

BILLY GRAHAM EVANGELISTIC ASSOCIATION AND CONSOLIDATED ORGANIZATIONS

CONSOLIDATED FINANCIAL STATEMENTS

*As of and for the Year Ended December 31, 2022
with Comparative Totals for the Year Ended December 31, 2021*

And Report of Independent Auditor

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**

Mission Statement

Continuing the lifelong work of Billy Graham, the Billy Graham Evangelistic Association exists to support and extend the evangelistic calling and ministry of Franklin Graham by proclaiming the Gospel of the Lord Jesus Christ to all we can by every effective means available to us and by equipping the church and others to do the same.

**BILLY
GRAHAM**
Evangelistic Association

Always Good News.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
TABLE OF CONTENTS**

REPORT OF INDEPENDENT AUDITOR..... 1-2

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position 3
Consolidated Statement of Activities 4
Consolidated Statement of Cash Flows..... 5
Notes to the Consolidated Financial Statements..... 6-25

Report of Independent Auditor

To the Board of Directors
Billy Graham Evangelistic Association
Charlotte, North Carolina

Opinion

We have audited the accompanying consolidated financial statements of Billy Graham Evangelistic Association and Consolidated Organizations (collectively referred to as the “Association”), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Association as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Association's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 30, 2022. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited statements from which it has been derived.

Cherry Bekaert LLP

Charlotte, North Carolina
March 27, 2023

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 74,802,843	\$ 81,765,230
Accounts receivable, net	5,038,130	3,975,426
Contributions receivable, net	8,561,300	1,430,000
Inventories	808,435	510,444
Prepaid expenses and other current assets	3,047,594	2,088,411
	<u>92,258,302</u>	<u>89,769,511</u>
Property and equipment, net of accumulated depreciation	<u>85,855,299</u>	<u>73,635,015</u>
Investments:		
Investments functioning as endowments	243,774,407	295,549,007
Other long-term investments	17,778,608	20,233,053
Deferred giving program	97,671,163	110,866,002
	<u>359,224,178</u>	<u>426,648,062</u>
Beneficial interest in remainder trusts	2,541,968	3,421,822
Other assets	8,062,290	8,142,630
Total assets	<u><u>\$ 547,942,037</u></u>	<u><u>\$ 601,617,040</u></u>
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 6,820,428	\$ 4,842,368
Accrued expenses	4,543,353	4,647,420
Deferred revenue	3,048,842	3,086,812
Deferred giving program	55,405,999	67,083,151
Total liabilities	<u>69,818,622</u>	<u>79,659,751</u>
Net assets:		
Without donor restrictions:		
Charitable gift annuities	34,566,408	34,150,644
Undesignated	75,533,033	87,487,853
Investment in property and equipment	85,855,299	73,635,015
Designated by the governing board for endowment	212,686,559	258,679,606
Total without donor restrictions	<u>408,641,299</u>	<u>453,953,118</u>
With donor restrictions	<u>69,482,116</u>	<u>68,004,171</u>
Total net assets	<u>478,123,415</u>	<u>521,957,289</u>
Total liabilities and net assets	<u><u>\$ 547,942,037</u></u>	<u><u>\$ 601,617,040</u></u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF ACTIVITIES**

YEAR ENDED DECEMBER 31, 2022 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating activities:				
Support and revenue:				
Contributions of financial assets	\$ 110,441,010	\$ 32,614,037	\$ 143,055,047	\$ 141,417,640
Contributions of nonfinancial assets	845,623	1,496,751	2,342,374	1,277,745
Billy Graham Training Center	8,516,734	-	8,516,734	6,687,776
<i>Decision</i> magazine and other				
evangelistic materials	2,278,196	-	2,278,196	2,615,875
Other income	8,943,755	293,563	9,237,318	9,508,992
Net assets released from restrictions	24,549,770	(24,549,770)	-	-
Total support and revenue	<u>155,575,088</u>	<u>9,854,581</u>	<u>165,429,669</u>	<u>161,508,028</u>
Operating expenses:				
Ministry expenses:				
Evangelistic Events	34,464,936	-	34,464,936	20,169,150
Gospel TV Spots and 24/7 Prayer Line	17,624,392	-	17,624,392	16,312,637
Billy Graham Training Center	13,386,850	-	13,386,850	11,630,056
Billy Graham Library and Archive Center	9,576,370	-	9,576,370	8,532,139
Billy Graham Rapid Response Team	9,269,783	-	9,269,783	6,355,024
God Loves You Tour	9,234,415	-	9,234,415	11,212,438
<i>Search for Jesus</i>	7,722,399	-	7,722,399	6,936,409
Television and film	6,126,831	-	6,126,831	6,023,513
Print and internet	5,710,156	-	5,710,156	6,394,626
Radio	5,568,625	-	5,568,625	4,878,266
<i>Decision</i> magazine	5,254,855	-	5,254,855	4,619,336
Church ministry	1,617,465	-	1,617,465	1,633,762
Other evangelistic ministry	12,564,628	-	12,564,628	10,410,894
Total ministry expenses	<u>138,121,705</u>	<u>-</u>	<u>138,121,705</u>	<u>115,108,250</u>
Support activities:				
Fundraising	8,063,630	-	8,063,630	7,607,101
General and administrative	14,500,587	-	14,500,587	12,794,916
Total operating expenses	<u>160,685,922</u>	<u>-</u>	<u>160,685,922</u>	<u>135,510,267</u>
Change in net assets from operations	<u>(5,110,834)</u>	<u>9,854,581</u>	<u>4,743,747</u>	<u>25,997,761</u>
Nonoperating activities:				
Net investment return	(41,075,866)	(6,003,420)	(47,079,286)	33,480,498
Change in value of annuities and trusts	464,236	(2,261,202)	(1,796,966)	15,244,499
Other nonoperating income (loss)	410,645	(112,014)	298,631	(1,183,444)
Total nonoperating activities	<u>(40,200,985)</u>	<u>(8,376,636)</u>	<u>(48,577,621)</u>	<u>47,541,553</u>
Change in net assets	(45,311,819)	1,477,945	(43,833,874)	73,539,314
Net assets, beginning of year	453,953,118	68,004,171	521,957,289	448,417,975
Net assets, end of year	<u>\$ 408,641,299</u>	<u>\$ 69,482,116</u>	<u>\$ 478,123,415</u>	<u>\$ 521,957,289</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (43,833,874)	\$ 73,539,314
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization expense	8,091,733	7,492,770
Realized (gains) losses on sale of investments	1,010,479	(4,095,672)
Unrealized (gains) losses on investments	51,622,948	(20,458,001)
Change in value of annuities and trusts	1,796,966	(15,244,499)
Gift portion of new annuities and trusts	(1,117,816)	(2,021,146)
Donations of real estate and mortgage deeds receivable	(507,366)	(455,344)
Donations of beneficial interest in remainder trust	(45,339)	(1,017,056)
Contributions restricted for endowment	(2,066,673)	(2,182,607)
Contributions of literary properties	-	(5,623,800)
Net losses on sale of donated real estate and fixed assets	101,385	533,129
Changes in operating assets and liabilities:		
(Increase) decrease in receivables, net of allowances	(8,194,004)	4,411,549
(Increase) decrease in inventories, prepaid expenses, and other assets	(1,257,174)	61,435
Increase in accounts payable, accrued expenses, and deferred revenue	1,836,023	1,208,280
Net cash flows from operating activities	<u>7,437,288</u>	<u>36,148,352</u>
Cash flows from investing activities:		
Purchases of investments	(17,684,585)	(26,072,581)
Proceeds from sales of investments	17,765,841	8,137,265
Purchases of fixed assets	(20,333,184)	(19,852,065)
Additions to other assets	-	(194,000)
Proceeds from the sale of donated real estate and fixed assets	509,488	2,563,786
Net cash flows from investing activities	<u>(19,742,440)</u>	<u>(35,417,595)</u>
Cash flows from financing activities:		
Contributions restricted for endowment	2,066,673	2,182,607
Net investment income	2,765,594	2,826,133
Proceeds from beneficial interest in remainder trusts	925,193	982,056
Proceeds from deferred giving program contracts	4,061,862	10,921,234
Payments of deferred giving program contracts	(4,476,557)	(4,556,659)
Net cash flows from financing activities	<u>5,342,765</u>	<u>12,355,371</u>
Change in cash and cash equivalents	(6,962,387)	13,086,128
Cash and cash equivalents at beginning of year	81,765,230	68,679,102
Cash and cash equivalents at end of year	<u>\$ 74,802,843</u>	<u>\$ 81,765,230</u>
SUPPLEMENTAL INFORMATION:		
Fixed asset construction included in accounts payable	<u>\$ 182,332</u>	<u>\$ 250,879</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 1—Description of ministry and significant accounting policies

