



A caring community passionate about
connecting people to Jesus Christ

2022 Annual Report



Movements everywhere so that everyone knows someone who truly follows Jesus

Cover Photos

Top: Panama. Photo from Panama Ministry.

Bottom Left: Indigitous #HACK. Photo from Indigitous® Movement.

Bottom Right: Mongolia. Photo from Mongolia Ministry.

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:

- To help fulfill the Great Commission.
- To win, build and send in the power of the Holy Spirit.
- To help the body of Christ do evangelism and discipleship.

Looking back on last year, we can say with King David: “Your love, LORD, reaches to the heavens, Your faithfulness to the skies” (Psalm 36:5, NIV). In this upended world, people are searching for love and hope. God is using the generosity of faithful partners and the efforts of our staff members to reveal His love to those seeking Him.

In this report, we highlight how people are coming to Christ through our ministry. Whether in large cities or remote villages, God is helping us find ways to win, build and send multiplying disciples, helping 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 and pray God’s blessings on you and your family.

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

Steve Sellers
President,
Cru® and Campus Crusade for Christ®

Yellow Boxes of Hope

Yellow Boxes are helping the staff members of Ukraine for Christ (Cru® in Ukraine) to share the gospel with war victims. Working with local churches, staff members distribute Yellow Boxes containing around 18 pounds of essential groceries to struggling Ukrainians. The Yellow Boxes are funded by people all over the world who are concerned for the needs of Ukrainians.

In the first five months of The Yellow Box Project, Ukraine for Christ and partnering churches distributed about 38,000 boxes. Each box includes enough food for a family for one week, along with a gospel message. “That means there have been tens of thousands of personal conversations, prayers, hugs and support group meetings,” Ukrainian staff members Sasha and Yulia Zibarov said. “The Yellow Box Project also gives us an opportunity to help local churches have a comprehensive mission for their humanitarian ministry.”

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The Yellow Box Project in Ukraine.



Yellow Boxes of Hope (continued)

After Lubov and her husband relocated to Vinnytsia in west-central Ukraine from the Donetsk region in eastern Ukraine, they met a church volunteer named Natalia. Lubov opened the door of their rented room and also her heart to Natalia, who told the couple about The Yellow Box Project. Lubov and her husband read the message about God from each Yellow Box with great interest and kept them all.

After receiving the second box, they attended their first service in an evangelical church. The Yellow Box messages and conversations with Natalia helped them realize that God loves them and is with them. Natalia continued to meet with them in their home to read and discuss the Bible and build their friendship. When Lubov heard about water baptism at church and did further research, she decided to make a commitment to follow Christ with her life.

Lubov and Natalia have become good friends, and Natalia is mentoring Lubov in her new faith. Lubov, whose name means “Love” in Ukrainian, is now helping other internally displaced people, just as she and her husband have been loved and helped.

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Evangelistic materials included in the Yellow Boxes.

Yellow Boxes of Hope (continued)

Ukraine for Christ staff members are also partnering with other organizations and projects that provide humanitarian assistance. In November they began working with the Assisto project, which ministers to victims of war who have suffered sexual violence.

The cases they deal with are incredibly difficult and delicate; among the victims are pregnant women and an 11-year-old girl. A variety of factors often keeps victims of sexual violence from reporting the crime, making it hard to serve them. And yet psychologists working with Assisto are now helping about 30 women around Kyiv and several near Kharkiv. “These women get our Yellow Boxes with groceries that include messages about God who can provide comfort amidst the most difficult crisis,” the Zibarovs said.

Staff members and volunteers also distributed special Christmas boxes filled with food to internally displaced families in cities around Ukraine. Containing the story of Jesus’ birth, these Christmas boxes opened still more doors for God’s gospel of hope.



Christmas boxes for displaced families in cities around Ukraine.

The Farmer Who Grew a Church

Kenneth, from Ghana, was trained to be a church planter. As a pepper farmer, he showed his employees short “JESUS” film clips like “Jesus Calming the Storm” during their midday rest.

The employees liked them so much that they asked to borrow Kenneth’s tablet to show the clips to their families. To reach even more people, Kenneth decided to show the “JESUS” film on a bigger screen in town. Afterward 36 people prayed and received Christ.

“I explained to the new believers the need to meet regularly to study God’s Word and pray,” Kenneth said. The next day 17 people attended a group meeting. Since then attendance has doubled.

While the group was praying for funds to buy land where they could build a church, the community elders called and gave them a plot of land for free. “They said they had noticed the changed lives of the people who were attending the new church — how the drunkards who have found their way in the church have all stopped drinking,” Kenneth related. “They said the church has brought peace to the community.”



Showing “JESUS” film clips can be done easily on tablets or mobile phones.

Reaching the Competition With the Good News

Carlos Cano was a pro goalkeeper with a major soccer league club in Guatemala. When Athletes in Action® (AIA) staff member Cristóbal Chamalé began leading Carlos' team in Bible study, Carlos put his faith in Christ. After some time in discipleship, Carlos began to lead the Bible study and led his teammate Silvio Fernández to Christ.

