A caring community passionate about connecting people to Jesus Christ

2019 Annual Report

Jesus at the Center: A Lasting Vision

“Then Jesus came to them and said, ‘All authority in heaven and on earth has been given to me. Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you. And surely I am with you always, to the very end of the age.’”
Matthew 28:18-20, NIV

Guy Gerrard, © Cru

Front Cover top photo: Ted Wilcox, © Cru; bottom photo: Tom Mills, © Cru

FROM THE PRESIDENT

Thank you for your interest in Cru®. In this annual report you will see how graciously God has blessed us financially. You will also see a bit of the fruit that has resulted as we have sought to stay true to what God has called us to do:

- Help fulfill the Great Commission (SCOPE)
- By winning, building and sending (MULTIPLICATION)
- In the power of the Holy Spirit (GOD'S POWER)
- And helping the Body of Christ do evangelism and discipleship (COLLABORATION)

SCOPE

"Go therefore and make disciples of all nations." These are the opening words of the commission that Jesus gave his disciples and that have been passed down to His followers for two millennia. Our ministry was started by God giving our founder, Bill Bright, a graphic vision of the gospel spreading throughout the entire world. For 50 years he signed his letters "Yours for fulfilling the Great Commission in this generation." That clarity and enthusiasm has spread throughout and stuck with our movement through the last 68 years.

MULTIPLICATION

Paul's encouragement to Timothy, his spiritual son, was to entrust what he had heard to faithful people who would then teach others. It was a call to multiplication. In the early years of our movement, Dr. Bright realized that the full achievement of the scope of the Great Commission could not happen without multiplication. By winning people to Christ, building them up in their faith and sending them out to do the same, we and others involved in ministry are used by God to raise up abundant resources right out of the harvest. This occurs on campuses, in communities, among athletes and executives, and in other audiences ... in every country.

GOD'S POWER

But the only way multiplication, or ministry of any sort, can achieve God's results is through God's power. So very early in our movement's history and up to this day we emphasize operating in the power of God's Spirit. In Ephesians 3:20 we are told that God is able to do immeasurably more than all we ask or even imagine, according to His power that is at work within us.

COLLABORATION

Finally, we know we represent just a fraction of all the human and financial resources dedicated to fulfilling the Great Commission. Other ministries, local churches and denominations are strategically involved as well. Jesus was very clear in His prayer in John 17 that we should be as one, as He and the Father are. We seek to give strategies, training and resources to others involved in the Great Commission and are open to receiving the same from them as well.

So, in simple summary, our calling involves Scope, Multiplication, God's Power and Collaboration. In various ways, I and other leaders in Cru stress the critical importance of not deviating from what God has called us to do.

Steve Douglass

Steve Douglass
President
Cru® and Campus Crusade for Christ®

HELPING FULFILL THE GREAT COMMISSION

Athletes in Action®, Ethiopia


Ted Wilcox, © Cru

Amaha Demssia, a chicken farmer, organizes soccer tournaments in Adama, Ethiopia. He owns more than 1,000 chickens and, alongside two employees, delivers about 800 eggs a day to local stores. But Amaha feels purpose beyond work.

He knows the gospel and culture can come together through athletics. Thanks in part to Amaha's leadership, 20 churches in Adama sponsor soccer teams with coaches and chaplains where young people learn soccer and teamwork, and hear the gospel.

Twice a week, Amaha meets with Tsegaye Mamo, director for Athletes in Action® in Ethiopia.

AIA, Cru®'s sports ministry, serves in more than 60 countries, on over 200 college campuses and in 40 professional sports teams. Ultimately, AIA desires to see Christ-followers on every team, in every sport, in every nation.

"I got training from Tsegaye and Athletes in Action," Amaha says, "to support athletes psychologically and spiritually."

Inner City, Los Angeles

Sarah Romero Yetter's summer days in a church ignited her love for working with children. A Cru® summer mission in college brought her to serve with S.A.Y. Yes! Centers for Youth Development®, an outreach for kids and their families.

S.A.Y. Yes!® holistically supports children who have needs in their communities. Leaders provide academic help, food, recreational activities and biblical content.

Now, Sarah serves as an executive director of S.A.Y. Yes! Pico Union in Los Angeles, a densely populated neighborhood where many Central American immigrants start a new life. The ministry comes alongside families as they face change and language learning. Through the S.A.Y. Yes! Center, Sarah desires to invest in the next generation and see children grow to become leaders who display their faith.

The ministry works with local churches in 37 cities across the U.S., in addition to international locations. Those involved take part in children's and families' lives, sharing with them the good news about Jesus, and guiding them practically and spiritually.

Ted Wilcox, © Cru

WINNING, BUILDING AND SENDING

EveryStudent.com®, Middle East

“My life was filled with two questions: 1. Which is the true religion? 2. After death, where will I go?”

Mohammed began looking for answers in 2015. Through a Google search, he found EveryStudent.com® and came to believe in Jesus Christ.

In 2019, 56 million people visited EveryStudent.com, with more than 657,000 indicating decisions for Christ.

The year’s numbers could be partially due to the launch of a “live chat” feature, in which Christian volunteers interact with site visitors. This approach has been especially effective in the Middle East, where one site leader says, “We talk to thousands of people from our region every week. This year, we had the opportunity to fully share the message of Christ with 2,600 people” — people like Mohammed — “through the chat.”

After receiving Christ, Mohammed began praying for his family, and now attends Bible school.

“Thank you very much,” Mohammed said. “Through you I received my Savior.”

Athletes in Action®, Ohio

Pastor Cornelius Roberson and 11 young men from his church traveled from Detroit, Michigan, to Xenia, Ohio, for JAM Camp. In 2019, people from five cities joined JAM Camp, a five-day experience that mixes sports with spiritual development and mentorship. The event brings together Athletes in Action® — Cru®’s sports ministry — and Cru Inner City. JAM is short for “Jesus, Athletics and Manhood.”

Tom Mills, © Cru

In 2014, Pastor Roberson, a former two-time all-state Michigan basketball player and all-state football player, took five kids from his church, including his son, C.J., to the first JAM Camp. He has brought teens every year since, including his grandson.

The first afternoon, John Oliver, a retired Air Force officer, discussed “An Audience of One” with campers, encouraging them to live for the Bible’s one true God. That evening, professional basketball players Aaron Craft and Dallas Lauderdale shared their experiences playing for Ohio State University as well as professionally, and the difference their faith makes in their lives and careers.

At the conclusion of camp, Pastor Roberson gave a message asking campers, “Are you born again?” He led them in a prayer and invited campers to ask Jesus to be their Savior.

Pastor Roberson’s church has a six-week discipleship program for every returning camper, and young men’s lives have been transformed. He considers JAM Camp an investment in their growth.

FamilyLife®, Global

Dave and Ann Wilson (right) attended a FamilyLife Weekend to Remember® conference two weeks before their wedding day, but saw it as a technicality. They loved each other, and Jesus, deeply. Marriage would be easy.

Six months later, Ann said, "Marrying you was the biggest mistake of my life." Dave later read Philippians 1:21 to her: "To live is Christ, and to die is gain." He followed this by saying that he would rather die than be married to her.

They knew it wasn't supposed to be this way, so they opened the only marriage resource they had: their Weekend to Remember workbook. As they worked together, they prayed for God to turn their marriage around to impact the world for His kingdom.


Courtesy of FamilyLife®

Now, 38 years later, Dave and Ann are the new hosts of FamilyLife Today®, a daily radio show and podcast with more than 9.5 million listeners. "God took us through all these valleys and has done a miracle in and through us," Dave said.

Unto™, Uganda

Ruba and her children were separated from her husband when the family fled their home village in South Sudan. Three years have passed, and Ruba, in a refugee camp in Uganda, doesn't know where her husband is.

