

2021 Annual Report



“Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you.”
Matthew 28:19-20, New International Version

Cover Photos

Top left and bottom: Mongolia Cru® events. Photos by Adam Jones, Cru®.

Top right: Cru's North Myrtle Beach summer mission trip for college students. Photo by David Suennen, Cru®.

From the President



Thank you very much for your interest in Cru®. In this annual report you will get a glimpse of the fruit borne by staying true to what God has called us to do:

- Helping to fulfill the Great Commission.
- Winning, building and sending in the power of the Holy Spirit.
- Helping the body of Christ do evangelism and discipleship.

Like so many, we prayed that the devastation of COVID-19 would end by 2021. Yet, despite the disappointment of the ongoing pandemic and restrictions in many nations, we can look back over the past year and see that the gospel message could not be stopped.

An example of this comes from one of our missionaries from a North African country. After training eight converts in discipleship, he told me, “Our urgency is to see disciples mature in Christ so they can be involved in the discipleship process. We are witnessing an abnormal amount of people seeking the truth from all areas in the country. We keep praising our Lord, for the fields are truly ripe unto harvest.”

In this annual report, we highlight how people are coming to Christ through our ministry. Whether in large cities or remote villages, you are providing a way to win, build and send multiplying disciples to reach the world with the hope of Jesus.

Thank you for being a valued partner and co-laborer for the gospel through your prayers and support. We deeply appreciate you.

A handwritten signature in blue ink that reads "Steve Sellers". The signature is fluid and cursive.

Steve Sellers
President
Cru® and Campus Crusade for Christ®

Like a Toddler in a New World

Zach had partied on weekends since high school. But his drinking became more of a “Monday-through-Sunday” thing in college. Sobbing on his bed, feeling unfulfilled and without a future, Zach texted Trevor, his older brother. “I’m so sick of this lifestyle.” Trevor’s reply? “Go to Cru.”

Trevor had encountered God through Cru a few years earlier. At the time, 16-year-old Zach hadn’t understood how the angry brother he’d known his whole life had been able to change.

Feeling empty, doubtful and conspicuous on that unseasonably warm Minnesota night, Zach walked into a church where students had gathered to experience Cru’s virtual Winter Conference. He heard the band playing a song seemingly tailored for him, and the weight fell away.

“Like a toddler in a new world,” is how Zach sums up his spring semester experience of accepting Christ, discipleship, Bible study and church attendance — “ups with a few downs.” At some point he realized, “You can’t have one foot in and the other out.” So he moved away from his partying friends mid-May, opting instead for gym workouts and basketball. He even spent four weeks involved in intensive evangelism and discipleship during Cru’s North Myrtle Beach summer mission trip.

Ready to share the gospel with others back on campus, Zach met up with some of his old buddies, enduring their taunts of “Preacher Boy.” He agreed with them, saying, “You’re right. I’m not better than you. We all need help.”

Now fulfilled and excited for the future, Zach leverages newly discovered giftings to help others find Jesus and grow spiritually. He helps reach out to other students with the gospel, initiates Christian community in the dorms and emcees Cru’s weekly meeting.

Photo by David Suennen, Cru®



Zach emcees a Cru meeting on campus.

When the Opportunity Keeps Knocking

Since launching Athletes in Action® (AIA) in Togo, Magloire Pilabana has served as chaplain of the national soccer team at various international competitions, including the Olympics.

The national soccer team asked Magloire to help build a positive culture in their training camp before the African Cup of Nations. One man who had fallen into witchcraft came to him for prayer during the camp, eventually coming to faith in Christ.

After the camp, the team leaders asked Magloire to extend his time with the athletes and get involved with the younger U17 team as well. Soon the sports federation invited him to participate as chaplain in the Cup of Nations qualification tournament in Cameroon.

During the tournament Magloire saw many players come to faith, as well as one member of the soccer federation. Many burned their good luck charms as a symbol of their newfound faith.

Magloire was able to give out copies of AIA's "Struggle & Triumph" Bible, which contains the faith stories of elite athletes from around the world. "All the teams, officials and journalists received a Bible," Magloire said. "More than 50% of the players are not believers, but all of them received a Bible."

Because of the popularity of sports and the desire for sports training, AIA missionaries are having an influence in countries that often do not welcome other missionaries. Magloire sees God at work in this. He stated, "The ministry we are doing in Togo is affecting coaches and athletes throughout all of West Africa."

Photo by David Suennen, Cru®



Magloire speaking to two soccer teams.

Too Young to Be a Missionary

Ever since 12-year-old Shaun heard his aunt's stories, he wanted to go on a mission trip. His aunt, a Cru staff member in their Southeast Asian country, had told him how God touched people's lives through mission trips. But Shaun's parents said he was too young to go.

Shaun's opportunity finally came when his aunt invited him to join a Digital Mission Trip in June 2020. On a Digital Mission Trip, participants meet virtually in the mornings for devotions and training [pictured here]. In the afternoons they advertise things like English classes on social media to meet people who may be looking for God. They may also reach out to friends with links to videos that spark spiritual conversations.

Shaun received training in how to win, build and send digitally, and during the Digital Mission Trip he shared the gospel with a friend from school. His friend prayed and received Christ! Shaun began helping his friend grow spiritually, with his aunt's assistance. At the end of the three-day Digital Mission Trip, Shaun responded to a challenge to lead a nationwide trip in August.



Photo by Adam Jones, Cru®

Shaun tried to recruit friends from school for his team for this trip, but most turned him down due to an upcoming exam. In the end, Shaun was assigned to lead a team of university students and young adults.

After the trip, Shaun shared his experience with more than 1,000 people on Zoom and Facebook Live. Eben (also 12 years old) had taken part in the Digital Mission Trip with his mother. He was deeply encouraged by Shaun's testimony. When his church organized a Digital Mission Trip in October 2020, Eben immediately signed up as a team member and later led a team himself in April 2021.

Rev. Daisy was also inspired by how Christians could continue to share Christ and make disciples even as their country faced a total lockdown. She introduced Digital Mission Trips to her church and some colleagues. She and some of the young people in her church signed up for a Digital Mission Trip in August.

In October, 15 teams from Rev. Daisy's church joined Digital Mission Trips, and another 35 teams joined in December. Rev. Daisy continues to mobilize digital missionaries and shares the vision with other churches.

Shaun, Eben, Rev. Daisy and other digital missionaries young and old are reaching the world for Christ through technology. With a smartphone, any follower of Jesus can be a digital missionary.

The Vision Was Real

When Ethiopian staff member Sileshi shared the Global Church Movements church-planting vision at a recent training, attendee Tigist Kefene was impressed. She told Sileshi, “Only one person believes in Jesus where I was born — my father. If the vision of one church for every 1,000 people is real, would you plant a church there?” Sileshi took the challenge and started praying.

After a few days of prayer, Sileshi went to Tigist’s family house, around 95 km from the capital, Addis Ababa. Sileshi and Tigist encouraged the family to invite their neighbors for a traditional coffee ceremony. People gathered, and while the coffee was prepared, Sileshi stood up and shared the gospel.