While Carlos was discipling Silvio, they both became pro soccer coaches. The two men led Kristian Guzmán, the captain of the team they coach, to Christ and began to disciple him.

The three men are committed to coach their players not just to be successful in their sport, but also to be successful in their personal relationship with God through Jesus Christ. They use AIA digital Bible studies and teach the players to apply biblical principles during and after competition.

Carlos, Silvio and Kristian are using their influential positions to reach other influential leaders in the sports community. Working with AIA staff members, they are leading a project to share their faith and give sports editions of the Bible to every player of the 12 pro soccer clubs in their country.

“We have been praying for years to have the opportunity to reach the 12 pro soccer clubs from our Guatemalan league with the gospel,” Cristóbal said. “The Lord provided Bibles for all the clubs, and at the end of a match, it’s something to see our disciples visit the opposing club players in their locker room, handing out the Bibles, sharing their faith, praying for them and being together like family.”



Carlos Cano, Silvio Fernández and Kristian Guzmán hold copies of the Bible they help to distribute.

Non-Fraternity Guy Speaks to Greeks, and Multiplication Happens

Jordan Eoff and others from his Cru campus team have been faithfully winning, building and sending in the Greek system at the University of Arkansas. Since 2020, approximately 200 fraternity men have come to Christ!

Last year, Jordan took 16 freshmen guys from seven different fraternities to Panama during spring break, in partnership with the Filter of Hope ministry. The men received training in personal evangelism, shared their faith all week and came back to campus ready to spiritually multiply.

Jordan and fellow staff member Zach Drake gave 12 evangelistic pledge class talks in 2022. Together with the now-sophomore leaders, they shared the gospel with 350 men. The sophomores are leading the small groups where the follow-up is happening.

This March, 100 Greek students (50 men and 50 women) are going on the spring break trip to Panama, with another 10 on the waiting list.

Jordan said, “All of this stems from taking a step of faith to do a few pledge talks. I figured if God could speak through a donkey, he could speak through a 43-year-old non-fraternity guy. To God be the glory!”



Cru gathering of fraternity students at the University of Arkansas.

Impact of the Ministry

Video Stories



[Leader Strategies — Military](#)

Geri led a coup against the Philippine government that backfired. Now he has a better strategy to change his country.



[Kevin Minske](#)

In prison for life, Kevin found true freedom in Christ. A Cru Prison Ministry staff member taught him about spiritual multiplication. Learn how God is now using Kevin outside prison walls.



[Alondra Lebron](#)

Alondra wondered if the world would be better off without her. At her lowest moment, a friend invited her to a Cru high school meeting where she discovered Jesus and purpose for her life.

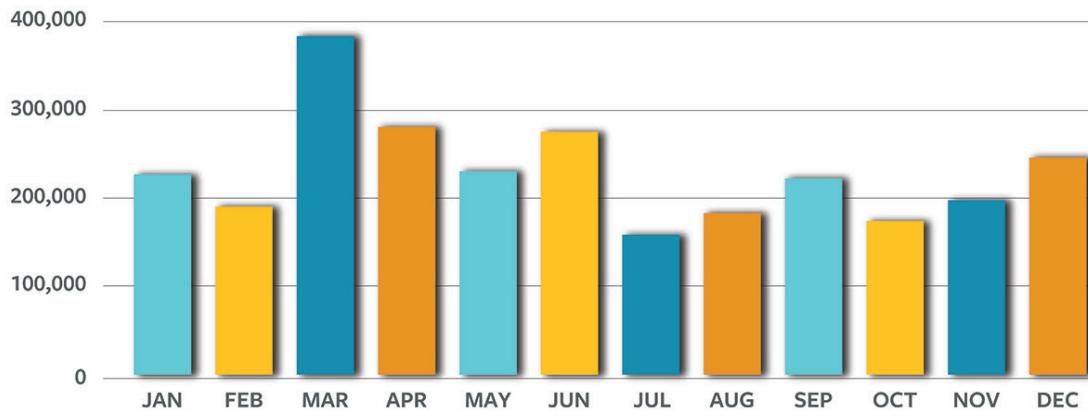


[Jesus Film Project® — Stories of Changed Lives](#)

Be encouraged by stories of God's love changing people's lives around the world through the "JESUS" film.

