenses associated with fundraising and ministry to supporters is calculated as a function of yearly time spent by staff in these endeavors and is allocated one-half to fundraising and one-half to community ministries. The community portion represents time spent in ministry to supporters and building public awareness of Campus Crusade for Christ ministries. The balance of staff costs, after fundraising expenses have been deducted, is allocated to the other functional categories on the basis of the number of staff assigned to each category.

Fundraising Costs associated with fundraising activities are shown as fundraising expenses in the accompanying consolidated statements of activities. Included are all direct costs associated with fundraising activities and allocable costs of activities that include both fundraising and program or management and general functions.

Use of Estimates The preparation of consolidated 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

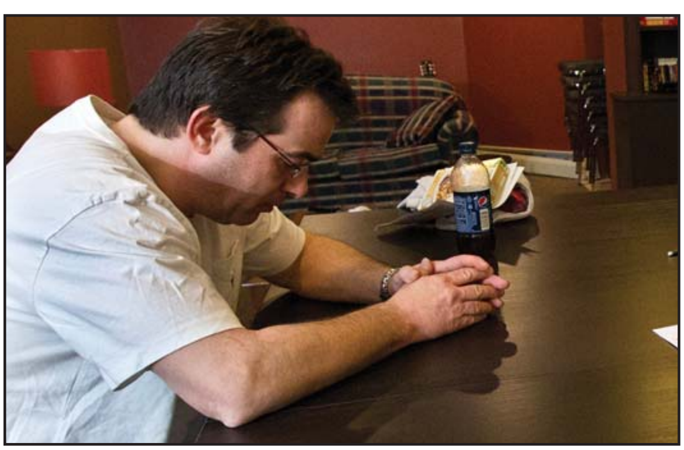
Consolidated Statements of Activities Classification The Ministry classifies program activities in the United States into three categories: Campus, Community, and Coverage. Campus activity includes ministry focused on school campuses or to students through college age. Community activity includes ministry to nonstudent groups of similar types, such as military, inner-city churches, athletes, and others. Campus and Community ministries typically include both evangelistic and discipleship efforts. Coverage ministries target broad audiences through wide-scale evangelistic activity. International ministries reflect U.S. funds spent on ministry activity internationally in all three of the Campus, Community, and Coverage components. Many of the Ministry's larger ministries have activities in multiple areas.

2. Contributions Receivable

At August 31, 2013 and 2012, the Ministry had $0 and $8,877, respectively, in net contributions receivable (after allowances for uncollectible contributions and unamortized discounts of $1,795 and $538, respectively, in 2012).

At August 31, 2013 and 2012, the Ministry has approximately $47,973 and $52,101, respectively, in conditional long-term promises to give for general ministry purposes based upon the availability of resources of the donor. Accordingly, these amounts are not recognized by the Ministry in the accompanying consolidated financial statements. These amounts will be recognized as the donor-imposed conditions are met in future years.

From time to time, the Ministry is informed of intentions to give by prospective donors. Such expressions of intent are revocable and unenforceable. The ultimate value of these expressions has not been established, nor have the expressions been recognized in the accompanying consolidated financial statements.



3. Investments

Investments at August 31 were as follows:

2013	Cost	Net Unrealized Gains (Losses)	Fair Value
Investments			
Equity securities:			
Domestic equity	$ 4,059	$ 1,454	$ 5,513
Mutual funds invested in equity securities	32,234	476	32,710
Mutual funds invested in debt securities	3,269	(179)	3,090
Total equity securities	39,562	1,751	41,313
Debt securities:			
US treasury securities	14,854	(272)	14,582
US government agencies and sponsored entities	3,630	2	3,632
Corporate bonds	11,928	7	11,935
Foreign issues	154	(1)	153
Municipalities	259	(2)	257
Asset/mortgage-backed securities	12,422	(160)	12,262
Other	2,058	(1)	2,057
Total debt securities	45,305	(427)	44,878
Alternative investments	6,266	—	6,266
Investments held in charitable remainder trusts			
Equity securities:			
Mutual funds invested in equity securities	120	—	120
Mutual funds invested in debt securities	1	—	1
Total securities	121	—	121
Other investments	—	—	—
Total investments	$ 91,254	$ 1,324	$ 92,578

2012	Cost	Net Unrealized Gains (Losses)	Fair Value
Investments			
Equity securities:			
Domestic equity	$ 10,076	$ 1,633	$ 11,709
Mutual funds invested in equity securities	16,178	(1,185)	14,993
Mutual funds invested in debt securities	5,426	362	5,788
Total equity securities	31,680	810	32,490
Debt securities:			
US treasury securities	17,955	488	18,443
US government agencies and sponsored entities	6,029	108	6,137
Corporate bonds	9,429	704	10,133
Foreign issues	498	5	503
Municipalities	77	3	80
Asset/mortgage-backed securities	10,553	334	10,887
Other	1,447	—	1,447
Total debt securities	45,988	1,642	47,630
Alternative investments	1,592	(650)	942
Investments held in charitable remainder trusts			
Equity securities:			
Mutual funds invested in equity securities	79	—	79
Mutual funds invested in debt securities	39	—	39
Total securities	118	—	118
Other investments	4	—	4
Total investments	$ 79,382	$ 1,802	$ 81,184

Approximately 45% and 40% of the Ministry's investments at August 31, 2013 and 2012, respectively, are invested in equity securities, split between mutual funds (39% and 26%, respectively) and publicly traded securities (6% and 14%, respectively) that are listed on national exchanges.