Description of Ministry – Continuing the lifelong work of Billy Graham, the Billy Graham Evangelistic Association exists to support and extend the evangelistic calling and ministry of Franklin Graham by proclaiming the Gospel of the Lord Jesus Christ to all we can by every effective means available to us and by equipping the church and others to do the same.

Jesus said, “For God so loved the world that He gave His only begotten Son, that whoever believes in Him should not perish but have everlasting life. For God did not send His Son into the world to condemn the world, but that the world through Him might be saved” (John 3:16-17). At the core of the ministry is the belief that mankind has been separated from God by sin and our only hope of salvation comes from the atoning sacrifice of God’s Son, Jesus Christ. The Bible tells us, “All have sinned and come short of the glory of God” (Romans 3:23) and “the wages of sin is death, but the gift of God is eternal life through Jesus Christ our Lord” (Romans 6:23). Jesus took our sins upon Himself, suffered and died on a cross. He took our sins to the grave, and on the third day, God raised His Son to life. Through His death and resurrection, Jesus became the way for man to be reconciled to God. Jesus said, “I am the way, the truth, and the life. No one comes to the Father except through Me” (John 14:6).

God’s Word commands His followers to take this Good News to the ends of the earth and make disciples of all nations (Matthew 28:19-20). People who choose to remain in their sins will be separated from God forever. But those who put their faith and trust in Jesus Christ will be saved by God’s grace. “If you confess with your mouth the Lord Jesus and believe in your heart that God has raised Him from the dead, you will be saved” (Romans 10:9).

If you would like to receive God’s free gift of salvation, you can pray a prayer like this: “Dear God, I know that I am a sinner. I want to turn from my sins, and I ask for Your forgiveness. I believe by faith that Jesus Christ is Your Son. I believe He died for my sins and that You raised Him to life. I want Him to come into my heart and to take control of my life. I want to trust Jesus as my Savior and follow Him as my Lord from this day forward. In Jesus’ Name, amen.”

Support is received primarily through contributions and deferred giving programs. Major evangelistic opportunities include but are not limited to:

Evangelistic Events – The Association partners with local churches to proclaim the clear Gospel message to people at domestic and international events and call them to repentance and faith in Jesus Christ. In 2022, Franklin Graham shared the Good News through the God Loves You Tour 2022 in six cities in Pennsylvania, Ohio, Michigan, and Minnesota. In addition, we held Festivals with Franklin Graham and the God Loves You Tour around the world, with events in the UK, Brazil, Mongolia, Italy, and New Zealand. Will Graham led evangelistic Celebrations in the United States, Canada, and Australia.

Gospel TV Spots and 24/7 Prayer Line – BGEA continued to air 60-second evangelistic spots on nationwide TV, radio, and the internet, and those who have questions or want to pray with a representative after hearing the Gospel are directed to call the toll-free prayer line. Representatives responded to more than 689,800 calls, and over 7,400 people made life-changing decisions for Jesus Christ.

Billy Graham Training Center at The Cove – The Cove continues to train believers in God’s Word to win others to Christ. Believers are equipped through Biblical instruction led by well-known pastors and ministry leaders in an environment that offers opportunities for retreat, rest, relaxation, and renewal. Thousands of guests attended seminars, guided personal retreats, and special events.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 1—Description of ministry and significant accounting policies (continued)

Billy Graham Library – The Library is an ongoing ministry in Charlotte, North Carolina, that is free and open to the public. Lives are transformed as visitors encounter the love of Christ through the story of Billy Graham’s life and message. Each day the Library is open, visitors hear the Good News proclaimed throughout the Library tour, and many respond by surrendering their lives to Jesus Christ in repentance and faith. Beginning January 2022, the Library building was closed to the public to refresh the Journey of Faith tour with new exhibits and updated technology, but the ministry hosted 14 events in 2022, either outdoors or at the nearby BGEA headquarters. The annual Christmas at the Library outreach was held in late November and December, welcoming more than 42,270 guests.

