A caring community passionate about connecting people to Jesus Christ

2017 Annual Report

FRUIT THAT REMAINS

"You did not choose Me
but I chose you, and appointed you
that you would go and bear fruit,
and that your fruit would remain."

John 15:16 (NASB)

Cru®'s story, by God's grace and through His power, is one of fruit that remains.

This fruit ripens and multiplies, spreading seeds that find good soil and yield still more fruit, replicating itself over and again.

Bill and Vonette Bright co-founded Campus Crusade for Christ® at UCLA in 1951, but the vision stretched beyond a single campus, and even beyond students. This initial fruit would multiply rapidly in a movement of evangelism and discipleship, matured through connection to Christ, the vine, and blown by the wind of the Spirit into all the world. Helping to fulfill Christ's Great Commission—to go and make disciples of all nations—was the clear focus.

God has been gracious in bringing this vision to life. Along the way, Cru has been able to establish new movements in nearly all segments of society and all corners of the globe. We've partnered with many like-minded churches and organizations, mutually sharpening one another to greater effectiveness and mobilizing more believers into spiritual multiplication.

The stories and information in this report are a snapshot of this lasting fruit. It's as much yours as ours; your investments of time and treasure have influenced the eternal destinies of millions.

With gratitude and humility, we stand arm in arm with the manifold body of Christ, the Great Commission's fulfillment within our sight.

From the President, **Steve Douglass**

Guy Gerrard, © Cru

I was recently asked by the head of a foundation what I considered some major trends which relate to ministry and missions. Without hesitation I said the number one trend is the fact that God is moving today in remarkable ways. I cited a few examples:

1. The number of unengaged* people groups in the world is one-third of what it was 20 years ago.
2. The number of house churches planted in the last eight years is over 2.5 million.
3. The number of campuses Cru® is present on has grown by about 45 percent in the last two years.

I could have gone on, but the point was simple! We have the privilege of being alive and in ministry at an extremely fruitful time!

In the following pages, you will read some exciting examples that illustrate the broad trends I just mentioned, and show how powerfully God is moving around the world. You will read about dramatic life-change in a student in South Africa, about a rapidly growing ministry to married couples in the Philippines, and about how drilling water in one part of Tanzania has resulted in the planting of 117 churches since December 2015. We are greatly honored to be a part of what God is doing.

Of course, we would not be able to play such a part in God's plan without financial resources. You will notice in the financial report which follows that our worldwide revenues are almost $749 million, up from $709 million in our last fiscal year. The significant majority of that amount is raised by our supported staff members for their salary and other needs.

Being involved in such a large endeavor requires us to operate in a financially credible fashion. We are a charter member of the Evangelical Council for Financial Accountability®, and have a strong internal audit department. We also have an audit committee composed entirely of outside directors, and are annually audited by one of the largest accounting firms in the world.

Thank you so much for your interest in our ministry. I hope this report encourages you as we work together to help fulfill the Great Commission.

Steve Douglass
President
Cru® and Campus Crusade for Christ®

**Places where there is no known Christian missionary or outreach activity.*

South Africa

In ninth grade, Phillip Zulu (far right) was caught shoplifting, looking to fund a growing drug habit. The security guard released him, though, saying, "May God be with you." It caught Phillip's attention.

Tom Mills, © Cru

Shortly thereafter, a group of American college students arrived at Phillip's high school in Mamelodi Township, one of many neighborhoods established during South Africa's apartheid years. The students were led by Cru® staff member Pat McLeod.

Pat had been coming to South Africa since 2007, and was shocked to find that, in spite of its location, the University of Pretoria-Mamelodi had very few black students. Entrance exams had proven insurmountable for students from the under-equipped high schools in these poorer townships.

Pat's ministry focuses on Ivy League students, possibly the world's best test-takers. So he pioneered an annual summer mission trip—the Mamelodi Initiative—in which Ivy League students offer scholastic mentoring, along with the hope of Christ, to high schoolers from these neighborhoods.

Two students took an interest in Phillip, which prompted his natural question: "Why is it that you came this far?" The students responded by telling him about Jesus, a message that was unfamiliar to him. He surrendered his life to Christ and sank his teeth into his studies.

Phillip, now in his third year at the university, gives back. Not only did the Mamelodi Initiative allow him to find new life in Christ, it also helped him ace his entrance exams. During school breaks, he spends time with students in the same position he once was, sharing the hope of Christ along with mentoring them academically.

"When I was an atheist, I converted my cousin to atheism. Today, I introduced her to Jesus!"

Said by a student who took part in a creative online strategy that reached out to share the good news about Jesus with 11,000 family members and friends during a Cru® Spring Break Conference.

Texas

Lynn Pennington

Matthew Slater (on right, with his father, Jackie) received the 2017 Bart Starr Award, honoring the NFL player who best exemplifies outstanding character and leadership in the home, on the field, and in the community. The award is one of only two voted on by NFL players; the other is selection to the Pro Bowl.

The Bart Starr Award is presented at the Super Bowl Breakfast, held annually by Athletes in Action®, Cru®'s sports ministry. The event is sanctioned by the NFL, and also features video highlights, interviews, and a personal testimony by a respected Christian within the NFL community. Attendees, many of whom are business executives and civic leaders unlikely to ever set foot in a church, are invited to pray to receive Christ and connect to local ministries, such as Cru City.

Because Matthew's team, the New England Patriots, played in the Super Bowl, he was unable to receive the award in person. His father, Jackie, the 1996 winner, tearfully accepted it on Matthew's behalf. The Slaters are the first father-son duo to win the Bart Starr award in its 30-year history. Past winners include Drew Brees, Aaron Rodgers and Reggie White.

The 2017 Super Bowl Breakfast, in Houston, was attended by over 1,600 guests. Hall of Fame running back Curtis Martin shared his testimony, 28 people indicated a decision for Christ, and 140 expressed a desire to connect to a small group.

Philippines

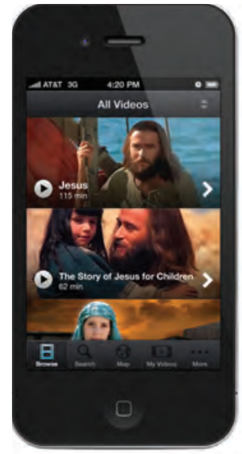
Jaime and Annie Cruz sensed God calling them to lead their church's married couples ministry, but didn't know where to begin. Their daughter, Ella, had gone off to college, where she met Bethel, a student leader in Philippine Campus Crusade for Christ®. Bethel's parents happened to be volunteer leaders with FamilyLife® Philippines, and the two girls made the connection.

The Cruzes, with mentoring from FamilyLife staff members, started a HomeBuilders (now called Art of Marriage Connect™) group with five couples, each of whom would later start their own groups. Momentum built as couples learned to center their relationships on Christ. Now, four years later, entire families and neighborhoods are being transformed as the ministry multiplies.