Unto™* team members arrived in the camp where more than 80,000 people have taken refuge. The team taught nearly 50 women, including Ruba, about health, hygiene and childbirth, along with addressing spiritual topics.

Every day, nearly 830 women around the world die from preventable complications during pregnancy and childbirth. Ruba told of her childbirth experiences — the first at age 16. Coming from a country with one of the highest maternal mortality rates in the world, she was grateful to be alive.

Ruba said, "I've spent my whole life being told I wasn't good enough, wasn't smart enough. Thank you for believing in us. Thank you for showing us that God believes we are enough."

Ruba's story shows the heart of Unto's women's health initiative — not only sharing valuable health information, but also sharing God's abundant love. The Holy Spirit moves Unto staff members and volunteers to reflect Jesus's compassion by offering help and hope to those in need.

**Unto™, Cru®'s humanitarian ministry to those in need, was previously known as Global Aid Network® (GAiN®).*

unto™
A Cru® Ministry

GodTools, Iowa

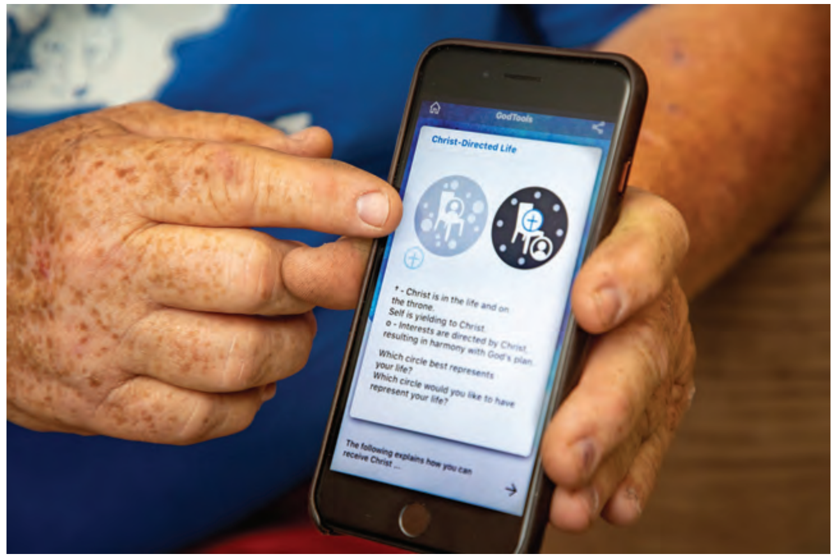
Redd Watson (below, right) loves talking with people, but wrestled with getting tongue-tied when talking about Christ. One summer day, he tried something new.

"I have an app on my phone called GodTools," Redd told a couple at the Iowa State Fair who stopped by a booth where he was volunteering. "Can I show it to you? And the Four Spiritual Laws in it?" John and Mary agreed.

The GodTools app has a variety of specially designed tools and resources to help people share their faith any time, any place and in 84 languages, as a guide to evangelism.

After Redd showed John and Mary the Four Spiritual Laws, he asked, "Would you like to pray and accept Christ as your Lord and Savior?"

Showing an example prayer in the GodTools app, they huddled together praying. "Finally, someone showed us the way to do it," said John, referring to having a personal relationship with Christ.



Tom Mills, © Cru

Tom Mills, © Cru

GODTOOLS

Helping You Share Your Faith

246k unique visitors from **219** countries launched the app in **84** languages **900k** times during 2019.

89% OF ALL LAUNCHES OCCUR OUTSIDE OF THE U.S.

53K USERS USED THE APP AT LEAST 5 TIMES

TOP 5 LANGUAGES USED: ENGLISH, FRENCH, ARABIC, SPANISH, CHINESE

Justin Sooter, courtesy of GodTools

The Mentor Ministry, Canada

Two boys breathed softly, tucked into their beds for the night. In another room, their dad opened his computer, seeking perspective on his new reality of single-parenthood. Something drew him to the simple online form he filled out that asked what he would like to talk about and assured him that a mentor would respond as soon as possible.

© iStockphoto.com/annabaek

Two weeks and a few emails later, the fog began to lift. Ken, the man's online mentor, helped him study the Bible with his kids and understand how to offer and receive forgiveness. The single dad moved forward with support and resources that directed him to the God who loves him and can restore.

The Mentor Ministry is a tool developed by Power to Change, as Cru® is known in Canada. For 25 years, this strategy has connected question-askers with people who want to help because they've experienced the transformational love of Jesus. In partnership with others, including churches and radio stations, the strategy supports mentor activity in any online realm where ministry is happening.

Online mentorship helps churches reach those who may never enter a church building. It also offers a resource for any organization or individual who wants to provide an opportunity for mentoring on their digital platform.

Recently, there were 640 people requesting a mentor in the system. The Mentor Ministry continues to give people from around the world, inside and outside of Cru, the chance to participate in helping others grow in their faith and receive life-changing mentorship.

Tom Mills, © Cru

HELPING THE BODY OF CHRIST DO EVANGELISM AND DISCIPLESHIP

LeaderImpact™, Mongolia

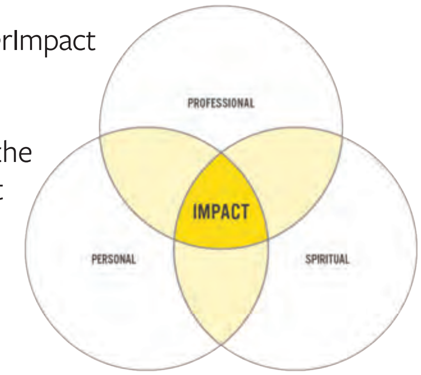
"In hospice I've witnessed the lives of all people; the wisest but also the most foolish, the richest and the poorest," says Dr. Enkhee Menalsuren. And she knows, better than most, that every life comes to an end.

As an end-of-life doctor, Enkhee sees her career as ministry. In fact, in her community in Mongolia, there are 30-40 doctors and nurses in Bible studies together, and they've shared the gospel message with 10 times as many co-workers.

Enkhee is part of LeaderImpact™, which is present in over 300 cities worldwide. LeaderImpact is a community of Christian professionals dedicated to making a difference for Christ.

The community includes lawyers, contractors and businessmen, but all hope to see the gospel spread in their workplace. And many have. Canada's LeaderImpact movement has seen 1,048 leaders receive Christ as their Lord and Savior.

Enkhee's heart reflects the heart of many: "We aim to reach every corner of Mongolia, and spread the good news," she says. "But really, we want to reach the whole world through our profession."



LeaderImpact believes influence for Christ happens when a leader's personal, professional and spiritual life is fully engaged, as stated on its website.

Jesus Film Project®, Spain

Yolanda* and her 13-year-old daughter, Juni*, from Germany, had walked for 19 days when they finally arrived at La Fuente del Peregrino — one of many dormitories for pilgrims hiking the 500-mile journey to Santiago de Compostela, Spain.

The rustic 400-year-old house is managed by Agape Spain, the name for Cru® in this country. Volunteers maintain the hostel and look for opportunities to share the message of Christ with the hundreds of pilgrims who drop by daily. One way is by showing the *JESUS* film.

After their night of rest, Yolanda and Juni expressed how different this experience had been from stays in other hostels. They had felt safe and at peace. As they said a tearful goodbye, volunteers gave Juni her own copy of the film *The Story of Jesus for Children*.

Rachel Ferchak Geckle, © Cru

Since La Fuente del Peregrino opened 20 years ago, almost 19,000 pilgrims have found rest and shelter under this roof. Thanks to help from more than 5,500 volunteers over the years, pilgrims have also encountered Jesus here.

Cru gives the *JESUS* film away to others via DVD, the phone app, and YouTube, often through volunteers like these. The classic version of the *JESUS* film has been translated into more than 1,800 languages.