Billy Graham Archive and Research Center – This new facility opened in 2022 on what would have been Billy Graham’s 104th birthday. Housing more than one million print, audio, and video assets from the evangelist’s lifelong ministry, the center exists to inspire and equip a new generation to fulfill the Great Commission as they study ministry records and Biblical principles for evangelism and discipleship.

Media Ministries – Our interactive *Search for Jesus* websites, television, radio, and *Decision* magazine are reaching millions with the Gospel. People in virtually every country on earth have the opportunity to hear the Good News and speak with trained individuals to explore the message of God’s grace.

Billy Graham Rapid Response Team – This international network of volunteer chaplains are trained specifically to care for people’s spiritual and emotional needs in crisis situations. They deploy to communities traumatized by natural disasters, civil unrest, or violence. In 2022, we continued to provide a ministry of prayer and presence in the aftermath of crises such as hurricanes, tornadoes, wildfires, and flooding. The ministry continues to serve the law enforcement community through specialized events and retreats.

Principles of Consolidation – The consolidated financial statements include the Billy Graham Evangelistic Association (a North Carolina corporation) and other consolidated organizations, which include, among other entities: The Cross Fund (formerly, “BGEA, MN”); Blue Ridge Broadcasting Corporation; Cove Endowment Trust Fund; Billy Graham Library Endowment Trust Fund; Graham Fund for Evangelism; Illusion Properties, S. A.; Billy Graham Evangelistic Association of Korea; and BGEA Poland sp. z o.o (collectively referred to herein as the “Association”). In accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) pertaining to consolidation, management annually evaluates which entities should be consolidated for financial statement presentation purposes.

The consolidated organizations strengthen the ministries of the Association and share the same goals and purposes. All significant intercompany accounts and transactions have been eliminated.

Comparative Summarized Information – The consolidated financial statements include certain summarized prior year comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Association’s consolidated financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Cash and Cash Equivalents – Cash and cash equivalents include highly liquid investments with a maturity of three months or less. For the purposes of the consolidated statement of cash flows, cash and cash equivalents included in investments functioning as endowment, investments in the deferred giving program, and funds designated for long-term purposes are not considered cash and cash equivalents.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 1—Description of ministry and significant accounting policies (continued)

Accounts Receivable – Accounts receivable are stated at cost less an allowance for doubtful accounts, if necessary. Management's determination of the allowance for doubtful accounts is based on an evaluation of the receivable, past experience, and current economic conditions. It is the Association's policy to charge off uncollectible accounts receivable when management determines that receivable will not be collected. The allowance for doubtful accounts was \$127,636 and \$1,249 at December 31, 2022 and 2021, respectively.

Inventories – Inventories are products for sale stated at the lower of cost (average cost method) or net realizable value.

Property and Equipment – Property and equipment is recorded at cost at the date of acquisition or fair value at the date of gift. The cost of repairs and maintenance is generally charged to expense in the year incurred. Depreciation of buildings is recorded using the straight-line method over the estimated useful lives of 30 years. Depreciation of furniture, fixtures, and equipment is recorded using the straight-line method over estimated useful lives of 3 to 10 years.

Collections – The Association's collections are made up of artifacts of historical significance to the ministry. The collections were gifted, donated, or on loan and are not recognized as assets in the consolidated statement of financial position or as contributions in the consolidated statement of activities.

Investments – Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investments. Alternative investments are carried at fair value based upon the net asset value or its equivalent. Real estate, mineral interests and other investments are reported at fair value measured on a nonrecurring basis based upon market appraisals at the time of the gift. Investment return is included in the change in net assets without donor restriction unless the return is restricted by the donor.

Beneficial Interests in Remainder Trusts – Beneficial interests in remainder trusts are carried at their estimated fair value. Fair value is estimated based upon underlying assets which approximate the discounted value of the anticipated cash flows or based upon their estimated fair value of the assets contributed to the trust less estimated costs expected.

Deferred Giving Program – The Association has a fully funded program whereby deferred gifts can be made through gift annuity and trust participation.

All gift annuity fund assets are held in trust, placed with a bank as custodian, and managed by investment management companies. Various state laws require that the Association maintain segregated accounts with assets equal in amount to the actuarial reserve necessary to pay the annuities plus an additional reserve. Some state laws also establish specific investment regulations related to the manner in which the assets are invested. Trust assets are held and managed by the Association.

The Association records assets received in the deferred giving program at fair value. Liabilities are recorded at the present value of payments to be made under annuity and irrevocable trust agreements over the term of the agreements, usually the beneficiaries' life expectancy. For annuities and trusts, the present value calculation used a 3.80% and 1.60% discount rate in 2022 and 2021, respectively. Revaluations of expected future payments to beneficiaries based on changes in life expectancy are calculated using mortality tables as well as other actuarial assumptions and are recorded as a change in value of annuities and trusts in the consolidated statement of activities.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 1—Description of ministry and significant accounting policies (continued)

Deferred Giving Program, continued – The contribution portion is recognized as income at the time the agreement is executed. Revocable trust agreements are recorded as a liability until the agreement becomes irrevocable or the assets are distributed, at which time the contribution revenue is recognized.

The Association is also named as a beneficiary in revocable trusts and wills that are not managed by the Association. These assets are not included in the consolidated statement of financial position, as the Association's share of these assets cannot be determined.

Revenue Recognition – The primary revenue streams are recognized as follows:

Contributions of cash and other financial assets – The Association records contributions of cash and other financial assets as restricted support if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, restricted net assets are reclassified to without donor restriction net assets and reported in the consolidated statement of activities as net assets released from restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Board of Directors has established a policy that up to 10% of all donor-restricted contributions for a specific project may be used for administering the gift, if needed.

Contributions of nonfinancial assets – The Association records contributions of nonfinancial assets as support at their estimated fair value on the date received by the Association. Such donations are reported as restricted support if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, restricted net assets are reclassified to without donor restriction net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Billy Graham Training Center at The Cove – The Association provides programs, food, and lodging to their guests at The Cove. Operating revenue is recorded as income when the performance obligation is met.

Decision Magazine – The subscription price of *Decision* magazine is charged to unearned subscriptions when received and is amortized to income over an 11-month period as the performance obligation is met.

Net Asset Classifications – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions include charitable gift annuities, investment in property and equipment, and governing board-designated endowments.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as 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 stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 1—Description of ministry and significant accounting policies (continued)

Donated Volunteer Services – The Association received contributed services from approximately 20,250 individual volunteers in 2022 and 12,000 individuals in 2021. The Association recorded the value of approximately 75 and 90 of those volunteers for the years ended December 31, 2022 and 2021, respectively. The value of contributed services recorded by the Association amounted to approximately \$97,000 in 2022 and \$98,000 in 2021. The recorded value is determined based on hours of service donated at federal minimum wage and is reported both as revenue and expense in the period the service is performed.