Parents lead "HomeBuilders Next Gen" groups with teenage children. Ella adapted campus ministry materials for use with kids, and there are now four separate groups for younger children. Kids tell friends and classmates about Christ regularly. In total, 22 groups, plus seven "prayer centers" led by fathers in neighborhood homes, trace their heritage to Jaime and Annie's initiative.

Manila, Philippines; iStock.com/kieferpix

Mauritius



The Jesus Film® app puts over 200 digital resources in the pockets of users all over the globe.

On the Indian Ocean island of Mauritius, two staff members were granted permission to show film clips in a local school. After a few visits, 33 girls had indicated a decision to receive Christ. The principal was so struck by the life change happening among them that he invited the staff members to speak to the boys as well. In just one day, 37 boys indicated a decision for Christ.

The school's headmaster saw the film next. He accepted Christ, and opened the door for the film to be shown to 25 of his colleagues, all of whom received Christ as well. The very next day, the staff members were invited to bring the message of redemption through Christ to an assembly of 700 students. Everyone there indicated a decision to receive Christ!

Tom Mills, © Cru

A Remarkable Harvest: Jesus Film Project® by the numbers

1,617 — language translations of *JESUS* film (classic version)

7.7 billion — cumulative global audience

530 million+ — indicated decisions for Christ following a film showing

366,000+ — churches planted using *JESUS* in 2016

230 — countries that accessed Jesus Film® digital content in 2016

74,710 — new installs of Jesus Film media app in 2017

Cameroon

Bob Trierweiler, leader of Cru®'s Faith and Law Around the Globe (FLAG) movement, rose from his kneeling position and acted like he was lifting an invisible person from the chair before him. The legal professionals watching grasped the symbolism. They had forcibly removed Christ from the seat of control in their lives, and took over themselves, many times.

Cameroon community prayer meeting, photo by Guy Gerrard, © Cru

Attendees of the FLAG conference, conducted in partnership with Campus Crusade for Christ®'s LeaderImpact™ ministry in Cameroon and YWAM®, eagerly discussed spiritual breathing, expressed a desire to tell people in their spheres of influence about Jesus, and begged for the event to be repeated. One lawyer said, "This type of conference should be multiplied because people will rise up and end corruption."

"I have given that same presentation in other environments, but the reaction has never been as strong," Bob said. "It was clearly a move of the Holy Spirit."

Guy Gerrard, © Cru

Tanzania

A clean water and church planting partnership between Global Aid Network® (the humanitarian arm of Cru®) and a team of local pastors organized by Life Ministry (as Cru is known in Tanzania) has resulted in 117 churches being planted since December 2015.

Pennsylvania

The image of a university Greek system isn't always pretty. Hazing, wild parties, and the like capture headlines routinely, and sometimes Christians are counseled to steer clear of the environment altogether.

But Cru® staff member Adam Reedy is one of many who take a more compassionate look.

"They're the lost sons and daughters Jesus is calling home," he says.

Adam volunteers as a fraternity chaplain and advisor, and relationships he's built within Carnegie Mellon University's Greek Life office have opened doors for the good news of Jesus to start flooding into a spiritually dry part of campus. Administrators are acutely aware of Greek culture's many issues, and are hopeful that connecting students to faith can lead to reform. Adam has found great favor, and over the last two years these positions have allowed him to connect with dozens of influential men.

The Mall at Carnegie Mellon University by Asamudra at English Wikipedia

Seven men from three fraternities indicated decisions for Christ during the last school year. Small groups, led by Adam and a Cru student leader who is a fraternity member himself, draw an even mix of Christians and non-Christians. One fraternity president returned to his faith in Christ and is seeking to use his position to make Jesus known.

Panama

Yaritza, a young professional in Panama City, looked out over El Valle de San Francisco, a squalid neighborhood near the city garbage dump, every time she went to church. Her heart for its residents grew, and after attending a 10-week MC² training conducted by her church, she put her heart into action.

Global Church Movements, a Cru® ministry, developed MC², or Multiplying Churches and Communities, and partners with churches worldwide to train members to initiate, build, and multiply faith communities.

LA PRENSA/Ricardo Iturriaga

Yaritza began by hosting a gathering at a home in the neighborhood. Thirty people came—far more than the eight she expected! She showed *JESUS* film clips, invited those gathered to become a follower of Christ, and started a follow-up group the next week. The group, attended by up to 15 people weekly, is one of 41 missional communities launched in Panama in 2017.

In 2011, GCM helped initiate the Global Alliance for Church Multiplication, a partnership of churches and mission organizations striving to plant 5 million new churches by 2020. This partnership has grown to include 68 member organizations, and as of November 1, 2017, has seen 1,301,308 new churches and faith communities begin.

"God gave me a divine appointment today, and I was able to use the God Tools app to help share the gospel. In the end our new brother, Issac, submitted his life to Christ!"

Feedback given to Cru®'s Digital Products & Services team, who created and maintains the God Tools app. God Tools features several digital versions of the Four Spiritual Laws booklet, a presentation on living the Spirit-filled life, and other ministry resources. The Four Spiritual Laws is available in 65 languages, and last year the app was used in every nation in the world but one.

Ohio

Ted Wilcox, © Cru

Israel ("Izzy") Garrett II (on right) joins a lineage of volunteer leaders with The Impact Movement® at Kent State University. Impact® is a partnering ministry with Cru® that equips students of African descent to become disciples of Jesus. Izzy graduated in 2014 and accepted a challenge from his mentor, Darnell, to offer his time to invest spiritually in the next generation of students. Darnell is a volunteer himself, following in the footsteps of his pastor, who helped launch the movement in 1998. Twelve Kent State students indicated that they placed their faith in Christ in the fall of 2017 through Impact.

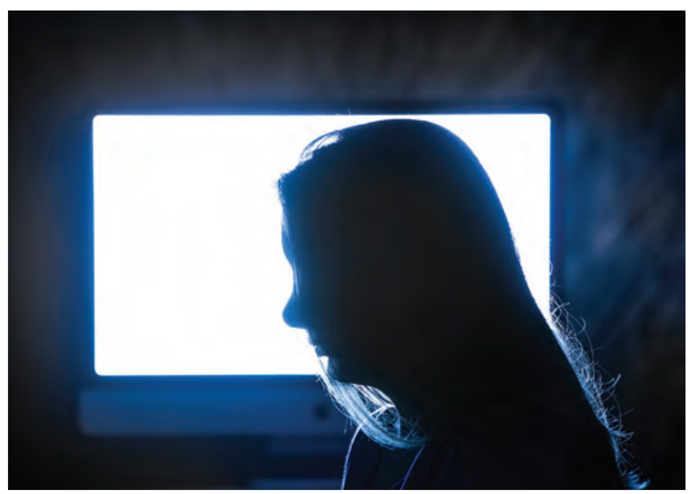
Canada

Anna* turned to her friend Mindy* and asked, "What's the domain of that website you just said you worked on?"