Impact of the Ministry

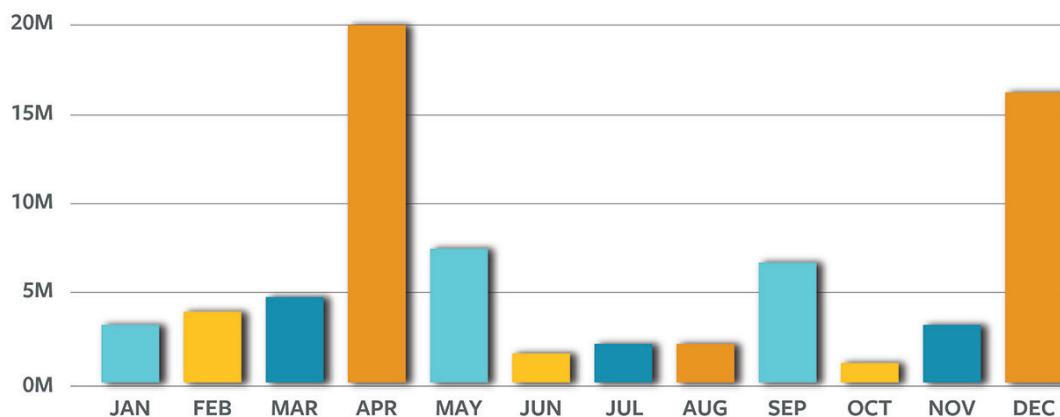
Individual Gospel Presentations 2022



Footnotes:

- March, April and June had the most presentations: close to **300,000** individuals per month on average heard the gospel!
- The Uganda ministry celebrated their 50th anniversary in 2022 and had significant out-reaches in March. Of the presentations, **92,455** were from their efforts.
- July and August had fewer presentations because many students are on break during those months.

Media/Group Gospel Presentations 2022



Footnote:

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

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; also 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

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Scope of the Ministry

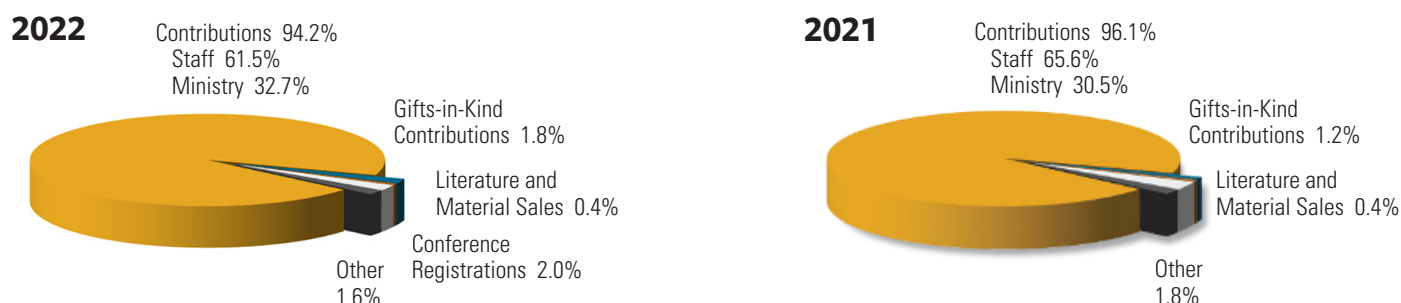
Ministry	Audience	Impact
Cru's campus ministry	University students	Helping students to know Jesus, grow in their faith and go to the world to tell others
Cru's high school ministry	Middle school and high school students and teachers	Reaching middle and high school students for Christ and helping them 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
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
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

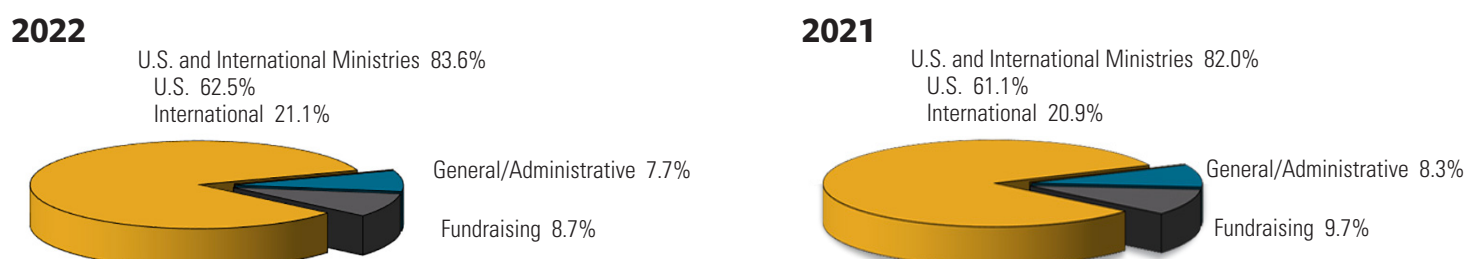
	2022	2021	2020	2019
United States Revenues	\$ 652,098,000	\$ 614,072,000	\$ 600,079,000	\$ 624,627,000
Operating Change in Net Assets ¹	\$ 17,162,000	\$ 49,522,000	\$ 30,336,000	\$ 17,820,000
Non-Operating Change in Net Assets ¹	\$ (42,323,000)	\$ 65,443,000	\$ 26,953,000	\$ (3,767,000)
Total Change in Net Assets	\$ (25,161,000)	\$ 114,965,000	\$ 57,289,000	\$ 14,053,000
International Revenues ²	\$ 159,086,000	\$ 139,701,000	\$ 150,549,000	\$ 161,262,000
World Revenues (U.S. and International)	\$ 811,184,000	\$ 753,773,000	\$ 750,628,000	\$ 785,889,000
Fund-Raising Expenses ³	9.2%	9.9%	9.2%	9.1%
General and Administrative Expenses ³	7.7%	8.3%	7.4%	7.3%
Average Size of Gift Received	\$ 147	\$ 136	\$ 130	\$ 129
Most Frequent Contribution	\$ 50	\$ 50	\$ 50	\$ 50
Average Staff Family's Monthly Compensation	\$ 6,814	\$ 6,506	\$ 6,301	\$ 6,122
Average Staff Single's Monthly Compensation	\$ 3,248	\$ 3,075	\$ 2,900	\$ 2,682

