A caring community passionate about connecting people to Jesus Christ

2018 Annual Report

PARTNERS IN HISTORY


Tom Mills, © Cru
Attendees of the Pamoja Africa conference, which brought together people from 32 nations, joyously sing and dance in worship.

History, rightly perceived, is God's story.

This truth applies to the full sweep of world affairs, as well as each individual moment and movement. It's certainly true of the 67-year legacy of Cru®. God inspired Cru's founding; He led many to join our staff; He provided ample resources; He graciously positioned us for global influence.

History also happens daily, as God continues to write His story by redeeming people of all nations through Jesus Christ. Church planting, Bible translation, missionary sending — all are accelerating exponentially, pointing to the thrilling conclusion that evangelism and discipleship movements will soon be present and multiplying in all nations.

Cru is privileged to be a part of it all. Evangelism, discipleship, and mobilizing Christians to multiply their faith is in our DNA. Through the direct work of Cru's ministries, and through growing partnerships with many like-minded organizations, God is using us — and you — to declare His glory among all nations in this historic age.

Cover photos © Cru; Guy Gerrard (top photo) and Ted Wilcox (two bottom photos)

From the President, **Steve Douglass**

Guy Gerrard, © Cru

Thank you for your interest in Cru®. We are both excited and humbled to be serving God at a time when He is doing so much around the world.

One of the most interesting and fruitful developments in the last decade and a half is the level of collaboration among Christian ministries. Our Jesus Film® staff probably see it as much as anyone. The film has been translated into over 1,700 languages, and we give the film to other ministries who use it to share the gospel in people's heart languages. In fact, the vast majority of the people who indicated decisions for Christ through watching a Jesus Film resource in 2017 did so through a partner ministry. We believe that God entrusted the film to us to give it away.

Similar cooperation exists among church-planting organizations. We had the privilege of helping to found a partnership called the Global Alliance for Church Multiplication. In the past eight years, 1.3 million house churches and fellowships have been planted by over 70 involved partners. Their vision is to plant a church for every thousand people, even in areas where churches are quite inaccessible.

On college and university campuses in America, InterVarsity Christian Fellowship® and Cru pioneered the Every Campus partnership. The goal of this remarkable collaboration is to see a witnessing community/movement on every campus in the United States. Recently, I had the privilege of speaking at a meeting of 50 people from Cru, InterVarsity®, and 20 additional campus organizations who dream together of the day when every student will have the opportunity to hear about Jesus.

In order for these and the other stories you'll read in this report to continue to happen, it is important for us to operate in a financially credible fashion. Through the years, we have sought to do that. We are a charter member of the Evangelical Council for Financial Accountability®, have an audit committee composed entirely of outside directors, and are audited by one of the largest accounting firms in the world.

We don't take for granted how greatly God has blessed us, and pledge to you and others that we will continue to seek to be good stewards of what He has entrusted to us. I hope this report encourages you as we work together to help fulfill the Great Commission.

Steve Douglass

Steve Douglass
President
Cru®/Campus Crusade for Christ®

GLOBAL STUDENT LAUNCH WEEK


Ble Bernard Kouadio

“I felt extremely joyous to know I would be a missionary for a week,” Ble Bernard Kouadio said. He and a group of 13 other student leaders from **Ivory Coast** had the opportunity to take part in “Global Student Launch Week.” They shared Christ with 65 students, and recruited five leaders to start a new campus movement at INSAAC, a school of professionals.

Global Student-led Movements, a Cru® ministry, strives to have campus movements on 50 percent of the world’s universities by the end of 2020 — a total of 10,161 new universities. Staff members and student leaders around the world spent a week in the fall of 2018, searching “unreached” campuses for Christians ready to say “yes” to help start a new movement. One of the goals was to lead 10,161 students through the “Key Volunteer Challenge,” a simple presentation that invites someone to start making disciples on their campus.

In **Los Angeles**, three students were identified as potential leaders to start a Destino® movement (Cru’s Latino outreach) at Cerritos College. In **Aracaju, Brazil**, 38 students accepted the challenge to become Key Volunteers, adding to an already-growing number of student leaders in the city. In **South Asia**, which has the highest concentration of “unreached” campuses in the world, students visited 1,160 campuses and identified 1,329 new Key Volunteers.

In total, GSLW participants initiated conversations with over 50,000 students, and led 11,223 through the Key Volunteer Challenge. Follow-up is ongoing to equip and coach these students; over 1,000 new campus movements will potentially launch as a result.

A Look Back in History — Josh McDowell

Josh McDowell, founder of Josh McDowell Ministry™, was speaking about Jesus before a gathering of about 300 students at the University of California, Los Angeles, when he suddenly stopped.

“You, with the pink backpack,” Josh shouted, pointing at a girl walking past. “God’s been talking to you, hasn’t He?”

The girl, AnnaLisa Cochran, remembered a voice from the day before. It told her, “Wait” when she was about to attempt suicide. Her life felt worthless.

AnnaLisa nodded.

Josh and his assistant, Sherry, talked with AnnaLisa about how she could have a relationship with Christ. Later she began to follow Jesus.


Josh McDowell speaks with a gathering of students in the early 1970s. (© Josh McDowell Ministry)

That was in the mid-1980s.

AnnaLisa decided to become a teacher, enabling her to share her faith in Christ with classrooms full of students throughout her 26-year career.

A highlight of that time came when Josh spoke at her school in 2012. When AnnaLisa approached to introduce herself, Josh interrupted her. “The girl with the pink backpack! I remember you,” he said. AnnaLisa was shocked, but the way God moved that afternoon nearly 30 years prior had profoundly affected them both. The God-inspired conversation saved AnnaLisa from suicide and changed her career path.

Josh McDowell Ministry continues to connect people to Christ through events and resources. In 2018, over 40,000 people attended a live event, and the ministry distributed over 1.5 million print and digital resources.

Guy Gerrard, © Jesus Film

Romania

In Podari, a village in Romania, Daniel and Zana Osu showed a Romani-language translation of *Magdalena*, a version of the *JESUS* film told from the perspective of Mary Magdalene. Those who responded began a new church, one of 11 the couple have helped plant over the last six years. Daniel and Zana are Romani as well, a group historically known as Gypsies.