Mindy said, "Howtokillyourself.org."

"That's the site I was on last night," Anna said. "It gave me enough hope to make it to today."

Mindy, a software developer in Canada, had attended an Indigitous® hackathon a few months earlier. The global collaborative event brought together 1,426 people in 28 cities across 15 nations, all pursuing the goal of creating locally relevant digital tools to advance the Great Commission.


Guy Gerrard, © Cru

Over 4,000 Canadians search for the phrase "how to kill yourself" each day. Mindy joined a team creating a website aimed at offering God's love and tangible help to these hurting people. Little did she know that one of them would be so close.

The Indigitous community currently has 4,551 members from 91 nations working on 330 projects: websites like the one Mindy helped create, discipleship and evangelism tools, even Bible gaming apps.

*names changed

India

Simplebulldog Studio

“How can I grant you bail?” the judge asked. The implication behind his question wasn’t the qualification of the accused, or the ability to pay, but about who was making the request.

Manju Antoney, the defense lawyer on the case, represented an imprisoned man who had no other advocate. Even his family had deserted him. But Manju (far left), a lawyer in the high court of Kerala, a state on India’s southwest coast, has a God-given heart for the accused.

“This is my area in which I can be a true missionary,” Manju says. “Christ died for [the accused] also. Whether they are guilty or not we have to defend them. We have to share the gospel with them.”

Manju is involved with a legal ministry connected to LeaderImpact™, a Cru® ministry. LeaderImpact is a community of professionals intentional about helping their peers become more effective leaders.

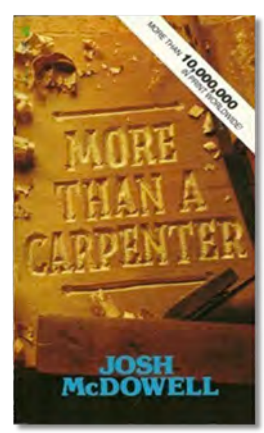
Manju’s leadership extends to those he represents. With no one else available, Manju stood as the imprisoned man’s surety. He considered that God was giving him the opportunity to help. It was highly unusual, and impressed the judge. He released the prisoner.

A second opportunity then presented itself. The freed man had no place to go next. So Manju hired him. Naturally, he shared the gospel, and the former prisoner now trusts and follows Christ.

Wales

A prostitute in Wales became one of the many thousands of people around the globe who have come to believe in Christ through the influence of staff member Josh McDowell’s classic book *More Than a Carpenter*. After receiving and reading a copy, she gave her life to Christ and began distributing the book to other prostitutes she knew. To date, 26 others have come to Christ.

This group of former prostitutes now greets Welsh coal miners at the end of each workday with a smile and an outstretched hand, offering a copy of the book that God used to transform their lives.



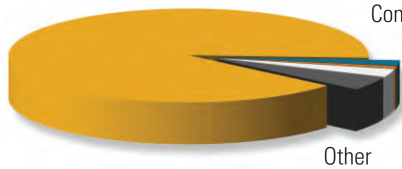
FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014
United States Revenues	$ 598,409,000	$ 569,801,000	$ 542,952,000	$ 537,908,000
Operating Change in Net Assets[1]	$ 20,369,000	$ 16,322,000	$ 12,571,000	$ 14,602,000
Non-Operating Change in Net Assets[1]	$ 6,195,000	$ 39,396,000	$ (5,345,000)	$ (4,891,000)
Total Change in Net Assets	$ 26,564,000	$ 55,718,000	$ 7,226,000	$ 9,711,000
International Revenues[2]	$ 150,145,000	$ 139,355,000	$ 139,918,000	$ 155,858,000
World Revenues (U.S. and International)	$ 748,554,000	$ 709,156,000	$ 682,870,000	$ 693,766,000
Fundraising Expenses[3]	7.9%	8.2%	8.4%	8.7%
General and Administrative Expenses[3]	7.3%	7.9%	6.9%	8.1%
Average Size of Gift Received	$ 126	$ 125	$ 123	$ 124
Most Frequent Contribution	$ 50	$ 50	$ 50	$ 50
Average Staff Family's Monthly Compensation	$ 5,856	$ 5,742	$ 5,615	$ 5,518
Average Staff Single's Monthly Compensation	$ 2,411	$ 2,335	$ 2,161	$ 2,110

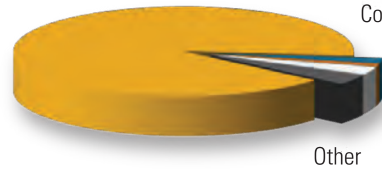
1. Operating change in net assets excludes Pension and Derivative expenses. Non-Operating change in net assets includes Pension and Derivative expenses.
2. International revenues reflect monies raised by ministries associated with Campus Crusade for Christ, Inc., and who cooperate with us in our efforts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

SOURCES OF U.S. REVENUES

2017

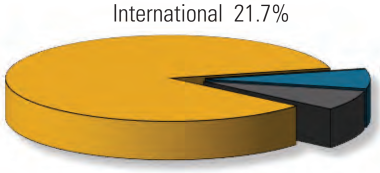


2016

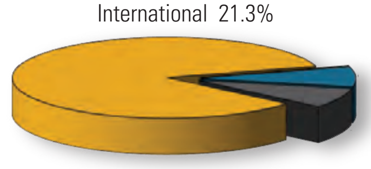


USES OF FUNDS

2017



2016



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Campus Crusade for Christ®

We have audited the accompanying financial statements of Campus Crusade for Christ, Inc. and its subsidiaries (the Ministry), which comprise the consolidated statements of financial position as of August 31, 2017 and 2016, 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 consolidated 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 consolidated financial statements based on our audits. We did not audit the financial statements of FamilyLife, the Great Commission Foundation, New Life Insurance Co., and GAiN International, wholly-owned subsidiaries, which statements reflect total assets constituting 22% in 2017 and 20% in 2016 and total revenues constituting 9% in 2017 and 8% in 2016 of the related consolidated totals. 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 for FamilyLife, 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 Campus Crusade for Christ, Inc. and subsidiaries at August 31, 2017 and 2016, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Orlando, Florida
January 18, 2018

Ernst + Young LLP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Thousands)
August 31, 2017 and 2016