Approximately 49% and 59% of the Ministry's investments at August 31, 2013 and 2012, respectively, are invested in treasury and agency bonds of the U.S. government (20% and 30%, respectively), investment grade corporate bonds (13%), asset/mortgage backed securities (13%), and other investments (2%).

Approximately 6.8% and 1.0% of the Ministry's investments at August 31, 2013 and 2012, respectively, are invested in a partnership interest.

At August 31, 2013, the Ministry held investments exceeding 5.0% of the total investment portfolio in a fixed income fund, totaling 14.7% of total investments. At August 31, 2012, the Ministry held investments exceeding 5.0% of the total investment portfolio in a fixed income fund, totaling 5.1% of total investments.

Mutual funds included approximately $4,544 and $1,949 of annuity related investments as of August 31, 2013 and 2012, respectively.

Investment income for the years ended August 31 is included in other income in the accompanying consolidated statements of activities and consists of the following:

	2013	2012
Investment income	$ 2,500	$ 1,645
Net realized gains on the sale of investments	2,748	2,036
Net unrealized gains on investments	65	1,802
	$ 5,313	$ 5,483

4. Fair Value Measurements

The Ministry values its financial instruments based on fair value, which is defined as the price that would be received for selling an asset or paid to transfer a liability in an arm's-length, orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate fair value for the following classes of financial instruments.

Cash and cash equivalents, accounts and other receivables, prepaid and other assets, accounts payable, and accrued salaries and related expenses have a carrying amount that is a reasonable estimate of the fair value because of the short maturity of these instruments. The carrying amount of the Ministry's long-term debt approximates fair value based on the estimated market price of similar debt instruments.

Contributions receivable were discounted at an appropriate rate commensurate with the risks involved, which ranges from less than 1% to 5%. The discounted contribution receivable value approximates the fair value of these instruments at August 31, 2012.

The Ministry follows Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, which provides a framework for measuring fair value of liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of the Ministry's financial assets and financial liabilities are measured at fair value on a recurring basis, including certain cash equivalents and interests in split-interest agreements. The three levels of the fair value hierarchy defined by ASC 820 and a description of the valuation methodologies used for instruments measured at fair value are as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Ministry has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques which require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value of the financial assets and liabilities that are measured at fair value on a recurring basis was determined using inputs comprising the following at August 31, 2013:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	$ 5,513	$ —	$ —	$ 5,513
Mutual funds invested in equity securities	32,710	—	—	32,710
Mutual funds invested in mixed securities	3,090	—	—	3,090
Total equity securities	41,313	—	—	41,313
Debt securities:				
US treasury securities	14,582	—	—	14,582
US government agencies and sponsored entities	105	3,527	—	3,632
Corporate bonds	—	11,865	70	11,935
Foreign issues	—	153	—	153
Municipalities	—	257	—	257
Asset/mortgage-backed securities	—	12,262	—	12,262
Other	2,057	—	—	2,057
Total debt securities	16,744	28,064	70	44,878
Alternative investments	—	—	6,266	6,266
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	120	—	—	120
Mutual funds invested in debt securities	1	—	—	1
Total equity securities	121	—	—	121
Total investments	$ 58,178	$ 28,064	$ 6,336	$ 92,578
Liabilities				
Interest-rate swap	$ —	$ (1,932)	$ —	$ (1,932)
Split-interest trust agreements	—	(3,220)	—	(3,220)
Total Liabilities	$ —	$ (5,152)	$ —	$ (5,152)

(continued on next page)

The fair value of the financial assets that are measured at fair value on a recurring basis was determined using inputs comprising the following at August 31, 2012:

	Level 1	Level 2	Level 3	Total
Investments:				
Equity securities:				
Domestic equity	$ 11,709	$ —	$ —	$ 11,709
Mutual funds invested in equity securities	14,993	—	—	14,993
Mutual funds invested in debt securities	5,788	—	—	5,788
Total equity securities	32,490	—	—	32,490
Debt securities:				
US treasury securities	10,394	8,049	—	18,443
US government agencies and sponsored entities	501	5,636	—	6,137
Corporate bonds	—	10,102	31	10,133
Foreign issues	—	503	—	503
Municipalities	—	80	—	80
Asset/mortgage-backed securities	—	10,829	58	10,887
Other	1,447	—	—	1,447
Total debt securities	12,342	35,199	89	47,630
Alternative investments	—	—	942	942
Investments held in split-interest trust agreements:				
Equity securities:				
Mutual funds invested in equity securities	79	—	—	79
Mutual funds invested in debt securities	39	—	—	39
Total equity securities	118	—	—	118
Other investments	4	—	—	4
Total investments	$ 44,954	$ 35,199	$ 1,031	$ 81,184
Liabilities:				
Interest-rate swap	$ —	$ (3,111)	$ —	$ (3,111)
Split-interest trust agreements	—	(3,328)	—	(3,328)
Total Liabilities	$ —	$ (6,439)	$ —	$ (6,439)