**Names changed for privacy.*

HELPING THE BODY OF CHRIST DO EVANGELISM AND DISCIPLESHIP

EveryCampus®, Southern California

Cru® staff members and Circuit Riders — an energetic team of YWAM® (Youth With A Mission) missionaries — joined forces in October 2019 for a campus outreach event, which they called the So Cal Launching Effort. The groups visited Southern California colleges in search of students interested in starting a gospel community on their campus. Cru staff members helped connect these potential student volunteers to ministry workers and coaches.

Guy Gerrard, © Cru

An initiative called EveryCampus® links Cru and YWAM. This partnership involves varying Christian organizations helping to start multiplying campus ministries and prayer walking every campus in the U.S. In 2019, there were 3,637 prayer walks completed.

After the event, as well as continued launching efforts around the country in January and February 2020, Circuit Riders found more than 300 students from 124 campuses who may have an interest in starting a movement at their school. Cru staff members continue to follow up with them. In addition, 124 students from around the U.S. indicated new faith in Christ.

Guy Gerrard, © Cru

Global Church Movements, Equador

Sitting around one of eight tables in the room, United Nations worker Christian Baez shared his testimony at a "Breakfast with a Purpose" event in Quito, Ecuador, hosted by Cru®.

Christian facilitated the group at his table. He received qualification through Global Church Movements' training on Multiplying Churches and Communities (MC^2). After hearing Baez's story, a man named Darwin chose to accept Christ; then he inspired his mother to do the same soon after.

The MC^2 training is revolutionizing how Cru reaches people in Ecuador's cities. From young professionals to military ministries all across the country, staff members and leaders have integrated GCM's training in various ways.

Partnerships and growing movements now exist in Quito, Guayaquil, Manta, and Cuenca. More and more pastors in Ecuador are finding that MC^2 training can help them in ministry.

Tom Mills, © Cru

Ted Wilcox, © Cru

FINANCIAL HIGHLIGHTS

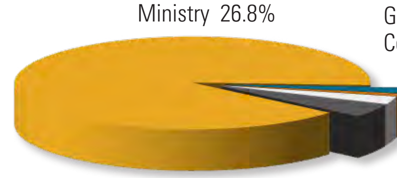
	2019	2018	2017	2016
United States Revenues	$ 624,627,000	$ 627,461,000	$ 598,409,000	$ 569,801,000
Operating Change in Net Assets[1]	$ 17,820,000	$ 33,158,000	$ 20,369,000	$ 16,322,000
Non-Operating Change in Net Assets[1]	$ (3,767,000)	$ 5,144,000	$ 6,195,000	$ 39,396,000
Total Change in Net Assets	$ 14,053,000	$ 38,302,000	$ 26,564,000	$ 55,718,000
International Revenues[2]	$ 161,262,000	$ 151,082,000	$ 150,145,000	$ 139,355,000
World Revenues (U.S. and International)	$ 785,889,000	$ 778,543,000	$ 748,554,000	$ 709,156,000
Fundraising Expenses[3]	9.4%	9.2%	7.9%	8.2%
General and Administrative Expenses[3]	7.3%	7.4%	7.3%	7.9%
Average Size of Gift Received	$ 129	$ 128	$ 126	$ 125
Most Frequent Contribution	$ 50	$ 50	$ 50	$ 50
Average Staff Family's Monthly Compensation	$ 6,122	$ 6,001	$ 5,856	$ 5,742
Average Staff Single's Monthly Compensation	$ 2,682	$ 2,559	$ 2,411	$ 2,335

1. Operating change in net assets excludes Pension expenses and net Investment Income. Non-Operating change in net assets includes Pension expenses and net Investment Income.
2. International revenues reflect monies raised by ministries associated with Campus Crusade for Christ, Inc., and who cooperate with us in our efforts outside of the United States. These funds are audited, in large part, in the respective countries, not by our U.S. auditors.
3. Fundraising expenses (above) are shown as a percentage of contributions, while Fundraising on the pie charts (below) are shown as a percentage of total functional expenses. General and administrative expenses are shown as a percentage of total functional expenses.

SOURCES OF U.S. REVENUES

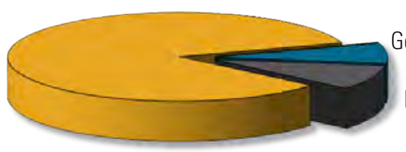
2019

2018

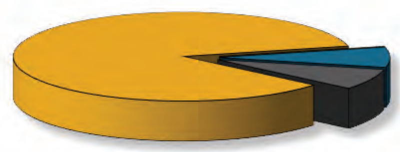


USES OF FUNDS

2019



2018



REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Campus Crusade for Christ®

We have audited the accompanying consolidated financial statements of Campus Crusade for Christ, Inc. and its subsidiaries (the Ministry), which comprise the consolidated statements of financial position as of August 31, 2019 and 2018, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of FamilyLife, the Great Commission Foundation, New Life Insurance Co., and GAiN International, wholly-owned subsidiaries, which statements reflect total assets constituting 21% in 2019 and 2018 and total revenues constituting 9% in 2019 and 8% in 2018 of the related consolidated totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for FamilyLife, the Great Commission Foundation, New Life Insurance Co., and GAiN International, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

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

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Campus Crusade for Christ, Inc. and subsidiaries at August 31, 2019 and 2018, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, the Ministry adopted Accounting Standards Update (ASU) 2016-14, Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, through retroactive implementation during the year ended August 31, 2019. The amendments in ASU 2016-14 result in changes to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. Our opinion is not modified with respect to this matter.

Ernst + Young LLP

Orlando, Florida
December 11, 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Thousands)
August 31, 2019 and 2018

		2019	2018
ASSETS	Cash and cash equivalents	**$ 61,715**	$ 50,565
	Investments	**282,443**	261,115
	Accounts and other receivables	**3,685**	5,382
	Inventories	**1,831**	2,016
	Gifts-in-kind inventories	**6,781**	8,791
	Property held for sale	**1,750**	1,336
	Restricted cash and investments	**3,874**	5,695
	Prepaid and other assets	**19,843**	14,511
	Property and equipment:		
	Land and land improvements	**7,082**	7,082
	Buildings and improvements	**83,057**	82,267
	Furniture and equipment	**49,043**	47,039
	Total property and equipment	**139,182**	136,388
	Accumulated depreciation	**(89,818)**	(86,326)
	Net property and equipment	**49,364**	50,062
	Total assets	**$ 431,286**	$ 399,473
LIABILITIES AND NET ASSETS	Liabilities:		
	Accounts payable	**$ 5,650**	$ 4,996
	Accrued salaries and related expenses	**24,573**	23,733
	Long-term severance and disability	**46,566**	39,129
	Other accrued liabilities	**20,098**	24,185
	Pension liability	**34,818**	21,864
	Long-term debt	**512**	550
	Total liabilities	**$ 132,217**	$ 114,457
	Net assets:		
	Without donor restrictions	**284,148**	270,801
	With donor restrictions	**14,921**	14,215
	Total net assets	**299,069**	285,016
	Total liabilities and net assets	**$ 431,286**	$ 399,473

See accompanying notes.

CONSOLIDATED STATEMENTS OF ACTIVITIES

(In Thousands)
Year Ended August 31, 2019

2019	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenues:			
Contributions	**$ 575,558**	**$ 4,417**	**$ 579,975**
Gifts-in-kind contributions	**10,949**	**–**	**10,949**
Literature and material sales	**4,352**	**–**	**4,352**
Conference registrations	**16,852**	**–**	**16,852**
Other income	**12,389**	**110**	**12,499**
Net assets released from restrictions	**3,821**	**(3,821)**	**–**
Total revenues	**623,921**	**706**	**624,627**
Expenses:			
Operating expenses:			
Campus	**184,175**	**–**	**184,175**
Community	**132,337**	**–**	**132,337**
Coverage	**68,708**	**–**	**68,708**
International ministries	**123,676**	**–**	**123,676**
General and administrative	**44,102**	**–**	**44,102**
Fundraising	**53,809**	**–**	**53,809**
Total expenses	**606,807**	**–**	**606,807**
Change in net assets from operations	**17,114**	**706**	**17,820**
Non-operating activities:			
Investment returns, net	**8,517**	**–**	**8,517**
Pension-related changes other than net periodic pension cost	**(12,284)**	**–**	**(12,284)**
Change in net assets	**13,347**	**706**	**14,053**
Net assets – beginning of year	**270,801**	**14,215**	**285,016**
Net assets – end of year	**$ 284,148**	**$ 14,921**	**$ 299,069**

See accompanying notes.