		2017	2016
ASSETS	Cash and cash equivalents	**$ 45,838**	$ 58,523
	Investments	**225,126**	182,634
	Accounts and other receivables	**6,591**	6,804
	Inventories	**2,390**	2,604
	Gifts-in-kind inventories	**8,042**	6,762
	Property held for sale	**1,097**	1,132
	Restricted cash and investments	**5,668**	4,551
	Prepaid and other assets	**12,136**	12,683
	Property and equipment:		
	Land and land improvements	**7,082**	7,082
	Buildings and improvements	**81,400**	80,745
	Furniture and equipment	**44,398**	43,744
	Total property and equipment	**132,880**	131,571
	Accumulated depreciation	**(82,358)**	(78,280)
	Net property and equipment	**50,522**	53,291
	Total assets	**$ 357,410**	$ 328,984
LIABILITIES AND NET ASSETS	Liabilities:		
	Accounts payable	**$ 3,559**	$ 3,478
	Accrued salaries and related expenses	**23,067**	22,672
	Long-term severance and disability	**38,019**	32,801
	Other accrued liabilities	**18,922**	17,141
	Pension liability	**26,539**	32,082
	Long-term debt	**590**	660
	Total liabilities	**110,696**	108,834
	Net assets:		
	Unrestricted	**233,888**	211,775
	Temporarily restricted	**10,326**	5,875
	Permanently restricted	**2,500**	2,500
	Total net assets	**246,714**	220,150
	Total liabilities and net assets	**$ 357,410**	$ 328,984

See accompanying notes.

CONSOLIDATED STATEMENT OF ACTIVITIES

(*In Thousands*)
Year Ended August 31, 2017

2017	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Revenues:				
Contributions	**$ 531,087**	**$ 6,014**	**$ –**	**$ 537,101**
Gifts-in-kind contributions	**12,215**	**–**	**–**	**12,215**
Literature and material sales	**5,234**	**–**	**–**	**5,234**
Conference registrations	**16,440**	**–**	**–**	**16,440**
Other income	**27,212**	**207**	**–**	**27,419**
Net assets released from restrictions	**1,770**	**(1,770)**	**–**	**–**
Total revenues	**593,958**	**4,451**	**–**	**598,409**
Expenses:				
Operating expenses:				
Campus	**181,303**	**–**	**–**	**181,303**
Community	**127,393**	**–**	**–**	**127,393**
Coverage	**58,346**	**–**	**–**	**58,346**
International ministries	**125,206**	**–**	**–**	**125,206**
General and administrative	**42,191**	**–**	**–**	**42,191**
Fundraising	**43,601**	**–**	**–**	**43,601**
Total expenses	**578,040**	**–**	**–**	**578,040**
Change in net assets before other changes	**15,918**	**4,451**	**–**	**20,369**
Other changes:				
Pension-related changes other than net periodic pension cost	**6,195**	**–**	**–**	**6,195**
Change in net assets	**22,113**	**4,451**	**–**	**26,564**
Net assets – beginning of year	**211,775**	**5,875**	**2,500**	**220,150**
Net assets – end of year	**$ 233,888**	**$ 10,326**	**$ 2,500**	**$ 246,714**

See accompanying notes.

CONSOLIDATED STATEMENT OF ACTIVITIES

(In Thousands)
Year Ended August 31, 2016

2016	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Revenues:				
Contributions	$ 513,483	$ 2,101	$ –	$ 515,584
Gifts-in-kind contributions	10,703	–	–	10,703
Literature and material sales	6,033	–	–	6,033
Conference registrations	16,773	–	–	16,773
Other income	20,364	344	–	20,708
Net assets released from restrictions	4,855	(4,855)	–	–
Total revenues	572,211	(2,410)	–	569,801
Expenses:				
Operating expenses:				
Campus	176,340	–	–	176,340
Community	122,256	–	–	122,256
Coverage	49,843	–	–	49,843
International ministries	117,945	–	–	117,945
General and administrative	43,883	–	–	43,883
Fundraising	43,212	–	–	43,212
Total expenses	553,479	–	–	553,479
Change in net assets before other changes	18,732	(2,410)	–	16,322
Other changes:				
Gain on sale of property	45,149	–	–	45,149
Change in fair value of interest rate swaps	1,111	–	–	1,111
Pension-related changes other than net periodic pension cost	(6,864)	–	–	(6,864)
Change in net assets	58,128	(2,410)	–	55,718
Net assets – beginning of year	153,647	8,285	2,500	164,432
Net assets – end of year	$ 211,775	$ 5,875	$ 2,500	$ 220,150

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)
Year ended August 31, 2017 and 2016

	2017	2016
Operating activities		
Change in net assets	**$ 26,564**	$ 55,718
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**5,828**	7,489
Pension-related changes	**(5,543)**	8,241
Net realized and unrealized gain on investments	**(16,538)**	(9,883)
Donated Investments	**(8,716)**	(5,197)
Proceeds from sale of Donated Investments	**8,716**	5,197
Loss on sale of property held for sale	**141**	7
Loss on disposal of fixed assets	**266**	1,385
Gain on sale of fixed assets	**—**	(45,149)
Loss on disposal of other assets	**—**	1,112
Change in fair value of interest rate swaps	**—**	(1,111)
Gifts of property held for sale	**(999)**	(365)
Changes in operating assets and liabilities:		
Accounts and other receivables	**213**	(119)
Inventories	**(1,066)**	331
Prepaid expenses	**539**	(2,238)
Other assets	**167**	3,958
Accounts payable	**81**	420
Accrued salaries and related expenses	**395**	1,381
Long-term severance and disability	**5,218**	2,453
Other accrued liabilities	**1,781**	(542)
Net cash provided by operating activities	**17,047**	23,088
Investing activities		
Sales and maturities of investments	**13,296**	11,224
Purchases of investments	**(40,361)**	(56,698)
Purchases of intangible assets	**(613)**	(223)
Capital expenditures	**(2,875)**	(3,058)
Proceeds from sale of fixed assets	**—**	50,261
Proceeds from sale of property held for sale	**892**	2,668
Net cash (used in) provided by investing activities	**(29,661)**	4,174
Financing activities		
Payments on long-term debt	**(71)**	(21,673)
Net cash used in financing activities	**(71)**	(21,673)
Net (decrease) increase in cash and cash equivalents	**(12,685)**	5,592
Cash and cash equivalents – beginning of year	**58,523**	52,931
Cash and cash equivalents – end of year	**$ 45,838**	$ 58,523
Supplemental disclosures of cash flow information		
Interest paid	**$ 24**	$ 467

See accompanying notes.

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 area 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 non-performance 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, healthcare items, vegetable seeds, 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 market sources such as industry publications, and other nonprofit organizations. Gift-in-kind inventories are included in Gift-in-kind inventories on the accompanying consolidated statements of financial position, and contributions are included in Gift-in-kind contributions on the statement of activities.

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.

Property Held for Sale Property held for sale includes land, buildings, and improvements and is presented at fair market value at the time of gift or acquisition, less estimated cost to sell. Property held for sale includes property that meets certain criteria, including 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. 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, 2017 and 2016, depreciation expense was $5,374 and $7,027, respectively. As of August 31, 2017 and 2016, the Ministry had unamortized software costs totaling $145 and $1,380, respectively.