A week later, Daniel preached at a follow-up meeting. The local police chief, along with four other officers, decided to attend. One of the officers thanked Daniel. The village had a reputation for a high crime rate, and the policemen recognized the potential within Daniel and Zana's ministry to help address the issue.

Daniel invited the policemen to a baptism ceremony later that week. While there, they noticed a man suspected to be one of the biggest criminals in town awaiting baptism. After the ceremony, the police chief said, "If the life of this man is changed, then our town will be at peace, and we will believe."

A few months later, the police chief confirmed that no more robberies had taken place in the town.

Today, more than 100 baptized Christians live in Podari, including Zana's brother — who donated land in his front yard for a church building — and their mother.

"I am praying for the salvation of my husband and children, and I believe it will happen soon!"

—North African mother of six who received Christ after watching *Magdalena*

Maryland

Courtesy Gayle Kelly

Frank and Gayle Kelly III (left) attended their first FamilyLife® Weekend to Remember® as an engaged couple in the spring of 1987. FamilyLife, a Cru® ministry, hosts Weekends to Remember annually across the country, drawing tens of thousands of couples. Every year, more than 11,000 people recommit their marriages and families to the Lord, and 96 percent of attendees recommend the event to their friends.

The Kellys' Weekend to Remember experience impacted their marriage powerfully, teaching them how to resolve conflict quickly and proactively. When Frank became president of his employee benefits company, Kelly & Associates Insurance Group, he saw the conference as a practical way to invest in his employees' personal lives, as well as introduce them to Christ. The company offers to cover any employee's tuition for a Weekend to Remember, even paying for a hotel room (or two, for engaged couples) for out-of-town events.

Dozens of couples take advantage of this every year. Some attest that the Weekend to Remember has helped their marriage move from desperate to thriving. Frank is just glad to give others the opportunity to encounter Christ, while enjoying the added blessing of increased employee satisfaction and performance.

Philippines

Six years ago, a client led Joey Carlos (right), a building contractor, to Christ through Cru®'s Four Spiritual Laws booklet. The man gave him several copies, and Joey used them to share Christ with his wife and two children. Within two days, they too invited Jesus into their lives. Excited by their response, he shared the booklets with everyone he could.

After seeing several family members and co-workers receive Christ, Joey shared his faith with every worker on all his job sites. A project manager placed his faith in Christ and joined Joey in sharing the gospel. The two of them saw 120 workers indicate a decision to receive Christ. In just two months, Joey shared his faith with over 300 people, and since then, more than 1,300.

Joey is one of many leaders in business, government and education helped by LeaderImpact™, a Cru ministry, to leverage their lives for God's kingdom in cities around the world.

© Simplebulldog Studio

New Jersey

Rachel Fatyanov woke up scared. She heard a voice clearly saying, "Jesus Christ is the Son of God, sent from heaven, to die on the cross for our sins."

The next morning, Rachel did a Google search for those words. EveryStudent.com®, an online ministry of Cru®, popped up in the results. When she read a page on the site describing how to know God personally, she realized that the text matched what she had heard. She knelt in prayer and invited Christ into her life.

After Rachel put her faith in Jesus, she shared the message with her husband, Michael. He accepted Christ as well. Michael then challenged each of his family members to trust Christ, and sent a link to the Russian version of EveryStudent.com to family in Ukraine. The site is translated into 45 languages.

In 2018, over 470,000 people indicated a decision for Christ through EveryStudent.com® — an average of nearly 1,300 people per day.

Guy Gerrard, © Cru

GAiN®

This refugee man was a chef in his hometown. A meal provided by Global Aid Network®, the humanitarian partner of Cru®, alleviated his hunger and empowered him to use his cooking skills. Something as simple as adding spices allowed him to do work that he loves and feed his family a delicious meal. Globally, as many as one in nine people suffer from deep hunger. GAiN®'s mission to relieve this and other forms of immediate suffering helps restore a person's dignity and opens doors to share the hope of Jesus.

Mike Duggins, © GAiN

Over the last year, GAiN® has provided 36,427 people with a one-month supply of food.

Puerto Rico

Gabriela Mangual stands in a church destroyed by Hurricane Maria, which caused an estimated $90 billion in damage to Puerto Rico. "We get discouraged because we have our eyes on the problem, on the circumstances," she says about the storm and its aftermath. "But we remember who God is."

Gabriela, who helped lead a Christian ministry in partnership with Cru® at the University of Puerto Rico, found her faith challenged but ultimately strengthened through the tragedy. Global Aid Network® (Cru's humanitarian arm), in coordination with the campus ministry, has organized six trips focused on bringing sustainable relief to the island.

Guy Gerrard, © Cru

Mongolia

Gavin Korbe (wrestler in red, below), a high school wrestler from Virginia, lunges at an opponent during the 2018 John Peterson Tournament in Mongolia. John, an Olympic gold medalist and Athletes in Action® staff member, led the first AIA team into the wrestling-mad country in 1992. Gavin joins hundreds who have competed and shared Christ since that year. Athletic ministry and widespread use of the *JESUS* film have contributed to the spread of Christianity; there are 40,000 Christians in Mongolia today, up from a mere handful in 1992.

2018 tournament in Mongolia. The banner hanging in background features John Peterson.

Tom Mills, © Cru

Chicago

After losing his home to drinking and drugs, Sam Williams (shown speaking) moved into his mother's Chicago housing project. One night, while smoking crack in her apartment, he broke down and wept.

Guy Gerrard, © Cru

I'll take you just as you are, Sam sensed God say. "I felt Him hug me. That was a love I'd never felt before, and that love transformed my life," Sam says.

Having broken free of addiction and homelessness, Sam's heart broke for those still suffering. He got to know several of Chicago's 80,000+ homeless people, fed them, and shared his faith in Jesus with them, which led to a job at Cru® Inner City's Agape Community Center.