CONSOLIDATED STATEMENTS OF ACTIVITIES

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

2018	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenues:			
Contributions	$ 561,338	$ 4,743	$ 566,081
Gifts-in-kind contributions	12,078	–	12,078
Literature and material sales	4,803	–	4,803
Conference registrations	16,999	–	16,999
Other income	12,057	362	12,419
Net assets released from restrictions	3,716	(3,716)	–
Total revenues	610,991	1,389	612,380
Expenses:			
Operating expenses:			
Campus	184,210	–	184,210
Community	130,458	–	130,458
Coverage	58,215	–	58,215
International ministries	124,264	–	124,264
General and administrative	43,879	–	43,879
Fundraising	53,277	–	53,277
Total expenses	594,303	–	594,303
Change in net assets from operations	16,688	1,389	18,077
Non-operating activities:			
Investment returns, net	15,081	–	15,081
Pension-related changes other than net periodic pension cost	5,144	–	5,144
Change in net assets	36,913	1,389	38,302
Net assets – beginning of year	233,888	12,826	246,714
Net assets – end of year	$ 270,801	$ 14,215	$ 285,016

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(*In Thousands*)
Year ended August 31, 2019 and 2018

	2019	2018
Operating activities		
Change in net assets	**$ 14,053**	$ 38,302
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**4,808**	4,976
Pension-related changes	**12,954**	(4,675)
Net realized and unrealized gain on investments	**(5,381)**	(10,084)
Donated Investments	**(8,527)**	(10,437)
Proceeds from sale of Donated Investments	**8,527**	10,437
Loss on sale of property held for sale	**(12)**	215
Loss on disposal of fixed assets	**637**	4
Gifts of property held for sale	**(3,444)**	(1,535)
Changes in operating assets and liabilities:		
Accounts and other receivables	**1,697**	1,209
Inventories	**2,195**	(375)
Prepaid expenses	**(3,423)**	(1,159)
Other assets	**(2,111)**	(873)
Accounts payable	**654**	1,437
Accrued salaries and related expenses	**840**	666
Long-term severance and disability	**7,437**	1,110
Other accrued liabilities	**(4,087)**	5,263
Net cash provided by operating activities	**26,817**	34,481
Investing activities		
Sales and maturities of investments	**99,118**	69,401
Purchases of investments	**(113,243)**	(95,333)
Purchases of intangible assets	**(713)**	(1,278)
Capital expenditures	**(3,832)**	(3,586)
Proceeds from sale of property held for sale	**3,041**	1,082
Net cash used in investing activities	**(15,629)**	(29,714)
Financing activities		
Payments on long-term debt	**(38)**	(40)
Net cash used in financing activities	**(38)**	(40)
Net increase in cash and cash equivalents	**11,150**	4,727
Cash and cash equivalents – beginning of year	**50,565**	45,838
Cash and cash equivalents – end of year	**$ 61,715**	$ 50,565
Supplemental disclosures of cash flow information		
Interest paid	**$ 40**	$ 28

See accompanying notes.

1. Organization and Significant Accounting Policies

Organization Campus Crusade for Christ, Inc., operating in the U.S. as Cru, and its subsidiaries (the Ministry) is an interdenominational, Christian evangelistic and discipleship ministry with the objective of helping the church fulfill the Great Commission (Matthew 28:18-20) in this generation.

The Ministry is organized as a not-for-profit entity under the General Non-Profit Corporation Law of the State of California. Exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and a similar exemption from California franchise taxation have been obtained.

The Ministry operates throughout the United States and provides ministry and financial assistance to associated ministries serving in virtually every major country, representing most of the world's population. Donations received by the Ministry in the United States are disbursed in part through international area offices.

Principles of Consolidation The consolidated financial statements include the accounts of Campus Crusade for Christ, Inc. and its not-for-profit U.S. affiliates in which the Ministry has a controlling interest and its U.S. for-profit and not-for-profit subsidiaries. Certain international offices are not consolidated in the consolidated financial statements since the Ministry has control or an economic interest, but not both. All intercompany balances have been eliminated in consolidation.

Measure of Operations The 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.

The Ministry reports gifts of land, buildings, and equipment as additions to net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as contributions in net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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

Inventories Inventories are presented at the lower of cost (first-in, first-out method) or market and consist principally of books, literature, CDs, and DVDs.

Gift-in-Kind Inventories Gift-in-kind inventories consist primarily of items such as clothing, healthcare items, vegetable seeds, and other materials donated. Donated inventory is recorded at fair value on the date of donation. The fair value of the donated materials is based upon market sources such as industry publications, and other nonprofit organizations.

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

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, 2019 and 2018, the net asset value approximates the fair value of the funds as reported by the investment fund managers. Due to the inherent uncertainty of these estimates, these values may differ from the values that would have been used had a ready market for these investments existed, and the differences could be material.

Property Held for Sale Property held for sale includes land, buildings, and improvements and is presented at fair market value at the time of gift or acquisition, less estimated cost to sell. Property held for sale includes property that meets certain criteria, including that it is probable that these assets will be sold within one year. Those assets held for sale where disposal is not probable within one year remain in land, buildings, and improvements until their sale is probable within one year.

Property and Equipment Property and equipment are located primarily at the Ministry's World Headquarters at Lake Hart in Orlando, Florida. Property and equipment are presented at historical cost. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets, ranging from 3 to 40 years. Amortization of leased assets is included as a component of depreciation expense. For the years ended August 31, 2019 and 2018, depreciation expense was $3,893 and $4,042, respectively. As of August 31, 2019 and 2018, the Ministry had unamortized software costs totaling $10 and $1,348, respectively.

Intangible Assets Intangible assets consist primarily of contract rights, intellectual property, and master tapes relating to the JESUS film but also include film projects under production. Intangible assets relating to the JESUS film, and similar intangible assets, are being amortized on a straight-line basis over their useful lives of 10 to 20 years. Intangible assets are evaluated for impairment annually, or more frequently if events or changes in circumstances indicate the asset may be impaired. The amount of impairment, if any, is measured based upon the difference between the asset's carrying value and its fair value. Intangible assets are included, net of accumulated depreciation, in prepaid and other assets in the accompanying consolidated statements of financial position. At August 31, 2019 and 2018, net intangible assets were $5,486 and $5,280, respectively. For the years ended August 31, 2019 and 2018, amortization expense was $915 and $934, respectively.

Intangible assets will be amortized over future periods as follows:

Years ending August 31:	
2020	$ 848
2021	777
2022	620
2023	507
2024	395
Thereafter	2,339
	$ 5,486

Income Taxes The Ministry is organized as a not-for-profit entity under the General Non-Profit Corporation Law of the State of California. The Internal Revenue Service (IRS) has determined that the Ministry is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As a qualified tax-exempt organization, the Ministry must operate in conformity with the Internal Revenue Code in order to maintain its tax-exempt status. The Ministry is also exempt from state corporate income tax.

Severance Pay The Ministry records an accrual for future severance payments based on several factors and estimates, including eligibility and length of service. The estimated liability for severance pay is included in long-term severance and disability in the accompanying consolidated statements of financial position. At August 31, 2019 and 2018, the Ministry recorded $19,208 and $16,740, respectively, in accrued severance pay.