During May 2016, the Ministry sold its former headquarters in California. As of the date of disposal, the properties had a net carrying value of $5,225. Two loans related to these dispositions, in the aggregate amount of $19,034, were extinguished, as well as the related interest rate swap agreements, with a liability valued at $969. The gain on the sale of the properties, net of all fees and expenses totaling $45,149 is included in the consolidated statement of activities, under other changes: Gain on sale of property.

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, 2017 and 2016, intangible assets were $4,936 and $4,775, respectively. For the years ended August 31, 2017 and 2016, amortization expense was $454 and $518, respectively.

Intangible assets will be amortized over future periods as follows:

Years ending August 31:	
2018	$ 517
2019	513
2020	509
2021	509
2022	509
Thereafter	2,379
	$ 4,936

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.

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 disability in the accompanying consolidated statements of financial position. At August 31, 2017 and 2016, the Ministry recorded $17,103 and $17,251, 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, 2017 and 2016, represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. As of August 31, 2017 and 2016, the accrued liability for losses and loss adjustment expenses was $2,075 and $2,296, respectively, which is included in 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, 2017 and 2016, New Life's surplus was $21,583 and $17,518, 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, 2017 and 2016, the liability for annuities and trusts was $3,211 and $3,026, respectively, which is included in 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 $80 and $100 as of August 31, 2017 and 2016, 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 3% to 6%.

Funds held pursuant to split-interest trust agreements consist primarily of investments, which are carried at fair value. These funds totaled $1,133 and $107 at August 31, 2017 and 2016, 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 based on 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.

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. The Ministry has interpreted 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 restricted net 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.

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 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.

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 non-student 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.

New Accounting Pronouncements Effective September 1, 2016, the Ministry adopted ASU No. 2014-15, Going Concern. The accounting standard requires management to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and, if so, disclose the fact. The adoption of the accounting standard did not have a significant impact to the Ministry's consolidated financial statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) at the conclusion of a joint effort with the International Accounting Standards Board to create common revenue recognition guidance for the U.S. In August of 2015, FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which makes ASU 2014-09 effective for the fiscal year ending August 31, 2020. The Ministry continues to evaluate the impact this will have on the consolidated financial statements, and is closely monitoring changes deliberated by the FASB related to its implementation.

In February 2016, the FASB issued ASU No. 2016-02, Leases which requires lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. Unlike current US GAAP, which requires only capital leases to be recognized on the balance sheet, ASU 2016-02 will require both types of leases to be recognized on the balance sheet. The standard is effective for the fiscal year ending August 31, 2021. Management is currently evaluating the effect of adopting the new standard on the Ministry's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities which will change certain financial statement requirements for not-for-profit entities (NFP) in an effort to make information more meaningful to users and make reporting less complex for NFPs. The standard is effective for fiscal year ending August 31, 2019. Management is currently evaluating the effect of adopting the new standard on the Ministry's financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The new guidance is intended to reduce diversity in practice on how certain transactions are classified in the statement of cash flows. The standard is effective for fiscal year ending August 31, 2020. Management is currently evaluating the effect of adopting the new standard on the Ministry's financial statements.

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The new amendments in this ASU require that amounts generally described as restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statement of cash flows. The standard is effective for fiscal year ending August 31, 2020, and should be applied using a retrospective transition method to each period presented. Management is currently evaluating the effect of adopting the new standard on the Ministry's financial statements.

In March 2017, the FASB issued ASU No. 2017-07, Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost which will require that an employer disaggregate the service cost component from the other components of net benefit cost. The standard is effective for fiscal year ending August 31, 2020. Management is currently evaluating the effect of adopting the new standard on the Ministry's financial statements.

2. Contributions Receivable

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.

At August 31, 2017 and 2016, the Ministry has $64,732 and $50,275, respectively, in non-legally binding, long-term intentions 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 contributions are actually received in future years.

3. Investments

Investments at August 31 were as follows:

2017	Cost	Net Unrealized Gains (Losses)	Fair Value	%
Investments				
Equity securities:				
Domestic equity	$ 10.463	$ 2,746	$ 13,209	6%
Mutual funds invested in equity securities	65,487	12,415	77,902	35
Mutual funds invested in mixed securities	36,597	3,181	39,778	18
Total equity securities	112,547	18,342	130,889	59
Debt securities:				
U.S. treasury securities	31,540	(1,262)	30,278	13
U.S. government agencies and sponsored entities	3,775	(31)	3,744	2
Corporate bonds	25,046	(456)	24,590	11
Mutual funds	12,893	13	12,906	6
Municipalities	376	(4)	372	—
Asset/mortgage-backed securities	18,898	(14)	18,884	8
Other	2,857	1	2,858	1
Total debt securities	95,385	(1,753)	93,632	41
Alternative investments	499	—	499	—
Investments held in charitable remainder trusts				
Equity securities:				
Mutual funds invested in equity securities	77	—	77	—
Mutual funds invested in mixed securities	29	—	29	—
Total securities	106	—	106	—
Total investments	$ 208,537	$ 16,589	$ 225,126	100%

2016	Cost	Net Unrealized Gains (Losses)	Fair Value	%
Investments				
Equity securities:				
Domestic equity	$ 14,286	$ 2,537	$ 16,823	9%
Mutual funds invested in equity securities	47,303	5,108	52,411	29
Mutual funds invested in mixed securities	39,625	624	40,249	22
Total equity securities	101,214	8,269	109,483	60
Debt securities:				
U.S. treasury securities	24,242	145	24,387	14
U.S. government agencies and sponsored entities	2,153	(13)	2,140	1
Corporate bonds	16,948	(199)	16,749	9
Mutual funds	1,322	—	1,322	1
Municipalities	370	7	377	—
Asset/mortgage-backed securities	25,800	(186)	25,614	14
Other	2,019	3	2,022	1
Total debt securities	72,854	(243)	72,611	40
Alternative investments	433	—	433	—
Investments held in charitable remainder trusts				
Equity securities:				
Mutual funds invested in equity securities	40	—	40	—
Mutual funds invested in mixed securities	67	—	67	—
Total securities	107	—	107	—
Total investments	$174,608	$ 8,026	$182,634	100%

At August 31, 2017, the Ministry held investments exceeding 5.0% of the total investment portfolio in an equity mutual fund totaling 16.4% of total investments, and in a debt security fund, totaling 6.3%. At August 31, 2016, the Ministry held investments exceeding 5.0% of the total investment portfolio in an equity mutual fund totaling 17.4% of total investments, and in a debt security fund, totaling 7.0%.