Cru's Inner City ministry partners with hundreds of churches in 26 cities nationwide. In Chicago alone, they train and resource over 200 churches and ministries.

Venezuela

As Cru® leaders in Venezuela prepared to host a training event for pastors and other leaders, massive protests erupted in Caracas, the capital city. Streets shut down and tear gas filled the air. Thankfully, they were still able to hold the training, but the atmosphere throughout Venezuela remained tense.

courtesy Global Church Movements

Global Church Movements, a church-planting ministry of Cru®, trains people to establish new churches and faith communities.

That weekend's training, in spring 2017, resulted in 32 new missional communities, six of which grew into complete churches.* A second generation birthed from the first, resulting in a total of 85 missional communities within the next year. Explosive growth has accompanied this multiplication; one group grew from 35 attendees to 160 over the course of 2018.

In spite of the difficult circumstances continuing to plague Venezuela, pastors and leaders are finding that GCM's easy-to-apply training is allowing them to continue to plant churches and reach people for Christ.

As of May 1, 2018, GCM has helped start 1,340,645 new churches globally, part of a broader goal of 5 million new churches by the end of 2020.

*A church is defined as: 10 or more people with recognized leadership, practicing Acts 2:42-47 and obeying the Great Commandment and the Great Commission.

Texas

Ted Wilcox, © Cru

Three students, two from Malaysia (left and center) and one from Indonesia, experience fishing at a Bridges International™ retreat in the Texas Hill Country. Over 250 students, from 54 countries, attended. Bridges International, a Cru® outreach, seeks to serve the 1 million international students and visiting scholars attending American universities and to engage them in spiritual conversations. As of the end of 2018, Bridges had 810 active multiplying disciples.

United States: Various Locations

Guy Gerrard, © Cru

Three attendees of Cru®'s 2018 Big Break conference (above, at left) share their faith in Christ with two students enjoying their Spring Break in Panama City Beach, Florida. Cru's campus ministry has hosted Spring Break conferences and outreach events since 1964.

Through the Years: Highlights of God's Work in This Opportune Mission Field

70 and 300: Cru® students in attendance, and indicated decisions for Christ, at Cru's first Spring Break event, held during Bal Week in Newport Beach, Calif., in 1964.

1,650 and 6,000: Cru® students in attendance, and indicated decisions for Christ, during Bal Week just three years later, in 1967.

37,000: Number of people with whom Cru® staff members and students initiated conversations at six Spring Break outreach locations across the country in 1975. Over 1,000 placed their faith in Christ.

Since 2005, students at Big Break in Panama City Beach, Florida, have initiated 222,944 conversations and shared Christ with 81,834 people.

8,453: Number of those 81,834 who have indicated a decision to trust Christ.

Africa

Ted Wilcox, © Cru

Chief Kwasi paced in his palace office, wondering, *Is something going on that I don't know about?*

The chief was normally called away to deal with problems in his communities. But it had been awhile since someone had needed his help.

One of Kwasi's sub-chiefs explained, "Your people saw a film that told them about an extraordinary man named Jesus. People are now following Jesus, and because of that they are not cursing each other."

"Who is this Jesus?" Kwasi replied, "I must know who my people are following."

After watching the *JESUS* film, Kwasi was struck by Jesus' power and love. "If Jesus could do this, He is my King. I want to get involved with you [the *JESUS* film team]."

Kwasi's vision is to see 80 percent of his people — over 400,000 — following Jesus. To help, he designated office space in his palace for *JESUS* film teams.

The *JESUS* film has been translated into 1,750 languages to date, and since 1979, over 572 million individuals have indicated decisions to follow Jesus after watching the film.

Global Exponential Growth

In recent years, the ministries of Cru® have been experiencing exponential, or "hockey stick" growth. Significant organizational shifts — increasing our emphasis on prayer, shifting to a more volunteer-led focus, creating and using more digital tools, and working with more partners — have contributed to this growth:

Multiplying disciples involved with Cru and its partners:
2010: **282,786**
2018: **3,323,545**

Student-led Movements:
2015: present on **5,007 campuses**, with **24,298 multiplying disciples** involved
2017: present on **7,149 campuses**, with **32,144 multiplying disciples** involved

Number of cities globally with LeaderImpact™ ministry presence:
2016: **57**
2018: **298**

Digital use:
GodTools, an app available in 68 languages that features digital versions of classic Cru tools like the Four Spiritual Laws, **doubled its users from 2017 to 2018**.
Approximately **6 million** unique users visit Cru's web and social media properties every month.

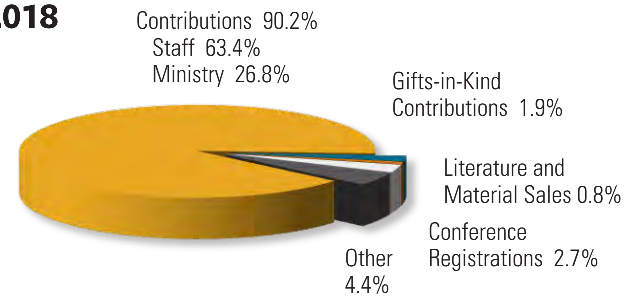
FINANCIAL HIGHLIGHTS

	2018	2017	2016	2015
United States Revenues	$ 627,461,000	$ 598,409,000	$ 569,801,000	$ 542,952,000
Operating Change in Net Assets[1]	$ 33,158,000	$ 20,369,000	$ 16,322,000	$ 12,571,000
Non-Operating Change in Net Assets[1]	$ 5,144,000	$ 6,195,000	$ 39,396,000	$ (5,345,000)
Total Change in Net Assets	$ 38,302,000	$ 26,564,000	$ 55,718,000	$ 7,226,000
International Revenues[2]	$ 151,082,000	$ 150,145,000	$ 139,355,000	$ 139,918,000
World Revenues (U.S. and International)	$ 778,543,000	$ 748,554,000	$ 709,156,000	$ 682,870,000
Fundraising Expenses[3]	9.2%	7.9%	8.2%	8.4%
General and Administrative Expenses[3]	7.4%	7.3%	7.9%	6.9%
Average Size of Gift Received	$ 128	$ 126	$ 125	$ 123
Most Frequent Contribution	$ 50	$ 50	$ 50	$ 50
Average Staff Family's Monthly Compensation	$ 6,001	$ 5,856	$ 5,742	$ 5,615
Average Staff Single's Monthly Compensation	$ 2,559	$ 2,411	$ 2,335	$ 2,161

