# 2024 Annual Report

***Movements everywhere so that everyone knows someone who truly follows Jesus***

cru

A caring community passionate about connecting people to Jesus Christ

# From the President

Thank you very much for your interest in and partnership with Cru®. In this annual report, you will gain a glimpse of the fruit God is producing as we remain focused on His calling for our global movement:

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

In July of 2024, it was my privilege to be commissioned to serve as Cru's fourth president. Looking back on the 73 years of this movement, I am reminded of King David's words: "Your faithfulness continues through all generations; You established the earth, and it endures" (Psalm 119:90, NIV). In this upended world, people are searching for real sources of truth, love and hope. God is using the generosity of faithful partners and the efforts of our staff members and volunteers to make known the truth, love and hope found in Jesus.

It's a great encouragement to receive reports from around the world, like this one about a partnership between StoryRunners® and Global Church Movements. In the Central African country of Chad, storytellers and evangelists were trained to use stories to proclaim the gospel. They learned and recorded stories in the Toumak language.

In four weeks, 18 storytellers and 22 evangelists were trained, including Caleb. Caleb is blind and unable to read or write, but during the public oral practice, his storytelling touched many people.

Caleb's life was transformed by this training. He realizes that his disability can no longer prevent him from proclaiming the gospel to those around him. He has a voice and stories to tell anyone he meets. I am grateful that God used our ministry to empower him to be a trained evangelist!

In this report, you will find other highlights of how people are coming to Christ and being built up in their faith. Whether in large cities or remote villages, through your partnership, 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 co-laboring with us for the gospel through your prayers and support. We deeply appreciate you and pray that you and your family are richly experiencing the truth, love and hope of Jesus.

Yours in joining God to help fulfill the Great Commission,

David Robbins

# Contents



***"Sometimes you show up at the event for five minutes, and it opens the door for the next 50 years."***

## 2024 Paris Olympics

Athletes in Action® (AIA) had a team of more than 70 staff members and volunteers from 21 countries in Paris for the Olympics, looking for opportunities to share their faith with the athletes.

The team gave out over 500 **Struggle and Triumph Bibles** in French, English, Arabic and Spanish. This resource allows athletes to read how other Olympians have applied the Bible to their sport and life.

For example, an AIA Bible that Kenyan long-distance runner Lydia Cheromei took home from the 1996 Olympics had an impact on her brother, David. He began reading the Bible and decided he wanted to follow Jesus. David Cheromei (left in photo) is now a pastor and continues to be mentored by AIA staff members in sports ministry. Together their goal is to reach runners in Kenya with the gospel.


Seven of the 23 Singaporean athletes at the 2024 Olympics also have an ongoing relationship with AIA; they are currently being discipled by Singaporean AIA staff members. Their relationship started in Rio de Janeiro in 2016 when Singaporean television focused on the staff members in the stands. They were the only Singaporeans present when a swimmer was the first athlete in Singapore's history to win a gold medal.

Because of this, the staff members became part of the Olympic community in Singapore. Staff member Ivin Vikesh commented, "Sometimes you show up at the event for five minutes, and it opens the door for the next 50 years."

# Cru on Campus: Three Generations of Bold Disciples

Though surrounded by friends at a beach house, Will was miserable and lonely. He knew his friend Brycen was 20 miles down the road, having a great time at a Clemson Cru spring break mission. Will said later, "I saw that juxtaposition and the difference in us, how he loved and had so much joy." He texted Brycen: "I've come to the conclusion that I need God in my life. … What's the biggest piece of advice you can offer?"

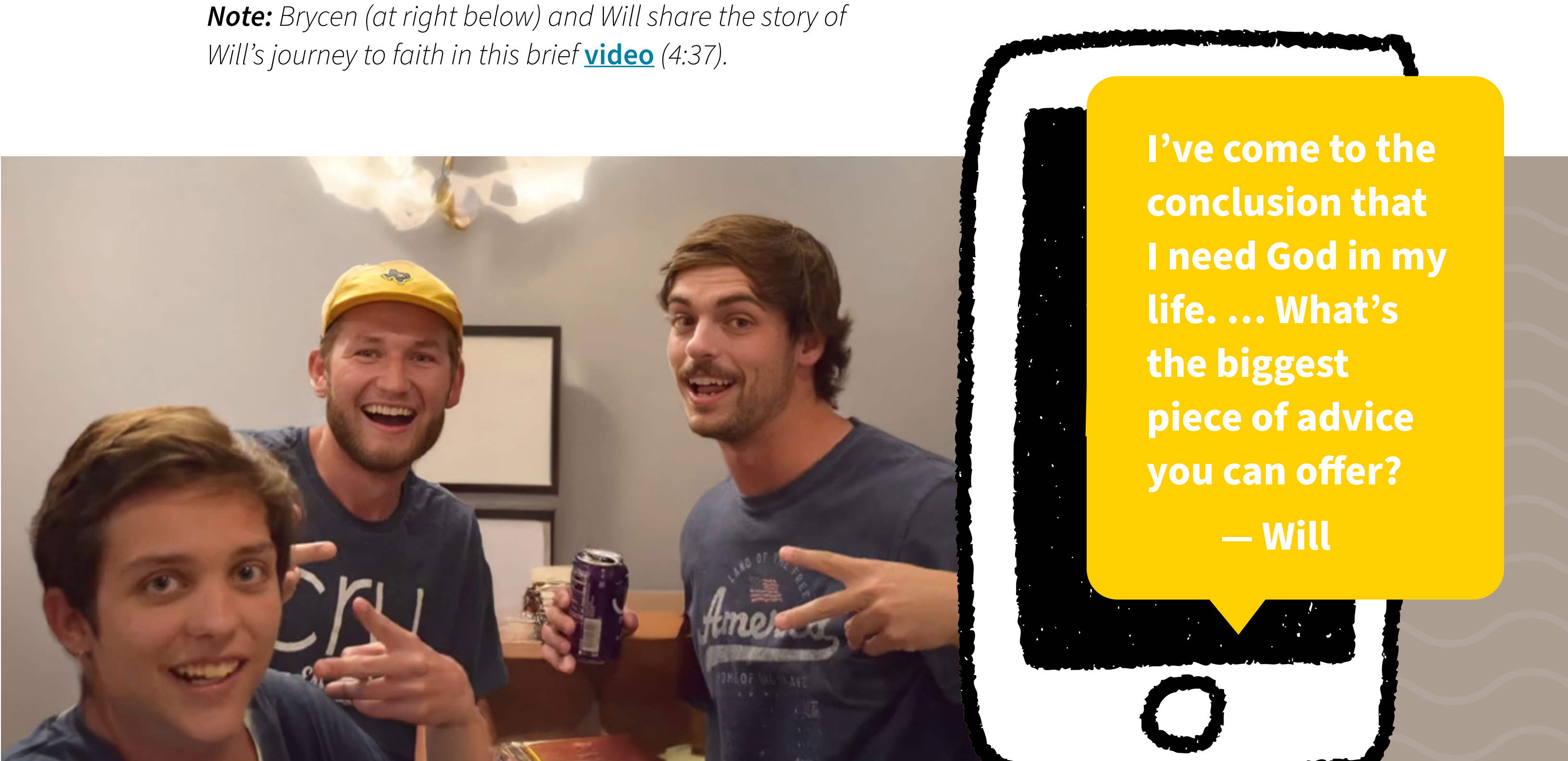
For years Brycen had prayed for Will, and it filled him with joy to lead his friend to Jesus. Will's new joy in Christ caught the attention of other friends, like Griffen. Griffen asked if he could start coming to church with Will and Brycen. Of course they agreed, and they also shared the gospel with him over lunch. Now Griffen is a new brother in Christ!

More recently, a sophomore named Grant expressed interest in Cru and received Christ with Matt Cooper, a Cru staff member at Clemson. Matt knew Will wanted to learn to disciple new Christians, so he invited Will to watch him follow up with Grant. After a few weeks Will took over and eventually was discipling Grant full time.

At the latest spring break mission, Will helped lead outreach training. All of the students, including the three spiritual generations — Brycen, Will and Griffin — as well as Grant, went out to share their faith on the beach. Together they played a role in five high school guys putting their faith in Jesus.

Brycen and Will are now Cru staff interns, and Matt continues to have the joy of discipling the two friends.

***Note:*** *Brycen (at right below) and Will share the story of Will's journey to faith in this brief* **video** *(4:37).*



win build send

# Alumni in Rwanda Trust God to Change the Culture in the Marketplace

Pascal, Lazare and Bosco (pictured, left to right) were student leaders on their campus in 2010 as part of the Great Commission Movement of Rwanda, as Cru is called there. They all had a passion for Christ and a vision for how God could use them.

Pascal became an entrepreneur, businessman and professional handball player. Lazare became a pharmacist. He was recently appointed by the president of Rwanda's cabinet as the Director of Pharmacovigilance (drug safety). Bosco became a staff member with Cru and now serves as Cru's National Director for Rwanda.