During the prayer time, Almaz, Tigist’s mother, fell down. She was possessed by an evil spirit, but when Sileshi prayed for her, she was set free. The neighbors who saw the miracle praised the Lord, and seven people received Jesus that day.

Those seven people, along with Tigist’s father, became the first church in that village. Weekly worship and prayer meetings continue. Others have joined the church and been set free from evil spirits.

Tigist’s father offered land for a church building, and churches from the city donated building materials and chairs. Within six months, over 100 people from Tigist’s village had come to Christ.



City view of Addis Ababa, Ethiopia.

Photos by Adam Jones, Cru®

Video Stories



I Am Comfort

Grieving the death of a loved one, Comfort was drawn to a pop-up on her phone that read “God loves you.” She began to chat with a woman she reached by clicking on the pop-up. Comfort put her faith in Christ and later attended a seminar on digital strategies. An astonishing fact she learned there changed the trajectory of her life still more.



Glimpses of God at Work

Hear the short stories of students who chased our staff members and disciples, begging to hear more; of a teacher who realized she could do the work of ministry; of a mother of six who planted a multiplying church in a dangerous community; of an oppressed woman finding and then sharing hope online.



Kent’s Story

Kent was born in Rwanda as the country rebuilt from the mid-1990s genocide. As God worked in his life, Kent realized we are all broken people and was able to forgive his grandparents’ killers. He wants everyone to know the gospel that changes hearts, campuses and nations.



Thank You From a Harvard Student

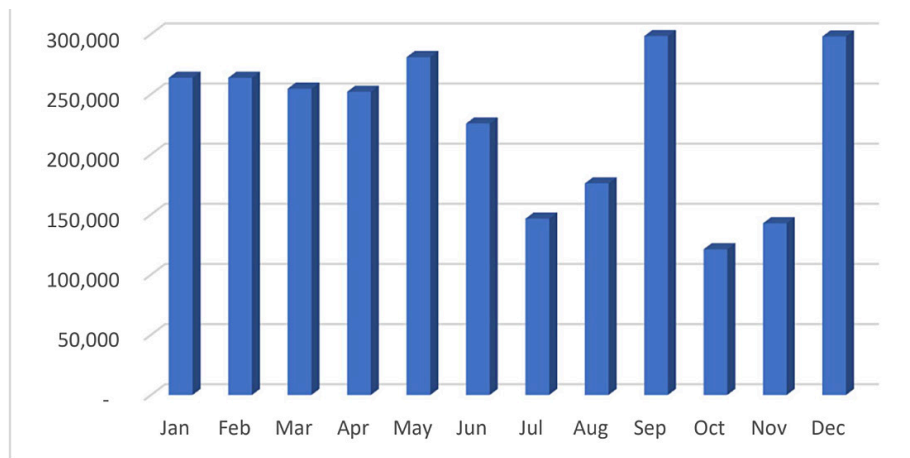
Cindy thanks Cru for helping her when she felt stuck in anxiety and depression during the pandemic. Cru leaders showed their commitment to her emotional and spiritual growth no matter where she stood spiritually. Through many unfiltered conversations, she slowly came to trust in Christ.

For more stories, visit: <https://www.cru.org/storylines>

*Camera illustration by vecteezy.com

Impact of the Ministry

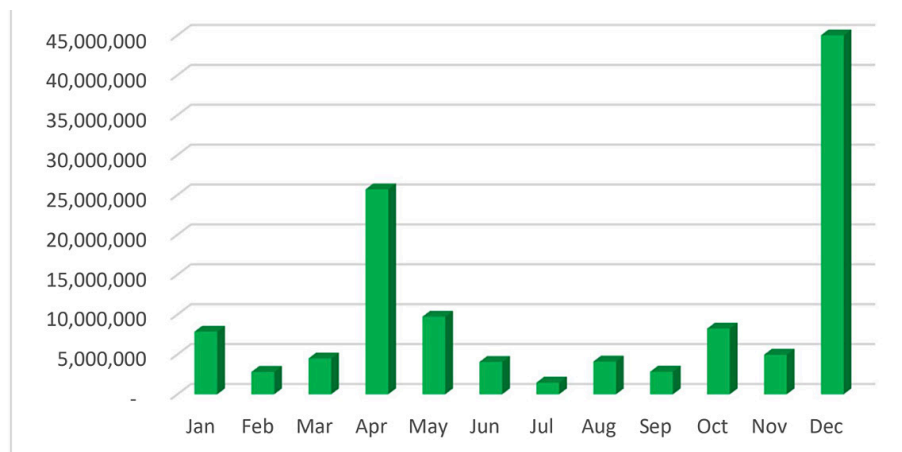
Individual Evangelism Presentations 2021



Footnotes:

- Despite ongoing COVID-19 restrictions in many countries, we continued to share the gospel with individuals.
- May, September and December were months that had the most presentations: close to 300,000 individuals per month heard the gospel!
- July and August had fewer presentations because many students are on break during those months.
- We saw a consistent response rate to the gospel — around 11% on average throughout the world!

Media/Group Evangelism Presentations 2021



Footnote:

- April and December reflect showings of the “JESUS” film on local television in many countries during the Easter and Christmas season.

Scope of the Ministry

Our calling in Cru is to help fulfill the Great Commission by winning, building and sending in the power of the Holy Spirit and helping the body of Christ do evangelism and discipleship. Here are the various ministries dedicated to this task.

Ministry	Audience	Impact
Athletes in Action®	Professional and amateur athletes and coaches	Developing athletes physically, mentally and spiritually
Christian Embassy®, D.C.	Government leaders and diplomatic communities	Reaching government, military and diplomatic leaders with the gospel
Christian Embassy®—United Nations	United Nations diplomats and staff	Providing spiritual encouragement to the diplomatic community at the United Nations
Cru City	People in workplaces and neighborhoods, churches, refugees, artists and influencers	Engaging the curious and equipping followers so all find their place in God's story
Cru Inner City	Urban churches, pastors, leaders, marginalized urban communities	Serving and mobilizing the church to live out God's heart for the poor
Cru Military®	Armed services personnel worldwide	Spiritually building up the military community by meeting them at their greatest point of need
FamilyLife®	Couples, parents, blended families	Providing transferable, biblically-based help at every stage in marriages and family life
International School Project	Teachers and educational professionals	Equipping and empowering teachers and educators to change the world

(continued on next page)