The fair values of the securities included in Level 1 were determined through quoted market prices. The fair values of investments (fixed income securities and other securities) and interest rate swaps included in Level 2 were determined based on appraisals or other independent analysis, or the present value of expected future cash flows using discount rates appropriate with the risks involved, or quoted prices for similar assets. Level 3 investments consist of beneficial interests in two partnerships. The partnership interests are carried at estimated fair market value based upon an independent valuation. The estimated carrying value of the partnership interests may be periodically adjusted by management for any known impairment. The actual fair value of the partnership interests could differ materially from the estimated fair value. The Ministry did not have any significant transfers between Level 1 and Level 2, or between Level 2 and Level 3 investments for the years ended August 31, 2013 and 2012, respectively.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3), as described above, were used in determining estimated fair value:

	2013	2012
Beginning balance, August 31	$ 942	$ 1,592
Additions	5,744	—
Distributions	(350)	—
Impairment	—	(650)
Ending balance, August 31	$ 6,336	$ 942

5. Restricted Cash and Investments

Restricted cash and investments consist of funds invested in highly liquid interest-bearing investments and marketable securities and are reported at fair value. Investment income, which is unrestricted, including unrealized losses on restricted investments, was approximately $296 and $265 for the years ended August 31, 2013 and 2012, respectively, and is included in other income on the accompanying consolidated statements of activities. Cash and investments are restricted for the following purposes at August 31:

	2013	2012
Annuities and trusts	$ —	$ 81
Endowments	2,500	2,975
Reinsurance security trust account	2,395	2,339
	$ 4,895	$ 5,395

6. Prepaid and Other Assets

Prepaid and other assets comprise the following at August 31 as follows:

	2013	2012
Prepaid expenses	$ 1,819	$ 2,313
Intangible assets	7,505	8,003
Other assets	1,755	2,433
	$ 11,079	$ 12,749

7. Long-Term Severance and Other Accrued Liabilities

Long-term severance and other accrued liabilities comprise the following at August 31 as follows:

	2013	2012
Long-term severance pay	$ 16,445	$ 17,571
Long-term disability plan	9,729	10,502
Liability for annuities and trusts	3,467	3,691
Deferred revenues	748	4,046
Liability for loss and loss adjustment expense	3,829	2,825
Interest rate swap agreements	1,932	3,111
Pledge payable to The King's College *(Note 20)*	5,572	—
Other long-term liabilities	1,185	3,444
	$ 42,907	$ 45,190

The Ministry is exposed to credit loss in the event of nonperformance by the other parties to its derivative financial instruments. The Ministry limits this exposure by entering into agreements directly with major financial institutions that meet its credit standards and that are expected to satisfy their obligations under these contracts. The Ministry is exposed to market risks relating to fluctuations in interest rates. The Ministry may mitigate this risk by paying down additional outstanding balances on its variable rate loans, refinancing with fixed rate permanent debt, or obtaining cash flow hedge instruments. The Ministry utilized interest rate swap agreements as a risk management tool to manage a portion of its interest rate exposure. The principal objective of the swap agreements is to minimize the risks and costs associated with financial activities. The Ministry does not use financial instruments for trading purposes. The Ministry specifically designates interest rate swap hedges of outstanding debt instruments and recognizes interest differentials in the period they occur. The Ministry views derivative financial instruments as a risk management tool in the prudent operation of its business.

The Ministry has two interest rate swap agreements. At August 31, 2013, the two interest rate swap agreements were valued at $(1,932). At August 31, 2012, the two interest rate swap agreements were valued at $(3,111). The swap agreements have termination dates of April 1, 2019 and

August 14, 2014. Interest rate swaps are recorded in the consolidated statements of financial position in long-term severance and other accrued liabilities. The change in fair value of the swap agreements was approximately $1,179 and $610 for the years ended August 31, 2013 and 2012, respectively, which is included in the accompanying consolidated statements of activities.

The Ministry has a self-funded long-term disability plan. At August 31, 2013 and 2012, the plan liability totaled $9,729 and $10,502, respectively. The calculated liability is a "fully funded" liability, representing the amount necessary to cover known claimants in a one-time payment.