The three men have stayed friends all these years and meet regularly. They share a vision to see the culture of their country change, influencing the marketplace with their integrity and love for Jesus.

When Bosco became National Director, he invited Lazare to use his influence and experience to equip leaders. He asked Pascal to continue leading the Great Commission Movement alumni. These are men and women who were also involved in the movement as students and want to continue making an impact for Christ in Rwanda. What started out as a friendship while students has turned into an influential partnership for God's glory, the gospel, and the flourishing of their country.

**Alumni from the Great Commission Movement of Rwanda who are seeking to reach their country for Christ.**


## After a Bombing, New Life

In 2003 Ketut* masterminded a suicide bombing that killed 12 people in a country in Southeast Asia. In the aftermath he heard about Jesus and began to read the Bible. After two years of reading, the bombing mastermind decided he must surrender his life to Jesus. His brother tried to kill Ketut when he learned about his new faith. Several years later, Ketut's brother also came to faith in Christ.

The brothers are now local church leaders in their Southeast Asian community. Recently, Unto® helped them drill a clean water well in their city, which fostered a new openness to the gospel. People were curious about why Christians would care for them. Since the well drilling, 55 people in this largely unreached community have come to faith in Christ.

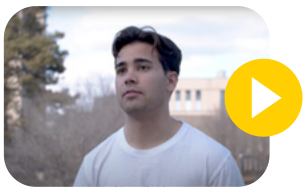
Even the woman who built the bomb Ketut used in 2003 has put her faith in Jesus. She will host two Unto women's health clinics later this year, opening more doors to share the message of hope with those who have never heard.

**Name changed for security reasons.*

# Video Stories

## One Message Away From the Hope of God

After fleeing her difficult situation, Malee felt lost until she saw a "JESUS" film ad on Facebook. Watch her story and see how digital tools are changing the scope of ministry.

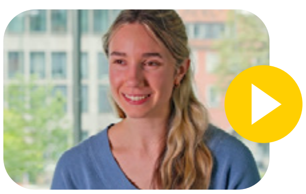


## Cru at the University of Arkansas

God is working in the lives of college students across the nation. Hear about the changed lives of students at the University of Arkansas.

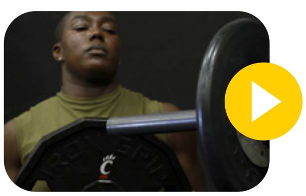
## Comfort's Story

As a lawyer in Nigeria, Comfort found it difficult to find time to share her faith. Then she discovered how she could share the gospel online.



## Chiara and Abby — Crescendo Dance

Chiara fled Russia, leaving behind her dream job with a renowned ballet company. At the Estonian National Ballet, she met Abby, who offered Chiara a place to stay and an example of faith.



## Annette Echikunwoke's Olympic Story

Partnering with Global Media Outreach and Jesus Film Project® at the 2024 Olympics, Athletes in Action® featured Olympians from various sports and countries in a digital #isitworthit campaign. One of the athletes, U.S. hammer thrower Annette Echikunwoke, had been disqualified in 2020 due to administrative error but medaled in 2024. Some outreach statistics:

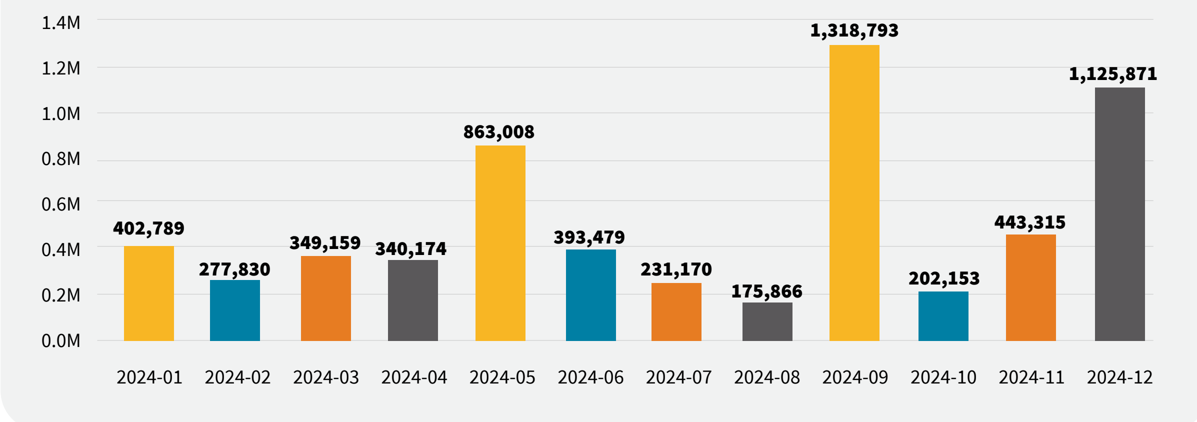
**24,132,509—Gospel Presentations**
(gospel video views or gospel landing page visits)

**685,937—Indicated Decisions**
(clicked to indicate they prayed and received Christ)

**70,533—New Contacts**
(wrote to one of our online missionaries for the first time)

# Impact of Ministry: 2024

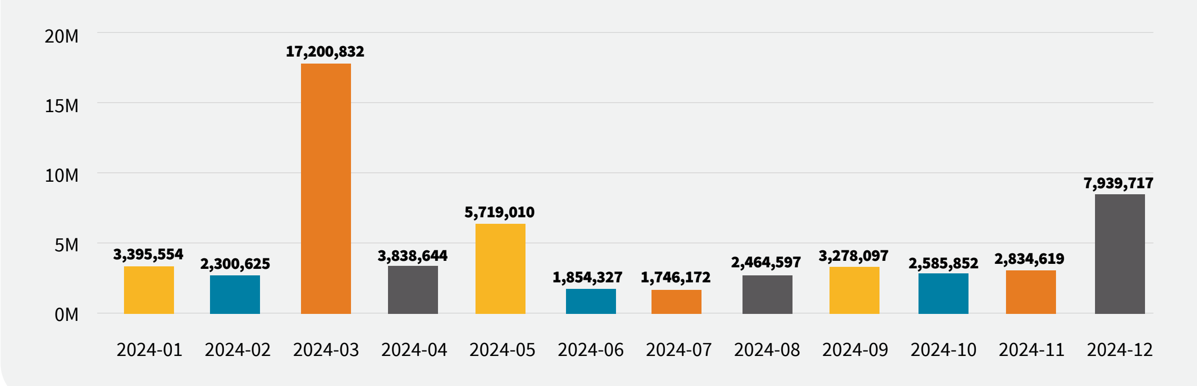
## Individual Gospel Presentations 2024




**Notes:**

- We shared the gospel with an average of 306,000 individuals per month.
- With many students on break, July and August had fewer presentations.
- The spikes in May, September and December are because Ethiopia mobilized churches and partners around the country to focus on evangelism and reaching out to their communities.

## Media/Group Gospel Presentations 2024




**Note:**

- March (Easter) is high because the "JESUS" film is shown in many countries on local television. Specifically, Madagascar (15 million) had a big TV campaign.

# Scope of 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 |

| MINISTRY | AUDIENCE | IMPACT |
|---|---|---|
| **FamilyLife®** | Couples, parents, blended families | Helping families grow together and impact their corner of the world |
| **International School Project** | Teachers and educational professionals | Equipping and empowering teachers and educators to change the world |
| **Campus Ministry** | Students and faculty, from middle school to the university | Turning lost students and faculty into lifelong, Christ-centered, multiplying disciples |
| **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 |

# Board of Directors

## David Robbins
President of Campus Crusade for Christ International/Cru

## R. Barry Cannada
Chairman of the Board, Campus Crusade for Christ; Partner: Butler, Snow, O'Mara, Stevens & Cannada, PLLC; President, G & S Enterprises, Inc.