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Mutual funds included $4,547 and $4,330 of annuity-related investments as of August 31, 2017 and 2016, respectively. The Ministry received investments as donations totaling $8,716 and $5,197 as of August 31, 2017 and 2016, 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:

	2017	2016
Investment income	$ 3,560	$ 3,466
Net realized gains on the sale of investments	1,790	1,132
Net unrealized gains on investments	11,188	6,078
	$ 16,538	$ 10,676

Investments are measured at fair value on a recurring basis, determined using inputs comprised of the following at August 31, 2017:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	$ 13,209	$ —	$ —	$ 13,209
Mutual funds invested in equity securities	77,902	—	—	77,902
Mutual funds invested in mixed securities	39,778	—	—	39,778
Total equity securities	130,889	—	—	130,889
Debt securities:				
U.S. treasury securities	16,105	14,173	—	30,278
U.S. government agencies and sponsored entities	121	3,623	—	3,744
Corporate bonds	—	24,590	—	24,590
Mutual funds	12,906	—	—	12,906
Municipalities	—	372	—	372
Asset/mortgage-backed securities	—	18,884	—	18,884
Other	2,858	—	—	2,858
Total debt securities	31,990	61,642	—	93,632
Alternative investments	—	—	499	499
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	77	—	—	77
Mutual funds invested in mixed securities	29	—	—	29
Total equity securities	106	—	—	106
Total investments	$ 162,985	$ 61,642	$ 499	$ 225,126

Investments are measured at fair value on a recurring basis, determined using inputs comprised of the following at August 31, 2016:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	$ 16,823	$ —	$ —	$ 16,823
Mutual funds invested in equity securities	52,411	—	—	52,411
Mutual funds invested in mixed securities	40,249	—	—	40,249
Total equity securities	109,483	—	—	109,483
Debt securities:				
U.S. treasury securities	2,568	21,819	—	24,387
U.S. government agencies and sponsored entities	121	2,019	—	2,140
Corporate bonds	80	16,669	—	16,749
Mutual funds	1,322	—	—	1,322
Municipalities	—	377	—	377
Asset/mortgage-backed securities	—	25,613	—	25,613
Other	2,023	—	—	2,023
Total debt securities	6,114	66,497	—	72,611
Alternative investments	—	—	433	433
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	40	—	—	40
Mutual funds invested in mixed securities	67	—	—	67
Total equity securities	107	—	—	107
Total investments	$ 115,704	$ 66,497	$ 433	$ 182,634

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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 Ministry follows Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, which provides a framework for measuring the fair value of assets and liabilities 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 that 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.

Financial Instruments held by the Ministry as of August 31, 2017 and 2016, are recorded within cash and cash equivalents, investments, restricted cash and investments, and pension liability within the consolidated statement of financial position. 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 investments that are measured at fair value on a recurring basis was determined using inputs comprising the following at August 31, 2017:

2017	Level 1	Level 2	Level 3	Total
Fair value investment values				
Cash equivalents	$ 2,416	$ —	$ —	$ 2,416
Equity securities:				
Domestic equity	13,209	—	—	13,209
Mutual funds invested in equity securities [1]	80,098	36,444	—	116,542
Mutual funds invested in mixed securities	39,778	—	—	39,778
Total equity securities	135,501	36,444	—	171,945
Debt securities:				
U.S. treasury securities	16,105	14,173	—	30,278
U.S. government agencies and sponsored entities	121	3,623	—	3,744
Corporate bonds	—	24,590	—	24,590
Mutual funds [1]	14,134	15,799	—	29,933
Municipalities	—	372	—	372
Asset/mortgage-backed securities	—	18,884	—	18,884
Other	2,858	—	—	2,858
Total debt securities	33,218	77,441	—	110,659
Alternative investments	—	—	499	499
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	77	—	—	77
Mutual funds invested in mixed securities	29	—	—	29
Total equity securities	106	—	—	106
Total investments	$ 168,825	$ 113,885	$ 499	$ 283,209
Liabilities				
Split-interest trust agreements	$ —	$ (3,061)	$ —	$ (3,061)
Total liabilities	$ —	$ (3,061)	$ —	$ (3,061)

[1]Amount includes the fair value of pension assets. See footnote 13.

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, 2016:

	Level 1	Level 2	Level 3	Total
Fair value investment values				
Cash equivalents	$ 2,277	$ —	$ —	$ 2,277
Equity securities:				
Domestic equity	16,823	—	—	16,823
Mutual funds invested in equity securities [1]	54,068	32,899	—	86,967
Mutual funds invested in mixed securities	40,249	—	—	40,249
Total equity securities	113,417	32,899	—	146,316
Debt securities:				
U.S. treasury securities	2,568	21,819	—	24,387
U.S. government agencies and sponsored entities	121	2,019	—	2,140
Corporate bonds	80	16,669	—	16,749
Mutual funds [1]	2,082	15,428	—	17,510
Municipalities	—	377	—	377
Asset/mortgage-backed securities	—	25,613	—	25,613
Other	2,023	—	—	2,023
Total debt securities	6,874	81,925	—	88,799
Alternative investments	—	—	433	433
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	40	—	—	40
Mutual funds invested in mixed securities	67	—	—	67
Total equity securities	107	—	—	107
Total investments	$ 120,398	$ 114,824	$ 433	$ 235,655

[1]Amount includes the fair value of pension assets. See footnote 13.

(2016)	Level 1	Level 2	Level 3	Total
Liabilities				
Split-interest trust agreements	$ —	$ (2,815)	$ —	$ (2,815)
Total liabilities	$ —	$ (2,815)	$ —	$ (2,815)

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, 2017 and 2016, 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:

	2017	2016
Beginning balance, August 31	$ 433	$ 592
Additions/(Distributions)	66	(159)
Ending balance, August 31	$ 499	$ 433

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 gains and (losses) on restricted investments, was $263 and $185 for the years ended August 31, 2017 and 2016, 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:

	2017	2016
Endowments	$ 2,500	$ 2,500
Pooled investment fund	1,000	—
Reinsurance security trust account	2,168	2,051
	$ 5,668	$ 4,551

The fair value of the restricted cash and investments are measured at fair value on a recurring basis and was determined using inputs comprising the following at August 31:

2017	Level 1	Level 2	Level 3	Total
Restricted cash and investments:				
Cash equivalents	$ 2,244	$ —	$ —	$ 2,244
Equity securities	2,196	—	—	2,196
Debt securities	1,228	—	—	1,228
Total restricted cash and investments	$ 5,668	$ —	$ —	$ 5,668

2016	Level 1	Level 2	Level 3	Total
Restricted cash and investments:				
Cash equivalents	$ 2,134	$ —	$ —	$ 2,134
Equity securities	1,657	—	—	1,657
Debt securities	760	—	—	760
Total restricted cash and investments	$ 4,551	$ —	$ —	$ 4,551

6. Prepaid and Other Assets

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

	2017	2016
Prepaid expenses	$ 3,767	$ 4,307
Intangible assets	4,936	4,775
Other assets	3,433	3,601
	$ 12,136	$ 12,683

The Ministry holds a beneficial interest in a trust, whose assets include a 14.5% interest in a limited partnership. This investment is recorded in prepaid and other assets, net, on the consolidated statements of financial position and is accounted for using the cost method. During 2016, there were indicators of impairment of the asset. The Ministry performed an analysis to estimate the fair value of the asset and the asset value was adjusted from $5,504 to $1,650, with the related loss included in general and administrative expenses on the consolidated statement of activities.