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 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, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, based on our audits and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the Ministry at August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 18% and 19%, respectively, of consolidated total assets as of August 31, 2022 and 2021, and total revenues constituting 11% and 9%, respectively, of consolidated total revenues for the years then ended. 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error,
- (cont’d.)

and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young LLP

Orlando, FL
December 9, 2022

Consolidated Statements of Financial Position

(In Thousands)

		2022	August	2021
ASSETS	Cash and cash equivalents	\$ 53,842		\$ 59,242
	Investments	449,502		456,468
	Accounts and other receivables	1,866		4,952
	Inventories	1,399		1,806
	Gifts-in-kind inventories	9,802		9,529
	Property held for sale	61		1,301
	Restricted cash and investments	3,765		3,875
	Prepaid and other assets	10,950		17,328
	Property and equipment:			
	Land and land improvements	5,601		5,601
	Buildings and improvements	89,417		81,073
	Furniture and equipment	32,780		27,504
	Total property and equipment	127,798		114,178
	Accumulated depreciation	(69,670)		(66,661)
	Net property and equipment	58,128		47,517
	Total assets	\$ 589,315		\$ 602,018
LIABILITIES AND NET ASSETS	Liabilities:			
	Accounts payable	\$ 5,104		\$ 8,903
	Accrued salaries and related expenses	25,247		24,444
	Long-term severance and disability	42,812		50,628
	Other accrued liabilities	9,812		13,556
	Pension liability	21,557		26,890
	Long-term debt	38,621		6,274
	Total liabilities	143,153		130,695
	Net assets:			
	Without donor restrictions	429,524		455,592
	With donor restrictions	16,638		15,731
	Total net assets	446,162		471,323
	Total liabilities and net assets	\$ 589,315		\$ 602,018

See accompanying notes.

Consolidated Statements of Activities

(In Thousands)

Year Ended August 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 611,871	\$ 2,378	\$ 614,249
Gifts-in-kind contributions	11,650	—	11,650
Literature and material sales	2,959	—	2,959
Conference registrations	12,944	—	12,944
Other income	11,016	(720)	10,296
Net assets released from restrictions	751	(751)	—
Total revenues	651,191	907	652,098
Operating expenses:			
Campus	178,012	—	178,012
Community	142,635	—	142,635
Coverage	76,039	—	76,039
International ministries	133,895	—	133,895
General and administrative	48,578	—	48,578
Fundraising	55,777	—	55,777
Total operating expenses	634,936	—	634,936
Change in net assets from operations	16,255	907	17,162
Non-operating activities:			
Investment returns, net	(47,688)	—	(47,688)
Pension-related changes other than net periodic pension cost	5,365	—	5,365
Change in net assets	(26,068)	907	(25,161)
Net assets – beginning of year	455,592	15,731	471,323
Net assets – end of year	\$ 429,524	\$ 16,638	\$ 446,162

See accompanying notes.

Consolidated Statements of Activities

(In Thousands)

Year Ended August 31, 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
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 operating 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 CASH FLOWS

(In Thousands)

	Year Ended August 31	
	2022	2021
Operating Activities		
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,431	4,388
Pension-related changes	(5,333)	(9,593)
Net realized and unrealized gain on investments	49,865	(53,151)
Donated Investments	(16,621)	(14,302)
Proceeds from sale of donated investments	16,621	14,302
Gain on sale of property held for sale	(753)	(42)
Loss on disposal of fixed assets	829	3,895
Loss on disposal of other assets	—	247
Gifts of property held for sale	(2,238)	(2,421)
Changes in operating assets and liabilities:		
Accounts and other receivables	3,086	1,818
Inventories	134	(2,306)
Prepaid expenses	5,856	(3,879)
Other assets	415	1,513
Accounts payable	(3,799)	1,963
Accrued salaries and related expenses	803	61
Long-term severance and disability	(7,816)	1,304
Other accrued liabilities	(3,744)	2,062
Net cash provided by operating activities	17,575	60,824
Investing activities		
Sales and maturities of investments	414,875	215,129
Purchases of investments	(457,665)	(301,635)
Purchases of intangible assets	(621)	(199)
Capital expenditures	(16,141)	(13,409)
Proceeds from sale of property held for sale	4,230	1,613
Net cash used in investing activities	(55,322)	(98,501)
Financing activities		
Proceeds from long-term debt	120,538	5,856
Payments on long-term debt	(88,191)	(188)
Net cash provided by financing activities	32,347	5,668
Net decrease in cash and cash equivalents	(5,400)	(32,010)
Cash and cash equivalents — beginning of year	59,242	91,252
Cash and cash equivalents — end of year	\$ 53,842	\$ 59,242
Supplemental disclosures of cash flow information		
Interest paid	\$ 360	\$ 97

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In Thousands)

August 31, 2022

1. Organization and Summary of 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. As of August 31, 2022 and 2021, total contributions to be received after one year were insignificant.