8. Long-Term Debt

Long-term debt at August 31 consisted of the following (in thousands):

	2013	2012
Bonds payable due November 1, 2019. The Ministry has entered into an interest rate swap agreement with a bank, which fixes the interest rate on the full amount outstanding at 6.78% for the life of the loan. Monthly payments include principal ranging from $95 to $105, plus interest. The debt is a variable rate demand obligation and is collateralized by a letter of credit, which renews annually, and the World Headquarters at Lake Hart.	$ 9,045	$ 10,345
Unsecured line of credit with a bank up to $5,750. Interest payments are payable monthly at a variable rate equal to 2.75% over the one-month LIBOR. Principal payments are due from time to time, such that the outstanding balance does not exceed the maximum of $5,750. The available line of credit decreases over time, at the following rate: by $250 in January 2012, by $500 in August 2012, by $500 in January 2013, and by $500 in August 2013. Full remaining balance is due no later than January 2014. This debt was eliminated at separation from The King's College.	—	5,500
Note payable to a bank due August 14, 2014. The Ministry has entered into an interest rate swap agreement with a bank, which fixes the interest rate on the full amount outstanding at 5.57% for the life of the loan. The loan has a 20-year amortization. The note is collateralized by the World Headquarters at Lake Hart.	11,605	12,040
Note payable to a bank due August 14, 2014. The Ministry has entered into an interest rate swap agreement with a bank, which fixes the interest rate on the full amount outstanding at 5.57% for the life of the loan. The loan has a 20-year amortization. The note is collateralized by land owned adjacent to the World Headquarters at Lake Hart.	4,126	4,281
Note payable to a bank. Variable interest rate of one-month LIBOR plus 2.25% payable in monthly installments of principal and interest through July 2018.	946	—
Note payable to a bank. Interest rate at 6.85% payable in monthly installments of principal and interest through December 2034. The note is collateralized by the property in Newport News, Virginia. The note was settled in FY 13.	—	956
Note payable to a trust. Interest rate at 6.5% payable in monthly installments of principal and interest through August 2030. The note is collateralized by the property at South Lake Tahoe, California (included in property and equipment).	565	583
Other notes and contracts payable at various interest rates and maturity dates.	33	33
	$ 26,320	$ 33,738

The Ministry must meet certain contractual covenants in order to be in compliance with its long-term debt agreements.

The World Headquarters at Lake Hart, which are used as collateral on long-term debt, have a carrying value of $32,289 and $33,393 for the years ended August 31, 2013 and 2012, respectively.

Long-term debt at August 31, 2013, matures approximately as follows:

Years Ending August 31:	
2014	$ 17,083
2015	1,553
2016	1,659
2017	1,780
2018	1,892
Thereafter	2,353
	$ 26,320

Interest expense was approximately $748 and $969 in 2013 and 2012, respectively.

9. Letters of Credit and Trust Accounts

The Ministry has a letter-of-credit agreement with a bank to support the bond offering for the World Headquarters at Lake Hart (see Note 8). The letter of credit is renewable annually and, as of August 31, 2013, had approximately $9,329 available. The letter of credit, if drawn upon, bears interest at the prime rate plus 2%. No amounts have been drawn against the letter of credit as of August 31, 2013 or 2012.

The Ministry has an unsecured line of credit with a bank for up to $8,000. Interest payments are calculated monthly at 2.25% over the one-month London Interbank Offered Rate (LIBOR). As of August 31, 2013 and 2012, the Ministry had a balance of $360 and $1,000, respectively, on the line of credit, which is included in long-term severance and other accrued liabilities in the accompanying consolidated statements of financial position.

The King's College had an unsecured line of credit with a bank for up to $5,750 at August 31, 2012. Interest payments were calculated monthly at 2.75% over the one-month LIBOR. As of August 31, 2012, The King's College had a balance of $5,500 on the line of credit, which is included in long-term debt in the accompanying consolidated statement of financial position.

New Life maintains trust accounts with banks for the benefit of their primary insurance underwriter. The trust accounts provide collateral to cover New Life's deductible liability protection policies. As of August 31, 2013 and 2012, the accounts had a combined balance of $2,394 and $2,339, respectively, and are included in restricted cash and investments in the accompanying consolidated statements of financial position.

10. Other Income

The Ministry has other income from various sources for the years ended August 31, as follows:

	2013	2012
Interest and investment income, net	$ 5,313	$ 5,483
Services income	4,621	4,104
Royalty income	391	449
Honorarium income	514	538
Commission income	1,581	1,373
Rental income	408	516
Other income	3,470	1,308
Total	$ 16,298	$ 13,771

11. Allocation of Joint Costs

Staff members of the Ministry conducted activities in the areas of direct ministry, management, and fundraising. The costs of these joint activities, including costs for salary, training, ministry, and fundraising, were a total of approximately $262,840 and $257,832 for the years ended August 31, 2013 and 2012, respectively. The joint costs, which are not specifically attributable to particular components of the activities, were allocated approximately as follows:

	2013	2012
Campus ministries	$ 114,997	$ 105,628
Community ministries	60,132	65,522
Coverage ministries	16,637	13,837
International ministries	42,839	46,516
General and administration	12,220	9,298
Fundraising	16,015	17,031
Total	$ 262,840	$ 257,832