Liability for Losses and Loss Adjustment Expenses New Life Insurance Co. (New Life) is a wholly owned subsidiary of the Ministry, incorporated under the laws of the state of Vermont as a pure captive. New Life was formed to provide comprehensive workers' compensation, general liability, and auto liability coverages for the Ministry. New Life records the liability for unpaid losses and loss adjustment expenses including case-basis estimates of reported losses, plus incurred but not reported losses (IBNR) calculated based upon loss projections utilizing historical data supplemented by industry data. In establishing the liability for losses and loss adjustment expenses, New Life utilizes the findings of an independent consulting actuary for all coverages except the Miscellaneous Professional Liability, Employment Practices Liability and International Travel Assistance coverages. Estimates for these coverages are developed by management and reviewed for reasonableness by the actuary. A significant degree of judgment is required in estimating the liability for losses and loss adjustment expense reserves. Management believes that its aggregate liability for unpaid losses and loss adjustment expenses as of August 31, 2019 and 2018, represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. As of August 31, 2019 and 2018, the accrued liability for losses and loss adjustment expenses was $3,875 and $4,350, 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, 2019 and 2018, New Life's surplus was $23,770 and $21,673, 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, 2019 and 2018, the liability for annuities and trusts was $3,794 and $2,679, 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 $198 and $313 as of August 31, 2019 and 2018, respectively, is recognized for the estimated present value of the Ministry's benefits (if any) under the arrangements in the year the arrangements are established or in the year in which the Ministry is provided sufficient information about the existence and nature of the arrangements. Periodic adjustments are made for changes in estimated present values, using applicable mortality tables and discount rates that vary from 3% to 6%.

Funds held pursuant to split-interest trust agreements consist primarily of investments, which are carried at fair value. These funds totaled $1,753 and $1,103 at August 31, 2019 and 2018, respectively, and are included in investments in the accompanying consolidated statements of financial position.

Functional Allocation of Expenses The costs of providing for various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the ministries and supporting services benefited. 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. Global Aid Network and FamilyLife 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 U.S. funds spent on ministry activity internationally in all three of the Campus, Community, and Coverage components. Many of the Ministry's larger ministries have activities in multiple areas.

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. 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 statements 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 statements of financial position date, August 31, 2019, reduced by amounts not available for general use within one year of the balance sheet date because of management investment committee direction, contractual obligations, or donor-imposed restrictions.

Financial assets, at year end:	
Cash and cash equivalents	$ 61,715
Short-term investments	18,420
Accounts and other receivables	3,685
Total financial assets	83,820
Less those unavailable for general expenditure within one year:	
Amounts with donor restrictions	14,921
Restricted cash and investments included in above	—
Funds unavailable for general expenditure	14,921
Board designations:	
Amount set aside for liquidity reserve	—
Financial assets available to meet cash needs for general expenditures	$ 68,899

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 a $12,000 unsecured line of credit. See Note 9 for details on the credit line.

Reclassifications Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year.

New Accounting Pronouncements In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, Fair Value Measurement – Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent), which permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using the net asset value per share of the investment. Currently, investments valued using the practical expedient are categorized within the fair value hierarchy on the basis of whether the investment is redeemable with the investee at net asset value on the measurement date, never redeemable with the investee at net asset value, or redeemable with the investee at net asset value at a future date. To address the diversity in practice related to how certain investments measured at net asset value with future redemption dates are categorized, the amendments in this update remove the requirement to categorize investments for which fair values are measured using the net asset value per share practical expedient. It also limits disclosures to investments for which the entity has elected to measure the fair value using the practical expedient. The amendments in this update are effective and were implemented for the prior fiscal year ending August 31, 2018.

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

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) at the conclusion of a joint effort with the International Accounting Standards Board to create common revenue recognition guidance for the U.S. In August of 2015, FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which makes ASU 2014-09 effective for the fiscal year ending August 31, 2020. The Ministry continues to evaluate the impact this will have on the consolidated financial statements, and is closely monitoring changes deliberated by the FASB related to its implementation.

In February 2016, the FASB issued ASU No. 2016-02, Leases which requires lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. Unlike current US GAAP, which requires only capital leases to be recognized on the balance sheet, ASU 2016-02 will require both types of leases to be recognized on the balance sheet. The standard is effective for the fiscal year ending August 31, 2022. Management is currently evaluating the effect of adopting the new standard on the Ministry's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities which changed certain financial statement requirements for not-for-profit entities (NFP) in an effort to make information more meaningful to users and make reporting less complex for NFPs. The standard is effective for fiscal year ending August 31, 2019, and was implemented for this fiscal year.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The new guidance is intended to reduce diversity in practice on how certain transactions are classified in the statement of cash flows. The standard is effective for fiscal year ending August 31, 2020. Management is currently evaluating the effect of adopting the new standard on the Ministry's financial statements.

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The new amendments in this ASU require that amounts generally described as restricted cash and cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statement of cash flows. The standard is effective for fiscal year ending August 31, 2020, and should be applied using a retrospective transition method to each period presented. Management is currently evaluating the effect of adopting the new standard on the Ministry's financial statements.

In March 2017, the FASB issued ASU No. 2017-07, Compensation – Retirement Benefits (Topic 715) Improving the Presentation of Net Periodic Pension Cost and Net Periodic Post-retirement Benefit Cost which will require that an employer disaggregate the service cost component from the other components of net benefit cost. The standard is effective for fiscal year ending August 31, 2020. Management is currently evaluating the effect of adopting the new standard on the Ministry's financial statements.

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

2. Contributions Receivable

From time to time, the Ministry is informed of intentions to give by prospective donors. Such expressions of intent are revocable and unenforceable. The ultimate value of these expressions has not been established, nor have the expressions been recognized in the accompanying consolidated financial statements.

At August 31, 2019 and 2018, the Ministry has $65,962 and $74,240, respectively, in non-legally binding, long-term intentions to give for general ministry purposes based upon the availability of resources of the donor. Accordingly, these amounts are not recognized by the Ministry in the accompanying consolidated financial statements. These amounts will be recognized as the contributions are actually received in future years.

3. Investments

Investments at August 31 were as follows:

2019	**Cost**	**Net Unrealized Gains (Losses)**	**Fair Value**	**%**
Investments				
Equity securities:				
Domestic equity	**$ 13,837**	**$ 1,158**	**$ 14,995**	**5%**
Mutual funds invested in equity securities	**73,749**	**20,219**	**93,968**	**33**
Mutual funds invested in mixed securities	**39,392**	**1,609**	**41,001**	**15**
Total equity securities	**126,978**	**22,986**	**149,964**	**53**
Debt securities:				
U.S. treasury securities	**36,620**	**689**	**37,309**	**13**
U.S. government agencies and sponsored entities	**3,469**	**4**	**3,473**	**1**
Corporate bonds	**30,208**	**243**	**30,451**	**11**
Mutual funds	**22,026**	**168**	**22,194**	**8**
Municipalities	**204**	**2**	**206**	**—**
Asset/mortgage-backed securities	**16,922**	**134**	**17,056**	**6**
Other	**3,859**	**8**	**3,867**	**2**
Total debt securities	**113,308**	**1,248**	**114,556**	**41**
Alternative investments	**15,986**	**1,186**	**17,172**	**6**
Investments held in charitable remainder trusts				
Equity securities:				
Mutual funds invested in equity securities	**447**	**38**	**485**	**—**
Mutual funds invested in mixed securities	**234**	**8**	**242**	**—**
Other	**24**	**—**	**24**	**—**
Total securities	**705**	**46**	**751**	**—**
Total investments	**$ 256,977**	**$ 25,466**	**$ 282,443**	**100%**

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

At August 31, 2019, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 16.2% of total investments. At August 31, 2018, the Ministry held investments exceeding 10.0% of the total investment portfolio in an equity mutual fund totaling 17.0% of total investments.