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.

Conference fees, which include conferences held on a cruise, are recorded as deferred revenue when cash is received and recognized as revenue at the time the conference is held. Unredeemed gift certificates are recognized as deferred revenue until the gift cards are redeemed or expire. ed net of sales discounts, returns, and allowances, which were immaterial, for the years ended August 31, 2022 and 2021.

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 \$1,939 and \$2,196 at August 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, depreciation expense was \$4,702 and \$3,482, respectively. As of August 31, 2022 and 2021, 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, 2022 and 2021, net intangible assets were \$3,481 and \$3,589, respectively, reported in Prepaid and Other Assets. For the years ended August 31, 2022 and 2021, amortization expense was \$729 and \$906, respectively.

Intangible assets will be amortized over future periods as follows:

Years ending August 31:	
2023	\$ 623
2024	470
2025	382
2026	305
2027	291
Thereafter	1410
	<u>\$ 3,481</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, 2022 and 2021, the Ministry recorded \$17,563 and \$20,829, 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, 2022 and 2021, represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. As of August 31, 2022 and 2021 the accrued liability for losses and loss adjustment expenses was \$2,048 and \$2,053, 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, 2022 and 2021, New Life's surplus was \$30,389 and \$32,921, 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, 2022 and 2021, the liability for annuities and trusts was \$3,996 and \$4,771, 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 \$163 and \$96 as of August 31, 2022 and 2021, 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	\$ 53,842
Short-term investments	433
Accounts and other receivables	1,866
Total financial assets	56,141
Less those unavailable for general expenditure within one year:	
Amounts with donor restrictions	16,638
Restricted cash and investments included in above	—
Funds unavailable for general expenditure	16,638
Board designations:	
Amount set aside for liquidity reserve	—
Financial assets available to meet cash needs for general expenditures	\$ 39,503

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 an unsecured line of credit, for up to \$30,000. 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.

New Accounting Pronouncements 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, 2023. Management is currently evaluating the effect of adopting the new standard on the Ministry's consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the standard is to clarify the presentation and disclosure of contributed nonfinancial assets, also known as gifts-in-kind, to provide the reader of the financial statements a greater understanding of the types of nonfinancial assets received and how they are used and recognized by the organization. The Ministry has adopted this standard, and the types of contributions received for the years ended August 31 are as follows:

	2022	2021
Blankets	\$ 327	\$ 365
Clothing	4,321	2,726
Food/meals	1,879	1,588
Hygiene	771	312
Medical supplies	2,912	1,989
School supplies	136	21
Shoes	962	462
Other	342	253
Total	\$ 11,650	\$ 7,716

Contributed in-kind items, or nonfinancial assets, are recorded as gifts-in-kind contributions in the revenues section of the Statement of Activity with a corresponding increase in gifts-in-kind inventories on the Statement of Position on the date of contribution. The Ministry estimates fair value based on the average wholesale value that would be received for selling the goods in their principal market from five different vendors, discounted 30% to account for the items' condition and utility for use at the time the goods are contributed by the donor.

The Ministry's policy related to contributions of nonfinancial assets is to utilize the assets given in carrying out the mission of the ministry. If an asset is contributed that does not allow the Ministry to utilize it in its normal course of business, the asset will be disposed of. The Ministry does not hold contributed nonfinancial assets for sale, and none of the assets have donor imposed restrictions.

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, 2022 and 2021, the Ministry has \$68,702 and \$58,900, 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:

2022	Cost	Net Unrealized Gains (Losses)	Fair Value	%
Investments				
Equity securities:				
Domestic equity	\$ 33,812	\$ 2,759	\$ 36,571	8%
Mutual funds invested in equity securities	126,496	24,570	151,066	34
Mutual funds invested in mixed securities	44,618	(2,618)	42,000	9
Total equity securities	204,926	24,711	229,637	51
Debt securities:				
U.S. treasury securities	49,272	(1,808)	47,464	11
U.S. government agencies and sponsored entities	8,224	(693)	7,531	2
Corporate bonds	89,205	(6,756)	82,449	18
Foreign issues	6,653	(486)	6,167	1
Mutual funds	35,863	(2,075)	33,788	7
Municipalities	2,259	(187)	2,072	1
Asset/mortgage-backed securities	4,497	(183)	4,314	1
Other	5,318	15	5,333	1
Total debt securities	201,291	(12,173)	189,118	42
Alternative investments	27,641	2,141	29,782	6
Investments held in charitable remainder trusts				
Equity securities:				
Mutual funds invested in equity securities	624	74	698	—
Mutual funds invested in mixed securities	283	(26)	257	—
Other	10	—	10	—
Total securities	917	48	965	—
Total investments	\$ 434,775	\$ 14,727	\$ 449,502	100%

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%

At August 31, 2022, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 15.1% of total investments. 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.