## Beth Guckenberger
Co-Executive Director of Back2Back Ministries

## Curt Hensley
Chairman of Impact Payments Recruiting, Impact Technology Recruiting, Impact Advisors, and Wright Hensley, LLC

## Samuel Lam
Managing Partner of Third Opinion Partners

## Jeffrey A. Leimgruber
Principal, J.A. Leimgruber Consulting, LLC

## Andrew I. Liuson
Co-Founder & Vice Chairman, Cityland Group of Companies

## Jacinta Tegman
Chief Executive Officer for CRISTA

## Kemmons Wilson, Jr.
Vice Chairman, Board of Directors, Kemmons Wilson Companies

# Financial Highlights

| | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| United States Revenues | $677,615,000 | $704,275,000 | $652,098,000 | $614,072,000 |
| Operating Change in Net Assets* | $(43,795,000) | $28,731,000 | $17,162,000 | $49,522,000 |
| Non-Operating Change in Net Assets* | $62,894,000 | $35,235,000 | $(42,323,000) | $65,443,000 |
| **Total Change in Net Assets** | **$19,099,000** | **$63,966,000** | **$(25,161,000)** | **$114,965,000** |
| International Revenues** | $161,445,000 | $161,027,000 | $159,086,000 | $139,701,000 |
| World Revenues (U.S. and International) | $839,060,000 | $865,302,000 | $811,184,000 | $753,773,000 |
| Fund-Raising Expenses*** | 7.9% | 9.0% | 8.9% | 9.1% |
| General and Administrative Expenses*** | 9.3% | 8.6% | 7.7% | 8.3% |
| Average Size of Gift Received | $159 | $154 | $147 | $136 |
| Most Frequent Contribution | $50 | $50 | $50 | $50 |
| Average Staff Family's Monthly Compensation | $7,352 | $7,098 | $6,814 | $6,506 |
| Average Staff Single's Monthly Compensation | $3,576 | $3,449 | $3,248 | $3,075 |

**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.*

***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.*

****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

**2024**

Contributions 93.4%
Staff 58.9%
Ministry 34.5%

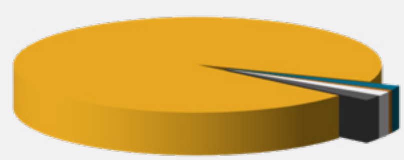
Gifts In Kind Contributions 1.4%

Literature and Material Sales 0.5%

Conference Registrations 2.7%

Other 2.0%

**2023**



Contributions 94.7%
Staff 56.1%
Ministry 38.6%

Gifts In Kind Contributions 1.5%

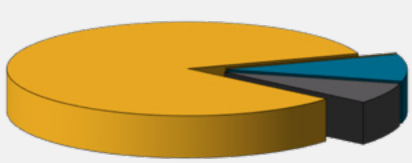
Literature and Material Sales 0.5%

Conference Registrations 1.5%

Other 1.8%

## Uses of Funds

**2024**

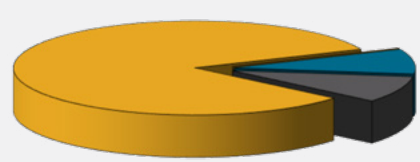


U.S. and International Ministries 83.6%
U.S. 64.2%
International 19.4%

General/ Administrative 9.3%

Fundraising 7.1%

**2023**



U.S. and International Ministries 82.4%
U.S. 60.7%
International 21.7%

General/ Administrative 8.6%

Fundraising 9.0%

# Report of Independent Auditors

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

### Opinion

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, 2024 and 2023, 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, 2024 and 2023, 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 24% and 27%, respectively, of consolidated total assets as of August 31, 2024 and 2023, and total revenues constituting 12% and 16%, 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 FamilyLife, 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, 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

December 10, 2024

# Consolidated Statements of Financial Position

*(In Thousands)*

## Assets

| | August 31 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | **$ 61,668** | $ 95,887 |
| Investments | **385,118** | 333,432 |
| Investments held pursuant to donor-advised funds | **80,284** | 86,917 |
| Accounts and other receivables | **6,393** | 2,261 |
| Inventories | **1,806** | 1,441 |
| Gifts-in-kind inventories | **12,070** | 9,135 |
| Property held for sale | **1,631** | 1,661 |
| Restricted cash and investments | **3,722** | 3,711 |
| Leases right of use assets | **5,869** | 13,893 |
| Intangibles | **14,037** | 3,454 |
| Prepaid and other assets | **13,382** | 10,086 |
| Property and equipment: | | |
| Land and land improvements | **5,601** | 5,601 |
| Buildings and improvements | **117,712** | 100,535 |
| Furniture and equipment | **38,611** | 36,524 |
| Total property and equipment | **161,924** | 142,660 |
| Accumulated depreciation | **(81,274)** | (74,675) |
| Net property and equipment | **80,650** | 67,985 |
| **Total assets** | **$ 666,630** | $ 629,863 |

## Liabilities and net assets

| | August 31 2024 | 2023 |
|---|---|---|
| Accounts payable | **$ 7,933** | $ 5,505 |
| Grants payable related to donor-advised funds | **18,663** | – |
| Accrued salaries and related expenses | **26,847** | 26,085 |
| Long-term severance and disability | **45,433** | 45,021 |
| Other accrued liabilities | **20,173** | 16,172 |
| Pension liability | **14,291** | 15,366 |
| Long-term lease obligation | **3,782** | 11,227 |
| Long-term debt | **281** | 359 |
| **Total liabilities** | **$ 137,403** | $ 119,735 |

## Net assets

| | August 31 2024 | 2023 |
|---|---|---|
| Without donor restrictions: | | |
| Undesignated | **456,273** | 410,941 |
| Board designated – donor-advised funds | **61,621** | 86,917 |
| With donor restrictions | **11,333** | 12,270 |
| **Total net assets** | **529,227** | 510,128 |
| **Total Liabilities and Net Assets** | **$ 666,630** | $ 629,863 |

*See accompanying notes.*

# Consolidated Statements of Activities

*(In Thousands)*

## Year Ended August 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Revenues:** | | | |
| Contributions | $ 598,888 | $ 9,108 | $ 607,997 |
| Contributions pursuant to donor-advised funds | 25,162 | – | 25,162 |
| Gifts-in-kind contributions | 9,216 | – | 9,216 |
| Literature and material sales | 3,517 | – | 3,517 |
| Conference registrations | 18,148 | – | 18,148 |
| Other income | 12,614 | 961 | 13,575 |
| Net assets released from restrictions | 11,006 | (11,006) | – |
| **Total revenues** | **678,551** | **(937)** | **677,615** |
| **Operating expenses:** | | | |
| Campus | 187,581 | – | 187,581 |
| Community | 151,879 | – | 151,879 |
| Coverage | 70,733 | – | 70,733 |
| Grants pursuant to donor-advised funds | 52,832 | – | 52,832 |
| International ministries | 140,372 | – | 140,372 |
| General and administrative | 67,001 | – | 67,001 |
| Fundraising | 51,012 | – | 51,012 |
| **Total operating expenses** | **721,410** | **–** | **721,410** |
| Change in net assets from operations | (42,859) | (937) | (43,795) |
| Non-operating activities: | | | |
| Net investment income | 60,740 | – | 60,740 |
| Pension-related changes other than net periodic pension cost | 2,155 | – | 2,155 |
| Change in net assets | 20,036 | (937) | 19,099 |
| Net assets – beginning of year | 497,858 | 12,270 | 510,128 |
| **Net assets – end of year** | **$517,894** | **$11,333** | **$529,227** |

*See accompanying notes.*

# Consolidated Statements of Activities

*(In Thousands)*

## Year Ended August 31, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Revenues:** | | | |
| Contributions | $ 595,075 | $ 1,118 | $ 596,193 |
| Contributions pursuant to donor-advised funds | 70,775 | – | 70,775 |
| Gifts-in-kind contributions | 10,662 | – | 10,662 |
| Literature and material sales | 3,323 | – | 3,323 |
| Conference registrations | 10,655 | – | 10,655 |
| Other income | 12,364 | 303 | 12,667 |
| Net assets released from restrictions | 5,789 | (5,789) | – |
| **Total revenues** | **708,643** | **(4,368)** | **704,275** |
| **Operating expenses:** | | | |
| Campus | 188,357 | – | 188,357 |
| Community | 142,783 | – | 142,783 |
| Coverage | 79,040 | – | 79,040 |
| Grants pursuant to donor-advised funds | 10,400 | – | 10,400 |
| International ministries | 146,506 | – | 146,506 |
| General and administrative | 57,826 | – | 57,826 |
| Fundraising | 50,632 | – | 50,632 |
| **Total operating expenses** | **675,544** | **–** | **675,544** |
| Change in net assets from operations | 33,099 | (4,368) | 28,731 |
| Non-operating activities: | | | |
| Net investment income | 28,017 | – | 28,017 |
| Pension-related changes other than net periodic pension cost | 7,218 | – | 7,218 |
| Change in net assets | 68,164 | (4,368) | 63,966 |
| Net assets – beginning of year | 429,524 | 16,638 | 446,162 |
| **Net assets – end of year** | **$497,858** | **$12,270** | **$510,128** |

*See accompanying notes.*

# Consolidated Statements of Cash Flows

*(In Thousands)*

## Operating activities

| | Year Ended August 31 2024 | 2023 |
|---|---|---|
| Change in net assets | **$ 19,099** | $ 63,966 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization | **7,447** | 6,800 |
| Pension-related changes | **(1,075)** | (6,191) |
| Net realized and unrealized (gain) loss on investments | **(51,599)** | (23,402) |
| Donated Investments | **(21,563)** | (23,792) |
| (Gain) Loss on sale of property held for sale | **(24)** | 33 |
| Loss on disposal of fixed assets | **956** | 1,556 |
| Gifts of property held for sale | **(670)** | (1,922) |
| Changes in operating assets and liabilities: | | |
| Accounts and other receivables | **(4,132)** | (395) |
| Inventories | **(3,300)** | 625 |
| Prepaid expenses | **(4,669)** | (3,764) |
| Operating lease right of use assets | **8,058** | (13,450) |
| Other assets | **1,373** | 1,146 |
| Accounts payable | **21,091** | 401 |
| Accrued salaries and related expenses | **762** | 838 |
| Long-term severance and disability | **412** | 2,209 |
| Long-term operating lease obligations | **(7,034)** | 11,092 |
| Other accrued liabilities | **3,415** | 6,360 |
| **Net cash (used in) provided by operating activities** | **(31,454)** | **22,111** |