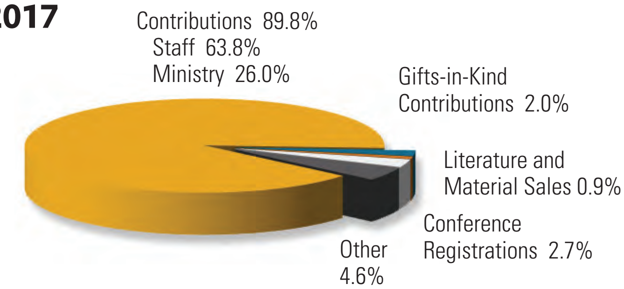
1. Operating change in net assets excludes Pension and Derivative expenses. Non-Operating change in net assets includes Pension and Derivative expenses.
2. International revenues reflect monies raised by ministries associated with Campus Crusade for Christ, Inc., and who cooperate with us in our efforts 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

2018

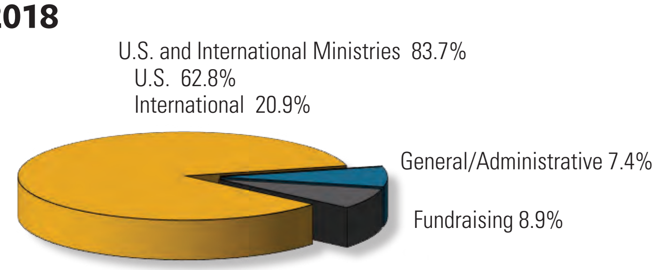


2017

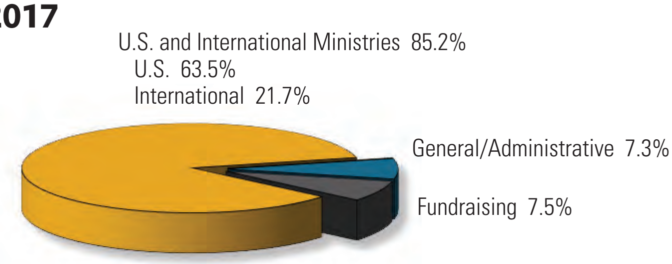


USES OF FUNDS

2018



2017



REPORT OF INDEPENDENT AUDITORS

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, 2018 and 2017, 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 controls 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 Cru Foundation, New Life Insurance Co., and GAiN International, wholly-owned subsidiaries, which statements reflect total assets constituting 21% in 2018 and 22% in 2017 and total revenues constituting 8% in 2018 and in 2017 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, The Cru 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, 2018 and 2017, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Orlando, Florida
January 16, 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Thousands)
August 31, 2018 and 2017

		2018	2017
ASSETS	Cash and cash equivalents	**$ 50,565**	$ 45,838
	Investments	**261,115**	225,126
	Accounts and other receivables	**5,382**	6,591
	Inventories	**2,016**	2,390
	Gifts-in-kind inventories	**8,791**	8,042
	Property held for sale	**1,336**	1,097
	Restricted cash and investments	**5,695**	5,668
	Prepaid and other assets	**14,511**	12,136
	Property and equipment:		
	Land and land improvements	**7,082**	7,082
	Buildings and improvements	**82,267**	81,400
	Furniture and equipment	**47,039**	44,398
	Total property and equipment	**136,388**	132,880
	Accumulated depreciation	**(86,326)**	(82,358)
	Net property and equipment	**50,062**	50,522
	Total assets	**$ 399,473**	$ 357,410
LIABILITIES AND NET ASSETS	Liabilities:		
	Accounts payable	**$ 4,996**	$ 3,559
	Accrued salaries and related expenses	**23,733**	23,067
	Long-term severance and disability	**39,129**	38,019
	Other accrued liabilities	**24,185**	18,922
	Pension liability	**21,864**	26,539
	Long-term debt	**550**	590
	Total liabilities	**114,457**	110,696
	Net assets:		
	Unrestricted	**270,801**	233,888
	Temporarily restricted	**11,715**	10,326
	Permanently restricted	**2,500**	2,500
	Total net assets	**285,016**	246,714
	Total liabilities and net assets	**$ 399,473**	$ 357,410

See accompanying notes.

CONSOLIDATED STATEMENTS OF ACTIVITIES

(*In Thousands*)
Year Ended August 31, 2018

2018	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Revenues:				
Contributions	$ 561,338	$ 4,743	$ –	$ 566,081
Gifts-in-kind contributions	12,078	–	–	12,078
Literature and material sales	4,803	–	–	4,803
Conference registrations	16,999	–	–	16,999
Other income	27,138	362	–	27,500
Net assets released from restrictions	3,716	(3,716)	–	–
Total revenues	626,072	1,389	–	627,461
Expenses:				
Operating expenses:				
Campus	184,210	–	–	184,210
Community	130,458	–	–	130,458
Coverage	58,215	–	–	58,215
International ministries	124,264	–	–	124,264
General and administrative	43,879	–	–	43,879
Fundraising	53,277	–	–	53,277
Total expenses	594,303	–	–	594,303
Change in net assets before other changes	31,769	1,389	–	33,158
Other changes:				
Pension-related changes other than net periodic pension cost	5,144	–	–	5,144
Change in net assets	36,913	1,389	–	38,302
Net assets – beginning of year	233,888	10,326	2,500	246,714
Net assets – end of year	$ 270,801	$ 11,715	$ 2,500	$ 285,016

See accompanying notes.