Mutual funds included \$5,327 and \$6,455 of annuity-related investments as of August 31, 2022 and 2021, respectively. The Ministry received investments as donations totaling \$16,621 and \$14,302 as of August 31, 2022 and 2021, respectively.

Net investment income (loss), totaling \$(47,688) and \$55,217 for the years ended August 31, is included in other income in the accompanying consolidated statements of activities and consists of the following:

	2022	2021
Investment income	\$ 10,429	\$ 6,719
Net realized gains on the sale of investments	2,461	7,280
Net unrealized gain (losses) on investments	(60,578)	41,218
	\$ (47,688)	\$ 55,217

A total of \$1,843 and \$1,597 of investment expenses were netted against investment income for the years ended August 31, 2022 and 2021, respectively.

Investments are measured at fair value on a recurring basis, determined using inputs comprising the following at August 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	\$ 35,041	\$ —	\$ 1,530	\$ 36,571
Mutual funds invested in equity securities	151,066	—	—	151,066
Mutual funds invested in mixed securities	42,000	—	—	42,000
Total equity securities	228,107	—	1,530	229,637
Debt securities:				
U.S. treasury securities	47,465	—	—	47,465
U.S. government agencies and sponsored entities	—	7,531	—	7,531
Corporate bonds	—	82,449	—	82,449
Foreign Issues	—	6,166	—	6,166
Mutual funds	33,788	—	—	33,788
Municipalities	—	2,072	—	2,072
Asset/mortgage-backed securities	—	4,314	—	4,314
Other	5,333	—	—	5,333
Total debt securities	86,586	102,532	—	189,118
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	698	—	—	698
Mutual funds invested in mixed securities	257	—	—	257
Other	10	—	—	10
Total equity securities	965	—	—	965
Total FMV investments	\$ 315,658	\$ 102,532	\$ 1,530	\$ 419,720
Investments measured at NAV:				
Fund-of-funds:				
Alternative investments				29,782
Total investments				\$ 449,502

Investments are measured at fair value on a recurring basis, determined using inputs comprised 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

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, 2022 and 2021 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, 2022:

2022	Level 1	Level 2	Level 3	Total
Fair value investments				
Cash equivalents	\$ 318	\$ —	\$ —	\$ 318
Equity securities:				
Domestic equity	35,041	—	1,530	36,571
Mutual funds invested in equity securities	153,465	—	—	153,465
Mutual funds invested in mixed securities	42,000	—	—	42,000
Total equity securities	230,824	—	1,530	232,354
Debt securities:				
U.S. treasury securities	47,465	—	—	47,465
U.S. government agencies and sponsored entities	—	7,531	—	7,531
Corporate bonds	—	82,449	—	82,449
Foreign issues	—	6,166	—	6,166
Mutual funds	34,836	—	—	34,836
Municipalities	—	2,072	—	2,072
Asset/mortgage-backed securities	—	4,314	—	4,314
Other	5,333	—	—	5,333
Total debt securities	87,634	102,532	—	190,166
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	698	—	—	698
Mutual funds invested in mixed securities	257	—	—	257
Other	10	—	—	10
Total equity securities	965	—	—	965
Total investments	\$ 319,423	\$ 102,532	\$ 1,530	\$ 423,485
Liabilities				
Split-interest trust agreements	\$ —	\$ (3,945)	\$ —	\$ (3,945)
Total liabilities	\$ —	\$ (3,945)	\$ —	\$ (3,945)

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, 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 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:

	2022	2021
1 st lien loan funds	\$ 7,814	\$ 6,451
Senior debt instruments	8,052	9,886
Equity securities	12,365	6,484
Partnerships	1,551	1,753
Collective trust funds in cash equivalents	337	284
Collective trust funds in equity securities	34,004	44,678
Collective trust funds in debt securities	11,554	19,049
Collective trust funds in hedge funds	4,198	—
	\$ 79,875	\$ 88,585

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 immaterial 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 immaterial 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 \$(445) and \$633 for the years ended August 31, 2022 and 2021, 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:

	2022	2021
Endowments	\$ 2,550	\$ 2,550
Pooled investment fund	973	1,002
Reinsurance security trust account	242	323
	\$ 3,765	\$ 3,875

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:

August 31, 2022	Level 1	Level 2	Level 3	Total
Restricted cash and investments:				
Cash equivalents	\$ 317	\$ —	\$ —	\$ 317
Equity securities	2,399	—	—	2,399
Debt securities	1,049	—	—	1,049
Total restricted cash and investments	\$ 3,765	\$ —	\$ —	\$ 3,765