## Investing activities

| | Year Ended August 31 2024 | 2023 |
|---|---|---|
| Sales and maturities of investments | **265,566** | 337,928 |
| Purchases of investments | **(237,468)** | (261,527) |
| Purchases of intangible assets | **(11,168)** | (747) |
| Capital expenditures | **(20,483)** | (17,439) |
| Proceeds from sale of property held for sale | **725** | 288 |
| **Net cash (used in) provided by investing activities** | **(2,828)** | **58,504** |

## Financing activities

| | Year Ended August 31 2024 | 2023 |
|---|---|---|
| Proceeds from long-term debt | – | 103,706 |
| Payments on long-term debt | (78) | (141,967) |
| Finance lease right of use assets | 60 | (443) |
| Long-term finance lease obligations | 81 | 135 |
| Net cash provided by (used in) financing activities | 63 | (38,570) |
| Net change in cash and cash equivalents | (34,219) | 42,045 |
| Cash and cash equivalents – beginning of year | 95,887 | 53,842 |
| **Cash and cash equivalents – end of year** | **$61,668** | **$95,887** |

## Supplemental disclosures of cash flow information

| | Year Ended August 31 2024 | 2023 |
|---|---|---|
| Interest paid | $ 52 | $ 638 |

*See accompanying notes.*

# Notes to Consolidated Financial Statements

*(In Thousands)*

**August 31, 2024**

## 1 Organization and Summary of Significant Accounting Policies

*(In Thousands)*

### 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 Nonprofit Religious 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 included 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, 2024 and 2023, 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 of 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.

Literature and material sales represent the sale of items produced and distributed by the Ministry to support the Ministry's mission. Revenue on these sales is recognized at the time of sale. Sales are recorded net of sales discounts, returns, and allowances, which were immaterial, for the years ended August 31, 2024 and 2023.

### Cash and Cash Equivalents

Cash and cash equivalents include cash and financial instruments without donor restrictions, with maturities of three months or less on the date of acquisition. The majority of the Ministry's cash equivalents are invested in money market accounts. The majority of the cash is maintained in cash accounts with large financial institutions where accounts are guaranteed by the Federal Deposit Insurance Corporation up to $250. The Ministry does have some cash accounts that exceed the federally insured amount. The Ministry does not anticipate non-performance by these financial institutions.

### Inventories

Inventories are presented at the lower of cost (first-in, first-out method) or net realizable value and consist principally of books, educational materials, and ministry evangelical materials.

### Gift-in-Kind Inventories

Gift-in-kind inventories consist primarily of items such as clothing, healthcare items, vegetable seeds, and other materials donated. Donated inventory is recorded at fair value on the date of donation. The fair value of the donated materials is based upon market sources and inputs to estimated fair value using an exit price notion.

### Investments

The Ministry has a cash management program that provides for the investment of excess cash in highly liquid interest-bearing investments and marketable securities. Investment income consists of interest and dividends received on investments and realized and unrealized gains and losses. Investments in marketable equity securities and debt securities, including mutual funds, are recorded at their estimated fair values, which are based on quoted market prices or recognized pricing services. Investment-related activity (realized/unrealized gains and losses and investment income) are reflected net of related expenses in the non-operating activities section of the consolidated statements of activities.

The Ministry maintains various pools of investments, each having an Investment Policy Statement (IPS) approved by the Board of Directors that governs the investment of ministry funds. The Ministry also retains independent Investment Advisory Consultants who advise management and the board on the investment of ministry funds within the IPS parameters. The Investment Advisory Consultant assists with finding and retaining appropriate investment vehicles and managers. The primary objective of the Ministry's investments is preserving the purchasing power of Ministry funds with a secondary objective of long-term capital growth.

### Funds Held Pursuant to Split-Interest Trust Agreements

Funds held pursuant to split-interest trust agreements consist primarily of investments, which are carried at fair value. These funds totaled $2,004 and $1,831 at August 31, 2024 and 2023, 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, 2024 and 2023, 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.

### Donor-Advised Funds

The Ministry administers several donor-advised funds, which are held in investment accounts. 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 Ministry retains ultimate control over the use of the funds. Accordingly, such gifts are reflected as board designated net assets in the accompanying consolidated statements of financial position. There were no such grants outstanding at August 31, 2023.

Investments held pursuant to donor-advised fund agreements totaled $80,284 and $86,917 and represented 17.25% and 20.68% of the Ministry's total investments as of August 31, 2024 and 2023, respectively.

As of August 31, 2024, the Ministry had approved grants totaling $18,663 related to grant distribution advisory requests made by donors to certain donor-advised funds. Subsequent to August 31, 2024, the Ministry paid the grants in full.

Contributions received pursuant to donor-advised funds were $25,162 and $70,775 and grants to other charitable organizations pursuant to donor-advised funds totaled $52,810 and $10,400 for the years ended August 31, 2024 and 2023, respectively.

### Property Held for Sale

Property held for sale includes land, buildings, and improvements and is presented at fair 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, 2024 and 2023, depreciation expense was $6,862 and $6,025, 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. At August 31, 2024 and 2023, net intangible assets were $14,037 and $3,454, respectively. For the years ended August 31, 2024 and 2023, amortization expense was $585 and $775, respectively.

Intangible assets will be amortized over future periods as follows:

| Years ending August 31: | |
|---|---|
| 2025 | $ 461 |
| 2026 | 404 |
| 2027 | 370 |
| 2028 | 324 |
| 2029 | 292 |
| Thereafter | 12,186 |
| | **$14,037** |

### Income Taxes

The Ministry is organized as a not-for-profit entity under the Nonprofit Religious 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, 2024 and 2023, the Ministry recorded $17,824 and $17,531, related to such severance pay respectively, in long-term severance and disability.

### 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 insurance 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, 2024 and 2023, represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. As of August 31, 2024 and 2023 the accrued liability for losses and loss adjustment expenses was $2,415 and $2,061, 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, 2024 and 2023, New Life's surplus was $38,970 and $33,496, 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, 2024 and 2023, the liability for annuities and trusts was $4,821 and $4,174, 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 $463 and $123 for the years ended August 31, 2024 and 2023, respectively, was 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 events 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 | $ 61,668 |
| Accounts and other receivables | 6,393 |
| **Total financial assets** | **$68,061** |
| **Less those unavailable for general expenditure within one year:** | |
| Amounts with donor restrictions | 11,333 |
| Funds unavailable for general expenditure | 11,333 |
| Financial assets available to meet cash needs for general expenditures | $ 56,728 |

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 unsecure line of credit, for up to $30,000. See Note 9 for details on the credit lines.

### Leases

The Ministry follows ASU No. 2016-02, *Leases* (ASC 842), which requires lessees to recognize on the statements of financial position the assets and liabilities for the rights and the obligations created by leases with lease terms of more than 12 months.

Under ASC 842, the Ministry determines if a contract is a leasing arrangement at inception. Initial lease terms are typically between 1 to 5 years. The Ministry recognizes right-of-use assets and lease liabilities based on the present value of future lease payments. Future lease payments include the initial lease term and any renewal options that the Ministry is reasonably certain to exercise. The present value of future lease payments is determined using the risk-free discount rate for all operating and financing leases. The Ministry recognized operating lease expense for operating leases on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the statement of financial position and are expensed.

Lease and non-lease components are accounted for together as a single lease component for all operating and financing leases. The Ministry leases office facilities and equipment under leases that may include renewal or termination options that are reasonably certain of exercise. Variable lease expense represents the payment of real estate taxes, insurance, and maintenance.

Operating and finance lease assets in the amount of $5,486 and $383, respectively, and lease liabilities in the amount of $5,590 and $306 for operating and finance leases, respectively, have been recorded on the consolidated statements of financial position as of August 31, 2024. The right of use assets are shown in their entirety as a separate line, while only the long-term portion of the lease liabilities are shown as a separate line. The short-term portions of the liabilities, totaling $2,114, are included in other accrued liabilities. See Note 14 for Lease and Lessor schedules.