Scope of the Ministry

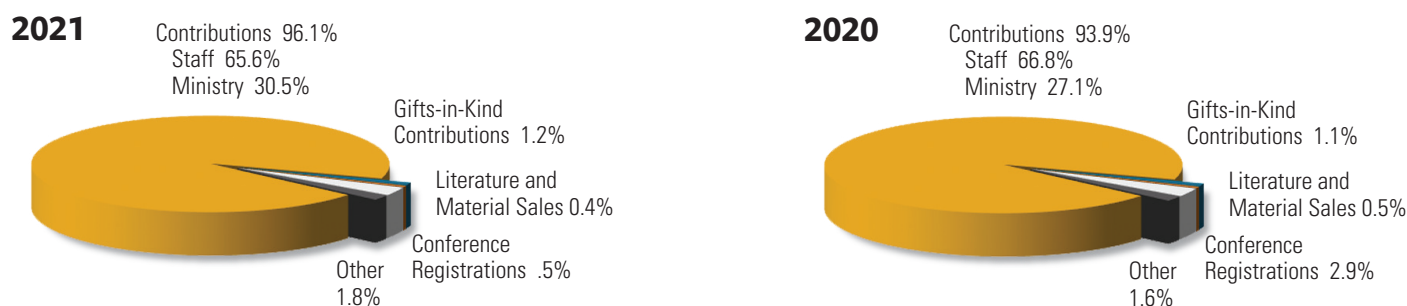
Ministry	Audience	Impact
Jesus Film Project®	“Everyone, Everywhere”	Bringing Christ-centered videos to the ends of the earth
Josh McDowell Ministry™	Students, parents, leaders, churches, virtual movements	Equipping believers to live, defend and share their faith
StoryRunners®	Local followers of Christ, unreached people groups	Equipping believers to produce and use oral Bible stories to launch communities of multiplying disciples
Cru’s campus ministry	University students	Helping students to know Jesus, grow in their faith and go to the world to tell others
Cru’s high school ministry	Middle school and high school students and teachers	Reaching middle and high school students for Christ and helping them thrive in all areas of their lives: spiritual, academic and social
Faculty Commons®	University faculty and staff members, graduate students	Reaching and equipping professors to reach their colleagues for Jesus Christ
Unto®	People who require humanitarian aid	Relieving suffering, restoring dignity, revealing hope through Jesus by providing humanitarian aid along with the gospel to those with desperate needs

FINANCIAL HIGHLIGHTS

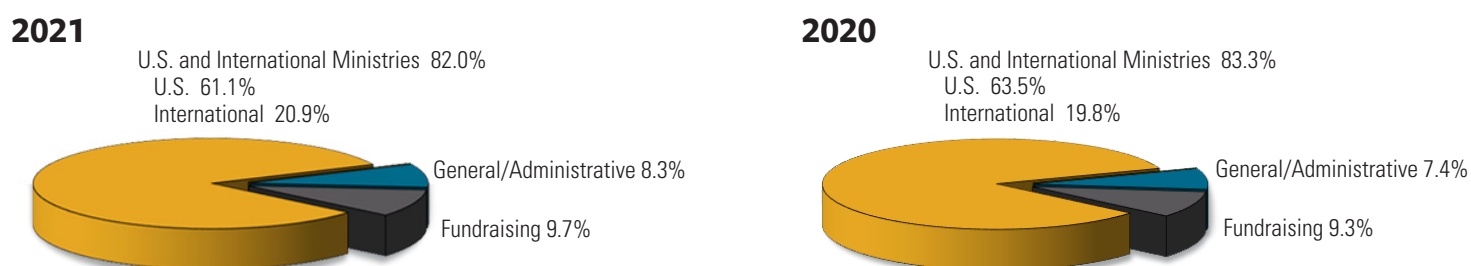
	2021	2020	2019	2018
United States Revenues	\$ 614,072,000	\$ 600,079,000	\$ 624,627,000	\$ 627,461,000
Operating Change in Net Assets ¹	\$ 49,522,000	\$ 30,336,000	\$ 17,820,000	\$33,158,000
Non-Operating Change in Net Assets ¹	\$ 65,443,000	\$ 26,953,000	\$ (3,767,000)	\$ 5,144,000
Total Change in Net Assets	\$ 114,965,000	\$ 57,289,000	\$ 14,053,000	\$ 38,302,000
International Revenues ²	\$ 139,701,000	\$ 150,549,000	\$ 161,262,000	\$ 151,082,000
World Revenues (U.S. and International)	\$ 753,773,000	\$ 750,628,000	\$ 785,889,000	\$ 778,543,000
Fund-Raising Expenses ³	9.9%	9.2%	9.1%	9.2%
General and Administrative Expenses ³	8.3%	7.4%	7.3%	7.4%
Average Size of Gift Received	\$ 136	\$ 130	\$ 129	\$ 128
Most Frequent Contribution	\$ 50	\$ 50	\$ 50	\$ 50
Average Staff Family's Monthly Compensation	\$ 6,506	\$ 6,301	\$ 6,122	\$ 6,001
Average Staff Single's Monthly Compensation	\$ 3,075	\$ 2,900	\$ 2,682	\$ 2,559

1. Operating change in net assets excludes Pension expenses and net Investment Income. Non-Operating change in net assets includes Pension expenses and net Investment Income.
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



USES OF FUNDS



REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Campus Crusade for Christ Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Campus Crusade for Christ, Inc. and Subsidiaries (the Ministry), which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Family Life, Great Commission Foundation, New Life Insurance Co., and GAIN International, wholly-owned subsidiaries, which statements reflect total assets constituting 19% in 2021 and 20% in 2020 and total revenues constituting 9% in 2021 and 9% in 2020 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 Family Life, Great Commission Foundation, New Life Insurance Co., and GAIN International, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Campus Crusade for Christ Inc. and subsidiaries as of August 31, 2021 and 2020, 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
December 20, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Thousands)
August 31, 2021 and 2020

		2021	2020
ASSETS	Cash and cash equivalents	\$ 59,242	\$ 91,252
	Investments	456,468	316,913
	Accounts and other receivables	4,952	6,770
	Inventories	1,806	2,451
	Gifts-in-kind inventories	9,529	6,578
	Property held for sale	1,301	451
	Restricted cash and investments	3,875	3,774
	Prepaid and other assets	17,328	15,916
	Property and equipment:		
	Land and land improvements	5,601	5,601
	Buildings and improvements	81,073	75,483
	Furniture and equipment	27,504	48,270
	Total property and equipment	114,178	129,354
	Accumulated depreciation	(66,661)	(87,870)
	Net property and equipment	47,517	41,484
	Total assets	\$ 602,018	\$ 485,589
LIABILITIES AND NET ASSETS	Liabilities:		
	Accounts payable	\$ 8,903	\$ 6,941
	Accrued salaries and related expenses	24,444	24,383
	Long-term severance and disability	50,628	49,324
	Other accrued liabilities	13,556	11,494
	Pension liability	26,890	36,483
	Long-term debt	6,274	606
	Total liabilities	130,695	129,231
	Net assets:		
	Without donor restrictions	455,592	341,350
	With donor restrictions	15,731	15,008
	Total net assets	471,323	356,358
	Total liabilities and net assets	\$ 602,018	\$ 485,589

See accompanying notes.

