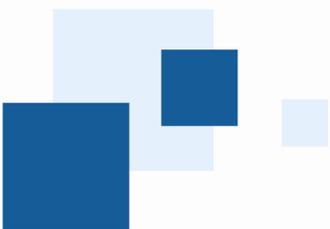


THE GREAT COMMISSION FOUNDATION OF CAMPUS CRUSADE FOR CHRIST, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012





REPORT OF INDEPENDENT AUDITORS

The Board of Directors
The Great Commission Foundation of Campus Crusade for Christ, Inc.
Orlando, Florida

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Great Commission Foundation of Campus Crusade for Christ, Inc. as of August 31, 2013 and 2012, 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.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
December 6, 2013

BATTS MORRISON WALES & LEE, P.A. • CERTIFIED PUBLIC ACCOUNTANTS

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
STATEMENTS OF FINANCIAL POSITION

ASSETS

	August 31,	
	2013	2012
ASSETS		
Cash and cash equivalents	\$ 800,553	\$ 145,604
Investments	15,654,705	15,009,635
Funds held pursuant to split-interest trust agreements	120,802	122,285
Funds held on behalf of Campus Crusade for Christ, Inc.	2,676,310	2,514,309
Beneficial interest in The GCF Trust	6,162,758	—
Other assets	672,546	705,013
Total assets	\$ 26,087,674	\$ 18,496,846

LIABILITIES AND NET ASSETS

LIABILITIES

Liabilities for annuities and trusts	\$ 3,220,505	\$ 3,328,073
Liabilities for funds held on behalf of Campus Crusade for Christ, Inc.	2,676,310	2,514,309
Total liabilities	5,896,815	5,842,382

NET ASSETS

Unrestricted:		
Undesignated	2,105,874	2,244,946
Board designated – beneficial interest in The GCF Trust	6,162,758	—
Board designated – donor-advised funds	5,543,498	5,649,985
Board designated – statutorily required annuity reserves and surplus	304,266	318,816
Total unrestricted	14,116,396	8,213,747
Temporarily restricted	6,074,463	4,440,717
Total net assets	20,190,859	12,654,464
Total liabilities and net assets	\$ 26,087,674	\$ 18,496,846

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**

STATEMENT OF ACTIVITIES
For The Year Ended August 31, 2013

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS			
Contributions from the general public	\$ 3,902,311	\$ 1,155,500	\$ 5,057,811
Contributions from Campus Crusade for Christ, Inc.	417,128	276,451	693,579
Grant revenue from The GCF Trust	1,650,815	—	1,650,815
Investment income, net	504,745	319,373	824,118
Change in value of annuities	(107,568)	—	(107,568)
Other	106,756	—	106,756
Change in beneficial interest in The GCF Trust	6,162,758	—	6,162,758
Net assets released from restrictions	117,578	(117,578)	—
Total public support, revenue and net assets released from restrictions	12,754,523	1,633,746	14,388,269
EXPENSES			
Program activities:			
Grants paid to Campus Crusade for Christ, Inc.	3,628,930	—	3,628,930
Grants paid to other charitable organizations	2,087,368	—	2,087,368
Total program activities	5,716,298	—	5,716,298
Supporting activities:			
General and administrative	589,915	—	589,915
Fund development	106,782	—	106,782
Total supporting activities	696,697	—	696,697
Provision for impairment of property carrying value	438,879	—	438,879
Total expenses	6,851,874	—	6,851,874
CHANGE IN NET ASSETS	5,902,649	1,633,746	7,536,395
NET ASSETS - Beginning of year	8,213,747	4,440,717	12,654,464
NET ASSETS - End of year	\$ 14,116,396	\$ 6,074,463	\$ 20,190,859

The Accompanying Notes are an Integral
Part of These Financial Statements

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**

STATEMENT OF ACTIVITIES
For The Year Ended August 31, 2012

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS			
Contributions from the general public	\$ 2,727,495	\$ 280,726	\$ 3,008,221
Contributions from Campus Crusade for Christ, Inc.	431,764	—	431,764
Investment income, net	530,642	238,848	769,490
Change in value of annuities	(355,551)	—	(355,551)
Other	203,257	—	203,257
Net assets released from restrictions	172,743	(172,743)	—
Total public support, revenue and net assets released from restrictions	3,710,350	346,831	4,057,181
EXPENSES			
Program activities:			
Grants paid to Campus Crusade for Christ, Inc.	2,232,253	—	2,232,253
Grants paid to other charitable organizations	943,103	—	943,103
Total program activities	3,175,356	—	3,175,356
Supporting activities:			
General and administrative	567,379		567,379
Fund development	145,523	—	145,523
Total supporting activities	712,902	—	712,902
Provision for impairment of property carrying value	650,001	—	650,001
Total expenses	4,538,259	—	4,538,259
CHANGE IN NET ASSETS	(827,909)	346,831	(481,078)
NET ASSETS - Beginning of year	9,041,656	4,093,886	13,135,542
NET ASSETS - End of year	\$ 8,213,747	\$ 4,440,717	\$ 12,654,464