### New Accounting Pronouncements

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 adopted this standard in the prior year, and the types of contributions received for the years ended August 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Blankets | $ 203 | $ 431 |
| Clothing | 3,156 | 3,577 |
| Food/meals | 1,741 | 2,567 |
| Hygiene | 850 | 492 |
| Medical supplies | 984 | 2,347 |
| School supplies | 128 | 45 |
| Shoes | 1,895 | 940 |
| Other | 259 | 263 |
| **Total** | **$ 9,216** | **$ 10,662** |

Contributed in-kind items, or nonfinancial assets, are recorded as gifts-in-kind contributions in the revenues section of the statements of activity with a corresponding increase in gifts-in-kind inventories on the statements 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.

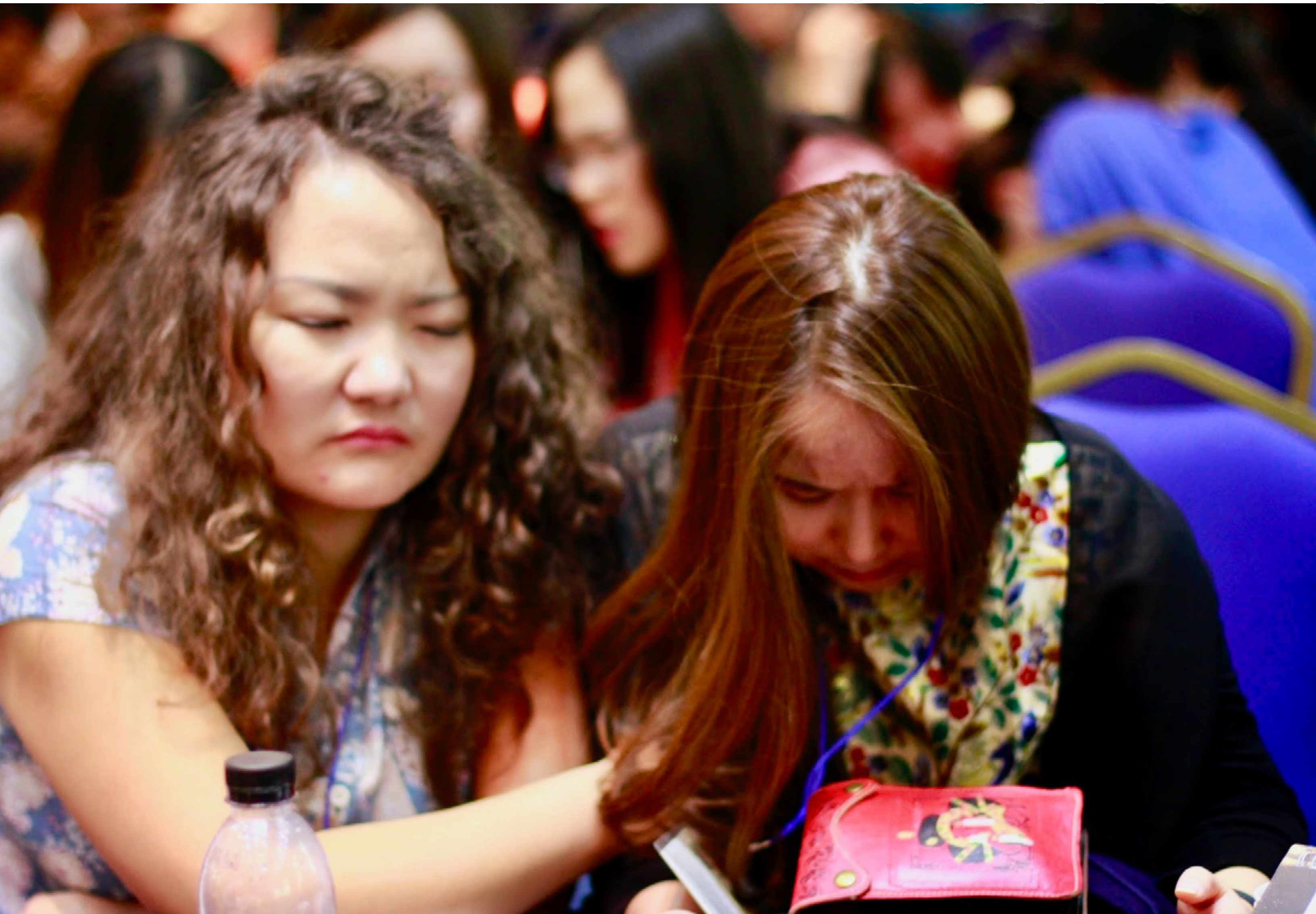
The Ministry adopted Accounting Standards Update (ASU) 2016-13 and subsequent amendments, *Financial Instruments – Credit Losses* (Topic 326) (the guidance) on September 1, 2023. The guidance replaces the incurred loss impairment model with an expected loss model, also referred to as the current expected credit loss (CECL) model. The model requires companies to measure expected credit losses on financial assets measured at amortized cost and record an allowance for credit loss against those assets.

The Ministry adopted the guidance using the modified retrospective approach. There was no impact to the Ministry from adopting the credit loss standard as of September 1, 2023.

All trade receivables are short term and historically collected within twelve months. If receivables remain uncollected for more than twelve months, the Ministry establishes an allowance for credit losses based on an aging schedule methodology and other market factors.

## 2 Intentions to Give

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, 2024 and 2023, the Ministry has $69,611 and $72,586, 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

*(In Thousands)*

Investments at August 31 were as follows:

| Investments | 2024 Cost | 2024 Net Unrealized Gains (Losses) | 2024 Fair Value | 2024 % | 2023 Cost | 2023 Net Unrealized Gains (Losses) | 2023 Fair Value | 2023 % |
|---|---|---|---|---|---|---|---|---|
| **Equity securities:** | | | | | | | | |
| Domestic equity | $ 23,444 | $ 7,779 | $ 31,223 | 7% | $ 19,915 | $ 3,174 | $ 23,089 | 6% |
| Mutual funds invested in equity securities | 118,577 | 56,867 | 175,443 | 38 | 112,793 | 33,433 | 146,226 | 35 |
| Mutual funds invested in mixed securities | 20,755 | 3,058 | 23,813 | 5 | 30,711 | (557) | 30,154 | 7 |
| Foreign stocks | 1,147 | 181 | 1,328 | – | 1,028 | (92) | 936 | – |
| **Total equity securities** | **163,923** | **67,885** | **231,807** | **50** | **164,447** | **35,958** | **200,405** | **48** |
| **Debt securities:** | | | | | | | | |
| U.S. treasury securities | 42,855 | 445 | 43,300 | 9 | 35,679 | (1,112) | 34,567 | 8 |
| U.S. government agencies and sponsored entities | 21,820 | – | 21,820 | 5 | 12,658 | (776) | 11,882 | 3 |
| Corporate bonds | 55,411 | (1,282) | 54,130 | 12 | 65,186 | (4,809) | 60,378 | 15 |
| Foreign issues | 4,061 | (76) | 3,985 | 1 | 5,605 | (434) | 5,170 | 1 |
| Mutual funds | 48,717 | (885) | 47,832 | 10 | 41,436 | (2,735) | 38,701 | 9 |
| Municipalities | 1,814 | (103) | 1,711 | – | 1,835 | (160) | 1,675 | – |
| Asset/mortgage-backed securities | 6,390 | (144) | 6,246 | 1 | 5,512 | (400) | 5,112 | 1 |
| Other | 30,564 | 14 | 30,578 | 7 | 43,225 | 15 | 43,240 | 11 |
| **Total debt securities** | **211,632** | **(2,031)** | **209,602** | **45** | **211,136** | **(10,411)** | **200,725** | **48** |
| **Alternative investments** | **21,432** | **1,584** | **23,016** | **5** | **17,172** | **1,159** | **18,331** | **4** |
| **Investments held in charitable remainder trusts** | | | | | | | | |
| Equity securities: | | | | | | | | |
| Mutual funds invested in equity securities | 532 | 182 | 714 | – | 550 | 104 | 654 | – |
| Mutual funds invested in mixed securities | 262 | (21) | 241 | – | 242 | (29) | 213 | – |
| Other | 22 | – | 22 | – | 21 | – | 21 | – |
| **Total securities** | **816** | **161** | **977** | **–** | **813** | **75** | **888** | **–** |
| **Total investments** | **$397,803** | **$67,599** | **$465,402** | **100%** | **$393,568** | **$26,781** | **$420,349** | **100%** |

At August 31, 2024, the Ministry held investments exceeding 10% of the total investment portfolio in an equity mutual fund totaling 15.4% of total investments. At August 31, 2023, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 14.2% of total investments.

Mutual funds included $6,552 and $5,398 of annuity-related investments as of August 31, 2024 and 2023, respectively. The Ministry received investments as donations totaling $21,563 and $23,792 as of August 31, 2024 and 2023, respectively.

Net investment income, totaling $60,740 and $28,017 for the years ended August 31, consists of the following:

| | 2024 | 2023 |
|---|---|---|
| Investment income | $17,911 | $ 14,342 |
| Net realized gains on the sale of investments | 1,003 | 1,621 |
| Net unrealized gains (losses) on investments | 41,826 | 12,054 |
| **Total** | **$60,740** | **$28,017** |

A total of $1,698 and $1,740 of investment expenses were netted against investment income for the years ended August 31, 2024 and 2023, respectively.