CONSOLIDATED STATEMENTS OF ACTIVITIES

(In Thousands)
Year Ended August 31, 2021

2021	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 589,325	\$ 716	\$ 590,041
Gifts-in-kind contributions	7,716	—	7,716
Literature and material sales	2,111	—	2,111
Conference registrations	3,122	—	3,122
Other income	10,034	1,048	11,082
Net assets released from restrictions	1,041	(1,041)	—
Total revenues	613,349	723	614,072
Expenses:			
Operating expenses:			
Campus	159,058	—	159,058
Community	131,786	—	131,786
Coverage	54,296	—	54,296
International ministries	118,079	—	118,079
General and administrative	46,778	—	46,778
Fundraising	54,553	—	54,553
Total expenses	564,550	—	564,550
Change in net assets from operations	48,799	723	49,522
Non-operating activities:			
Investment returns, net	55,217	—	55,217
Pension-related changes other than net periodic pension cost	10,226	—	10,226
Change in net assets	114,242	723	114,965
Net assets — beginning of year	341,350	15,008	356,358
Net assets — end of year	\$ 455,592	\$ 15,731	\$ 471,323

See accompanying notes.

CONSOLIDATED STATEMENTS OF ACTIVITIES

(In Thousands)
Year Ended August 31, 2020

2020	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 562,818	\$ 332	\$ 563,150
Gifts-in-kind contributions	6,959	—	6,959
Literature and material sales	2,925	—	2,925
Conference registrations	17,196	—	17,196
Other income	9,495	354	9,849
Net assets released from restrictions	599	(599)	—
Total revenues	599,992	87	600,079
Expenses:			
Operating expenses:			
Campus	164,136	—	164,136
Community	137,784	—	137,784
Coverage	60,030	—	60,030
International ministries	112,849	—	112,849
General and administrative	42,218	—	42,218
Fundraising	52,726	—	52,726
Total expenses	569,743	—	569,743
Change in net assets from operations	30,249	87	30,336
Non-operating activities:			
Investment returns, net	22,741	—	22,741
Gain on sale of property	5,037	—	5,037
Pension-related changes other than net periodic pension cost	(825)	—	(825)
Change in net assets	57,202	87	57,289
Net assets – beginning of year	284,148	14,921	299,069
Net assets – end of year	\$ 341,350	\$ 15,008	\$ 356,358

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)
Year ended August 31, 2021 and 2020

Operating Activities

	2021	2020
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided by operating activities:	\$ 114,965	\$ 57,289
Depreciation and amortization	4,388	4,635
Pension-related changes	(9,593)	1,665
Net realized and unrealized gain on investments	(53,151)	(21,734)
Donated Investments	(14,302)	(9,410)
Proceeds from sale of Donated Investments	14,302	9,410
Gain on sale of property held for sale	(42)	(105)
Loss (gain) on disposal of fixed assets	3,895	(369)
Gain on sale of fixed assets	—	(5,037)
Loss on disposal of other assets	247	—
Gifts of property held for sale	(2,421)	(1,233)
Changes in operating assets and liabilities:		
Accounts and other receivables	1,818	(3,085)
Inventories	(2,306)	(417)
Prepaid expenses	(3,879)	3,784
Other assets	1,513	(393)
Accounts payable	1,963	1,291
Accrued salaries and related expenses	61	(190)
Long-term severance and disability	1,304	2,758
Other accrued liabilities	2,062	(8,604)
Net cash provided by operating activities	60,824	30,256

Investing activities

Sales and maturities of investments	215,129	151,341
Purchases of investments	(301,635)	(163,977)
Purchases of intangible assets	(199)	(363)
Capital expenditures	(13,409)	(2,669)
Proceeds from sale of fixed assets	—	12,218
Proceeds from sale of property held for sale	1,613	2,637
Net cash used in investing activities	(98,501)	(813)

Financing activities

Net proceeds from long-term debt	5,856	139
Payments on long-term debt	(188)	(45)
Net cash provided by financing activities	5,668	94
Net increase (decrease) in cash and cash equivalents	(32,010)	29,537
Cash and cash equivalents — beginning of year	91,252	61,715
Cash and cash equivalents — end of year	\$ 59,242	\$ 91,252

Supplemental disclosures of cash flow information

Interest paid	\$ 97	\$ 45
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See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In Thousands)

August 31, 2020

1. Organization and Significant Accounting Policies

Organization Campus Crusade for Christ, Inc., operating in the United States 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 United States affiliates in which the Ministry has a controlling interest and its United States 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.

Measure of Operations The consolidated statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Ministry's ongoing activities. Non-operating activities are limited to resources that generate return from investments, the change in the pension unrecognized net loss or gain, and other activities considered to be of a more unusual or nonrecurring nature.

Basis of Presentation Revenues are reported as increases in net assets without donor restrictions 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 net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions 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. For the years ended August 31, 2021 and 2020, total contributions to be received after one year were immaterial.

The Ministry reports gifts of land, buildings, and equipment as additions to net assets without donor restrictions 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 contributions in net assets with donor restrictions. 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 cash and financial instruments without donor restrictions, 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. 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 net realizable value and consist principally of books, educational materials, and ministry evangelical materials.

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 and inputs to estimated fair value using an exit price notion.

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. Investment-related activity (realized/unrealized gains and losses and investment income) are reflected net of related expenses in the non-operating activities section of the consolidated statements of activities.

The Ministry maintains various pools of investments, each having an Investment Policy Statement (IPS) approved by the Board of Directors that governs the investment of ministry funds. The Ministry also retains independent Investment Advisory Consultants who advise 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.

Funds Held Pursuant to Split-interest Trust Agreements Funds held pursuant to split-interest trust agreements consist primarily of investments, which are carried at fair value. These funds totaled \$2,196 and \$1,777 at August 31, 2021 and 2020, respectively, and are included in investments in the accompanying consolidated statements of financial position.

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, 2021 and 2020, 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, 2021 and 2020, depreciation expense was \$3,482 and \$3,737, respectively. As of August 31, 2021 and 2020, the Ministry had unamortized software costs totaling \$0 and \$0, respectively. Web development costs are recorded as part of intangible assets.

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 estimated 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, 2021 and 2020, net intangible assets were \$3,589 and \$4,542, respectively. For the years ended August 31, 2021 and 2020, amortization expense was \$906 and \$898, respectively.

Intangible assets will be amortized over future periods as follows:

Years ending August 31:	
2021	\$ 697
2022	585
2023	431
2024	344
Thereafter	1,532
	<u>\$ 3,589</u>

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, 2021 and 2020, the Ministry recorded \$20,829 and \$20,494, respectively, in accrued severance pay.

Liability for Losses and Loss Adjustment Expenses 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, 2021 and 2020, represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. As of August 31, 2021 and 2020 the accrued liability for losses and loss adjustment expenses was \$2,053 and \$2,191, 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, 2021, and 2020, New Life's surplus was \$32,921 and \$27,903, 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, 2021 and 2020, the liability for annuities and trusts was \$4,771 and \$4,464, 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 \$96 and \$232 as of August 31, 2021 and 2020, 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%.