The Accompanying Notes are an Integral
Part of These Financial Statements

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
STATEMENTS OF CASH FLOWS

	For The Years Ended August 31,	
	2013	2012
OPERATING CASH FLOWS		
Cash received from contributors	\$ 5,500,646	\$ 2,453,821
Cash received from Campus Crusade for Christ, Inc.	276,451	11,673
Other revenue received	284,405	148,351
Cash paid for operating activities and costs	<u>(5,963,400)</u>	<u>(3,767,508)</u>
Net operating cash flows	<u>98,102</u>	<u>(1,153,663)</u>
INVESTING CASH FLOWS		
Proceeds from sales of investments	7,604,965	3,882,120
Purchases of investments	<u>(7,048,118)</u>	<u>(2,753,702)</u>
Net investing cash flows	<u>556,847</u>	<u>1,128,418</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	654,949	(25,245)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>145,604</u>	<u>170,849</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 800,553</u>	<u>\$ 145,604</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ 7,536,395	\$ (481,078)
Adjustments to reconcile change in net assets to net operating cash flows:		
Noncash contributions	(1,207,980)	(554,400)
Net gain on investments	(432,816)	(620,165)
Provision for impairment of property carrying value	438,879	650,001
Change in funds held pursuant to split-interest trust agreements	1,483	835
Change in funds held on behalf of Campus Crusade for Christ, Inc.	(162,001)	(152,004)
Change in beneficial interest in The GCF Trust	(6,162,758)	—
Change in other assets	32,467	(299,341)
Change in liabilities for annuities and trusts	(107,568)	150,485
Change in liabilities for funds held on behalf of Campus Crusade for Christ, Inc.	<u>162,001</u>	<u>152,004</u>
Net operating cash flows	<u>\$ 98,102</u>	<u>\$ (1,153,663)</u>

The Accompanying Notes are an Integral
Part of These Financial Statements

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

The Great Commission Foundation of Campus Crusade for Christ, Inc. (“the Foundation”) is a not-for-profit corporation organized under the laws of the state of California. The Foundation’s purpose is to create and administer gifts for its parent organization, Campus Crusade for Christ, Inc. (“CCCI”) and other charitable organizations.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as “net assets released from restrictions.”

From time to time, supporters of the Foundation express indications that they plan to make gifts to the Foundation. The Foundation recognizes any such gift as a contribution upon its receipt of sufficient documentary evidence that the timing of the gift is clearly specified (even if contingent upon the occurrence of some future event) and that the gift is unconditional, measurable, collectible, and irrevocable.

Cash and cash equivalents

The Foundation considers all investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Investments

Investments in mutual funds are carried at estimated fair value, as determined by quoted market prices. Investments in real estate and business enterprises consist of gifts from donors and are carried at estimated fair value as determined on the date contributed, based on independent appraisals or other independent analyses. The estimated carrying value of such assets may be periodically updated. Investments in business enterprises are adjusted by management for any related discounts. The amount ultimately realized from the sale of investments may vary significantly from the estimates.

Funds held pursuant to split-interest trust agreements

Funds held pursuant to split-interest trust agreements consist primarily of investments which are carried at estimated fair value, as determined by quoted market prices. The Foundation is not an irrevocable beneficiary under any of the trusts. CCCI is the remainder beneficiary of all irrevocable trusts.

Funds held on behalf of Campus Crusade for Christ, Inc.

Funds held on behalf of Campus Crusade for Christ, Inc. consist primarily of investments which are carried at estimated fair value, as determined by quoted market prices. Such amounts relate to permanent endowment fund gifts originally made by donors to CCCI. The Foundation holds and manages the funds for the benefit of CCCI pursuant to an agreement with CCCI.