# 4 Fair Value Measurements

*(In Thousands)*

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, 2024 and 2023 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, 2024:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Fair value investments** | | | | |
| Cash equivalents | $ 203 | $ – | $ – | $ 203 |
| Equity securities: | | | | |
| Domestic equity | 31,223 | – | – | 31,223 |
| Mutual funds invested in equity securities | 177,909 | – | – | 177,909 |
| Mutual funds invested in mixed securities | 23,813 | – | – | 23,813 |
| Foreign stocks | 1,328 | – | – | 1,328 |
| **Total equity securities** | **$234,476** | **–** | **–** | **$234,476** |
| Debt securities: | | | | |
| U.S. treasury securities | 43,300 | – | – | 43,300 |
| U.S. government agencies and sponsored entities | – | 21,820 | – | 21,820 |
| Corporate bonds | – | 54,130 | – | 54,130 |
| Foreign issues | – | 3,985 | – | 3,985 |
| Mutual funds | 48,885 | – | – | 48,885 |
| Municipalities | – | 1,711 | – | 1,711 |
| Asset/mortgage-backed securities | – | 6,246 | – | 6,246 |
| Other | 30,578 | – | – | 30,578 |
| **Total debt securities** | **$122,763** | **$87,892** | **–** | **$210,655** |
| **Investments held in split-interest trust agreements** | | | | |
| Equity securities: | | | | |
| Mutual funds invested in equity securities | 714 | – | – | 714 |
| Mutual funds invested in mixed securities | 241 | – | – | 241 |
| Other | 22 | – | – | 22 |
| Total equity securities | 977 | – | – | 977 |
| **Total investments** | **$358,216** | **$87,892** | **$–** | **$446,108** |
| **Liabilities** | | | | |
| Split-interest trust agreements | $ – | $ (4,764) | $ – | $ (4,764) |
| **Total liabilities** | **$ –** | **$(4,764)** | **$ –** | **$(4,764)** |

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, 2023:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Fair value investments** | | | | |
| Cash equivalents | $ 305 | $ – | $ – | $ 305 |
| Equity securities: | | | | |
| Domestic equity | 23,089 | – | – | 23,089 |
| Mutual funds invested in equity securities | 148,585 | – | – | 148,585 |
| Mutual funds invested in mixed securities | 30,154 | – | – | 30,154 |
| Foreign stocks | 936 | – | – | 936 |
| **Total equity securities** | **$203,069** | **–** | **–** | **$203,069** |
| Debt securities: | | | | |
| U.S. treasury securities | 34,508 | 59 | – | 34,567 |
| U.S. government agencies and sponsored entities | – | 11,882 | – | 11,882 |
| Corporate bonds | – | 60,378 | – | 60,378 |
| Foreign issues | – | 5,170 | – | 5,170 |
| Mutual funds | 39,748 | – | – | 39,748 |
| Municipalities | – | 1,675 | – | 1,675 |
| Asset/mortgage-backed securities | – | 5,112 | – | 5,112 |
| Other | 43,240 | – | – | 43,240 |
| **Total debt securities** | **$117,496** | **$84,276** | **–** | **$201,772** |
| **Investments held in split-interest trust agreements** | | | | |
| Equity securities: | | | | |
| Mutual funds invested in equity securities | 654 | – | – | 654 |
| Mutual funds invested in mixed securities | 213 | – | – | 213 |
| Other | 21 | – | – | 21 |
| Total equity securities | 888 | – | – | 888 |
| **Total investments** | **$321,454** | **$84,276** | **$–** | **$405,730** |
| **Liabilities** | | | | |
| Split-interest trust agreements | $ – | $(4,115) | $ – | $ (4,115) |
| **Total liabilities** | **$ –** | **$(4,115)** | **$ –** | **$(4,115)** |

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

| | 2024 | 2023 |
|---|---|---|
| Senior debt instruments | $ 12,602 | $ 8,338 |
| Equity securities | 8,852 | 8,531 |
| Partnerships | 1,562 | 1,461 |
| **Total** | **$23,016** | **$18,330** |

- **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

*(In Thousands)*

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 on restricted investments, was $481 and $199 for the years ended August 31, 2024 and 2023, 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:

| | 2024 | 2023 |
|---|---|---|
| Endowments | $ 2,560 | $ 2,560 |
| Pooled investment fund | 1,027 | 943 |
| Reinsurance security trust account | 135 | 208 |
| **Total** | **$ 3,722** | **$ 3,711** |

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:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **August 31, 2024** | | | | |
| Restricted cash and investments: | | | | |
| Cash equivalents | $ 203 | $ – | $ – | $ 203 |
| Equity securities | 2,466 | – | – | 2,466 |
| Debt securities | 1,053 | – | – | 1,053 |
| **Total restricted cash and investments** | **$3,722** | **$–** | **$–** | **$3,722** |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **August 31, 2023** | | | | |
| Restricted cash and investments: | | | | |
| Cash equivalents | $ 305 | $ – | $ – | $ 305 |
| Equity securities | 2,359 | – | – | 2,359 |
| Debt securities | 1,047 | – | – | 1,047 |
| **Total restricted cash and investments** | **$3,711** | **$–** | **$–** | **$3,711** |

## 6 Prepaid and Other Assets

*(In Thousands)*

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

| | 2024 | 2023 |
|---|---|---|
| Prepaid expenses | $ 11,022 | $ 6,353 |
| Other assets | 2,360 | 3,733 |
| **Total** | **$13,382** | **$10,086** |

The Ministry holds a beneficial interest in a trust, whose assets include a 35.55% interest in a limited liability partnership and a 10% interest in an S-corp. 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

*(In Thousands)*

Long-term severance and disability liabilities are comprised of the following at August 31:

| | 2024 | 2023 |
|---|---|---|
| Long-term severance pay | $ 17,824 | $ 17,531 |
| Long-term disability plan | 27,609 | 27,490 |
| **Total** | **$45,433** | **$45,021** |

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

*(In Thousands)*

Other accrued liabilities are comprised of the following at August 31:

| | 2024 | 2023 |
|---|---|---|
| Liability for annuities and trusts | $ 4,821 | $ 4,174 |
| Deferred revenues | 6,018 | 6,176 |
| Liability for loss and loss adjustment expense | 2,415 | 2,061 |
| Short-term lease obligation | 2,114 | 2,503 |
| Other liabilities | 4,805 | 1,258 |
| **Total** | **$20,173** | **$16,172** |

## 9 Lines of Credit and Trust Accounts

The Ministry has one unsecured line of credit with a bank for up to $30,000 as of both August 31, 2024 and 2023. 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, 2024 and 2023, the Ministry had a balance of $0, on the line of credit.

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, 2024 and 2023. 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, 2024 and 2023, the accounts had a combined balance of $135 and $208, 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, 2024.

## 10 Other Income

*(In Thousands)*

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

| | 2024 | 2023 |
|---|---|---|
| Services income | $ 9,683 | $ 8,369 |
| Royalty income | 222 | 179 |
| Honorarium income | 213 | 262 |
| Commission income | 1,814 | 1,575 |
| Rental income | 269 | 223 |
| Miscellaneous income | 1,375 | 2,059 |
| **Total** | **$13,575** | **$12,667** |

## 11 Allocation of Joint Costs

*(In Thousands)*

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 $354,389 and $352,621 for the years ended August 31, 2024 and 2023, respectively. The joint costs, which are not specifically attributable to particular components of the activities, were allocated as follows:

| | 2024 | 2023 |
|---|---|---|
| Campus ministries | $147,243 | $150,528 |
| Community ministries | 120,027 | 115,174 |
| Coverage ministries | 19,545 | 19,354 |
| International ministries | 41,856 | 44,631 |
| General and administration | 8,823 | 5,778 |
| Fundraising | 16,893 | 17,157 |
| **Total** | **$354,389** | **$352,621** |

## 12 International Subsidies

*(In Thousands)*

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, at its discretion, funds certain of these offices. Total amounts funded during 2024 and 2023, which are included in international ministries in the accompanying consolidated statements of activities, by world area, are as follows:

| | 2024 | 2023 |
|---|---|---|
| Asia and South Pacific | $ 11,476 | $ 15,309 |
| Europe | 24,672 | 23,192 |
| Africa and Middle East | 25,549 | 28,823 |
| North and South America | 5,569 | 5,023 |
| **Total** | **$67,266** | **$72,348** |