CONSOLIDATED STATEMENTS 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 STATEMENTS OF CASH FLOWS

(*In Thousands*)
Year ended August 31, 2018 and 2017

	2018	2017
Operating activities		
Change in net assets	**$ 38,302**	$ 26,564
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**4,976**	5,828
Pension-related changes	**(4,675)**	(5,543)
Net realized and unrealized gain on investments	**(10,084)**	(16,538)
Donated Investments	**(10,437)**	(8,716)
Proceeds from sale of Donated Investments	**10,437**	8,716
Loss on sale of property held for sale	**215**	141
Loss on disposal of fixed assets	**4**	266
Gifts of property held for sale	**(1,535)**	(999)
Changes in operating assets and liabilities:		
Accounts and other receivables	**1,209**	213
Inventories	**(375)**	(1,066)
Prepaid expenses	**(1,159)**	539
Other assets	**(873)**	167
Accounts payable	**1,437**	81
Accrued salaries and related expenses	**666**	395
Long-term severance and disability	**1,110**	5,218
Other accrued liabilities	**5,263**	1,781
Net cash provided by operating activities	**34,481**	17,047
Investing activities		
Sales and maturities of investments	**69,401**	13,296
Purchases of investments	**(95,333)**	(40,361)
Purchases of intangible assets	**(1,278)**	(613)
Capital expenditures	**(3,586)**	(2,875)
Proceeds from sale of property held for sale	**1,082**	892
Net cash used in investing activities	**(29,714)**	(29,661)
Financing activities		
Payments on long-term debt	**(40)**	(71)
Net cash used in financing activities	**(40)**	(71)
Net (decrease) increase in cash and cash equivalents	**4,727**	(12,685)
Cash and cash equivalents – beginning of year	**45,838**	58,523
Cash and cash equivalents – end of year	**$ 50,565**	$ 45,838
Supplemental disclosures of cash flow information		
Interest paid	**$ 28**	$ 24

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.

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.

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.

Investments Without Readily Determinable Values Investments without readily determinable values consist predominantly of funds-of-funds and are included within investments at fair value. Under generally accepted accounting principles, a reporting entity is permitted, as a practical expedient, to estimate the fair value of such an investment using the net asset value per share (or its equivalent, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed) of certain investments, if the net asset value per share of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of investment funds. At August 31, 2018 and 2017, the net asset value approximates the fair value of the funds as reported by the investment fund managers. Due to the inherent uncertainty of these estimates, these values may differ from the values that would have been used had a ready market for these investments existed, and the differences could be material.

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, 2018 and 2017, depreciation expense was $4,042 and $5,374, respectively. As of August 31, 2018 and 2017, the Ministry had unamortized software costs totaling $1,348 and $145, respectively.

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. Intangible assets relating to the *JESUS* film, and similar intangible assets, are being amortized on a straight-line basis over their useful lives of 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, 2018 and 2017, intangible assets were $5,280 and $4,936, respectively. For the years ended August 31, 2018 and 2017, amortization expense was $934 and $454, respectively.

Intangible assets will be amortized over future periods as follows:

Years ending August 31:	
2019	$ 825
2020	954
2021	602
2022	534
2023	388
Thereafter	1,977
	$ 5,280

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, 2018 and 2017, the Ministry recorded $16,740 and $17,103, 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 the liability for unpaid losses and loss adjustment expenses including case-basis estimates of reported losses, plus incurred but not reported losses (IBNR) calculated based upon loss projections utilizing historical data supplemented by industry data. In establishing the liability for losses and loss adjustment expenses, New Life utilizes the findings of an independent consulting actuary for all coverages except the Miscellaneous Professional Liability, Employment Practices Liability and International Travel Assistance coverages. Estimates for these coverages are developed by management and reviewed for reasonableness by the actuary. A significant degree of judgment is required in estimating the liability for losses and loss adjustment expense reserves. Management believes that its aggregate liability for unpaid losses and loss adjustment expenses as of August 31, 2018 and 2017, represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. As of August 31, 2018 and 2017, the accrued liability for losses and loss adjustment expenses was $4,350 and $2,075, 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, 2018 and 2017, New Life's surplus was $21,673 and $21,583, 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, 2018 and 2017, the liability for annuities and trusts was $2,679 and $3,211, 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 $313 and $80 as of August 31, 2018 and 2017, 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 $1,103 and $1,133 at August 31, 2018 and 2017, 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 Cru 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 In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, Fair Value Measurement – Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent), which permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using the net asset value per share of the investment. Currently, investments valued using the practical expedient are categorized within the fair value hierarchy on the basis of whether the investment is redeemable with the investee at net asset value on the measurement date, never redeemable with the investee at net asset value, or redeemable with the investee at net asset value at a future date. To address the diversity in practice related to how certain investments measured at net asset value with future redemption dates are categorized, the amendments in this update remove the requirement to categorize investments for which fair values are measured using the net asset value per share practical expedient. It also limits disclosures to investments for which the entity has elected to measure the fair value using the practical expedient. The amendments in this update are effective and were implemented for the current fiscal year ending August 31, 2018.

In January 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-02, Not For Profit Entities – Consolidation, the amendment clarifies when a not-for-profit entity (NFP) that is a general partner or a limited partner should consolidate a for-profit limited partnership or similar legal entity once the amendments in Accounting Standards Update No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, become effective. The amendments in this update maintain how NFP general partners currently apply the consolidation guidance in Subtopic 810-20 by including that guidance within Subtopic 958-810. The amendments also add to Subtopic 958-810 the general guidance in Subtopic 810-10 on when NFP limited partners should consolidate a limited partnership. The amendment in this update is effective for the current fiscal year ending August 31, 2018 and did not materially affect the Ministry's financial reporting.

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 US. 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.

As a result of the recent federal income tax reform enacted into law under the Tax Cuts and Jobs Act of 2017, certain provisions will impact tax-exempt organizations, including revisions to taxes on unrelated business activities, excise taxes on compensation of certain employees, and various other provisions. The regulations necessary to implement the law have not yet been promulgated, and the ultimate outcome of these regulations and the impact to the Ministry cannot be determined presently. The Ministry will continue to review and assess the impact of the legislation to the financial statements, but do not expect that the impact will be material.