7. Long-Term Severance and Disability

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

	2017	2016
Long-term severance pay	$ 17,103	$ 17,251
Long-term disability plan	20,916	15,550
	$ 38,019	$ 32,801

The Ministry has a self-funded long-term disability plan. At August 31, 2017 and 2016, the plan liability totaled $20,916 and $15,550, respectively. The liability is not pre-funded and is calculated based upon fully funding the liability, representing the amount necessary to cover known claimants in a one-time payment. In the year ended August 31, 2017, due to new information released by the Society of Actuaries and with the assistance of valuation specialists, the Ministry changed its estimate of the long-term disability reserve. The result of this change in estimate resulted in an increase in the long-term disability reserve compared to the year ended August 31, 2016 by approximately $5.5 million in the year ended August 31, 2017.

8. Other Accrued Liabilities

Other accrued liabilities comprise the following at August 31 as follows:

	2017	2016
Liability for annuities and trusts	$ 3,211	$ 3,026
Deferred revenues	4,140	2,942
Liability for loss and loss adjustment expense	2,075	2,296
Pledge payable to The King's College	1,374	2,290
Other liabilities	8,122	6,587
	$ 18,922	$ 17,141

9. Letters of Credit and Trust Accounts

The Ministry has an unsecured line of credit with a bank for up to $12,000. Interest payments are calculated monthly at 1.75% over the one-month LIBOR. As of both August 31, 2017 and 2016, the Ministry had a balance of $0 on the line of credit.

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, 2017 and 2016, the accounts had a combined balance of $2,168 and $2,051, 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:

	2017	2016
Investment income	$ 16,538	$ 10,676
Services income	5,283	3,704
Royalty income	319	286
Honorarium income	580	573
Commission income	1,815	1,962
Rental income	234	320
Other income	2,650	3,187
Total	$ 27,419	$ 20,708

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 $321,737 and $304,351 for the years ended August 31, 2017 and 2016, respectively. The joint costs, which are not specifically attributable to particular components of the activities, were allocated as follows:

	2017	2016
Campus ministries	$ 141,783	$ 135,776
Community ministries	89,424	83,577
Coverage ministries	15,983	13,921
International ministries	50,514	46,450
General and administration	4,243	4,931
Fundraising	19,790	19,696
Total	$ 321,737	$ 304,351

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 $2,964 and $3,248 as of August 31, 2017 and 2016, respectively. The Ministry, at its discretion, funds certain of these offices. Total amounts funded during 2017 and 2016, which are included in international ministries in the accompanying consolidated statements of activities, by world area, are as follows:

	2017	2016
Asia and South Pacific	$ 10,130	$ 10,005
Europe	16,287	12,174
Africa and Middle East	17,863	18,418
North and South America	3,612	3,317
Total	$ 47,892	$ 43,914

13. Staff Compensation

Compensation Salaries and staff members' expenses were $341,977 and $326,089 in 2017 and 2016, respectively. Average monthly compensation, including retirement plan contributions, for religious missionary order staff families was $5.9 and $5.7 in 2017 and 2016, respectively, and for religious missionary order staff singles was $2.4 and $2.3 in 2017 and 2016, respectively.

Pension Plan The Ministry maintains a non-contributory 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 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, 2017, and a statement of the funded status as of August 31:

	2017	2016
Change in benefit obligation:		
Projected benefit obligation – beginning of year	$ 80,552	$ 70,217
Interest cost	2,726	3,031
Actuarial (gain) loss on projected benefit obligations	(2,684)	8,653
Benefit payments	(1,640)	(1,349)
Projected benefit obligation – end of year	$ 78,954	$ 80,552
Accumulated benefit obligation – end of year	$ 78,954	$ 80,552
Change in plan assets:		
Fair value of plan assets – beginning of year	$ 48,470	$ 46,376
Actual return on plan assets	5,585	3,443
Employer contributions	—	—
Benefit payments	(1,640)	(1,349)
Fair value of plan assets – end of year	$ 52,415	$ 48,470
Unfunded status – end of year	$ (26,539)	$ (32,082)

The components of net periodic pension cost were as follows:

	2017	2016
Components of net periodic benefit cost:		
Interest cost on projected benefit obligations	$ 2,726	$ 3,031
Expected return on plan assets	(3,291)	(2,576)
Amortization of net loss	1,217	922
Net periodic benefit cost	$ 652	$ 1,377

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 2018 is $0 (prior service cost) and $1,217 (amortization of net loss).

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

	2017	2016
Change in pension unrecognized net loss (gain) and prior service cost	$ 6,195	$ (6,864)

At August 31, 2017 and 2016, net periodic benefit cost of $652 and $1,377, 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 other than net periodic pension cost in the accompanying consolidated statements of activities.

	2017	2016
Unrecognized net loss	$ 33,512	$ 39,707

Changes in the Plan's asset and benefit obligations recognized in unrestricted net assets during 2017 and 2016 include the following:

	2017	2016
Current-year actuarial gain (loss)	$ 4,978	$ (7,786)
Amortization of net loss	1,217	922
Change in unrestricted net assets	$ 6,195	$ (6,864)

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

	Target	Assets at August 31	
	2018	2017	2016
Equity securities	67.5%	69.5%	67.9%
Debt securities	32.5	30.2	31.8
Cash equivalents and other	—	0.3	0.3
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 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.

The following table presents the Plan's financial instruments as of August 31, 2017, 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:				
Mutual funds in equity securities	$ —	$ 36,444	$ —	$ 36,444
Mutual funds in debt securities	—	15,799	—	15,799
Cash equivalents and other	172	—	—	172
Total investment assets	$ 172	$ 52,243	$ —	$ 52,415

The following table presents the Plan's financial instruments as of August 31, 2016, 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:				
Mutual funds in equity securities	$ —	$ 32,899	$ —	$ 32,899
Mutual funds in debt securities	—	15,428	—	15,428
Cash equivalents and other	143	—	—	143
Total investment assets	$ 143	$ 48,327	$ —	$ 48,470

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

The Ministry had no Level 3 pension plan assets as of August 31, 2017 or August 31, 2016, or at any point during the related fiscal years.

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

	2017	2016
Weighted-average assumptions as of August 31:		
Discount rate	3.67%	3.42%
Expected return on plan assets	6.63	6.91
Rate of compensation increase	N/A	N/A
Other accounting disclosures:		
Market-related value of assets	$ 52,415	$ 48,470
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 salaried and religious missionary order staff. The Ministry contributes a monthly amount for each religious missionary order staff member or salaried employee to the Retirement Income Plan. Ministry contributions to the Retirement Income Plan are discretionary and totaled $10,012 and $10,296 for the years ended August 31, 2017 and 2016, 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 $247 and $103 to the Savings Plan for the years ended August 31, 2017 and 2016, respectively.