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Liabilities for annuities and trusts

For irrevocable split-interest arrangements such as charitable gift annuities and charitable remainder trusts in which the Foundation is trustee or custodian, the assets of such arrangements are included in the Foundation's statements of financial position as "investments" or "funds held pursuant to split-interest trust agreements." The carrying values of such investments conform to accounting principles generally accepted in the United States of America which generally require that marketable investment securities be carried at estimated fair value at all times and that other assets be carried at the estimated fair value of the assets as determined on the date the assets are contributed, unadjusted for subsequent changes in value. Also, for such arrangements in which the Foundation is trustee or custodian, a liability is recognized related to the present value of benefits payable to other beneficiaries. For all irrevocable split-interest arrangements, regardless of whether or not the Foundation acts as trustee or custodian, contribution revenue is recognized for the estimated present value of the Foundation's benefits (if any) under the arrangements in the year the arrangements are established or in the year in which the Foundation 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 generally between 1% and 4%. State law imposes certain restrictions on the manner in which charitable gift annuity assets may be invested.

Donor-advised funds

The Foundation administers several donor-advised funds. Donor gifts to such funds are made irrevocably with the understanding that while the donor retains an advisory role in the distribution of funds, the Foundation retains ultimate control over the use of the funds. Accordingly, such gifts are reflected as "board designated net assets" in the accompanying statements of financial position. Generally, donor-advised fund agreements contain a provision requiring that at least 25% of any distributions be made to CCCI.

Income taxes

The Foundation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to state law. The Foundation is further classified as a public charity and not a private foundation for federal tax purposes. Income taxes on unrelated business income are immaterial and are recognized as expenses when paid. The Foundation has not taken any material uncertain tax positions for which the associated tax benefits may not be recognized under accounting principles generally accepted in the United States of America. Federal and state tax authorities may generally examine the Foundation's income tax positions or (if applicable) returns for periods of approximately three to six years.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those used in determining the estimated fair value of investments, the beneficial interest in The GCF Trust, and the liabilities for annuities and trusts. Actual results could differ from the estimates.

Subsequent events

The Foundation has evaluated for possible financial reporting and disclosure subsequent events through December 6, 2013, the date as of which the financial statements were available to be issued.

NOTE C – CONCENTRATIONS

The Foundation maintains its cash, cash equivalents and investments in bank deposit accounts and other investment accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash, cash equivalents and investments.

During the years ended August 31, 2013 and 2012, the Foundation received approximately 45% and 48%, respectively, of its total contribution revenue from the general public from three donors.

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
NOTES TO FINANCIAL STATEMENTS

NOTE D - INVESTMENTS

Investments consisted of the following:

	August 31,	
	2013	2012
Short-term cash and money market funds	\$ 1,980,251	\$ 1,398,054
Mutual funds	11,380,516	10,112,673
Government securities	104,601	126,708
Real estate	1,515,521	2,030,900
Notes receivable	82,001	399,485
Other investments	591,815	941,815
Total investments	\$ 15,654,705	\$ 15,009,635

Investments were held for the following purposes:

	August 31,	
	2013	2012
Investments held pursuant to donor-advised fund agreements	\$ 5,273,795	\$ 5,649,985
Investments held to satisfy charitable gift annuity obligations	4,740,965	4,655,035
Investments held for staff, legacy and vision funds	4,314,154	2,961,079
Investments held for general operations	947,007	1,348,551
Investments held for other donor-restricted purposes	378,784	394,985
Total investments	\$ 15,654,705	\$ 15,009,635

“Investment income, net” in the accompanying statements of activities for the years ended August 31, 2013 and 2012, includes \$432,816 and \$620,165, respectively, of net investment gains.

During the years ended August 31, 2013 and 2012, the Foundation recognized impairment losses of \$438,879 and \$650,001, respectively, (included in the accompanying statements of activities as “provision for impairment of property carrying value”) related to the estimated value of certain real property and an investment in a limited liability company which owns and operates a private business.

NOTE E - BENEFICIAL INTEREST IN THE GCF TRUST

During the year ended August 31, 2013, The GCF Trust (“the Trust”) was formed. The Trust is a supporting organization with respect to the Foundation and is an integrated auxiliary of CCCI. The Foundation has an economic interest in the underlying assets of the Trust. However, it does not control the Trust, as the term “control” is defined under generally accepted accounting principles (“GAAP”). Therefore, the accounts of the Trust are not consolidated with the financial statements of the Foundation. In conformity with GAAP, the Foundation has recognized its beneficial interest in the Trust as of August 31, 2013. The beneficial interest is based on the estimated fair value of the Trust’s net assets. The assets of the Trust consist primarily of a partnership interest for which an independent valuation was used to determine estimated fair value. The actual fair value of the beneficial interest in the Trust could differ materially from the estimated fair value.