12. International Subsidies

Certain international offices over which the Ministry has control or an economic interest, but not both, are not consolidated in the accompanying consolidated financial statements. The Ministry held resources for the benefit of these international offices totaling $2,709 and $2,521 as of August 31, 2013 and 2012, respectively. The Ministry, at its discretion, funds certain of these offices. Total amounts funded during 2013 and 2012, which are included in international ministries in the accompanying consolidated statements of activities, by world area, are as follows:

	2013	2012
Asia and South Pacific	$ 12,079	$ 15,663
Europe	15,366	16,815
Africa and Middle East	13,333	13,587
North and South America	7,874	4,455
Total	$ 48,652	$ 50,520

13. Staff Compensation

Compensation Salaries and staff members' expenses were approximately $286,755 and $282,603 in 2013 and 2012, respectively. Average monthly compensation, including retirement plan contributions, for staff families was $5.4 and $5.3 in 2013 and 2012, respectively, and for staff singles was $2.1 in 2013 and 2012.

Pension Plan The Ministry maintains a noncontributory defined benefit pension plan (the Plan). Effective April 1, 2011, the Plan was closed and all benefit accruals were frozen. After receiving a favorable IRS determination letter in April 2012, all members who elected lump-sum distributions were paid out, and all members who elected annuity payments remained in the Plan, to begin receiving annuity payments as they come due.

The Ministry closed the Plan and amended it as follows: the discount rate used for lump-sum distributions was changed to 7.60%; the discount rate of 5.88% was employed for lump-sum distributions to active employees who were aged 62 or older prior to the date of the favorable determination letter; and employees with less than 15 years of vesting service received the greater of their August 31, 2004, frozen benefit or a prorated benefit based on months of service prior to April 1, 2011. Employees vested in the plan were given options regarding their benefits, including rolling their benefits into the Ministry's existing 403(b) plan or an individual retirement arrangement, taking a lump-sum cash distribution, or (if lump sum was greater than $5) requesting future annuity payments.

The Ministry recognizes the total overfunded or underfunded status of its defined benefit pension plan as an asset or liability in its consolidated statements of financial position and recognizes changes in that funded status in the year in which the changes occur through changes in unrestricted net assets. Benefits from the Plan are based upon a plan-determined formula and each participant's years of service.

The following tables provide a reconciliation of the changes in the Plan's benefit obligations and fair value of assets over the two-year period ended August 31, 2013, and a statement of the funded status as of August 31:

	2013	2012
Change in benefit obligation:		
Projected benefit obligation—beginning of year	$ 64,214	$ 89,740
Interest cost	2,503	377
Actuarial loss on projected benefit obligations	(9,186)	16,682
Settlement payments	—	(42,082)
Benefit payments	(702)	(503)
Projected benefit obligation—end of year	$ 56,829	$ 64,214
Accumulated benefit obligation—end of year	$ 56,829	$ 64,214
Change in plan assets:		
Fair value of plan assets—beginning of year	$ 45,059	$ 82,341
Actual return on plan assets	(433)	446
Employer contributions	1,506	4,857
Benefit payments	(702)	(42,585)
Fair value of plan assets—end of year	$ 45,430	$ 45,059
Unfunded status—end of year	$ (11,399)	$ (19,155)

At August 31, 2013 and 2012, the Ministry recognized the unfunded pension liability of approximately $11,399 and $19,155, respectively, in the accompanying consolidated statements of financial position. The components of net periodic pension cost were as follows:

	2013	2012
Components of net periodic benefit cost (in thousands):		
Interest cost on projected benefit obligations	$ 2,503	$ 377
Expected return on plan assets	(2,912)	(349)
Amortization of net loss	783	18,701
Recognized loss due to accounting settlement	—	(18,226)
Net periodic benefit cost	$ 374	$ 503

Unrecognized net loss and prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Expected amortization in fiscal year 2014 is approximately $0 (prior service cost) and $783 (amortization of net loss).

Pension-related changes as of August 31 include the recognized loss due to accounting settlement, as well as the change in the pension's unrecognized net loss and prior service cost, as follows:

	2013	2012
Recognized loss due to accounting settlement	$ —	$ (18,226)
Change in unrecognized net loss and prior service cost	6,624	2,116
Pension-related changes	$ 6,624	$ (16,110)

At August 31, 2013 and 2012, net periodic benefit cost of $374 and $503, respectively, is included in operating expenses in the accompanying consolidated statements of activities.

Unrecognized net loss at August 31 is as follows. The change in costs is included in pension-related changes in the accompanying consolidated statements of activities.

	2013	2012
Unrecognized net loss	$ 21,786	$ 28,410

Changes in the Plan's asset and benefit obligations recognized in unrestricted net assets during 2013 and 2012 include the following:

	2013	2012
Current-year actuarial gain (loss)	$ 5,841	$ (16,586)
Recognized loss due to curtailment and settlement	—	16,649
Recognized loss	783	2,053
Change in unrestricted net assets	$ 6,624	$ 2,116

The Ministry's pension plan weighted-average asset allocations at August 31 by asset category, are as follows:

	Target 2014	Assets at August 31 2013	2012
Equity securities	69.0 %	61.5 %	— %
Debt securities	21.0	25.1	22.4
Cash equivalents and other	10.0	13.4	77.6
Total	100.0 %	100.0 %	100.0 %

The primary investment objectives of the plan investment pool are to preserve the purchasing power of assets and earn a reasonable real rate of return over the long term while minimizing the short-term volatility of results. The expected return on plan assets is determined based on asset allocations and historical expenses. Expected employer contributions for the fiscal year ending August 31, 2014, are $0 and estimated future settlement payments are $0.