The approximate remaining 20,175 volunteers in 2022 and 11,910 in 2021 performed services which are not reflected in the consolidated financial statements as the services did not require specialized skills as specified by U.S. GAAP pertaining to accounting for contributions received and contributions made. These services are estimated to be valued at \$3,736,000 in 2022 and \$2,950,000 in 2021.

Costs related to recruiting volunteers, who contribute their services and time, are classified as fundraising activity expenses in the consolidated statement of activities.

Advertising Costs – The Association expenses advertising costs as incurred. For the years ended December 31, 2022 and 2021, advertising costs totaled approximately \$17,260,000 and \$12,950,000, respectively. These costs related primarily to television airtime to promote airing of evangelistic broadcasts, evangelistic crusades, internet evangelism, other ministry initiatives, and related materials. Included in the 2022 and 2021 totals, approximately \$8,850,000 and \$7,949,000 are related to Gospel TV Spots and 24/7 Prayer Line, respectively.

Functional Allocation of Expenses – The cost of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The schedules of functional expenses present the natural classification detail of expenses by function. The consolidated financial statements report certain categories of expense that are attributable to one or more program or supporting function of the Association. These expenses include depreciation, communications, media production, information technology, and facilities operations and maintenance. Depreciation is allocated based on square footage and usage of space. Cost of other categories are allocated on estimate of time and effort.

Allocation of Joint Costs – In 2022, the ministry conducted activities that included requests for contributions, as well as ministry and general and administrative components. Those activities included print communications and broadcast productions. The costs of conducting those activities included a total of \$20,917,337 and \$20,789,094 of joint costs for 2022 and 2021, respectively. These joint costs are not specifically attributable to particular components of the activities and were allocated as follows:

	<u>2022</u>	<u>2021</u>
Ministry	\$ 17,393,689	\$ 17,372,281
Fundraising	2,120,261	2,279,973
General and administrative	1,284,814	1,136,840
	<u>\$ 20,798,764</u>	<u>\$ 20,789,094</u>

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 1—Description of ministry and significant accounting policies (continued)

Income Taxes – The Association, excluding foreign consolidated organizations, is exempt from federal income taxes, and contributions are deductible as charitable contributions under Internal Revenue Code (“IRC”) Section 170. Any unrelated business income may be subject to taxation; however, the Association currently does not have an obligation for any unrelated business income tax.

The Internal Revenue Service (“IRS”) has determined the Association qualifies for tax-exempt status under IRC Section 501(c)(3); that it is not a private foundation, and that it is classified as a public charity as described in Section 509(a)(1) and 170(b)(1)(A)(i). The Association is not required to file IRS Form 990, annual information return, under IRC Section 6033.

Use of Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP 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 those estimates.

Reclassifications – Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. Net assets and changes to net assets are unchanged due to these reclassifications.

New Pronouncements – The Association adopted Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. It also requires a disclosure of disaggregated contributions of nonfinancial assets by category that depicts the type of contributed nonfinancial asset. This distinction will increase transparency of contributions recognized. Adoption of this standard did not have a significant impact on the consolidated financial statements, with the exception of increased information disclosed.

Contributed Nonfinancial Assets – For the years ended December 31, contributed nonfinancial assets recognized within the consolidated statement of activities included:

	2022			2021
	Without Donor Restriction	With Donor Restriction	Total	
Property	\$ 342,366	\$ -	\$ 342,366	\$ 455,344
Services	488,099	1,046,041	1,534,140	651,198
Life estate	-	324,906	324,906	-
Other	15,158	125,804	140,962	171,203
	<u>\$ 845,623</u>	<u>\$ 1,496,751</u>	<u>\$ 2,342,374</u>	<u>\$ 1,277,745</u>

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 1—Description of ministry and significant accounting policies (continued)

Contributed Nonfinancial Assets (continued)

Property – Contributed property is recorded at fair market value based upon a current appraisal and is liquidated as soon as feasible. In 2022, the Association received and liquidated two properties, neither of which had a purpose restriction associated with the contribution.

Services – Contributed services recognized are primarily comprised of donated volunteer services (see page 10), contributed television and radio air time, and contributed use of aircrafts. Fair value for television and radio air time is determined based on the going rate for the network, timeslot, and amount of airtime. Fair value for contributed use of Samaritan's Purse aircrafts is calculated based on hours used and the average operating costs for each type of aircraft. The purpose of the aircraft use is designated for ministry activities and released as the corresponding ministry activities take place.

Life Estate – In 2022, the Association was named the beneficiary of a life estate. Fair value for life estates is determined by the present value of the remainder interest based on the appraised value as of the gift date. There is no purpose restriction associated with this contribution. The time restriction will be released upon the termination of the life estate, at which point the Association will liquidate assets as timely feasible.

Other – While the Association receives a minimal amount of donated goods and materials, the majority of other contributed nonfinancial assets is in the form donated office space. The office space was utilized as a local office for an evangelistic event which took place in 2022. The fair value of the donated office space was determined based on the current market conditions at the time of the rental agreement, and a contribution was recognized for the fair value amount in excess of what the Association was obligated to pay.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 2—Liquidity and availability

The following reflects the Association's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use due to contractual, donor-imposed restrictions, or board designations within one year of the consolidated statement of financial position date:

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 74,802,843	\$ 81,765,230
Accounts receivable, net	5,038,130	3,975,425
Contributions receivable, net	8,561,300	1,430,000
Investments	359,224,178	426,648,062
Beneficial interest in remainder trusts	2,541,968	3,421,822
Total financial assets	<u>450,168,419</u>	<u>517,240,539</u>
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restricted by donor with time and purpose restrictions, net of 2023 and 2022 projected release, respectively	54,457,801	48,059,331
Subject to appropriation and satisfaction of donor restrictions	6,355,314	13,163,840
Investments held for planned giving obligations	97,671,163	110,866,002
Other long-term investments	17,778,608	20,233,053
Board designations:		
Investments functioning as endowments, net of spending plan	<u>202,975,367</u>	<u>248,752,927</u>
Financial assets unavailable for general expenditures within one year	<u>379,238,253</u>	<u>441,075,153</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 70,930,166</u>	<u>\$ 76,165,386</u>

The Billy Graham Evangelistic Association is substantially supported by contributions without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors.