## 13 Staff Compensation

*(In Thousands)*

### Compensation

Salaries and staff members' expenses were $401,409 and $391,201 in 2024 and 2023, respectively. Average monthly compensation, including retirement plan contributions for religious missionary order staff families, was $7.3 and $7.1 in 2024 and 2023, respectively, and for religious missionary order staff singles was $3.5 and $3.4 in 2024 and 2023, 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, 2024, and a statement of the funded status as of August 31:

| | 2024 | 2023 |
|---|---|---|
| **Change in benefit obligation:** | | |
| Projected benefit obligation – beginning of year: | $ 65,796 | $ 71,594 |
| Interest cost | 3,443 | 3,213 |
| Actuarial loss (gain) on projected benefit obligations | 2,442 | (5,348) |
| Benefit payments | (3,873) | (3,663) |
| Projected benefit obligation – end of year | $ 67,808 | $ 65,796 |
| **Accumulated benefit obligation – end of year** | **$67,808** | **$65,796** |

| | 2024 | 2023 |
|---|---|---|
| **Change in plan assets:** | | |
| Fair value of plan assets – beginning of year: | $ 50,429 | $ 50,037 |
| Actual return on plan assets | 6,961 | 4,055 |
| Employer contributions | – | – |
| Benefit payments | (3,873) | (3,663) |
| Fair value of plan assets – end of year | $ 53,517 | $ 50,429 |
| **Unfunded status – end of year** | **$(14,291)** | **$(15,366)** |

The components of net periodic pension cost were as follows:

| | 2024 | 2023 |
|---|---|---|
| **Components of net periodic benefit cost:** | | |
| Interest cost on projected benefit obligations | $ 3,443 | $ 3,213 |
| Expected return on plan assets | (2,972) | (3,090) |
| Amortization of net loss | 607 | 904 |
| **Net periodic benefit cost** | **$ 1,079** | **$ 1,027** |

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 2024 is $607 (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:

| | 2024 | 2023 |
|---|---|---|
| Change in pension unrecognized net gain (loss) and prior service cost | $ 2,154 | $ 7,218 |

At August 31, 2024 and 2023, net periodic benefit cost of $1,079 and $1,027, 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.

| | 2024 | 2023 |
|---|---|---|
| Unrecognized net loss | $ 16,514 | $ 18,668 |

Changes in the Plan's asset and benefit obligations recognized in net assets without donor restrictions during 2024 and 2023 include the following:

| | 2024 | 2023 |
|---|---|---|
| Current year actuarial gain (loss) | $ 1,547 | $ 6,314 |
| Amortization of net loss | 607 | 904 |
| **Change in net assets without donor restrictions** | **$ 2,154** | **$ 7,218** |

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

| | Target 2025 | Assets at 2024 | Aug 31 2023 |
|---|---|---|---|
| Equity securities | 32.2% | 31.1% | 58.6% |
| Debt securities | 60.0 | 59.0 | 31.8 |
| Hedge Fund | 7.8 | 9.3 | 8.9 |
| Cash equivalents and other | – | 0.6 | 0.7 |
| **Total** | **100%** | **100%** | **100%** |

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, 2024 and 2023, measured at net asset value:

| | 2024 | 2023 |
|---|---|---|
| Collective trust funds in cash equivalents | $ 340 | $ 318 |
| Collective trust funds in equity securities | 16,632 | 29,595 |
| Collective trust funds in debt securities | 31,619 | 16,041 |
| Collective trust funds in hedge funds | 4,961 | 4,485 |
| **Total** | **$53,554** | **$50,438** |

**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.

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

| | 2024 | 2023 |
|---|---|---|
| **Weighted average assumptions as of August 31:** | | |
| Discount rate | 5.07% | 5.40% |
| Expected return on plan assets | 5.90 | 6.14 |
| Rate of compensation increase | N/A | N/A |
| **Other accounting disclosures:** | | |
| Market-related value of assets | $ 53,517 | $ 50,429 |
| 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 $9,100 and $9,884 for the years ended August 31, 2024 and 2023, 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 $201 and $207 to the Savings Plan for the years ended August 31, 2024 and 2023, respectively.

## 14 Commitments and Contingencies

### Leases

The Ministry leases certain equipment and office facilities under operating and finance lease agreements. The leases have terms primarily between one to five years.

Following is a summary of operating and finance lease right-of-use assets included in leases right of use assets and lease liabilities as of August 31, 2024 and 2023. The current portion of lease liabilities is included in other accrued liabilities, and the noncurrent portion is included in its own line called long-term lease obligation.

| | 2024 | 2023 |
|---|---|---|
| Operating lease right-of-use assets | $ 5,486 | $ 13,450 |
| Operating lease liabilities: | | |
| Current | 2,024 | 2,436 |
| Noncurrent | 3,566 | 11,092 |
| Finance lease right-of-use-assets | 384 | 443 |
| Finance lease liabilities: | | |
| Current | 90 | 67 |
| Noncurrent | 216 | 135 |

Lease expenses for the year ended August 31, 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Operating lease expense | $ 2,964 | $ 2,686 |
| Finance lease expense: | | |
| Amortization of right-of-use assets | 114 | 251 |
| Interest on lease liabilities | 10 | 3 |
| Short-term lease cost | 1,991 | 968 |
| Ultra short-term lease cost | 14,623 | 3,032 |
| Immaterial lease cost | 232 | 279 |
| Variable lease cost | 229 | 229 |
| Sublease income | (34) | (87) |
| **Total Lease Cost** | **$20,129** | **$7,360** |

The Ministry subleases certain office spaces and housing facilities and records sublease income separately.

Supplemental cash flow information related to leases for the year ended August 31, 2024 and 2023 was as follows:

| | 2024 | 2023 |
|---|---|---|
| **Cash paid for amounts included in the measurement of lease liabilities:** | | |
| Operating cash flows from finance leases | $ 12 | $ 4 |
| Operating cash flows from operating leases | 2,906 | 2,661 |
| Financing cash flows from finance leases | 99 | 244 |
| **Right-of-use assets obtained in exchange for new lease liabilities:** | | |
| Operating leases | 878 | 15,499 |
| Finance leases | 197 | 448 |

Weighted average lease terms and discount rates at August 31, 2024 and 2023, were as follows:

| | 2024 | 2023 |
|---|---|---|
| **Weighted-average remaining lease term:** | | |
| Operating leases | 3.15 years | 10.15 years |
| Finance leases | 3.57 years | 3.79 years |
| **Weighted average discount rate:** | | |
| Operating leases | 3.78% | 3.62% |
| Finance leases | 4.17% | 3.61% |

Future rental payments under operating and financing leases at August 31, 2024, are as follows:

| Years ending August 31: | Operating Leases | Finance Leases |
|---|---|---|
| 2025 | $ 2,188 | $ 99 |
| 2026 | 1,414 | 95 |
| 2027 | 977 | 80 |
| 2028 | 895 | 39 |
| 2029 | 320 | 15 |
| Thereafter | 192 | 1 |
| | 5,986 | 329 |
| **Less: Imputed interest** | (396) | (23) |
| **Total** | **$5,590** | **$ 306** |

Rent expense was $20,129 and $7,360 in 2024 and 2023, respectively.

## Lessor

The Ministry leases apartment space and a studio under operating leases. The Ministry determines whether a lease exists at inception. Initial lease terms are typically 1 to 5 years. Lease income primarily represents fixed lease payments from tenants recognized on a straight-line basis over the applicable lease term. Lease and non-lease components are accounted for together as a single lease component for all leases.

Total lease income was $716 and $715 for 2024 and 2023, respectively. Total lease income for 2024 and 2023 was as follows:

| | 2024 | 2023 |
|---|---|---|
| Lease income | $ 716 | $ 715 |
| Variable lease income | – | – |
| **Total** | **$ 716** | **$ 715** |

Future fixed lease payments for all noncancellable operating leases as of August 31, 2024, are as follows:

| Years ending August 31: | |
|---|---|
| 2025 | $ 549 |
| 2026 | 500 |
| 2027 | – |
| 2028 | – |
| 2029 | – |
| Thereafter | – |
| **Total** | **$1,049** |

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.