The following table presents the Plan's financial instruments as of August 31, 2013, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 4:

	Level 1	Level 2	Level 3	Total
Assets				
Investments:				
Cash equivalents:				
Money market funds	$ 628	$ —	$ —	$ 628
Commodities	5,479	—	—	5,479
Equity securities:				
Mutual funds	39,323	—	—	39,323
Total investment assets	$ 45,430	$ —	$ —	$ 45,430

The following table presents the Plan's financial instruments as of August 31, 2012, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 4:

	Level 1	Level 2	Level 3	Total
Assets				
Investments:				
Cash equivalents:				
Money market funds	$ 34,985	$ —	$ —	$ 34,985
Equity securities:				
Mutual funds	10,074	—	—	10,074
Total investment assets	$ 45,059	$ —	$ —	$ 45,059

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 4.

There were no transfers of plan instruments to or from Level 1 and Level 2. The Ministry had no Level 3 assets as of August 31, 2013, or at any point during the fiscal year.

The assumptions used in the measurement of the Ministry's benefit obligation and cost are shown in the following table:

	2013	2012
Weighted-average assumptions as of August 31:		
Discount rate	4.89%	3.92%
Expected return on plan assets	5.64	6.40
Rate of compensation increase	N/A	N/A
Other accounting disclosures:		
Market-related value of assets	$ 45,430	$ 45,059
Amount of future annual benefit of plan participants covered by insurance contracts issued by the employer or related parties	N/A	N/A
Alternative amortization methods used to amortize:		
(a) Prior service cost	Straight-line	Straight-line
(b) Unrecognized net gain or loss	Straight-line	Straight-line
Employer commitments to make future plan amendments (that serve as the basis for the employer's accounting for the Plan)	None	None
Description of special or contractual termination benefits recognized during the year	N/A	N/A
Cost of benefits to special or contractual termination benefit	N/A	N/A
Explanation of any significant change in benefit obligation or plan assets not otherwise apparent in the above disclosures	N/A	N/A

Retirement Income Plan The Ministry maintains a voluntary Retirement Income Plan (403(b)). The Retirement Income Plan is open to all full-time employees. The Ministry contributes a monthly amount for each supported staff member or salaried employee to the Retirement Income Plan. Ministry contributions to the Retirement Income Plan are discretionary and totaled approximately $8,605 and $1,410 for the years ended August 31, 2013 and 2012, respectively. Employees can direct their contributions to certain investments of their choice. The Retirement Income Plan establishes limits as to participation and annual employee contributions.

Retirement Savings Plan The Ministry maintains a Retirement Savings Plan (the Savings Plan), which is open to all full-time hourly employees. Employees are not permitted to contribute to the Savings Plan. Contributions to the Savings Plan are made by the Ministry on behalf of the employees based on each employee's respective years of service and the applicable percentage times the maximum monthly accrued benefit computed under the Savings Plan, as defined within the Savings Plan documents. Employees can direct their allocated contributions to certain investments of their choice. The Ministry contributed approximately $98 and $93 to the Savings Plan for the years ended August 31, 2013 and 2012, respectively.

14. Commitments and Contingencies

Operating Leases The Ministry leases certain equipment and office facilities under operating lease agreements. Future rental payments under these operating leases at August 31, 2013, are approximately as follows:

Years Ending August 31:	
2014	$ 2,972
2015	1,908
2016	1,077
2017	368
2018 and Thereafter	767
	$ 7,092

Rent expense was approximately $15,943 and $16,118 in 2013 and 2012, respectively.

15. Endowments

In June 2011, the state of Florida adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as the standard for management and investment of institutional funds in Florida. This act became effective in July 2012. The Ministry has adopted UPMIFA and has experienced no net asset reclassification as a result of adopting UPMIFA.

The Ministry has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Ministry classifies as permanently net restricted assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment, if explicitly designated as such by the donor; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Ministry considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the fund
- The purposes of the Ministry and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Ministry
- The investment policies of the Ministry

The Ministry has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the Ministry must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Ministry relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Ministry targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objective within prudent risk constraints.

As part of the current spending policy, the Ministry makes payments of 5% of the investment balance in periods where the account balance is sufficiently above the historic dollar cost of the fund. In periods where the investment value is below the historic dollar cost, distributions are limited to current interest and dividend earnings. The objectives of the portfolio are the enhancement of capital and real purchasing power while limiting exposure to risk of loss.