The Cove and Library board-designated endowments are subject to an annual spending plan based upon capital and operating needs as described in Note 8. An amount up to the 2023 approved budget of \$9,711,192 is available as needed.

As part of the Association's liquidity management, it has implemented a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Association invests cash in excess of daily requirements in short-term investments.

The financial assets available to meet cash needs as represented above are equal to approximately six months of the Association's annual operating expenses. This is common and reasonable to ensure long-term ministry impact.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 3—Contributions receivable

A summary of contributions receivable consisting of bequests at December 31 is as follows:

	2022	2021
Unconditional contributions receivable	\$ 8,561,300	\$ 1,430,000
Less discount and allowance	-	-
Net contributions receivable	<u>\$ 8,561,300</u>	<u>\$ 1,430,000</u>
Amounts due in:		
Less than one year	\$ 7,726,300	\$ 1,430,000
One to five years	835,000	-
	<u>\$ 8,561,300</u>	<u>\$ 1,430,000</u>

Note 4—Property and equipment

A summary of property and equipment and related accumulated depreciation at December 31 is as follows:

	2022	2021
Land and improvements	\$ 19,961,821	\$ 18,775,500
Buildings and improvements:		
Billy Graham Training Center	36,362,765	36,212,400
Billy Graham Library and Archive Center	34,560,888	18,006,016
Headquarters and other	40,235,843	39,497,635
Equipment, furniture, and fixtures	77,868,247	58,305,704
	<u>208,989,564</u>	<u>170,797,255</u>
Less accumulated depreciation	123,756,501	116,776,940
	85,233,063	54,020,315
Construction in progress	622,236	19,614,700
Net property and equipment	<u>\$ 85,855,299</u>	<u>\$ 73,635,015</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was approximately \$8,012,000 and \$7,185,000, respectively.

The Association records losses on property and equipment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. There were no property and equipment impairments in 2022 or 2021.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 5—Investments

Investments for the years ended December 31 are composed of the following:

	<u>2022</u>	<u>2021</u>
Equities	\$ 200,698,753	\$ 245,854,048
Fixed income and credit	119,821,084	140,853,068
Cash	8,919,879	9,650,748
Certificates of deposit	500,000	500,000
Alternative	9,827,686	9,117,697
Other	19,456,776	20,672,501
Total investments	<u>\$ 359,224,178</u>	<u>\$ 426,648,062</u>

Note 6—Deferred giving program

The assets and liabilities in the deferred giving program for the years ended December 31 are as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Assets</u>	<u>Liability</u>	<u>Assets</u>	<u>Liability</u>
Gift annuity fund	\$ 71,180,230	\$ 36,613,822	\$ 80,522,384	\$ 46,371,740
Irrevocable trusts	18,149,065	11,116,664	21,912,249	12,793,886
Life estates	1,433,417	767,062	683,417	169,573
	90,762,712	48,497,548	103,118,050	59,335,199
Revocable trusts	6,908,451	6,908,451	7,747,952	7,747,952
Total	<u>\$ 97,671,163</u>	<u>\$ 55,405,999</u>	<u>\$ 110,866,002</u>	<u>\$ 67,083,151</u>

The change in value of annuities and trusts for the years ended December 31 is as follows:

	<u>2022</u>	<u>2021</u>
Investment return	\$ (11,637,021)	\$ 7,363,030
Change in liability	10,962,231	9,029,986
Trust payments to beneficiaries and fees	(1,061,026)	(1,094,601)
Other expenses	(61,150)	(53,916)
	<u>\$ (1,796,966)</u>	<u>\$ 15,244,499</u>

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 7—Fair value measurements of assets and liabilities

The Association follows the provisions of U.S. GAAP for financial assets and liabilities measured at fair value. This statement requires fair value measurements be classified and disclosed in one of the following three categories (Fair Value Hierarchy):

Level 1 – Financial instruments with unadjusted, quoted prices listed on active market exchanges. Level 1 investments include actively traded equities and mutual funds, certain U.S. government obligations, and certain money market securities. Also included in Level 1 are a portion of deferred giving liabilities that are revocable and, therefore, fully cover the related Level 1 assets.

Level 2 – Financial instruments valued using inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 investments include certain U.S. government obligations, most government agency securities, investment grade corporate bonds, certain mortgage products, state, municipal, and provincial obligation, and most physical commodities.

Level 3 – Financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value.

The following tables summarize the valuation of the Association’s financial assets and liabilities measured at fair value as of December 31, 2022, based on the level of input utilized to measure fair value:

Measurement at fair value on a recurring basis:

Description	Fair Value Measurement at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Equities:				
Mutual funds	\$ 198,186,012	\$ -	\$ -	\$ 198,186,012
Common and foreign stock	2,512,741	-	-	2,512,741
Fixed income and credit:				
U.S. government	17,219,669	-	-	17,219,669
Corporate	1,370,397	14,357,008	-	15,727,405
Government mortgage backed securities	-	6,813,875	-	6,813,875
Bond funds	80,060,135	-	-	80,060,135
Other:				
Cash and cash equivalents	9,419,879	-	-	9,419,879
Other	-	151,502	-	151,502
	<u>\$ 308,768,833</u>	<u>\$ 21,322,385</u>	<u>\$ -</u>	<u>330,091,218</u>
Alternative investments ⁽¹⁾				<u>9,827,686</u>
Total investments - recurring basis				<u>\$ 339,918,904</u>
Beneficial interest in remainder trusts	\$ -	\$ -	\$ 2,541,968	\$ 2,541,968
Deferred giving liabilities	\$ 1,294,564	\$ 49,671,747	\$ -	\$ 50,966,311

⁽¹⁾ In accordance with Accounting Standards Codification Subtopic 820-10, certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 7—Fair value measurements of assets and liabilities (continued)

Measurement at fair value on a non-recurring basis:

Description	Fair Value Measurement at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Investments:				
Other - real estate	\$ -	\$ 18,893,992	\$ -	\$ 18,893,992
Other	-	-	411,282	411,282
Total investments - nonrecurring basis	\$ -	\$ 18,893,992	\$ 411,282	\$ 19,305,274
Deferred giving liabilities	\$ -	\$ 4,439,688	\$ -	\$ 4,439,688

Other investments valued utilizing Level 3 inputs on a nonrecurring basis include mineral interests and a note receivable. These investments are categorized as Level 3 because of limited or no observable market data. These investments were initially recorded at fair value based on market appraisals at the time of gift. The Association has not observed any evidence of impairment.