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. All expenses are allocated to the functional categories of Program (Campus, Community, Coverage and International), General and Administrative, or Fundraising. Staff member expenses include the costs of their salary, benefits, 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 Program (Community). The Community portion represents time spent in ministry to supporters and building public awareness for the Ministry. The balance of staff costs is allocated to the other functional categories based on the number of staff assigned to each ministry and each respective ministry's primary functional category.

Ministry work is generally allocated to Program. Expenses incurred related to fundraising efforts in each ministry are allocated to Fundraising. Expenses incurred in a ministry area located at the world headquarters in Orlando, Florida, substantially focused on supporting operations, are

allocated primarily to General and Administrative. Each subsidiary of the Ministry is classified as either Program, General and Administrative, or Fundraising, and all of its expenses are allocated accordingly. Unto and Family Life have their expenses primarily allocated to Program with a portion allocated to Fundraising.

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 endowment funds absent explicit donor stipulations to the contrary. The Ministry classifies as net assets with donor restrictions: (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 endowment fund is also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Ministry 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 with donor restrictions 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 United States 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.

Net Asset Classifications The Ministry classifies net assets based on the existence or absence of donor restrictions. Accordingly, net assets and changes in net assets are classified and reported as follows: *Net assets without donor restrictions* consist of funds available for the general operations of the Ministry. *Net assets with donor restrictions* consist of funds available only after specific donor stipulations have been met. Designations for staff support or ministry projects are not determined to be donor-imposed restrictions. The Ministry reports gifts of cash and other assets as contributions with donor restrictions, if they are received with donor stipulations limiting the use of the gifts. Some donor-imposed restrictions are temporary in nature, including those that will be met by the passage of time or other event specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor restriction expires, net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Ministry Liquidity The Ministry's working capital and cash flows fluctuate during the year, due to the timing of contributions and expenditures. The following reflects the Ministry's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date, because of management investment committee direction, contractual obligations, or donor-imposed restrictions.

Financial assets, at year end:	
Cash and cash equivalents	\$ 59,242
Short-term investments	18,592
Accounts and other receivables	4,952
Total financial assets	82,786
Less those unavailable for general expenditure within one year:	
Amounts with donor restrictions	15,731
Restricted cash and investments included in above	—
Funds unavailable for general expenditure	15,731
Board designations:	
Amount set aside for liquidity reserve	—
Financial assets available to meet cash needs for general expenditures	\$ 67,055

The Ministry is substantially supported by contributions without donor restrictions. However, because any donor's restriction requires resources to be used in a particular manner or in a future period, the Ministry must maintain sufficient resources to meet those responsibilities to its donors. Thus, not all financial assets may be available for general expenditure within one year. As part of the Ministry's liquidity management, it has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Ministry invests cash in excess of daily requirements in short-term and long-term investments. In the event of an unanticipated liquidity need, the Ministry has access to two unsecured lines of credit, for up to \$12,000 and \$15,000, respectively. The Ministry also has a non-revolving line of credit, secured by investment funds, of up to \$21,000. See Note 9 for details on the credit lines.

Reclassifications Certain reclassifications have been made to the prior year consolidated financial statements in order for them to be in conformity with the current year presentation. In Note 18 Functional Expenses, the August 31, 2020 schedule was updated to divide Other Expenses into two categories – Donations to other organizations and Other expenses, for consistency with August 31, 2021. Prior to fiscal year 2021, donations to other organizations was a subcategory of other expenses. The amount of those donations has risen substantially in recent years, and Management determined it should be reported as a separate line.

New Accounting Pronouncements In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 United States. In August of 2015, the 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. In June 2020, the FASB issued ASU 2020-05 which amends the effective date of the FASB's standards on revenue (ASC 606), which makes ASU 2015-09 effective for the fiscal year ended August 31, 2021. The Ministry has adopted the standard, and the impact on the consolidated financial statements is immaterial.

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 U.S. 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, 2022. Management is currently evaluating the effect of adopting the new standard on the Ministry's consolidated financial statements.

2. Contributions Receivable

From time to time, the Ministry is informed of intentions to give by prospective donors. Such expressions of intent are revocable and unenforceable. The ultimate value of these expressions has not been established, nor have the expressions been recognized in the accompanying consolidated financial statements. At August 31, 2021 and 2020, the Ministry has \$58,900 and \$73,646, 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:

2021	Cost	Net Unrealized Gains (Losses)	Fair Value	%
Investments				
Equity securities:				
Domestic equity	\$ 30,037	\$ 8,129	\$ 38,166	8%
Mutual funds invested in equity securities	102,174	59,827	162,001	36
Mutual funds invested in mixed securities	38,020	3,028	41,048	9
Total equity securities	170,231	70,984	241,215	53
Debt securities:				
U.S. treasury securities	31,260	13	31,273	7
U.S. government agencies and sponsored entities	25,119	123	25,242	6
Corporate bonds	74,571	634	75,205	16
Foreign issues	4,286	20	4,306	1
Mutual funds	46,074	1,071	47,145	10
Municipalities	1,539	(2)	1,537	—
Asset/mortgage-backed securities	898	(222)	676	—
Other	4,069	32	4,101	1
Total debt securities	187,816	1,669	189,485	41
Alternative investments	22,164	2,410	24,574	6
Investments held in charitable remainder trusts				
Equity securities:				
Mutual funds invested in equity securities	581	232	813	—
Mutual funds invested in mixed securities	351	10	361	—
Other	20	—	20	—
Total securities	952	242	1,194	—
Total investments	\$ 381,163	\$ 75,305	\$ 456,468	100%

2020	Cost	Net Unrealized Gains (Losses)	Fair Value	%
Investments				
Equity securities:				
Domestic equity	\$ 15,299	\$ 1,005	\$ 16,304	5%
Mutual funds invested in equity securities	76,508	31,541	108,049	34
Mutual funds invested in mixed securities	46,272	(1,373)	44,899	15
Total equity securities	138,079	31,173	169,252	54
Debt securities:				
U.S. treasury securities	13,108	(6)	13,102	4
U.S. government agencies and sponsored entities	20,870	563	21,433	7
Corporate bonds	58,333	735	59,068	19
Foreign issues	1,818	27	1,845	1
Mutual funds	29,403	324	29,727	9
Municipalities	1,171	16	1,187	—
Asset/mortgage-backed securities	590	9	599	—
Other	3,356	32	3,388	1
Total debt securities	128,649	1,700	130,349	41
Alternative investments	15,419	1,122	16,541	5
Investments held in charitable remainder trusts				
Equity securities:				
Mutual funds invested in equity securities	444	79	523	—
Mutual funds invested in mixed securities	190	13	203	—
Other	45	—	45	—
Total securities	679	92	771	—
Total investments	\$ 282,826	\$ 34,087	\$ 316,913	100%

At August 31, 2021, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 16.1% of total investments. At August 31, 2020, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 16.5% of total investments.

Mutual funds included \$6,455 and \$5,090 of annuity-related investments as of August 31, 2021 and 2020, respectively. The Ministry received investments as donations totaling \$14,302 and \$9,410 as of August 31, 2021 and 2020, respectively.