Changes in endowment funds for the fiscal year ended August 31, 2013, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of the year	$ 5	$ 352	$ 3,250	$ 3,607
Investment return	276	38	—	314
Distributions	(105)	(18)	(750)	(873)
Net assets, end of year	$ 176	$ 372	$ 2,500	$ 3,048

Changes in endowment funds for the fiscal year ended August 31, 2012, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of the year	$ (138)	$ 359	$ 3,242	$ 3,463
Investment return	204	—	8	212
Contributions	—	32	—	32
Distributions	(61)	(39)	—	(100)
Net assets, end of year	$ 5	$ 352	$ 3,250	$ 3,607

As of August 31, 2013, there were no permanently restricted endowments whose fair value of assets was less than the level required by donor stipulation.

16. Temporarily Restricted Net Assets

Temporarily restricted net assets are available at August 31 for the following purposes:

	2013	2012
Annuities, trusts, and endowments	$ 6,075	$ 4,441
FamilyLife program, media and global projects	1,016	648
Pledges received for The King's College programs	—	7,906
	$ 7,091	$ 12,995

17. Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is unrestricted as to its use. At August 31 the amounts are as follows:

	2013	2012
Endowments	$ 2,500	$ 3,250

18. Net Assets Released From Restrictions

Net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purposes or by occurrence of other events as specified by the donors. The purposes of the restricted contributions released for the years ended August 31 are as follows:

	2013	2012
Annuities, trusts, and endowments	$ 117	$ 194
Funds used for FamilyLife program, media and global projects	1,440	1,731
Total	$ 1,557	$ 1,925

19. Functional Expenses

The Ministry's expenses, by functional classification for the years ended August 31, are as follows:

	MINISTRIES				SUPPORT SERVICES		
	United States						
	Campus	Community	Coverage	International	General & Admin.	Fund-raising	Total Expense
2013							
Salaries and benefits	$ 107,263	$ 65,066	$ 26,512	$ 41,014	$ 24,726	$ 22,174	$ 286,755
International subsidies	—	—	—	48,652	—	—	48,652
Gifts in kind	—	—	—	31,072	—	—	31,072
Contracted services	1,427	3,965	3,910	436	2,255	5,887	17,880
Technology	601	657	2,947	453	1,846	329	6,833
Media and other communications	851	5,310	994	468	8	653	8,284
Rent and utilities	7,299	2,037	4,174	557	1,505	466	16,038
Travel and entertainment	23,323	6,672	7,799	5,876	2,312	3,228	49,210
Printing	1,404	819	1,062	134	257	617	4,293
Postage and freight	905	1,969	483	329	1,114	1,745	6,545
Supplies	3,487	1,525	1,050	760	322	355	7,499
Depreciation and amortization	815	1,083	2,521	471	1,504	262	6,656
Telephone	855	702	692	515	610	212	3,586
Cost of sales	127	3,044	993	20	1	7	4,192
Bank fees and interest	95	298	82	67	1,983	19	2,544
Training and meetings	1,065	558	500	1,991	295	222	4,631
Insurance	3	11	73	1	3,414	211	3,713
Other expenses	299	921	937	800	91	2,936	5,984
Total Expenses	**$ 149,819**	**$ 94,637**	**$ 54,729**	**$ 133,616**	**$ 42,243**	**$ 39,323**	**$ 514,367**

	MINISTRIES				SUPPORT SERVICES		
	United States						
	Campus	Community	Coverage	International	General & Admin.	Fund-raising	Total Expense
2012							
Salaries and benefits	$ 99,112	$ 69,667	$ 23,763	$ 44,845	$ 22,052	$ 23,164	$ 282,603
International subsidies	—	—	—	50,520	—	—	50,520
Gifts in kind	—	—	—	47,078	—	—	47,078
Contracted services	1,226	3,778	2,898	613	1,132	7,355	17,002
Technology	632	718	1,675	427	2,293	505	6,250
Media and other communications	479	4,964	1,065	526	10	793	7,837
Rent and utilities	7,000	2,327	1,617	651	1,182	502	13,279
Travel and entertainment	22,293	7,066	7,491	5,838	983	2,993	46,664
Printing	1,348	984	820	161	286	672	4,271
Postage and freight	876	1,991	525	228	1,251	1,755	6,626
Supplies	3,680	1,676	937	660	311	437	7,701
Depreciation and amortization	640	1,160	2,174	253	1,572	182	5,981
Telephone	820	783	668	562	558	216	3,607
Cost of sales	62	2,497	2,141	12	2	27	4,741
Bank fees and interest	110	246	4	67	1,967	27	2,421
Training and meetings	1,151	619	407	981	368	115	3,641
Insurance	11	12	81	7	2,166	214	2,491
Other expenses	575	1,500	1,080	183	1,128	3,101	7,567
Total Expenses	**$ 140,015**	**$ 99,988**	**$ 47,346**	**$ 153,612**	**$ 37,261**	**$ 42,058**	**$ 520,280**

Program activities are based on ministry activity and not on the organizational structure of the Ministry (see Note 1, Consolidated Statements of Activities Classification).