For investments in entities that calculate net asset value or its equivalent whose fair value is not readily determinable, the following table provides information about the relative liquidity of these investments. The fair values of these investments have been estimated using net asset value per share of the investments unless noted otherwise. Management is not aware of any factors that would impact net asset value as of December 31, 2022:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Investment Fund ^(a)	\$ 1,588,597	\$ -	Ineligible	None
Private Investment Fund ^(b)	\$ 8,239,089	\$ -	Monthly	15 days

^(a) The strategy for this fund is to engage in the acquisition, operation, development, management, and disposition of direct and indirect royalty interests in natural gas, oil, and wind energy.

^(b) The strategy for this fund is to secure a portfolio of senior loans made to corporations, partnerships, and other entities that typically hold the most senior positions in the borrower's capital structure.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 8—Endowment funds

The Association interprets the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) underlying net asset classification of donor-restricted assets as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. At December 31, 2022 and 2021, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity the original value of initial and subsequent gift amounts donated to the endowment. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

Donor-Restricted Endowments – At December 31, 2022, the Association’s donor-restricted endowment funds consist of 30 individual funds established for a variety of purposes. In addition, the Association has established a Library endowment fund to receive donor gifts held in perpetuity to support the ongoing operations of the Billy Graham Library and a Cove endowment fund to support the ongoing operations of The Cove. The Association has also received donor gifts held in perpetuity as part of irrevocable trust and annuity gifts. The primary investment objective for donor-restricted endowment funds is to preserve and protect assets by focusing on conservation of principal and long-term growth of capital and income. In addition, the investment objective for donor-restricted endowment funds is to meet the donor’s charitable objective for the endowment. This objective is generally attained by investing in a diversified portfolio of high quality securities.

Board-Designated Endowments – The Association’s Board of Directors has designated a portion of without donor restriction net assets as funds functioning as endowments. Separate funds have been established for the Billy Graham Library Endowment Trust Fund, the Cove Endowment Trust Fund, the future ministries fund, the Graham Fund for Evangelism, and the Blue Ridge Broadcasting Fund.

The purpose of the Billy Graham Library Endowment Trust Fund is to provide an ongoing and perpetual source of funding for the operations, maintenance, and long-term improvements of the Library located in Charlotte, North Carolina. The Billy Graham Library is an ongoing evangelistic crusade. In 2022, over 43,000 people visited the Billy Graham Library having the opportunity to hear the Gospel message with approximately 280 people making various commitments to Jesus Christ. It is the desire of the Board of Directors that there should never be an admission fee to the Library so all can hear or experience the Gospel of Jesus Christ. This primary objective, as well as the investment objective of preserving and protecting the fund’s assets, will be accomplished by focusing on the conservation of principal and long-term growth of capital and income. This is generally achieved by investing in a diversified portfolio of high quality securities. The board-designated spending plan for this fund was suspended through December 31, 2021, in an effort to build the fund’s balance. Expenditures from the fund resumed in 2022 and are based upon a spending plan using a three year rolling average of fund assets. Funds totaling approximately \$5,083,000 and \$554,000 were transferred to support the ministry of the Billy Graham Library for 2022 and 2021, respectively.

The purpose of the Cove Endowment Trust Fund is to provide an ongoing source of funding for supporting, maintaining, and improving the facilities and ministry at the Billy Graham Training Center at The Cove. The primary investment objective of this fund is to preserve and protect assets by focusing on conservation of principal and long-term growth of capital and income. This objective is generally attained by investing in a diversified portfolio of high quality securities. The spending plan for this fund has been based upon the capital and operating needs of The Cove. Funds totaling approximately \$1,956,000 and \$2,380,000 were transferred to support the ministry of The Cove for 2022 and 2021, respectively.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 8—Endowment funds (continued)

The purpose of the future ministries fund is to provide a source of funding for continuing and growing ministry activities through special evangelistic projects and to provide for operating cash flow needs of the Association. The primary investment objective of the future ministries fund is to preserve and protect the assets by focusing on conservation of principal and adequate liquidity to meet ministry needs. This objective is generally attained by investing in an interest bearing account. Expenditures from the future ministries fund are determined by the Board in order to meet ministry needs and projects. Funds were not withdrawn in 2022 or 2021 in order to preserve principal.

The Graham Fund for Evangelism exists for the sole specific purpose of sustaining, with long-term financial support, the ministries of the Billy Graham Evangelistic Association. The Graham Fund for Evangelism is being maintained with a minimal balance for potential future evangelistic purposes. The primary investment objective of the fund is to preserve and protect its assets by focusing on conservation of principal. This objective is generally attained by investing in an interest bearing account.

The purpose of the Blue Ridge Broadcasting Endowment is to support future ministry opportunities. The primary investment objective of the endowment fund is to preserve and protect the assets by focusing on conservation of principal and adequate liquidity to meet ministry needs. This objective is generally attained by investing in a portfolio of high quality securities. Expenditures from the endowment fund are determined by the Board in order to meet ministry needs. Funds were not withdrawn in 2022 or 2021 in order to preserve principal.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donor or by law (underwater endowments). The Association has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2022 and 2021, the Association had no underwater endowments.

Endowment net asset composition by type of fund as of December 31:

	2022			2021
	Without Donor Restrictions Board Designated	With Donor Restrictions	Total	Total
Billy Graham Library Endowment Trust Fund	\$ 126,465,282	\$ 25,840,798	\$ 152,306,080	\$ 183,431,794
Cove Endowment Trust Fund	79,653,021	318,443	79,971,464	97,516,833
Future ministries fund	5,391,051	-	5,391,051	5,394,151
Graham Fund for Evangelism	32,344	-	32,344	32,298
Blue Ridge Broadcasting	1,144,861	-	1,144,861	1,439,585
Other endowment funds	-	5,804,701	5,804,701	7,276,676
	<u>\$ 212,686,559</u>	<u>\$ 31,963,942</u>	<u>\$ 244,650,501</u>	<u>\$ 295,091,337</u>

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 8—Endowment funds (continued)