Investment income, net of related expenses totaling \$55,217 and \$22,741 for the years ended August 31, is included in other income in the accompanying consolidated statements of activities and consists of the following:

	2021	2020
Investment income	\$ 6,719	\$ 6,062
Net realized gains on the sale of investments	7,280	7,748
Net unrealized gain on investments	41,218	8,931
	\$ 55,217	\$ 22,741

A total of \$1,597 and \$1,339 of investment expenses were netted against investment income for the years ended August 31, 2021 and 2020, respectively.

Investments are measured at fair value on a recurring basis, determined using inputs comprising the following at August 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	\$ 36,636	\$ —	\$ 1,530	\$ 38,166
Mutual funds invested in equity securities	162,001	—	—	162,001
Mutual funds invested in mixed securities	41,048	—	—	41,048
Total equity securities	239,685	—	1,530	241,215
Debt securities:				
U.S. treasury securities	31,273	—	—	31,273
U.S. government agencies and sponsored entities	—	25,242	—	25,242
Corporate bonds	—	75,205	—	75,205
Foreign Issues	—	4,306	—	4,306
Mutual funds	47,145	—	—	47,145
Municipalities	—	1,537	—	1,537
Asset/mortgage-backed securities	—	676	—	676
Other	4,101	—	—	4,101
Total debt securities	82,519	106,966	—	189,485
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	813	—	—	813
Mutual funds invested in mixed securities	361	—	—	361
Other	20	—	—	20
Total equity securities	1,194	—	—	1,194
Total FMV investments	\$ 323,398	\$ 106,966	\$ 1,530	\$ 431,894
Investments measured at NAV:				
Fund of Funds:				
Alternative investments				24,574
Total investments				\$ 456,468

Investments are measured at fair value on a recurring basis, determined using inputs comprising the following at August 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	\$ 16,304	\$ —	\$ —	\$ 16,304
Mutual funds invested in equity securities	108,049	—	—	108,049
Mutual funds invested in mixed securities	44,899	—	—	44,899
Total equity securities	169,252	—	—	169,252
Debt securities:				
U.S. treasury securities	11,977	1,125	—	13,102
U.S. government agencies and sponsored entities	—	21,433	—	21,433
Corporate bonds	—	59,068	—	59,068
Foreign Issues	—	1,845	—	1,845
Mutual funds	29,727	—	—	29,727
Municipalities	—	1,187	—	1,187
Asset/mortgage-backed securities	—	599	—	599
Other	3,388	—	—	3,388
Total debt securities	45,092	85,257	—	130,349
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	523	—	—	523
Mutual funds invested in mixed securities	203	—	—	203
Other	45	—	—	45
Total equity securities	771	—	—	771
Total FMV investments	\$ 215,115	\$ 85,257	\$ —	\$ 300,372
Investments measured at NAV:				
Fund of Funds:				
Alternative investments				16,541
Total investments				\$ 316,913

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.

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

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

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

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

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

Financial instruments held by the Ministry as of August 31, 2021 and 2020 are recorded within cash and cash equivalents, investments, restricted cash and investments, and net pension liability within the consolidated statements 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 comprised of the following at August 31, 2021:

2021	Level 1	Level 2	Level 3	Total
Fair value investments				
Cash equivalents	\$ 356	\$ —	\$ —	\$ 356
Equity securities:				
Domestic equity	36,636	—	1,530	38,166
Mutual funds invested in equity securities	164,314	—	—	164,314
Mutual funds invested in mixed securities	41,048	—	—	41,048
Total equity securities	242,354	—	1,530	243,884
Debt securities:				
U.S. treasury securities	31,273	—	—	31,273
U.S. government agencies and sponsored entities	—	25,242	—	25,242
Corporate bonds	—	75,205	—	75,205
Foreign issues	—	4,306	—	4,306
Mutual funds	48,351	—	—	48,351
Municipalities	—	1,537	—	1,537
Asset/mortgage-backed securities	—	676	—	676
Other	4,101	—	—	4,101
Total debt securities	83,725	106,966	—	190,691
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	813	—	—	813
Mutual funds invested in mixed securities	361	—	—	361
Other	20	—	—	20
Total equity securities	1,194	—	—	1,194
Total investments	\$ 327,273	\$ 106,966	\$ 1,530	\$ 435,769
Liabilities				
Split-interest trust agreements	\$ —	\$ (4,708)	\$ —	\$ (4,708)
Total liabilities	\$ —	\$ (4,708)	\$ —	\$ (4,708)

The fair value of the financial assets and liabilities that are measured at fair value on a recurring basis was determined using inputs comprised of the following at August 31, 2020:

2020	Level 1	Level 2	Level 3	Total
Fair value investments				
Cash equivalents	\$ 471	\$ —	\$ —	\$ 471
Equity securities:				
Domestic equity	16,304	—	—	16,304
Mutual funds invested in equity securities	110,261	—	—	110,261
Mutual funds invested in mixed securities	44,899	—	—	44,899
Total equity securities	171,935	—	—	171,935
Debt securities:				
U.S. treasury securities	11,977	1,125	—	13,102
U.S. government agencies and sponsored entities	—	21,433	—	21,433
Corporate bonds	—	59,068	—	59,068
Foreign issues	—	1,845	—	1,845
Mutual funds	30,818	—	—	30,818
Municipalities	—	1,187	—	1,187
Asset/mortgage-backed securities	—	599	—	599
Other	3,388	—	—	3,388
Total debt securities	46,183	85,257	—	131,440
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	523	—	—	523
Mutual funds invested in mixed securities	203	—	—	203
Other	45	—	—	45
Total equity securities	771	—	—	771
Total investments	\$ 218,889	\$ 85,257	—	\$ 304,146
Liabilities				
Split-interest trust agreements	\$ —	\$ (4,406)	\$ —	\$ (4,406)
Total liabilities	\$ —	\$ (4,406)	\$ —	\$ (4,406)

The following details the Ministry's investment in alternative investments (including pension investments), carried at net asset value, by asset class along with commitments and redemption ability:

	2021	2020
1 st lien loan funds	\$ 6,451	\$ 4,757
Senior debt instruments	9,886	6,746
Equity securities	6,484	4,605
Partnerships	1,753	433
Collective trust funds in cash equivalents	284	265
Collective trust funds in equity securities	44,678	38,975
Collective trust funds in debt securities	19,049	17,470
	\$ 88,585	\$ 73,251

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 United States. 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 represents 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 income without donor restrictions, including unrealized gains and (losses) on restricted investments, was \$633 and \$275 for the years ended August 31, 2021 and 2020, 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:

	2021	2020
Endowments	\$ 2,550	\$ 2,500
Pooled investment fund	1,002	943
Reinsurance security trust account	323	331
	\$ 3,875	\$ 3,774