# 15 Endowments

*(In Thousands)*

Changes in endowment funds for the fiscal year ended August 31, 2024 consisted of the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Net assets beginning of year: | $ 343 | $ 3,360 | $ 3,703 |
| Additions | – | 112 | 112 |
| Investment return | 455 | 148 | 604 |
| Distributions | (149) | (42) | (191) |
| **Net assets, end of year** | **$ 649** | **$ 3,579** | **$ 4,228** |

Changes in endowment funds for the fiscal year ended August 31, 2023, consisted of the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Net assets beginning of year: | $ 300 | $ 3,308 | $ 3,608 |
| Additions | – | 49 | 49 |
| Investment return | 193 | 57 | 251 |
| Distributions | (150) | (54) | (204) |
| **Net assets, end of year** | **$ 343** | **$ 3,360** | **$ 3,703** |

# 16 Net Assets With Donor Restrictions

*(In Thousands)*

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

| | 2024 | 2023 |
|---|---|---|
| Annuities, trusts and endowments | $ 11,314 | $ 9,039 |
| AIA Wooden Center Building Project | 19 | 3,231 |
| **Total** | **$ 11,333** | **$ 12,270** |

# 17 Net Assets Released From Restrictions

*(In Thousands)*

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:

| | 2024 | 2023 |
|---|---|---|
| Annuities, trusts, and endowments | $ 202 | $ 216 |
| AIA Wooden Center Building Project | 10,803 | 5,573 |
| **Total** | **$ 11,005** | **$ 5,789** |

# 18 Functional Expenses

*(In Thousands)*

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

| August 31, 2024 | Ministries United States | | | | Support Services | | | |
|---|---|---|---|---|---|---|---|---|
| | Campus | Community | Coverage | Grants Pursuant to Donor Advised Funds | International Ministries | General & Administrative | Fundraising | Total Expenses |
| Salaries and benefits | $ 139,733 | $ 120,419 | $ 38,111 | $ – | $ 41,766 | $ 33,682 | $ 27,698 | $ 401,409 |
| International subsidies | – | – | – | – | 67,266 | – | – | 67,266 |
| Gifts in kind | – | – | – | – | 11,197 | – | – | 11,197 |
| Contracted services | 2,011 | 3,663 | 11,525 | – | 1,694 | 4,090 | 12,111 | 35,094 |
| Technology | 1,479 | 1,501 | 2,447 | – | 905 | 10,508 | 404 | 17,244 |
| Media and other communications | 2,180 | 3,712 | 1,146 | – | 321 | 201 | 834 | 8,394 |
| Rent and utilities | 11,087 | 5,656 | 1,382 | – | 2,001 | 1,691 | 2,014 | 23,831 |
| Travel and entertainment | 20,014 | 9,024 | 6,583 | – | 8,750 | 2,269 | 3,366 | 50,006 |
| Printing | 1,202 | 649 | 289 | – | 316 | 1,130 | 1,311 | 4,897 |
| Postage and freight | 730 | 1,343 | 1,263 | – | 199 | 1,228 | 1,320 | 6,083 |
| Supplies | 3,148 | 1,201 | 952 | – | 552 | 436 | 399 | 6,688 |
| Depreciation and amortization | 901 | 655 | 2,012 | – | 865 | 2,527 | 487 | 7,447 |
| Telephone | 940 | 832 | 390 | – | 439 | 306 | 187 | 3,094 |
| Cost of sales | 78 | 1,016 | 105 | – | 2 | 377 | – | 1,578 |
| Bank fees and interest | 78 | 431 | 21 | – | 143 | 3,622 | 43 | 4,338 |
| Training and meetings | 3,801 | 771 | 692 | – | 1,103 | 324 | 166 | 6,857 |
| Insurance | 1 | 76 | 13 | – | 14 | 3,212 | 2 | 3,318 |
| Donations to other organizations | 71 | 821 | 3,726 | 52,832 | 2,688 | 37 | 161 | 60,336 |
| Other expenses | 127 | 109 | 76 | – | 151 | 1,361 | 509 | 2,333 |
| **Total expenses** | **$ 187,581** | **$ 151,879** | **$ 70,733** | **$52,832** | **$ 140,372** | **$ 67,001** | **$ 51,012** | **$ 721,410** |

| August 31, 2023 | Ministries United States | | | | Support Services | | | |
|---|---|---|---|---|---|---|---|---|
| | Campus | Community | Coverage | Grants Pursuant to Donor Advised Funds | International Ministries | General & Administrative | Fundraising | Total Expenses |
| Salaries and benefits | $ 142,094 | $ 114,439 | $ 36,246 | $ – | $ 43,543 | $ 28,390 | $ 26,489 | $ 391,201 |
| International subsidies | – | – | – | – | 72,348 | – | – | 72,348 |
| Gifts in kind | – | – | – | – | 12,532 | – | – | 12,532 |
| Contracted services | 3,762 | 3,275 | 10,583 | – | 635 | 3,245 | 11,835 | 33,335 |
| Technology | 1,066 | 1,161 | 3,294 | – | 974 | 10,300 | 477 | 17,272 |
| Media and other communications | 2,091 | 3,835 | 8,529 | – | 320 | 82 | 911 | 15,768 |
| Rent and utilities | 5,310 | 1,847 | 1,067 | – | 568 | 1,143 | 1,165 | 11,100 |
| Travel and entertainment | 25,826 | 9,224 | 6,806 | – | 9,350 | 1,611 | 3,672 | 56,489 |
| Printing | 1,173 | 622 | 269 | – | 297 | 1,005 | 1,029 | 4,395 |
| Postage and freight | 852 | 1,332 | 434 | – | 218 | 996 | 3,022 | 6,854 |
| Supplies | 2,522 | 1,261 | 872 | – | 613 | 299 | 418 | 5,985 |
| Depreciation and amortization | 923 | 1,418 | 2,399 | – | 507 | 1,456 | 97 | 6,800 |
| Telephone | 962 | 797 | 425 | – | 414 | 256 | 218 | 3,072 |
| Cost of sales | 30 | 1,137 | 221 | – | – | 363 | 4 | 1,755 |
| Bank fees and interest | 73 | 335 | 18 | – | 118 | 4,185 | 27 | 4,756 |
| Training and meetings | 1,420 | 960 | 721 | – | 1,266 | 487 | 166 | 5,020 |
| Insurance | 4 | 7 | 38 | – | 51 | 2,237 | 4 | 2,341 |
| Donations to other organizations | 127 | 919 | 6,994 | 10,400 | 2,484 | 1,198 | 238 | 22,360 |
| Other expenses | 122 | 214 | 124 | – | 268 | 573 | 860 | 2,161 |
| **Total expenses** | **$ 188,357** | **$ 142,783** | **$ 79,040** | **$10,400** | **$ 146,506** | **$ 57,826** | **$ 50,632** | **$ 675,544** |

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 Climate Disclosure

In October 2023, climate disclosure bill (SB-261) was signed into law in the state of California requiring a Task Force on Climate-related Financial Disclosures (TCFD)-compliant report to be posted on a company's website by January 1, 2026, with biennial updates thereafter. The Ministry intends to fully comply with the law.

## 20 Subsequent Events

ASC 855-10, *Subsequent Events – Overall,* establishes general standards of accounting for, and disclosure of, events that occur after the consolidated statement of financial position date but before the consolidated financial statements are issued. The ASC defines two types of subsequent events. The effects of events or transactions that provide additional evidence about conditions that exist at the consolidated statement of financial position date, including estimates inherent in the process of preparing financial statements, are recognized in the consolidated financial statements. The effects of events that provide evidence about conditions that did not exist at the consolidated statement of financial position date but arose after that date are not recognized in the consolidated financial statements. The Ministry has reviewed subsequent events through December 10, 2024 (the date the accompanying consolidated financial statements are available to be issued).

# Report of Audit Committee

The Audit Committee of the Board of Directors is composed of three independent directors. The Audit Committee oversees the Ministry's financial reporting process on behalf of the Board of Directors. The Committee held four meetings during 2024. 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 meeting, 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. Throughout the fiscal year, Cru was blessed spiritually and financially. All donations, large or small, are important, greatly appreciated, and stewarded in a God-honoring way.

For the fiscal year ended August 31, 2024, total worldwide revenues of Campus Crusade for Christ, Inc. and its foreign associates were $839,060,000. United States operating revenues of the Ministry for the fiscal year were $677,615,000. This provided the Ministry with a positive change in net assets of $19,099,000 for fiscal year 2024.

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 count it a privilege to be a part of the mission to bring the Good News of Jesus to every person.

# 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.

David Robbins, 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. David has requested that his business expenses be regularly reviewed by the Audit Committee of the Board of Directors of the Ministry.

David 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. David's taxable income was $152,138. 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.

## OFFICERS

**R. Barry Cannada,** *Chairman of the Board*

**David Robbins,** *President*

**Mark Gauthier,** *Vice President / U.S. National Director*

**Mark D. Tjernagel,** *Chief Financial Officer and Assistant Secretary*

**Kent Herr,** *Controller*

**Delanyo T. Adadevoh,** *Vice President of Global Leadership*

**Aziz Mories,** *Regional Vice President*

**Farai Katsande,** *Regional Vice President*

**Sung-Min Park,** *Regional Vice President*

**Cris Uy,** *Regional Vice President*

**Javier Garcia,** *Regional Vice President*

**Oliver Marin,** *Regional Vice President*

**Abraham George,** *Vice President of Global Leadership Development*

**Erik Butz,** *Vice President for Operations and Global Fund Capacity*

**Cheryl Boyd,** *Vice President of Digital Strategies*

**Lori Beyar,** *Vice President of Leader Strategies*

**Bekele Shanko,** *Vice President of Global Church-Led Movements*

**Holly Sheldon,** *Vice President of Global Student-Led Movements*

**Josh Newell,** *Vice President of Jesus Film Project®*

**Barbara Bouchard,** *Secretary*

win
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