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

6. Prepaid and Other Assets

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

	2022	2021
Prepaid expenses	\$ 2,589	\$ 8,445
Intangible assets	3,481	3,589
Other assets	4,880	5,294
	\$ 10,950	\$ 17,328

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:

	2022	2021
Long-term severance pay	\$ 17,563	\$ 20,829
Long-term disability plan	25,249	29,799
	\$ 42,812	\$ 50,628

The Ministry has a self-funded long-term disability plan. 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 are comprised of the following at August 31:

	2022	2021
Liability for annuities and trusts	\$ 3,996	\$ 4,771
Deferred revenues	2,044	5,775
Liability for loss and loss adjustment expense	2,048	2,053
Other liabilities	1,724	957
	\$ 9,812	\$ 13,556

9. Lines of Credit and Trust Accounts

As of August 31, 2022, the Ministry has one unsecured line of credit with a bank for up to \$30,000. Interest payments are at a variable rate and calculated at the Daily Simple SOFR plus 1.5%, with an applicable fee rate of 0.15% at year end on the unused portion. As of August 31, 2022, the Ministry had a balance of \$24,033 on the line of credit. The Ministry also had a non-revolving line of credit, secured by investment funds, of up to \$21,000, with an outstanding balance of \$14,195, as of August 31, 2022. Interest payments on this line are at a variable rate and calculated at the Daily Simple SOFR plus 0.95%.

As of August 31, 2021, the Ministry had two unsecured lines of credit with a bank for up to \$12,000 and \$15,000. Interest payments were calculated monthly at 1.5% over the one-month LIBOR. As of August 31, 2021, the Ministry had a balance of \$0 on both of those lines of credit. 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, as of August 31, 2021. Interest payments on this line were 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, as of both August 31, 2022 and 2021. 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, 2022, and 2021, the accounts had a combined balance of \$242 and \$323, respectively, and are included in restricted cash and investments in the accompanying consolidated statements of financial position.

The Arrowhead Travel company also has access to a letter of credit of \$20 as of August 31, 2022.

10. Other Income

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

	2022	2021
Services income	\$ 5,343	\$ 5,821
Royalty income	138	217
Honorarium income	315	242
Commission income	1,359	281
Rental income	249	214
Miscellaneous income	2,892	4,307
Total	\$ 10,296	\$ 11,082

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 \$346,161 and \$338,400 for the years ended August 31, 2022 and 2021, respectively. The joint costs, which are not specifically attributable to particular components of the activities, were allocated as follows:

	2022	2021
Campus ministries	\$ 147,498	\$ 142,169
Community ministries	113,334	109,424
Coverage ministries	20,395	17,679
International ministries	43,001	39,002
General and administration	5,403	6,453
Fundraising	16,530	23,674
Total	\$ 346,161	\$ 338,400

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, 2022 and 2021, respectively. The Ministry, at its discretion, funds certain of these offices. Total amounts funded during 2022 and 2021, which are included in international ministries in the accompanying consolidated statements of activities, by world area, are as follows:

	2022	2021
Asia and South Pacific	\$ 13,024	\$ 15,556
Europe	23,226	19,658
Africa and Middle East	23,987	22,854
North and South America	5,502	2,821
Total	\$ 65,739	\$ 60,888

13. Staff Compensation

Compensation Salaries and staff members' expenses were \$374,354 and \$374,441 in 2022 and 2021, respectively. Average monthly compensation, including retirement plan contributions, for religious missionary order staff families was \$6.8 and \$6.5 in 2022 and 2021, respectively, and for religious missionary order staff singles was \$3.2 and \$3.1 in 2022 and 2021, 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, 2022, and a statement of the funded status as of August 31:

	2022	2021
Change in benefit obligation:		
Projected benefit obligation – beginning of year	\$ 90,901	\$ 93,194
Interest cost	2,309	2,290
Actuarial loss (gain) on projected benefit obligations	(18,220)	(1,470)
Benefit payments	(3,396)	(3,113)
Projected benefit obligation – end of year	\$ 71,594	\$ 90,901
Accumulated benefit obligation – end of year	\$ 71,594	\$ 90,901
Change in plan assets:		
Fair value of plan assets – beginning of year	\$ 64,011	\$ 56,711
Actual return on plan assets	(10,578)	10,413
Employer contributions	—	—
Benefit payments	(3,396)	(3,113)
Fair value of plan assets – end of year	\$ 50,037	\$ 64,011
Unfunded status – end of year	\$ (21,557)	\$ (26,890)

The components of net periodic pension cost were as follows:

	2022	2021
Components of net periodic benefit cost:		
Interest cost on projected benefit obligations	\$ 2,309	\$ 2,290
Expected return on plan assets	(3,313)	(3,093)
Amortization of net loss	1,036	1,436
Net periodic benefit cost	\$ 32	\$ 633

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 2022 is \$1,036 (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:

	2022	2021
Change in pension unrecognized net gain (loss) and prior service cost	\$ 5,365	\$ 10,226

At August 31, 2022 and 2021, net periodic benefit cost of \$32 and \$633 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.