20. Discontinued Component

On March 8, 2013, the Ministry formally and legally separated from The King's College, one of the Ministry's wholly owned subsidiaries. The Ministry does not exercise control over The King's College, as prescribed by ASC 205-20-45-3, *Presentation of Financial Statements—Discontinued Operations.* The accompanying consolidated statement of financial position, as of August 31, 2013, exclude all assets, liabilities, and net assets related to The King's College. The accompanying consolidated statements of activities for the years ended August 31, 2013 and August 31, 2012, include the net (loss) gain from operations of The King's College, including a separation loss of $(12,823) as of the date of separation, totaling $(7,236) and $2,336, respectively, under other changes: gain (loss) on operations of discontinued component. The consolidated statement of activities for the year ended August 31, 2012, has been reclassified to reflect the discontinued operations. The net loss on operations includes applicable revenues and expenses through the separation date of March 8, 2013.

21. Subsequent Events

ASC 855-10, *Subsequent Events—Overall*, establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before the financial statements are issued. The ASC defines two types of subsequent events. The effects of events or transactions which provide additional evidence about conditions that exist at the balance sheet date, including estimates inherent in the process of preparing financial statements, are recognized in the financial statements. The effects of events which provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date are not recognized in the financial statements. The Ministry has reviewed subsequent events through January 10, 2014 (the date the accompanying consolidated financial statements are available to be issued).

REPORT OF AUDIT COMMITTEE

The Audit Committee of the Board of Directors is composed of three independent directors. The Audit Committee oversees the Ministry's financial reporting process on behalf of the Board of Directors. The Committee held four meetings during 2013. In fulfilling its responsibility and in accordance with Campus Crusade policy and practice, the Committee discussed with the independent auditors the overall scope and specific plans for their audit. The Committee also discussed with management and the independent auditors the Ministry's consolidated financial statements and the adequacy of the Ministry's internal controls. During the Audit Committee meetings the Committee met with the independent auditors, without management present, to discuss the results of their audit, their communication related to the Ministry's internal controls, and the overall quality of the Ministry's financial reporting.

Barry Cannada
Chairman, Audit Committee

STAFF AND MINISTRY

Staff members with Campus Crusade for Christ, Inc. are responsible for securing contributions to the Ministry to cover the costs of their salary, training, ministry and fundraising expenses, plus a portion of the administrative and international expansion costs.

Salary for staff members is determined by marital status, the number and ages of their dependent children, plus other factors for which they may qualify. The average compensation amounts included in the Financial Highlights include contributions to a 403(b) retirement plan.

Steve and Judy Douglass, as do all other supported staff members, raise their own ministry funds. The Douglasses direct honorariums and royalties to Campus Crusade for Christ. Their income-tax returns are prepared by external CPAs. When they travel to speak or attend meetings at churches and various conferences, their expenses are covered by either Campus Crusade for Christ or the inviting group. The Douglasses have requested that their business expenses be regularly reviewed by the Audit Committee of the Board of Directors of the Ministry.

Because of their desire to be totally transparent in all of their finances, the Douglasses have voluntarily provided the following information. Both work full-time for the ministry. Steve Douglass' taxable income and Minister's Housing Allowance for 2013 was $76,817.68. Judy's taxable income and Minister's Housing Allowance was $51,843.92. Steve made non-taxable contributions to the 403(b) Retirement plan in 2012 of $16,870.80, and Judy made contributions of $16,275.60. They each participated, in the same manner as all other staff members, in the ministry's other benefit programs. Those programs include an employer-funded medical/dental plan, an employer-funded disability plan and employer-funded life insurance.

REPORT OF MANAGEMENT

Overall, we are pleased with the financial results of fiscal year 2013 as we have been blessed with steady gains in contributions. We are continually grateful and amazed at God's provision for the Ministry.

For the fiscal year ended August 31, 2013, total worldwide revenues of Campus Crusade for Christ, Inc. and its foreign associates were $689,249,000. United States revenues of the Ministry for the fiscal year were $543,658,000.

In 2013, the ministry had a positive change in net assets of $29,858,000. This was due in large part to favorable operating results within our various divisions, positive returns on corporate investments totaling $5,313,000, and by a favorable pension plan related change of $6,624,000 (see notes 3 and 13 in the audited financial statements).

We take seriously the responsibility God has given us to be good stewards of the resources He has provided. Each area of the Ministry is responsible not only for raising funds, but also careful planning and controlled spending.

Management is responsible for financial and all other information contained in this annual report. The financial statements were prepared in conformity with generally accepted accounting principles and include amounts based on informed judgments and estimates of management.

The Ministry maintains internal controls designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that transactions are executed in accordance with managements' authorizations and are recorded properly to permit the preparation of clear and accurate financial statements.

The Audit Committee, composed entirely of outside directors, meets periodically with the Ministry's independent auditors, internal auditors and management to ensure that each area is properly discharging its responsibilities.

We consider it a privilege to work toward helping to build "spiritual movements everywhere, so that everyone knows someone who truly follows Jesus."

Mark D. Tjernagel
Chief Financial Officer

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