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, 2018 and 2017, the Ministry had $74,240 and $64,732, 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:

2018	Cost	Net Unrealized Gains (Losses)	Fair Value	%
Investments				
Equity securities:				
Domestic equity	$ 12,647	$ 4,055	$ 16,702	6%
Mutual funds invested in equity securities	64,936	21,949	86,885	33
Mutual funds invested in mixed securities	39,901	2,639	42,540	16
Total equity securities	117,484	28,643	146,127	56
Debt securities:				
U.S. treasury securities	31,461	(136)	31,325	12
U.S. government agencies and sponsored entities	3,762	(89)	3,673	2
Corporate bonds	30,289	(464)	29,825	11
Mutual funds	17,436	(291)	17,145	6
Municipalities	166	(2)	164	—
Asset/mortgage-backed securities	16,468	(231)	16,237	6
Other	1,572	(1)	1,571	1
Total debt securities	101,154	(1,214)	99,940	38
Alternative investments	14,505	440	14,945	6
Investments held in charitable remainder trusts				
Equity securities:				
Mutual funds invested in equity securities	74	—	74	—
Mutual funds invested in mixed securities	29	—	29	—
Total securities	103	—	103	—
Total investments	$ 233,246	$ 27,869	$ 261,115	100%

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%

At August 31, 2018, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 17.0% of total investments. At August 31, 2017, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 16.4% of total investments.

Mutual funds included $4,546 and $4,547 of annuity-related investments as of August 31, 2018 and 2017, respectively. The Ministry received investments as donations totaling $10,437 and $8,716 as of August 31, 2018 and 2017, 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:

	2018	**2017**
Investment income	$ 4,888	$ 3,560
Net realized gains on the sale of investments	2,374	1,790
Net unrealized gains on investments	7,819	11,188
	$ 15,081	$ 16,538

A total of $803 and $743 of investment expenses were netted against investment income for the years ended August 31, 2018 and 2017, respectively.

Investments are measured at fair value on a recurring basis, determined using inputs comprising the following at August 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	$ 16,702	$ —	$ —	$ 16,702
Mutual funds invested in equity securities	86,885	—	—	86,885
Mutual funds invested in mixed securities	42,540	—	—	42,540
Total equity securities	146,127	—	—	146,127
Debt securities:				
U.S. treasury securities	15,731	15,594	—	31,325
U.S. government agencies and sponsored entities	43	3,630	—	3,673
Corporate bonds	—	29,825	—	29,825
Mutual funds	17,145	—	—	17,145
Municipalities	—	164	—	164
Asset/mortgage-backed securities	—	16,237	—	16,237
Other	1,571	—	—	1,571
Total debt securities	34,490	65,450	—	99,940
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	74	—	—	74
Mutual funds invested in mixed securities	29	—	—	29
Total equity securities	103	—	—	103
Total FMV investments	$ 180,720	$ 65,450	$ —	$ 246,170
Investments measured at NAV:				
Fund to Funds:				
Alternative investments				14,945
Total investments				$ 261,115

Investments are measured at fair value on a recurring basis, determined using inputs comprising 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
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 FMV investments	$ 162,985	$ 61,642	$ —	$ 224,627
Investments measured at NAV:				
Fund to Funds:				
Alternative investments				499
Total investments				$ 225,126

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.

Due to the Ministry's investment in Funds to Funds in the current year, the Ministry adopted the guidance within ASU 2015-07 which permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using the net asset value per share of the investment. The application of ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and requires retrospective application for all years presented. The fair value hierarchy schedules as of August 31, 2018 and August 31, 2017 have been updated to reflect the adoption and related change in accounting principle. As Funds to Funds were purchased in the current year, the adoption of ASU 2015-07 did not impact the Statement of Financial Position or Statement of Activities as of and for the period ending August 31, 2017.

Financial Instruments held by the Ministry as of August 31, 2018 and 2017, 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, 2018:

2018	Level 1	Level 2	Level 3	Total
Fair value investment values				
Cash equivalents	$ 2,257	$ —	$ —	$ 2,257
Equity securities:				
Domestic equity	16,702	—	—	16,702
Mutual funds invested in equity securities	89,322	—	—	89,322
Mutual funds invested in mixed securities	42,540	—	—	42,540
Total equity securities	150,821	—	—	150,821
Debt securities:				
U.S. treasury securities	15,731	15,594	—	31,325
U.S. government agencies and sponsored entities	43	3,630	—	3,673
Corporate bonds	—	29,825	—	29,825
Mutual funds	18,146	—	—	18,146
Municipalities	—	164	—	164
Asset/mortgage-backed securities	—	16,237	—	16,237
Other	1,571	—	—	1,571
Total debt securities	35,491	65,450	—	100,941
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	74	—	—	74
Mutual funds invested in mixed securities	29	—	—	29
Total equity securities	103	—	—	103
Total investments	$ 186,415	$ 65,450	$ —	$ 251,865
Liabilities				
Split-interest trust agreements	$ —	$ (2,586)	$ —	$ (2,586)
Total liabilities	$ —	$ (2,586)	$ —	$ (2,586)

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, 2017:

2017	Level 1	Level 2	Level 3	Total
Fair value investment values				
Cash equivalents	$ 2,244	$ —	$ —	$ 2,244
Equity securities:				
Domestic equity	13,209	—	—	13,209
Mutual funds invested in equity securities	80,098	—	—	80,098
Mutual funds invested in mixed securities	39,778	—	—	39,778
Total equity securities	135,329	—	—	135,329
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	14,134	—	—	14,134
Municipalities	—	372	—	372
Asset/mortgage-backed securities	—	18,884	—	18,884
Other	2,858	—	—	2,858
Total debt securities	33,218	61,642	—	94,860
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	$ 168,653	$ 61,642	$ —	$ 230,295
Liabilities				
Split-interest trust agreements	$ —	$ (3,061)	$ —	$ (3,061)
Total liabilities	$ —	$ (3,061)	$ —	$ (3,061)

The following details the Ministry's investment in Alternative Investments, carried at net asset value, by asset class along with commitments and redemption ability:

	2018	2017
1st lien loan funds	$ 4,077	$ —
Senior debt instruments	6,278	—
Equity securities	4,089	—
Partnerships	501	499
Collective trust funds in cash equivalents	166	172
Collective trust funds in equity securities	37,983	36,444
Collective trust funds in debt securities	15,348	15,799
	$ 68,443	$ 52,914

1st lien loan funds — This class includes investments in first lien, senior secured, floating rate loans denominated in U.S. dollars. At least 90% of the portfolio must be invested in floating rate assets and up to 10% of the portfolio may be invested in fixed rate senior loans, notes or bonds. At least 80% of the investments must also be domiciled within the U.S. Investment in this fund may be redeemed, without penalty or cost, upon 35 days written notice to the manager. The fair value of the investments in this class have been estimated using the net asset value per share of the investments. There are no unfunded commitments.