Changes in endowment net assets for the year ended December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 258,679,606	\$ 36,411,731	\$ 295,091,337
Investment return:			
Investment income	4,373,919	716,593	5,090,512
Realized and unrealized (losses), net	<u>(43,715,831)</u>	<u>(6,720,013)</u>	<u>(50,435,844)</u>
Total net investment return	<u>(39,341,912)</u>	<u>(6,003,420)</u>	<u>(45,345,332)</u>
Contributions	-	2,066,673	2,066,673
Other income	746	353,944	354,690
Amounts appropriated for expenditure	(152,881)	(865,486)	(1,018,367)
Transfers to	-	500	500
Transfers from	<u>(6,499,000)</u>	<u>-</u>	<u>(6,499,000)</u>
Endowment net assets, end of year	<u>\$ 212,686,559</u>	<u>\$ 31,963,942</u>	<u>\$ 244,650,501</u>

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 9—Composition of net assets with donor restrictions

	2021	Contributions and Other Income	Net Assets Released from Restrictions and Transfers	Change in Value Gains and Losses	2022
Subject to expenditure for specified purpose:					
Evangelistic Events	\$ 45,492	\$ 4,601,508	\$ (4,597,142)	\$ -	\$ 49,858
Gospel TV Spots and 24/7 Prayer Line	-	1,832,633	(1,830,302)	-	2,331
God Loves You Tour	-	862,559	(862,559)	-	-
Billy Graham Rapid Response Team	7,864,351	7,267,855	(5,803,170)	-	9,329,036
World Emergency Fund	1,597,115	2,528,148	(2,590,287)	-	1,534,976
Billy Graham Library	-	1,144,698	(1,144,698)	-	-
<i>Search for Jesus</i>	3,489	1,852,359	(1,352,555)	-	503,293
Billy Graham Archive and Research Center	280,327	541,451	(821,778)	-	-
Other evangelistic ministry	2,001,807	2,586,457	(2,527,099)	-	2,061,165
	<u>11,792,581</u>	<u>23,217,668</u>	<u>(21,529,590)</u>	<u>-</u>	<u>13,480,659</u>
Subject to the passage of time:					
Beneficial interests in charitable trusts held by others	3,421,822	415,000	(1,294,854)	-	2,541,968
Assets held under split-interest agreements	8,872,306	175,240	-	(2,167,457)	6,880,089
Life Estates	197,187	324,906	-	(62,553)	459,540
Contributions receivable that are not restricted by donors, but which are unavailable for expenditures until due	1,430,000	7,911,300	(780,000)	-	8,561,300
	<u>13,921,315</u>	<u>8,826,446</u>	<u>(2,074,854)</u>	<u>(2,230,010)</u>	<u>18,442,897</u>
Subject to the passage of time perpetual in nature:					
Literary properties	5,315,830	-	(80,340)	-	5,235,490
Assets held under split-interest agreements	246,057	-	-	(93,745)	152,312
Life Estates	316,657	-	-	(109,841)	206,816
	<u>5,878,544</u>	<u>-</u>	<u>(80,340)</u>	<u>(203,586)</u>	<u>5,594,618</u>
Endowments:					
Accumulated earnings subject to appropriation and expenditure when a specified event occurs:					
Available for general use	4,587,310	-	-	(1,803,333)	2,783,977
Purpose restrictions	8,576,530	-	(865,486)	(4,139,707)	3,571,337
	<u>13,163,840</u>	<u>-</u>	<u>(865,486)</u>	<u>(5,943,040)</u>	<u>6,355,314</u>
Restricted in perpetuity, the income from which is expendable to support:					
Billy Graham Library Endowment Trust Fund	19,221,616	2,360,237	500	-	21,582,353
Other endowment funds	3,812,933	-	-	-	3,812,933
The Cove Endowment Trust Fund	213,342	-	-	-	213,342
	<u>23,247,891</u>	<u>2,360,237</u>	<u>500</u>	<u>-</u>	<u>25,608,628</u>
Total endowments	<u>36,411,731</u>	<u>2,360,237</u>	<u>(864,986)</u>	<u>(5,943,040)</u>	<u>31,963,942</u>
Total with donor restrictions	<u>\$ 68,004,171</u>	<u>\$ 34,404,351</u>	<u>\$ (24,549,770)</u>	<u>\$ (8,376,636)</u>	<u>\$ 69,482,116</u>

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 10—Other assets

During 2009, the Association contracted with a captive insurance company to obtain coverage for workers' compensation, general liability, property, and automobile liability insurance. The Association owns a noncontrolling share of the common stock of the captive insurance company and is accounting for this asset under the cost method of investment accounting. The cost of this asset was \$296,800 and is included in other assets.

Blue Ridge Broadcasting's intangible assets consist of five indefinite-lived Federal Communications Commission broadcast licenses obtained in 2012, 2019, 2020, and 2021 through the purchase of multiple radio stations. These intangible assets are tested annually for impairment. At December 31, 2022, there were no impairment losses considered necessary. At December 31, 2021, the Association determined the carrying value of the intangible assets exceeded the fair value based on changes in market conditions, resulting in an impairment loss of \$140,715. These intangible assets are carried at \$2,030,000 as of December 31, 2022 and 2021.

During 2014, the Association entered into a purchase agreement with Dr. Graham to explicitly assign certain intellectual property rights to the Association. The intangible asset is valued at \$480,000 as of December 31, 2022 and 2021.

During 2021, an agreement was executed to transfer the assignment of Dr. Graham's literary properties to the Association. The intangible assets were initially recognized as restricted contributions totaling \$5,623,800 as of December 31, 2021. Based upon copyright standards, the assets are amortized over the estimated useful life of 70 years. Amortization expense for the years ended December 31, 2022 and 2021 was \$80,340 and \$307,970, respectively. All royalty income received from the literary properties are restricted for the purpose of supporting the Billy Graham Library Endowment Trust Fund. Royalty income for the years ended December 31, 2022 and 2021 was approximately \$293,500 and \$319,000, respectively.

Note 11—Retirement plans

The Association has a 401(k) retirement plan. Employer contributions are 3% of each participant's eligible salary plus a matching provision whereby the employer may match the employee's contributions up to an additional 3% of the participant's salary. The plan includes a provision whereby the Board of Directors can approve additional contributions of up to 2%. The additional 2% discretionary contribution was approved for 2022 and 2021. The Association recorded expense of \$3,030,725 and \$2,772,814 for the years ended December 31, 2022 and 2021, respectively.

In addition, the Association has deferred compensation plans. Deferred compensation expense of \$21,729 and \$20,499 was incurred in 2022 and 2021, respectively. Deferred compensation liabilities of \$383,873 and \$362,144 existed at December 31, 2022 and 2021, respectively, and are included in accrued expenses.