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

2021	Level 1	Level 2	Level 3	Total
Restricted cash and investments:				
Cash equivalents	\$ 356	\$ —	\$ —	\$ 356
Equity securities	2,312	—	—	2,312
Debt securities	1,206	—	—	1,206
Total restricted cash and investments	\$ 3,875	\$ —	\$ —	\$ 3,875

2020	Level 1	Level 2	Level 3	Total
Restricted cash and investments:				
Cash equivalents	\$ 472	\$ —	\$ —	\$ 472
Equity securities	2,211	—	—	2,211
Debt securities	1,091	—	—	1,091
Total restricted cash and investments	\$ 3,774	\$ —	\$ —	\$ 3,774

6. Prepaid and Other Assets

Prepaid and other assets were comprised of the following at August 31:

	2021	2020
Prepaid expenses	\$ 8,445	\$ 4,566
Intangible assets	3,589	4,542
Other assets	5,294	6,808
	\$ 17,328	\$ 15,916

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:

	2021	2020
Long-term severance pay	\$ 20,829	\$ 20,494
Long-term disability plan	29,799	28,830
	\$ 50,628	\$ 49,324

The Ministry has a self-funded long-term disability plan. At August 31, 2021 and 2020, the plan liability totaled \$29,799 and \$28,830, 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 were comprised the following at August 31:

	2021	2020
Liability for annuities and trusts	\$ 4,771	\$ 4,465
Deferred revenues	5,775	3,870
Liability for loss and loss adjustment expense	2,053	2,191
Refundable advance	—	512
Other liabilities	957	457
	\$ 13,556	\$ 11,494

9. Lines of Credit and Trust Accounts

The Ministry has two unsecured lines of credit with a bank for up to \$12,000 and \$15,000. Interest payments are calculated monthly at 1.5% over the one-month LIBOR. As of both August 31, 2021 and 2020, the Ministry had a balance of \$0 on both lines of credit. As of August 31, 2021, the Ministry also had a non-revolving line of credit, secured by investment funds, of up to \$21,000, with an outstanding balance of \$5,855. Interest payments on this line are calculated monthly at .95% over the one-month LIBOR, with an applicable rate of 1.036% at year end.

New Life has provided an irrevocable letter of credit as security for Old Republic Insurance Company, which amounted to \$3,403 and \$3,403, respectively, as of August 31, 2021 and 2020. 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, 2021, and 2020, the accounts had a combined balance of \$323 and \$331, 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:

	2021	2020
Services income	\$ 5,821	\$ 5,493
Royalty income	217	179
Honorarium income	242	305
Commission income	281	1,399
Rental income	214	174
Other income	4,307	2,299
Total	\$ 11,082	\$ 9,849

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 \$338,400 and \$329,462 for the years ended August 31, 2021 and 2020, respectively. The joint costs, which are not specifically attributable to particular components of the activities, were allocated as follows:

	2021	2020
Campus ministries	\$ 142,169	\$ 140,305
Community ministries	109,424	101,432
Coverage ministries	17,679	16,436
International ministries	39,002	43,245
General and administration	6,453	5,390
Fundraising	23,674	22,654
Total	\$ 338,400	\$ 329,462

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 \$0 and \$0 as of August 31, 2021 and 2020, respectively. The Ministry, at its discretion, funds certain of these offices. Total amounts funded during 2021 and 2020, which are included in international ministries in the accompanying consolidated statements of activities, by world area, are as follows:

	2021	2020
Asia and South Pacific	\$ 15,556	\$ 13,228
Europe	19,658	15,717
Africa and Middle East	22,854	17,158
North and South America	2,821	2,290
Total	\$ 60,888	\$ 48,393

13. Staff Compensation

Compensation Salaries and staff members' expenses were \$374,441 and \$365,846 in 2021 and 2020, respectively. Average monthly compensation, including retirement plan contributions, for religious missionary order staff families was \$6.5 and \$6.3 in 2021 and 2020, respectively, and for religious missionary order staff singles was \$3.1 and \$2.9 in 2021 and 2020, 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 net assets without donor restrictions. 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 plan assets over the two-year period ended August 31, 2021, and a statement of the funded status as of August 31:

	2021	2020
Change in benefit obligation:		
Projected benefit obligation – beginning of year	\$ 93,194	\$ 88,527
Interest cost	2,290	2,561
Actuarial loss (gain) on projected benefit obligations	(1,470)	4,854
Benefit payments	(3,113)	(2,748)
Projected benefit obligation – end of year	<u>\$ 90,901</u>	<u>\$ 93,194</u>
Accumulated benefit obligation – end of year	<u>\$ 90,901</u>	<u>\$ 93,194</u>
Change in plan assets:		
Fair value of plan assets – beginning of year	\$ 56,711	\$ 53,709
Actual return on plan assets	10,413	5,750
Employer contributions	—	—
Benefit payments	(3,113)	(2,748)
Fair value of plan assets – end of year	<u>\$ 64,011</u>	<u>\$ 56,711</u>
Unfunded status – end of year	<u>\$ (26,890)</u>	<u>\$ (36,483)</u>

The components of net periodic pension cost were as follows:

	2021	2020
Components of net periodic benefit cost:		
Interest cost on projected benefit obligations	\$ 2,290	\$ 2,561
Expected return on plan assets	(3,093)	(3,086)
Amortization of net loss	1,436	1,365
Net periodic benefit cost	<u>\$ 633</u>	<u>\$ 840</u>

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 2021 is \$1,436 (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:

	2021	2020
Change in pension unrecognized net gain (loss) and prior service cost	<u>\$ 10,226</u>	<u>\$ (825)</u>

At August 31, 2021 and 2020, net periodic benefit cost of \$633 and \$840, 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.

	2021	2020
Unrecognized net loss	<u>\$ 31,251</u>	<u>\$ 41,477</u>

Changes in the Plan's asset and benefit obligations recognized in net assets without donor restrictions during 2021 and 2020 include the following:

	2021	2020
Current-year actuarial gain (loss)	\$ 8,790	\$ (2,190)
Amortization of net loss	1,436	1,365
Change in net assets without donor restrictions	<u>\$ 10,226</u>	<u>\$ (825)</u>

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

	Target 2022	Assets at August 31 2021	2020
Equity securities	67.5%	70.2%	68.7%
Debt securities	32.5	29.8	30.8
Cash equivalents and other	0.0	0.0	0.5
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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, 2021 and 2020, measured at net asset value:

	2021	2020
Collective trust funds in cash equivalents	\$ 284	\$ 265
Collective trust funds in equity securities	44,678	38,975
Collective trust funds in debt securities	19,049	17,470
	<u>\$ 64,011</u>	<u>\$ 56,710</u>

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

	2021	2020
Weighted-average assumptions as of August 31:		
Discount rate	2.59%	2.50%
Expected return on plan assets	5.32	5.61
Rate of compensation increase	N/A	N/A
Other accounting disclosures:		
Market-related value of assets	\$ 64,011	\$ 56,711
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 \$9,939 and \$10,956 for the years ended August 31, 2021 and 2020, 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 \$208 and \$219 to the Savings Plan for the years ended August 31, 2021 and 2020, 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, 2021 are as follows:

Years ending August 31:	
2022	\$ 2,376
2023	1,850
2024	1,022
2025	290
2026 and thereafter	289
	<u>\$ 5,827</u>

Rent expense was \$1,983 and \$3,208 in 2021 and 2020, respectively.