Senior debt instruments — This class includes senior bank loans and other senior debt instruments of borrowers that are organized or have a substantial portion of their assets or business in the United States or Canada. The manager of the funds is also permitted to invest up to 20% of its capital in debt securities and other debt obligations, including bridge loans for high yield bond commitments and US dollar— and non-US dollar-denominated bank loans and other debt instruments of borrowers that are organized or have a substantial portion of their assets or business in Europe, and equity and debt instruments that are purchased or otherwise obtained in a workout or financial restructuring involving a pre-existing investment. Investment in this fund may be redeemed, without penalty or cost, upon 60 days written notice to the manager. The fair value of the investments in this class have been estimated using the net asset value per share of the investments. There are no unfunded commitments.

Equity securities – This class includes equity securities of companies that are the targets of merger transactions in order to capture returns similar to those of a passively managed risk arbitrage index. In addition to investing in the Master Fund the Fund may make investments in other affiliated funds as well as certain direct investments. Investment in this fund may be redeemed, without penalty or cost, upon 30 days written notice to the manager. The fair value of the investments in this class have been estimated using the net asset value per share of the investments. There are no unfunded commitments.

Partnerships – This class is ownership interest in two different partnerships. The first is a 19% ownership in real property held for sale that was donated to the ministry. The second is a 10% ownership in a self-storage limited partnership that was donated to the ministry.

Collective trust funds – This class is unregulated funds only offered through retirement plans and thus not available to the average investor, which for the ministry represent pension plan assets.

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 $278 and $263 for the years ended August 31, 2018 and 2017, 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:

	2018	2017
Endowments	$ 2,500	$ 2,500
Pooled investment fund	1,000	1,000
Reinsurance security trust account	2,195	2,168
	$ 5,695	$ 5,668

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

2018	Level 1	Level 2	Level 3	Total
Restricted cash and investments:				
Cash equivalents	$ 2,257	$ —	$ —	$ 2,257
Equity securities	2,437	—	—	2,437
Debt securities	1,001	—	—	1,001
Total restricted cash and investments	$ 5,695	$ —	$ —	$ 5,695

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

6. Prepaid and Other Assets

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

	2018	2017
Prepaid expenses	$ 4,927	$ 3,767
Intangible assets	5,280	4,936
Other assets	4,304	3,433
	$ 14,511	$ 12,136

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.

7. Long-Term Severance and Disability

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

	2018	2017
Long-term severance pay	$ 16,740	$ 17,103
Long-term disability plan	22,389	20,916
	$ 39,129	$ 38,019

The Ministry has a self-funded long-term disability plan. At August 31, 2018 and 2017, the plan liability totaled $22,389 and $20,916, 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.

8. Other Accrued Liabilities

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

	2018	2017
Liability for annuities and trusts	$ 2,679	$ 3,211
Deferred revenues	4,122	4,140
Liability for loss and loss adjustment expense	4,350	2,075
Pledge payable to The King's College	710	1,374
Refundable advance	3,930	—
Other liabilities	8,394	8,122
	$ 24,185	$ 18,922

9. Lines 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, 2018 and 2017, 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, 2018 and 2017, the accounts had a combined balance of $2,194 and $2,168, 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:

	2018	2017
Investment income	$ 15,081	$ 16,538
Services income	6,491	5,283
Royalty income	469	319
Honorarium income	461	580
Commission income	1,922	1,815
Rental income	324	234
Other income	2,753	2,650
Total	$ 27,500	$ 27,419

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 $330,020 and $321,737 for the years ended August 31, 2018 and 2017, respectively. The joint costs, which are not specifically attributable to particular components of the activities, were allocated as follows:

	2018	2017
Campus ministries	$ 144,064	$ 141,783
Community ministries	95,292	89,424
Coverage ministries	15,565	15,983
International ministries	45,851	50,514
General and administration	3,780	4,243
Fundraising	25,468	19,790
Total	$ 330,020	$ 321,737

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 $7,081 and $2,964 as of August 31, 2018 and 2017, respectively. The Ministry, at its discretion, funds certain of these offices. Total amounts funded during 2018 and 2017, which are included in international ministries in the accompanying consolidated statements of activities, by world area, are as follows:

	2018	2017
Asia and South Pacific	$ 9,627	$ 10,130
Europe	17,461	16,287
Africa and Middle East	18,534	17,863
North and South America	3,675	3,612
Total	$ 49,297	$ 47,892

13. Staff Compensation

Compensation Salaries and staff members' expenses were $354,849 and $341,977 in 2018 and 2017, respectively. Average monthly compensation, in thousands, including retirement plan contributions, for religious missionary order staff families was $6.0 and $5.9 in 2018 and 2017, respectively, and for religious missionary order staff singles was $2.6 and $2.4 in 2018 and 2017, 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, 2018, and a statement of the funded status as of August 31:

	2018	2017
Change in benefit obligation:		
Projected benefit obligation – beginning of year	$ 78,954	$ 80,552
Interest cost	2,860	2,726
Actuarial gain on projected benefit obligations	(4,462)	(2,684)
Benefit payments	(1,991)	(1,640)
Projected benefit obligation – end of year	$ 75,361	$ 78,954
Accumulated benefit obligation – end of year	$ 75,361	$ 78,954
Change in plan assets:		
Fair value of plan assets – beginning of year	$ 52,415	$ 48,470
Actual return on plan assets	3,073	5,585
Employer contributions	—	—
Benefit payments	(1,991)	(1,640)
Fair value of plan assets – end of year	$ 53,497	$ 52,415
Unfunded status – end of year	$ (21,864)	$ (26,539)

The components of net periodic pension cost were as follows:

	2018	2017
Components of net periodic benefit cost:		
Interest cost on projected benefit obligations	$ 2,860	$ 2,726
Expected return on plan assets	(3,408)	(3,291)
Amortization of net loss	1,017	1,217
Net periodic benefit cost	$ 469	$ 652

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 $1,017 (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:

	2018	2017
Change in pension unrecognized net loss (gain) and prior service cost	$ 5,144	$ 6,195

At August 31, 2018 and 2017, net periodic benefit cost of $469 and $652, 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.