	2022	2021
Unrecognized net loss	\$ 25,886	\$ 31,251

Changes in the Plan's asset and benefit obligations recognized in net assets without donor restrictions during 2022 and 2021 include the following:

	2022	2021
Current year actuarial gain (loss)	\$ 4,329	\$ 8,790
Amortization of net loss	1,036	1,436
Change in net assets without donor restrictions	\$ 5,365	\$ 10,226

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

	Target 2023	Assets at August 31 2022	2021
Equity securities	68.0%	67.9%	70.2%
Debt securities	23.5	23.1	29.8
Hedge Fund	8.5	8.4	0.0
Cash equivalents and other	0.0	0.6	0.0
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, 2022 and 2021, measured at net asset value:

	2022	2021
Collective trust funds in cash equivalents	\$ 337	\$ 284
Collective trust funds in equity securities	34,004	44,678
Collective trust funds in debt securities	11,554	19,049
Collective trust funds in hedge funds	4,198	—
	\$ 50,093	\$ 64,011

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

	2022	2021
Weighted-average assumptions as of August 31:		
Discount rate	4.61%	2.59%
Expected return on plan assets	6.42	5.32
Rate of compensation increase	N/A	N/A
Other accounting disclosures:		
Market-related value of assets	\$ 50,037	\$ 64,011
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 \$9,400 and \$9,939 for the years ended August 31, 2022 and 2021, 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 \$214 and \$208 to the Savings Plan for the years ended August 31, 2022 and 2021, 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, 2022 are as follows:

Years ending August 31:	
2023	\$ 3,190
2024	2,420
2025	1,552
2026	1,098
2027 and thereafter	517
	\$ 8,777

Rent expense was \$3,475 and \$3,045 in 2022 and 2021, 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, 2022 consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets beginning of the year	\$ 899	\$ 3,513	\$ 4,412
Additions	—	—	—
Investment return	(449)	(130)	(579)
Distributions	(150)	(75)	(225)
Net assets, end of year	\$ 300	\$ 3,308	\$ 3,608

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	\$ 899	\$ 3,513	\$ 4,412

16. Net Assets With Donor Restrictions

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

	2022	2021
Annuities, trusts, and endowments	\$ 8,813	\$ 9,698
AIA Wooden Center Building Project	7,825	6,033
	\$ 16,638	\$ 15,731

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:

	2022	2021
Annuities, trusts, and endowments	\$ 221	\$ 299
AIA Wooden Center Building Project	530	742
Total	\$ 751	\$ 1,041

18. Functional Expenses

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

	Ministries				Support Services		Total Expenses
	United States			International Ministries	General and Administrative	Fundraising	
	Campus	Community	Coverage				
August 31, 2022							
Salaries and benefits	\$ 137,291	\$ 110,324	\$ 34,455	\$ 41,689	\$ 25,370	\$ 25,225	\$ 374,354
International subsidies	—	—	—	65,739	—	—	65,739
Gifts in kind	—	—	—	11,773	—	—	11,773
Contracted services	1,753	2,380	9,117	542	2,247	9,566	25,605
Technology	1,269	1,212	4,009	884	9,108	537	17,019
Media and other communications	2,054	4,054	4,642	923	129	856	12,658
Rent and utilities	2,455	6,664	1,648	761	958	734	13,220
Travel and entertainment	25,266	9,406	6,111	6,545	869	3,799	51,996
Printing	1,172	740	396	256	710	970	4,244
Postage and freight	911	1,349	391	319	1,033	3,178	7,181
Supplies	2,315	967	905	542	698	380	5,807
Depreciation and amortization	828	852	2,273	909	8	561	5,431
Telephone	1,012	836	419	422	308	214	3,211
Cost of sales	34	1,108	162	2	269	3	1,578
Bank fees and interest	55	344	22	119	3,822	27	4,389
Training and meetings	1,339	801	656	1,041	117	198	4,152
Insurance	21	4	15	23	1,904	4	1,971
Donations to other organizations	111	861	10,737	1,086	5	9,264	22,064
Other expenses	126	733	81	320	1,023	261	2,544
Total expenses	\$ 178,012	\$ 142,635	\$ 76,039	\$ 133,895	\$ 48,578	\$ 55,777	\$ 634,936

	Ministries				Support Services		Total Expenses
	United States			International Ministries	General and Administrative	Fundraising	
	Campus	Community	Coverage				
August 31, 2021							
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

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 August 31, 2022.

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 2022. 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, 2022, total worldwide revenues of Campus Crusade for Christ, Inc. and its foreign associates were \$811,184,000. United States operating revenues of the Ministry for the fiscal year were \$652,098,000. This provided the ministry with a negative change in net assets of \$25,161,000 for fiscal 2022.

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 \$73,940. 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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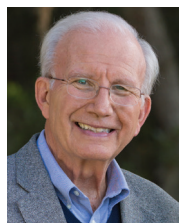
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