Mutual funds included $5,094 and $4,546 of annuity-related investments as of August 31, 2019 and 2018, respectively. The Ministry received investments as donations totaling $8,527 and $10,437 as of August 31, 2019 and 2018, respectively.

Investment income, net of related expenses totaling $8,517 and $15,081, for the years ended August 31, 2019 and 2018, respectively, is included in other income in the accompanying consolidated statements of activities and consists of the following:

	2019	2018
Investment income	**$ 9,268**	$ 4,888
Net realized gains on the sale of investments	**1,256**	2,374
Net unrealized (loss) gain on investments	**(2,007)**	7,819
	$ 8,517	$ 15,081

A total of $1,263 and $803 of investment expenses were netted against investment income for the years ended August 31, 2019 and 2018, respectively.

Investments are measured at fair value on a recurring basis, determined using inputs comprising the following at August 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments				
Equity securities:				
Domestic equity	**$ 14,995**	**$ —**	**$ —**	**$ 14,995**
Mutual funds invested in equity securities	**93,968**	**—**	**—**	**93,968**
Mutual funds invested in mixed securities	**41,001**	**—**	**—**	**41,001**
Total equity securities	**149,964**	**—**	**—**	**149,964**
Debt securities:				
U.S. treasury securities	**16,733**	**20,576**	**—**	**37,309**
U.S. government agencies and sponsored entities	**45**	**3,428**	**—**	**3,473**
Corporate bonds	**1,066**	**29,385**	**—**	**30,451**
Mutual funds	**22,194**	**—**	**—**	**22,194**
Municipalities	**—**	**206**	**—**	**206**
Asset/mortgage-backed securities	**—**	**17,056**	**—**	**17,056**
Other	**3,867**	**—**	**—**	**3,867**
Total debt securities	**43,905**	**70,651**	**—**	**114,556**
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	**485**	**—**	**—**	**485**
Mutual funds invested in mixed securities	**242**	**—**	**—**	**242**
Other	**24**	**—**	**—**	**24**
Total equity securities	**751**	**—**	**—**	**751**
Total FMV investments	**$ 194,620**	**$ 70,651**	**$ —**	**$ 265,271**
Investments measured at NAV:				
Fund to Funds:				
Alternative investments				**17,172**
Total investments				**$ 282,443**

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

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

4. Fair Value Measurements

The Ministry values its financial instruments based on fair value, which is defined as the price that would be received for selling an asset or paid to transfer a liability in an arm's-length, orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate fair value for the following classes of financial instruments.

Cash and cash equivalents, accounts and other receivables, prepaid and other assets, accounts payable, and accrued salaries and related expenses have a carrying amount that is a reasonable estimate of the fair value because of the short maturity of these instruments.

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

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

> *Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Ministry has the ability to access.
>
> *Level 2* – Financial assets and liabilities whose values are based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability.
>
> *Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial Instruments held by the Ministry as of August 31, 2019 and 2018, are recorded within cash and cash equivalents, investments, restricted cash and investments, and pension liability within the consolidated statement of financial position. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value of the investments that are measured at fair value on a recurring basis was determined using inputs comprising the following at August 31, 2019:

2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Fair value investment values				
Cash equivalents	**$ 426**	**$ —**	**$ —**	**$ 426**
Equity securities:				
Domestic equity	**14,995**	**—**	**—**	**14,995**
Mutual funds invested in equity securities	**96,157**	**—**	**—**	**96,157**
Mutual funds invested in mixed securities	**41,001**	**—**	**—**	**41,001**
Total equity securities	**152,579**	**—**	**—**	**152,579**
Debt securities:				
U.S. treasury securities	**16,733**	**20,576**	**—**	**37,309**
U.S. government agencies and sponsored entities	**45**	**3,428**	**—**	**3,473**
Corporate bonds	**1,066**	**29,385**	**—**	**30,451**
Mutual funds	**23,453**	**—**	**—**	**23,453**
Municipalities	**—**	**206**	**—**	**206**
Asset/mortgage-backed securities	**—**	**17,056**	**—**	**17,056**
Other	**3,867**	**—**	**—**	**3,867**
Total debt securities	**45,164**	**70,651**	**—**	**115,815**
Investments held in split-interest trust agreements				
Equity securities:				
Mutual funds invested in equity securities	**485**	**—**	**—**	**485**
Mutual funds invested in mixed securities	**242**	**—**	**—**	**242**
Other	**24**	**—**	**—**	**24**
Total equity securities	**751**	**—**	**—**	**751**
Total investments	**$ 198,494**	**$ 70,651**	**$ —**	**$ 269,145**
Liabilities				
Split-interest trust agreements	**$ —**	**$ (3,715)**	**$ —**	**$ (3,715)**
Total liabilities	**$ —**	**$ (3,715)**	**$ —**	**$ (3,715)**

The fair value of the financial assets and liabilities that are measured at fair value on a recurring basis was determined using inputs comprising the following at August 31, 2018:

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

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

	2019	2018
1st lien loan funds	**$ 4,203**	$ 4,077
Senior debt instruments	**4,171**	4,089
Equity securities	**6,628**	6,278
Partnerships	**2,170**	501
Collective trust funds in cash equivalents	**225**	166
Collective trust funds in equity securities	**35,576**	37,983
Collective trust funds in debt securities	**17,908**	15,348
	$ 70,881	$ 68,442

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

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

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

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

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

5. Restricted Cash and Investments

Restricted cash and investments consist of funds invested in highly liquid interest-bearing investments and marketable securities and are reported at fair value. Investment income, which is income without donor restrictions, including unrealized gains and (losses) on restricted investments, was $73 and $278 for the years ended August 31, 2019 and 2018, 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:

	2019	2018
Endowments	**$ 2,500**	$ 2,500
Pooled investment fund	**1,002**	1,000
Reinsurance security trust account	**372**	2,195
	$ 3,874	$ 5,695

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

2019	Level 1	Level 2	Level 3	Total
Restricted cash and investments:				
Cash equivalents	**$ 426**	**$ —**	**$ —**	**$ 426**
Equity securities	**2,189**	**—**	**—**	**2,189**
Debt securities	**1,259**	**—**	**—**	**1,259**
Total restricted cash and investments	**$ 3,874**	**$ —**	**$ —**	**$ 3,874**

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

Ted Wilcox, © Cru

Katlynn (left) shares a story with two hikers about the woman at the well who met Jesus. Katlynn attended a training in 2019 by Cru's StoryRunners® ministry on how to tell others about Jesus through story telling.

Guy Gerrard, © Cru

Kabba Jallow, a Gambian fisherman in the Upper River region, casts nets for a living as he also plants churches in his hometown of Basse. He began a personal relationship with Jesus Christ in 2011 after viewing the *JESUS* film in his village.

6. Prepaid and Other Assets

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

	2019	2018
Prepaid expenses	**$ 8,350**	$ 4,927
Intangible assets	**5,077**	5,280
Other assets	**6,416**	4,304
	$ 19,843	$ 14,511

The Ministry holds a beneficial interest in a trust, whose assets include a 14.5% interest in a limited partnership. This investment is recorded in prepaid and other assets, net, on the consolidated statements of financial position and is accounted for using the cost method.

7. Long-Term Severance and Disability

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

	2019	2018
Long-term severance pay	**$ 19,208**	$ 16,740
Long-term disability plan	**27,358**	22,389
	$ 46,566	$ 39,129

The Ministry has a self-funded long-term disability plan. At August 31, 2019 and 2018, the plan liability totaled $27,358 and $22,389, respectively. The liability is not pre-funded and is calculated based upon fully funding the liability, representing the amount necessary to cover known claimants in a one-time payment.