In the normal course of business, the Ministry is party to various claims and assessments. In the opinion of management, these matters will not have a material effect on the consolidated financial position, changes in net assets or cash flows.

Since late January 2020, the number of novel coronavirus (COVID-19) cases and countries affected has grown rapidly, with a global pandemic declared in March 2020. In many of the countries where the Ministry or its affiliates operate, businesses have ceased or limited operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, border closures, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions. In addition to the economic uncertainty created, global stock markets have experienced great volatility. The Ministry has taken measures to prevent, mitigate and contain the effects of COVID-19 through the implementation of safety, health and educational measures for employees, communities and beneficiaries.

15. Endowments

Changes in endowment funds for the fiscal year ended August 31, 2021, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets beginning of the year	\$ 429	\$ 3,341	\$ 3,770
Additions	—	50	50
Investment return	613	187	800
Distributions	(143)	(65)	(208)
Net assets, end of year	<u>\$ 899</u>	<u>\$ 3,513</u>	<u>\$ 4,412</u>

Changes in endowment funds for the fiscal year ended August 31, 2020, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets beginning of the year	\$ 314	\$ 3,236	\$ 3,550
Additions	—	99	99
Investment return (net)	256	68	324
Distributions	(141)	(62)	(203)
Net assets, end of year	<u>\$ 429</u>	<u>\$ 3,341</u>	<u>\$ 3,770</u>

16. Net Assets With Donor Restrictions

Net assets with donor restrictions are available at August 31 for the following purposes:

	2021	2020
Annuities, trusts and endowments	\$ 9,698	\$ 8,758
AIA Wooden Center Building Project	6,033	6,250
	<u>\$ 15,731</u>	<u>\$ 15,008</u>

17. 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:

	2021	2020
Annuities, trusts and endowments	\$ 299	\$ 390
AIA Wooden Center Building Project	742	209
Total	<u>\$ 1,041</u>	<u>\$ 599</u>

18. Functional Expenses

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

2021	Ministries				Support Services		Total Expenses
	United States			International Ministries	General and Administrative	Fundraising	
	Campus	Community	Coverage				
Salaries and benefits	\$ 136,287	\$ 111,982	\$ 31,477	\$ 38,841	\$ 24,090	\$ 31,764	\$ 374,441
International subsidies	—	—	—	60,888	—	—	60,888
Gifts in kind	—	—	—	8,004	—	—	8,004
Contracted services	976	2,188	5,308	801	2,540	8,596	20,409
Technology	1,215	1,649	3,628	1,048	7,516	480	15,536
Media and other communications	1,739	3,726	1,549	580	53	796	8,443
Rent and utilities	2,063	1,471	836	909	1,566	482	7,327
Travel and entertainment	10,058	4,037	2,086	2,251	802	1,548	20,782
Printing	1,019	630	301	234	254	867	3,305
Postage and freight	931	1,103	431	290	958	2,886	6,599
Supplies	1,643	740	393	510	773	355	4,414
Depreciation and amortization	590	754	1,779	878	71	316	4,388
Telephone	1,005	820	398	557	277	256	3,313
Cost of sales	13	582	219	22	320	20	1,176
Bank fees and interest	36	229	21	120	3,330	19	3,755
Training and meetings	1,140	714	416	771	180	205	3,426
Insurance	6	8	7	22	1,690	2	1,735
Donations to other organizations	78	812	4,993	1,280	73	5,669	12,905
Other expenses	259	341	454	73	2,285	292	3,704
Total expenses	\$ 159,058	\$ 131,786	\$ 54,296	\$ 118,079	\$ 46,778	\$ 54,553	\$ 564,550

2020	Ministries				Support Services		
	United States			International Ministries	General and		Total Expenses
	Campus	Community	Coverage		Administrative	Fundraising	
Salaries and benefits	\$ 134,133	\$ 104,936	\$ 31,519	\$ 42,645	\$ 22,325	\$ 30,288	\$ 365,846
International subsidies	—	—	—	48,393	—	—	48,393
Gifts in kind	—	—	—	8,010	—	—	8,010
Contracted services	1,761	3,239	6,222	913	3,108	8,057	23,300
Technology	1,596	2,144	4,963	929	6,011	510	16,153
Media and other communications	1,898	4,733	1,392	466	18	657	9,164
Rent and utilities	2,603	8,762	1,366	1,036	1,256	1,236	16,259
Travel and entertainment	15,503	6,076	4,025	5,674	1,050	3,010	35,338
Printing	1,066	696	322	303	284	943	3,614
Postage and freight	771	1,193	421	237	1,017	2,760	6,399
Supplies	1,654	769	652	671	988	345	5,079
Depreciation and amortization	622	1,083	1,771	818	71	270	4,635
Telephone	994	933	387	478	253	233	3,278
Cost of sales	67	915	214	—	291	5	1,492
Bank fees and interest	70	352	25	134	3,216	10	3,807
Training and meetings	1,369	789	602	1,400	281	216	4,657
Insurance	6	20	32	9	1,803	3	1,873
Donations to other organizations	22	1,102	5,891	706	237	4,028	11,986
Other expenses	1	42	226	27	9	155	460
Total expenses	\$ 164,136	\$ 137,784	\$ 60,030	\$ 112,849	\$ 42,218	\$ 52,726	\$ 569,743

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

19. Subsequent Events

ASC 855-10, *Subsequent Events – Overall*, establishes general standards of accounting for, and disclosure of, events that occur after the consolidated statement of financial position date but before the consolidated 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 consolidated statement of financial position date, including estimates inherent in the process of preparing financial statements, are recognized in the consolidated financial statements. The effects of events that provide evidence about conditions that did not exist at the consolidated statement of financial position date but arose after that date are not recognized in the consolidated financial statements. The Ministry has reviewed subsequent events through December 20, 2021 (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 2021. In fulfilling its responsibility and in accordance with Campus Crusade for Christ 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. Even during the challenges of the pandemic hitting the world during the fiscal year, Cru was blessed. The financial statements will look different this year compared to other years, but Cru remains committed to stewarding ministry finances in a God honoring way.

For the fiscal year ended August 31, 2021, total worldwide revenues of Campus Crusade for Christ, Inc. and its foreign associates were \$753,773,000. United States operating revenues of the Ministry for the fiscal year were \$614,072,000. This provided the ministry with a positive change in net assets of \$114,965,000 for fiscal 2021.

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 management's 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 Sellers, like all other supported staff members, raises his own ministry funds. He directs any honorariums to Cru, 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 Cru 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 \$74,058. 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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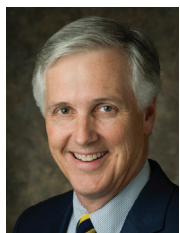
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