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENTS

GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

The estimated fair value of investments in mutual funds and government securities (valued using Level 1 inputs) is based on unadjusted quoted market prices within active markets. The estimated fair value of investments in real estate (valued using Level 2 inputs) is based on independent appraisals or other independent analyses. Level 3 assets consist of the beneficial interest in The GCF Trust described in Note E, investments in privately-held businesses and a note receivable. Generally, such investments cannot be liquidated in the near term at the direction of the Foundation. The estimated fair value of the beneficial interest in The GCF Trust is based on an independent valuation of the Trust’s primary asset – a partnership interest. The estimated fair value of investments in privately-held businesses is based on independent appraisals or other independent analyses. Note receivable consists of a note receivable from a limited liability company related to a business interest previously owned by the Foundation and sold to the limited liability company. Liabilities for annuities and trusts (valued using Level 2 inputs) are based on estimated present value, applying certain assumptions regarding interest rates and life expectancies.

Estimated fair values of assets and (liabilities) measured on a recurring basis as of August 31, 2013, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 11,380,516	\$ 11,380,516	\$ —	\$ —
Beneficial interest in The GCF Trust	6,162,758	—	—	6,162,758
Real estate	1,515,521	—	1,515,521	—
Other investments	591,815	—	—	591,815
Government securities	104,601	104,601	—	—
Note receivable	<u>82,001</u>	<u>—</u>	<u>—</u>	<u>82,001</u>
Total	<u>\$ 19,837,212</u>	<u>\$ 11,485,117</u>	<u>\$ 1,515,521</u>	<u>\$ 6,836,574</u>
Liabilities for annuities and trusts	<u>\$ (3,220,505)</u>	<u>\$ —</u>	<u>\$ (3,220,505)</u>	<u>\$ —</u>

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENTS (Continued)

Estimated fair values of assets and (liabilities) measured on a recurring basis as of August 31, 2012, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 10,112,673	\$ 10,112,673	\$ —	\$ —
Real estate	2,030,900	—	2,030,900	—
Other investments	941,815	—	—	941,815
Note receivable	399,485	—	—	399,485
Government securities	<u>126,708</u>	<u>126,708</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 13,611,581</u>	<u>\$ 10,239,381</u>	<u>\$ 2,030,900</u>	<u>\$ 1,341,300</u>
Liabilities for annuities and trusts	<u>\$ (3,328,073)</u>	<u>\$ —</u>	<u>\$ (3,328,073)</u>	<u>\$ —</u>

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

Balance, September 1, 2011	\$ 2,357,216
Provision for impairment of property carrying value	(650,001)
Principal payments received on note receivable	(296,165)
Other changes	<u>(69,750)</u>
Balance, August 31, 2012	1,341,300
Change in value of beneficial interest in The GCF Trust	6,162,758
Proceeds from sale of interest in privately-held business	(350,000)
Principal payments received on note receivable	<u>(317,484)</u>
Balance, August 31, 2013	<u>\$ 6,836,574</u>

NOTE G – RESTRICTIONS ON NET ASSETS

Net assets were temporarily restricted for the following purposes:

	<u>August 31,</u>	
	<u>2013</u>	<u>2012</u>
Campus Ministry Vision fund	\$ 1,594,232	\$ 1,439,961
Legacy funds	1,357,458	1,169,165
Estimated future benefit of annuities	1,070,560	1,051,684
President's Ministry Opportunity Fund	990,455	—
Other Foundation activities	689,749	427,954
Staff endowment funds (principal may be expended)	<u>372,009</u>	<u>351,953</u>
Total temporarily restricted net assets	<u>\$ 6,074,463</u>	<u>\$ 4,440,717</u>

The income generated by the Campus Ministry Vision fund is to be used to support key initiatives of CCCI. The income generated by legacy funds is to be used to support various campus outreach activities and other related purposes of CCCI. The income generated by the President's Ministry Opportunity Fund is to be used for special projects authorized by the president of CCCI. The income generated by the staff endowment funds is to be used to support the work of CCCI staff.

**THE GREAT COMMISSION FOUNDATION OF
CAMPUS CRUSADE FOR CHRIST, INC.**
NOTES TO FINANCIAL STATEMENTS

NOTE H - SHARED FACILITIES AND SERVICES

The Foundation utilizes certain resources of CCCI in carrying out its activities, including employee time, office space and office equipment. The Foundation is not required to reimburse CCCI for the use of these resources. During the years ended August 31, 2013 and 2012, the Foundation recognized contribution revenue and supporting activities expense of \$417,128 and \$420,091, respectively, in the accompanying statements of activities related to the use of these resources.