8. Other Accrued Liabilities

Other accrued liabilities were comprised the following at August 31:

	2019	2018
Liability for annuities and trusts	**$ 3,794**	$ 2,679
Deferred revenues	**7,406**	4,122
Liability for loss and loss adjustment expense	**3,875**	4,350
Pledge payable to The King's College	—	710
Refundable advance	**3,858**	3,930
Other liabilities	**1,165**	8,394
	$ 20,098	$ 24,185

9. Lines of Credit and Trust Accounts

The Ministry has an unsecured line of credit with a bank for up to $12,000. Interest payments are calculated monthly at 1.75% over the one-month LIBOR. As of both August 31, 2019 and 2018, 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 $2,953 and $0 respectively, as of August 31, 2019 and 2018. 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, 2019 and 2018, the accounts had a combined balance of $372 and $2,195, respectively, and are included in restricted cash and investments in the accompanying consolidated statements of financial position.

10. Other Income

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

	2019	2018
Services income	**$ 5,985**	$ 6,491
Royalty income	**274**	469
Honorarium income	**457**	461
Commission income	**1,903**	1,922
Rental income	**401**	324
Other income	**3,479**	2,752
Total	**$ 12,499**	$ 12,419

11. Allocation of Joint Costs

Staff members of the Ministry conducted activities in the areas of direct ministry, management, and fundraising. The costs of these joint activities, including costs for salary, training, ministry, and fundraising, were a total of $340,888 and $330,020 for the years ended August 31, 2019 and 2018, respectively. The joint costs, which are not specifically attributable to particular components of the activities, were allocated as follows:

	2019	2018
Campus ministries	**$ 145,924**	$ 144,064
Community ministries	**100,174**	95,292
Coverage ministries	**17,394**	15,565
International ministries	**49,274**	45,851
General and administration	**4,813**	3,780
Fundraising	**23,309**	25,468
Total	**$ 340,888**	$ 330,020

12. International Subsidies

Certain international offices over which the Ministry has control or an economic interest, but not both, are not consolidated in the accompanying consolidated financial statements. The Ministry held resources for the benefit of these international offices totaling $0 and $7,081 as of August 31, 2019 and 2018, respectively. The Ministry, at its discretion, funds certain of these offices. Total amounts funded during 2019 and 2018, which are included in international ministries in the accompanying consolidated statements of activities, by world area, are as follows:

	2019	2018
Asia and South Pacific	**$ 8,137**	$ 9,627
Europe	**15,168**	17,461
Africa and Middle East	**16,267**	18,534
North and South America	**4,292**	3,675
Total	**$ 43,864**	$ 49,297

13. Staff Compensation

Compensation Salaries and staff members' expenses were $365,841 and $354,849 in 2019 and 2018, respectively. Average monthly compensation, in thousands, including retirement plan contributions, for religious missionary order staff families was $6.1 and $6.0 in 2019 and 2018, respectively, and for religious missionary order staff singles was $2.7 and $2.6 in 2019 and 2018, 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 assets over the two-year period ended August 31, 2019, and a statement of the funded status as of August 31:

	2019	2018
Change in benefit obligation:		
Projected benefit obligation – beginning of year	**$ 75,361**	$ 78,954
Interest cost	**3,017**	2,860
Actuarial loss (gain) on projected benefit obligations	**12,549**	(4,462)
Benefit payments	**(2,400)**	(1,991)
Projected benefit obligation – end of year	**$ 88,527**	$ 75,361
Accumulated benefit obligation – end of year	**$ 88,527**	$ 75,361
Change in plan assets:		
Fair value of plan assets – beginning of year	**$ 53,497**	$ 52,415
Actual return on plan assets	**2,612**	3,073
Employer contributions	—	—
Benefit payments	**(2,400)**	(1,991)
Fair value of plan assets – end of year	**$ 53,709**	$ 53,497
Unfunded status – end of year	**$ (34,818)**	$ (21,864)

The components of net periodic benefit cost were as follows:

	2019	2018
Components of net periodic benefit cost:		
Interest cost on projected benefit obligations	**$ 3,017**	$ 2,860
Expected return on plan assets	**(3,209)**	(3,408)
Amortization of net loss	**861**	1,017
Net periodic benefit cost	**$ 669**	$ 469

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 2019 is $861 (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:

	2019	2018
Change in pension unrecognized net (loss) gain and prior service cost	**$ (12,284)**	$ 5,144

At August 31, 2019 and 2018, net periodic benefit cost of $669 and $469, 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.

	2019	2018
Unrecognized net loss	**$ 40,652**	$ 28,368

Changes in the Plan's asset and benefit obligations recognized in net assets without donor restrictions during 2019 and 2018 include the following:

	2019	2018
Current-year actuarial gain (loss)	**$ (13,145)**	$ 4, 127
Amortization of net loss	**861**	1,017
Change in net assets without donor restrictions	**$ (12,284)**	$ 5,144

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

	Target	Assets at August 31	
	2020	2019	2018
Equity securities	67.5%	**66.3%**	71.0%
Debt securities	32.5	**33.3**	28.7
Cash equivalents and other	—	**0.4**	0.3
Total	100.0%	**100.0%**	100.0%

The primary investment objectives of the plan investment pool are to preserve the purchasing power of assets and earn a reasonable rate of return over the long term while minimizing the short-term volatility of results. The expected return on plan assets is determined based on asset allocations and historical expenses.

The following table presents the Plan's financial instruments as of August 31, 2019 and August 31, 2018, measured at net asset value:

	2019	2018
Collective trust funds in cash equivalents	**$ 225**	$ 166
Collective trust funds in equity securities	**35,576**	37,983
Collective trust funds in debt securities	**17,908**	15,348
	$ 53,709	$ 53,497

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

	2019	2018
Weighted-average assumptions as of August 31:		
Discount rate	**2.94%**	4.07%
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	**$ 53,709**	$ 53,497
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 $9,805 and $9,595 for the years ended August 31, 2019 and 2018, 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 $219 and $275 to the Savings Plan for the years ended August 31, 2019 and 2018, respectively.

14. Commitments and Contingencies

Operating Leases The Ministry leases certain equipment and office facilities under operating lease agreements. The leases have terms primarily between one to five years. Future rental payments under these operating leases at August 31, 2019, are as follows:

Years ending August 31:	
2020	$ 2,642
2021	1,784
2022	1,270
2023	1,183
2024 and thereafter	1,017
	$ 7,896

Rent expense was $2,966 and $3,539 in 2019 and 2018, respectively.

15. Endowments

Changes in endowment funds for the fiscal year ended August 31, 2019, consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Net assets beginning of the year	**$ 413**	**$ 3,229**	**$ 3,642**
Additions	**—**	**80**	**80**
Investment return (net)	**40**	**13**	**53**
Distributions	**(139)**	**(86)**	**(225)**
Net assets, end of year	**$ 314**	**$ 3,236**	**$ 3,550**

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

	Without Donor Restriction	With Donor Restriction	Total
Net assets beginning of the year	$ 324	$ 3,196	$ 3,520
Additions	—	35	35
Investment return (net)	228	57	285
Distributions	(139)	(59)	(198)
Net assets, end of year	$ 413	$ 3,229	$ 3,642

16. Net Assets With Donor Restrictions

Net Assets With Donor Restrictions are available at August 31 for the following purposes:

	2019	2018
Annuities, trusts and endowments	**$ 8,583**	$ 9,244
AIA Wooden Center Building Project	**6,338**	4,566
FamilyLife program, media, and global restrictions	—	405
	$ 14,921	$ 14,215

17. Net Assets Released From Restrictions

Net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purposes or by occurrence of other events as specified by the donors. The purposes of the restricted contributions released for the years ended August 31 are as follows:

	2019	2018
Annuities, trusts and endowments	**$ 2,004**	$ 1,081
AIA Wooden Center Building Project	**1,412**	209
Funds used for FamilyLife program, media and global projects	**405**	2,426
Total	**$ 3,821**	$ 3,716