14. Commitments and Contingencies

Operating Leases The Ministry leases certain equipment and office facilities under operating lease agreements. The leases have terms primarily between one to five years. Future rental payments under these operating leases at August 31, 2017, are as follows:

Years ending August 31:	
2018	$ 3,571
2019	1,798
2020	789
2021	347
2022 and thereafter	654
	$ 7,159

Rent expense was $3,147 and $3,143 in 2017 and 2016, respectively.

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15. Endowments

Changes in endowment funds for the fiscal year ended August 31, 2017, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets beginning of the year	$ 234	$ 340	$ 2,500	$ 3,074
Additions	—	334	—	334
Investment return	230	54	—	284
Distributions	(140)	(32)	—	(172)
Net assets, end of year	$ 324	$ 696	$ 2,500	$ 3,520

Changes in endowment funds for the fiscal year ended August 31, 2016, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets beginning of the year	$ 214	$ 374	$ 2,500	$ 3,088
Investment return	161	18	—	180
Distributions	(141)	(52)	—	(193)
Net assets, end of year	$ 234	$ 340	$ 2,500	$ 3,075

16. Temporarily Restricted Net Assets

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

	2017	2016
Annuities, trusts, and endowments	$ 5,265	$ 4,778
AIA Wooden Center Building Project	4,775	734
FamilyLife program, media, and global restrictions	286	363
Total	$ 10,326	$ 5,875

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:

	2017	2016
Endowments	$ 2,500	$ 2,500

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:

	2017	2016
Annuities, trusts and endowments	$ 778	$ 3,613
Funds used for FamilyLife program, media, and global projects	992	1,242
Total	$ 1,770	$ 4,855

19. Functional Expenses

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

	Ministries				Support Services		
		United States		International	General		
	Campus	Community	Coverage	Ministries	& Admin.	Fundraising	Total Expenses
2017							
Salaries and benefits	$ 131,511	$ 90,251	$ 28,582	$ 47,280	$ 18,651	$ 25,702	$ 341,977
International subsidies	–	–	–	47,892	–	–	47,892
Gifts in kind	–	–	–	13,250	–	–	13,250
Contracted services	2,141	5,682	6,619	978	4,618	6,661	26,699
Technology	826	2,994	3,076	906	5,661	340	13,803
Media and other communications	1,197	5,114	575	789	70	679	8,424
Rent and utilities	7,387	3,793	2,120	737	1,187	671	15,895
Travel and entertainment	29,371	9,714	7,532	7,870	1,932	3,865	60,284
Printing	1,315	749	452	263	671	850	4,300
Postage and freight	715	1,484	507	257	1,274	2,226	6,463
Supplies	3,175	1,714	1,327	896	1,280	362	8,754
Depreciation and amortization	673	995	1,927	545	1,400	288	5,828
Telephone	1,065	947	480	507	396	274	3,669
Cost of sales	102	2,009	562	1	13	—	2,687
Bank fees and interest	103	312	30	82	3,034	3	3,564
Training and meetings	1,404	607	2,084	1,470	300	182	6,047
Insurance	15	132	93	9	1,697	5	1,951
Other expenses	303	896	2,380	1,474	7	1,493	6,553
Total expenses	$ 181,303	$ 127,393	$ 58,346	$ 125,206	$ 42,191	$ 43,601	$ 578,040

	Ministries				Support Services		
		United States		International	General		
	Campus	Community	Coverage	Ministries	& Admin.	Fundraising	Total Expenses
2016							
Salaries and benefits	$ 127,699	$ 86,397	$ 24,154	$ 44,326	$ 18,373	$ 25,140	$ 326,089
International subsidies	–	–	–	43,914	–	–	43,914
Gifts in kind	–	–	–	12,972	–	–	12,972
Contracted services	2,085	5,513	4,735	1,467	1,827	6,390	22,017
Technology	949	3,103	2,584	661	3,378	399	11,074
Media and other communications	1,185	5,036	700	2,335	45	813	10,114
Rent and utilities	6,817	4,151	1,030	662	1,247	918	14,825
Travel and entertainment	29,387	8,494	6,558	7,180	1,793	4,300	57,712
Printing	926	519	410	135	930	723	3,643
Postage and freight	685	1,615	582	202	1,158	1,895	6,137
Supplies	3,012	1,709	825	763	1,345	406	8,060
Depreciation and amortization	708	878	2,564	569	2,606	284	7,609
Telephone	919	849	506	508	425	249	3,456
Cost of sales	122	2,078	655	2	1	2	2,860
Bank fees and interest	109	314	63	86	2,858	8	3,438
Training and meetings	1,365	615	911	1,366	304	146	4,707
Insurance	13	128	89	8	2,151	5	2,394
Other expenses	359	930	3,477	789	5,369	1,534	12,458
Total expenses	$ 176,340	$ 122,329	$ 49,843	$ 117,945	$ 43,810	$ 43,212	$ 553,479

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

20. 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 that 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 that 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 18, 2018, (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 three meetings during 2017. 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.

Jeffrey A. Leimgruber
Chairman, Audit Committee

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REPORT OF MANAGEMENT

As we continue our efforts to take the gospel to every geography, every ethnicity, every language, and every person, we are thankful for the gracious provision of God, through a mostly donor-funded ministry. Once again, in fiscal year 2017, Cru® was blessed with steady gains in U.S. contributions.

For the fiscal year ended August 31, 2017, total worldwide revenues of Campus Crusade for Christ, Inc. and its foreign associates were $748,554,000. United States operating revenues of the Ministry for the fiscal year were $598,409,000. This provided the ministry with a positive change in net assets of $26,564,000 for fiscal 2017.

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

STAFF AND MINISTRY

Staff members with Campus Crusade for Christ, Inc. are responsible for securing contributions to the Ministry to cover the cost 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 Douglass, like all other supported staff members, raises his own ministry funds. He directs any honorariums and royalties to Campus Crusade for Christ® and his annual income-tax return is prepared by an external CPA firm. When he travels to speak or attend meetings at churches and various conferences, his expenses are covered by either Campus Crusade for Christ or the inviting group. Steve has requested that his business expenses be regularly reviewed by the Audit Committee of the Board of Directors of the Ministry.

Steve works full time for the ministry, and because of his desire to be totally transparent in all of his finances, he has voluntarily provided the following information. Steve's taxable income was $78,853, and his Minister's Housing Allowance was $24,000 for 2017. Steve made non-taxable contributions to the 403(b) Retirement plan in 2017 totaling $22,800. He 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.

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100 Lake Hart Drive ● Orlando, FL 32832
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