	2018	2017
Unrecognized net loss	$ 28,368	$ 33,512

Changes in the Plan's asset and benefit obligations recognized in unrestricted net assets during 2018 and 2017 include the following:

	2018	2017
Current-year actuarial gain (loss)	$ 4, 127	$ 4,978
Amortization of net loss	1,017	1,217
Change in unrestricted net assets	$ 5,144	$ 6,195

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

	Target	Assets at August 31	
	2019	2018	2017
Equity securities	67.5%	71.0%	69.5%
Debt securities	32.5	28.7	30.2
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, 2018, and August 31, 2017, measured at net asset value:

	2018	2017
Collective trust funds in cash equivalents	$ 166	$ 172
Collective trust funds in equity securities	37,983	36,444
Collective trust funds in debt securities	15,348	15,799
	$ 53,497	$ 52,415

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

	2018	2017
Weighted-average assumptions as of August 31:		
Discount rate	4.07%	3.67%
Expected return on plan assets	6.14	6.63
Rate of compensation increase	N/A	N/A
Other accounting disclosures:		
Market-related value of assets	$ 53,497	$ 52,415
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 $9,595 and $10,012 for the years ended August 31, 2018 and 2017, 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 $275 and $247 to the Savings Plan for the years ended August 31, 2018 and 2017, 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, 2018, are as follows:

Years ending August 31:	
2019	$ 2,463
2020	1,380
2021	642
2022	263
2023 and thereafter	202
	$ 4,950

Rent expense was $3,539 and $3,147 in 2018 and 2017, respectively.

Guy Gerrard, © Cru

Cru staff women (in pink shirts) initiate weekly conversations with students on a college campus by offering a "mom's" listening ear or advice to students.

Ted Wilcox, © Cru

In Sierra Leone, kids watch one of the movies that Jesus Film® has produced.

15. Endowments

Changes in endowment funds for the fiscal year ended August 31, 2018, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets beginning of the year	$ 324	$ 696	$ 2,500	$ 3,520
Additions	—	35	—	35
Investment return	228	57	—	285
Distributions	(139)	(59)	—	(198)
Net assets, end of year	$ 413	$ 729	$ 2,500	$ 3,642

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

16. Temporarily Restricted Net Assets

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

	2018	2017
Annuities, trusts and endowments	$ 6,744	$ 5,265
AIA Wooden Center Building Project	4,566	4,775
FamilyLife program, media, and global projects	405	286
Total	$ 11,715	$ 10,326

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:

	2018	2017
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:

	2018	2017
Annuities, trusts and endowments	$ 1,081	$ 778
AIA Wooden Center Building Project	209	—
Funds used for FamilyLife program, media, and global projects	2,426	992
Total	$ 3,716	$ 1,770

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 and		
	Campus	Community	Coverage	Ministries	Administrative	Fundraising	Total Expenses
2018							
Salaries and benefits	$ 135,185	$ 96,824	$ 29,217	$ 43,541	$ 18,316	$ 31,766	$ 354,849
International subsidies	–	–	–	49,297	–	–	49,297
Gifts in kind	–	–	–	15,173	–	–	15,173
Contracted services	2,783	3,637	6,918	328	4,548	7,503	25,717
Technology	823	1,093	5,291	769	4,679	419	13,074
Media and other communications	935	5,188	904	770	29	806	8,632
Rent and utilities	7,199	4,327	604	749	1,316	508	14,703
Travel and entertainment	27,987	8,770	7,393	8,020	2,043	4,776	58,989
Printing	1,452	752	399	306	295	964	4,168
Postage and freight	695	1,522	451	263	1,185	2,670	6,786
Supplies	2,882	1,386	808	858	1,036	413	7,383
Depreciation and amortization	612	1,484	1,679	597	261	343	4,976
Telephone	1,389	1,202	465	674	355	346	4,431
Cost of sales	56	1,803	373	6	16	1	2,255
Bank fees and interest	87	380	30	31	3,390	4	3,922
Training and meetings	1,858	709	1,158	1,839	445	249	6,258
Insurance	9	169	114	6	5,656	4	5,958
Other expenses	258	1,212	2,409	1,040	308	2,505	7,732
Total expenses	$ 184,210	$ 130,458	$ 58,215	$ 124,264	$ 43,879	$ 53,277	$ 594,303

	Ministries				Support Services		
		United States		International	General and		
	Campus	Community	Coverage	Ministries	Administrative	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

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 16, 2019, (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 2018. 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

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 2018, Cru was blessed with steady gains in U.S. contributions.

For the fiscal year ended August 31, 2018, total worldwide revenues of Campus Crusade for Christ, Inc. and its foreign associates were $778,543,000. United States operating revenues of the Ministry for the fiscal year were $627,461,000. This provided the ministry with a positive change in net assets of $38,302,000 for fiscal 2018.

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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 $76,623, and his Minister's Housing Allowance was $24,000 for 2018. Steve made non-taxable contributions to the 403(b) Retirement plan in 2018 totaling $22,275. 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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Ted Wilcox, © Cru

Hurricane Harvey relief in Rosharon, Texas
Spring Break Project: Virginia Tech Cru® staff member prays with a local woman.

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