18. Functional Expenses

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

	Ministries				Support Services		
		United States		International	General and		
	Campus	Community	Coverage	Ministries	Administrative	Fundraising	Total Expenses
2019							
Salaries and benefits	**$ 135,810**	**$ 99,868**	**$ 32,458**	**$ 46,619**	**$ 21,068**	**$ 30,018**	**$ 365,841**
International subsidies	**–**	**–**	**–**	**43,864**	**–**	**–**	**43,864**
Gifts in kind	**–**	**–**	**–**	**14,417**	**–**	**–**	**14,417**
Contracted services	**2,826**	**2,713**	**7,923**	**1,124**	**4,004**	**8,267**	**26,857**
Technology	**1,160**	**1,364**	**5,444**	**796**	**6,433**	**429**	**15,626**
Media and other communications	**1,859**	**4,923**	**829**	**601**	**25**	**807**	**9,044**
Rent and utilities	**3,121**	**4,305**	**3,037**	**899**	**1,125**	**1,447**	**13,934**
Travel and entertainment	**30,821**	**9,843**	**7,378**	**8,742**	**2,276**	**4,227**	**63,287**
Printing	**1,429**	**805**	**478**	**353**	**323**	**864**	**4,252**
Postage and freight	**775**	**1,428**	**554**	**298**	**1,225**	**2,622**	**6,902**
Supplies	**2,435**	**1,140**	**1,463**	**761**	**1,073**	**337**	**7,209**
Depreciation and amortization	**639**	**1,276**	**1,747**	**807**	**96**	**243**	**4,808**
Telephone	**1,112**	**1,016**	**441**	**509**	**293**	**249**	**3,620**
Cost of sales	**48**	**1,215**	**211**	**1**	**382**	**–**	**1,857**
Bank fees and interest	**86**	**433**	**32**	**82**	**3,203**	**11**	**3,847**
Training and meetings	**1,678**	**924**	**806**	**2,430**	**495**	**261**	**6,594**
Insurance	**4**	**13**	**85**	**5**	**1,660**	**3**	**1,770**
Other expenses	**372**	**1,071**	**5,822**	**1,368**	**421**	**4,024**	**13,078**
Total expenses	**$ 184,175**	**$ 132,337**	**$ 68,708**	**$ 123,676**	**$ 44,102**	**$ 53,809**	**$ 606,807**

	Ministries				Support Services		
		United States		International	General and		
	Campus	Community	Coverage	Ministries	Administrative	Fundraising	Total Expenses
2018							
Salaries and benefits	$ 135,185	$ 96,824	$ 29,217	$ 43,541	$ 18,316	$ 31,766	$ 354,849
International subsidies	–	–	–	49,297	–	–	49,297
Gifts in kind	–	–	–	15,173	–	–	15,173
Contracted services	2,783	3,637	6,918	328	4,548	7,503	25,717
Technology	823	1,093	5,291	769	4,679	419	13,074
Media and other communications	935	5,188	904	770	29	806	8,632
Rent and utilities	7,199	4,327	604	749	1,316	508	14,703
Travel and entertainment	27,987	8,770	7,393	8,020	2,043	4,776	58,989
Printing	1,452	752	399	306	295	964	4,168
Postage and freight	695	1,522	451	263	1,185	2,670	6,786
Supplies	2,882	1,386	808	858	1,036	413	7,383
Depreciation and amortization	612	1,484	1,679	597	261	343	4,976
Telephone	1,389	1,202	465	674	355	346	4,431
Cost of sales	56	1,803	373	6	16	1	2,255
Bank fees and interest	87	380	30	31	3,390	4	3,922
Training and meetings	1,858	709	1,158	1,839	445	249	6,258
Insurance	9	169	114	6	5,656	4	5,958
Other expenses	258	1,212	2,409	1,040	308	2,505	7,732
Total expenses	$ 184,210	$ 130,458	$ 58,213	$ 124,267	$ 43,878	$ 53,277	$ 594,303

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

19. Subsequent Events

ASC 855-10, *Subsequent Events – Overall*, establishes general standards of accounting for, and disclosure of, events that occur after the statement of financial position date but before the financial statements are issued. The ASC defines two types of subsequent events. The effects of events or transactions that provide additional evidence about conditions that exist at the balance sheet date, including estimates inherent in the process of preparing financial statements, are recognized in the financial statements. The effects of events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date are not recognized in the financial statements. The Ministry has reviewed subsequent events through December 11, 2019 (the date the accompanying consolidated financial statements are available to be issued).

REPORT OF AUDIT COMMITTEE

The Audit Committee of the Board of Directors is composed of three independent directors. The Audit Committee oversees the Ministry's financial reporting process on behalf of the Board of Directors. The Committee held three meetings during 2019. In fulfilling its responsibility and in accordance with Campus Crusade for Christ policy and practice, the Committee discussed with the independent auditors the overall scope and specific plans for their audit. The Committee also discussed with management and the independent auditors the Ministry's consolidated financial statements and the adequacy of the Ministry's internal controls. During the Audit Committee meetings the Committee met with the independent auditors, without management present, to discuss the results of their audit, their communication related to the Ministry's internal controls, and the overall quality of the Ministry's financial reporting.

Jeffrey A. Leimgruber
Chairman, Audit Committee

REPORT OF MANAGEMENT

As we continue our efforts to take the gospel to every geography, every ethnicity, every language, and every person, we are thankful for the gracious provision of God, through a mostly donor funded ministry. Once again, in fiscal year 2019, Cru was blessed with steady gains in U.S. contributions.

For the fiscal year ended August 31, 2019, total worldwide revenues of Campus Crusade for Christ, Inc. and its foreign associates were $785,889,000. United States operating revenues of the Ministry for the fiscal year were $624,627,000. This provided the ministry with a positive change in net assets of $14,053,000 for fiscal 2019.

We take seriously the responsibility God has given us to be good stewards of the resources He has provided. Each area of the Ministry is responsible not only for raising funds, but also careful planning and controlled spending.

Management is responsible for financial and all other information contained in this annual report. The financial statements were prepared in conformity with generally accepted accounting principles and include amounts based on informed judgments and estimates of management.

The Ministry maintains internal controls designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that transactions are executed in accordance with management's authorizations and are recorded properly to permit the preparation of clear and accurate financial statements.

The Audit Committee, composed entirely of outside directors, meets periodically with the Ministry's independent auditors, internal auditors, and management to ensure that each area is properly discharging its responsibilities.

We consider it a privilege to work toward helping to build "spiritual movements everywhere, so that everyone knows someone who truly follows Jesus."

Mark D. Tjernagel
Chief Financial Officer

STAFF AND MINISTRY

Staff members with Campus Crusade for Christ, Inc. are responsible for securing contributions to the Ministry to cover the cost of their salary, training, ministry and fundraising expenses, plus a portion of the administrative and international expansion costs.

Salary for staff members is determined by marital status, the number and ages of their dependent children, plus other factors for which they may qualify. The average compensation amounts included in the Financial Highlights include contributions to a 403(b) retirement plan.

Steve Douglass, like all other supported staff members, raises his own ministry funds. He directs any honorariums and royalties to Campus Crusade for Christ, and his annual income-tax return is prepared by an external CPA firm. When he travels to speak or attend meetings at churches and various conferences, his expenses are covered by either Campus Crusade for Christ or the inviting group. Steve has requested that his business expenses be regularly reviewed by the Audit Committee of the Board of Directors of the Ministry.

Steve works full time for the ministry, and because of his desire to be totally transparent in all of his finances, he has voluntarily provided the following information. Steve's taxable income was $82,021, and his Minister's Housing Allowance was $24,000 for 2019. Steve made non-taxable contributions to the 403(b) retirement plan in 2019 totaling $22,800. He participated, in the same manner as all other staff members, in the ministry's other benefit programs. Those programs include an employer-funded medical/dental plan, an employer-funded disability plan and employer-funded life insurance.

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