Note 12—Self-insurance program

The Association maintains a self-insurance program for hospitalization, medical, and dental coverage for its employees. The Association limits its losses through the use of stop loss policies from a re-insurer. Specific individual losses for claims were limited to \$130,000 for 2022 and 2021. The estimated liability for these claims approximated \$1,100,000 at December 31, 2022 and 2021 and are included in accrued expenses.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 13—Schedules of functional expenses

	For the Year Ended December 31, 2022			
	Ministry Expenses	Fundraising	General and Administrative	Total
Ministry events	\$ 37,823,477	\$ 807,202	\$ 345,354	\$ 38,976,033
Salaries and wages	37,525,823	3,472,512	6,670,219	47,668,554
Employee benefits and taxes	12,179,638	1,176,085	2,696,860	16,052,583
Legal and professional services	1,599,085	83,227	620,449	2,302,761
Contract labor	10,369,661	185,569	600,475	11,155,705
Travel	9,807,059	700,061	356,379	10,863,499
Postage and mailing	3,953,534	724,291	248,667	4,926,492
Building and equipment	6,466,133	203,014	1,110,244	7,779,391
Printing	2,484,622	390,636	127,497	3,002,755
Supplies and telecommunications	1,954,904	125,382	310,878	2,391,164
Broadcasting and production	1,450,993	102,599	182,717	1,736,309
Grants and scholarships	3,942,571	-	-	3,942,571
Depreciation and other	8,564,205	93,052	1,230,848	9,888,105
Total expenses	<u>\$ 138,121,705</u>	<u>\$ 8,063,630</u>	<u>\$ 14,500,587</u>	<u>\$ 160,685,922</u>

	For the Year Ended December 31, 2021			
	Ministry Expenses	Fundraising	General and Administrative	Total
Ministry events	\$ 25,674,750	\$ 610,804	\$ 276,172	\$ 26,561,726
Salaries and wages	35,274,178	3,422,030	5,866,284	44,562,492
Employee benefits and taxes	11,428,712	1,140,837	2,431,066	15,000,615
Legal and professional services	4,158,127	150,646	1,011,603	5,320,376
Contract labor	10,027,161	114,052	329,424	10,470,637
Travel	5,240,157	417,101	136,133	5,793,391
Postage and mailing	4,027,319	761,752	273,186	5,062,257
Building and equipment	5,436,322	179,799	878,913	6,495,034
Printing	2,166,326	351,098	116,767	2,634,191
Supplies and telecommunications	1,718,931	111,998	239,550	2,070,479
Broadcasting and production	1,111,594	83,767	139,685	1,335,046
Grants and scholarships	1,105,549	-	-	1,105,549
Depreciation and other	7,739,124	263,217	1,096,133	9,098,474
Total expenses	<u>\$ 115,108,250</u>	<u>\$ 7,607,101</u>	<u>\$ 12,794,916</u>	<u>\$ 135,510,267</u>

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 14—Concentration of credit risk

Financial instruments that potentially expose the Association to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places its cash and cash equivalents on deposit with North Carolina financial institutions. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts. From time to time, the Association may have amounts in excess of the FDIC limit.

Note 15—Related party transactions

The Association has entered into Master License Agreements with the following unconsolidated organizations: Billy Graham Evangelistic Association of Australia; Billy Graham Evangelistic Association of Canada; Billy Graham Evangelistic Association – India Trust; Billy Graham Evangelistic Association, Ltd.; and Vozrozhdeniye (the “International Affiliates”) to further the global ministry of the Billy Graham Evangelistic Association. The Association does not control the independent Board of Directors of these organizations. For the years ended December 31, 2022 and 2021, the International Affiliates reimbursed the Association \$70,374 and \$105,801, respectively, for various ministry projects. The Association transferred funds to the International Affiliates totaling \$1,753,410 and \$1,398,836 in 2022 and 2021, respectively, for various ministry projects and support. As of December 31, 2021 and 2020, the Association had accounts receivable totaling \$121,562 and \$9,039, respectively, from the International Affiliates. As of December 31, 2022 and 2021, the Association had accounts payable to the International Affiliates totaling \$6,966 and \$90,437, respectively.

The Chief Executive Officer, President, and Chairman of the Association is the Chief Executive Officer, President, and Chairman of Samaritan’s Purse. Samaritan’s Purse is controlled by an independent Board of Directors though the two ministries share certain board members. The Association and Samaritan’s Purse are engaged in related party transactions, including a shared services agreement to gain efficiencies over administrative services supporting their individual ministries. They also receive and forward contributions intended for the other ministry, transfer assets that align with the other ministry’s projects and activities, and staff and financially support joint ministry activities and disaster responses.

The Association paid cash to Samaritan’s Purse totaling \$12,488,039 and \$5,405,676 in 2022 and 2021, respectively, while Samaritan’s Purse paid cash to the Association totaling \$2,372,468 and \$4,487,795 in 2022 and 2021, respectively, related to these activities. The Association received from Samaritan’s Purse in-kind contributions valued at \$836,101 and \$358,124 in 2022 and 2021, respectively.

Following is unaudited summary financial information as of December 31, 2022, for Samaritan’s Purse, which is controlled by an independent Board of Directors: total assets, \$1,635,199,455; total liabilities, \$105,788,837; total net assets, \$1,529,410,619; total revenues, \$1,301,347,515; and total expenses, \$994,537,807.

Other evangelistic ministry in the consolidated statement of activities includes contributions given to like ministries approved by the Board of Directors annually. Contributions of \$0 and \$50,000 in 2022 and 2021, respectively, were given to Wheaton College and contributions of \$125,000 and \$100,000 in 2022 and 2021, respectively, were given to Montreat College. The Association shares several common board members with these institutions but does not control the Board of Directors of these organizations. Contributions of \$125,000 and \$150,000 in 2022 and 2021, respectively, were given to East Gates International for ministry in Asia. The president of East Gates International is the brother of the Chief Executive Officer. Contributions of \$50,000 were given in 2022 and 2021, respectively, to Ruth Graham and Friends. The founder and Chairman of Ruth Graham and Friends is the sister of the Chief Executive Officer.

**BILLY GRAHAM EVANGELISTIC ASSOCIATION
AND CONSOLIDATED ORGANIZATIONS**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

Note 16—Commitments

In 2021, the Association entered into agreements with companies for construction services related to the Library expansion and refresh, with a total cost of approximately \$13,900,000, and for which approximately \$6,700,000 was an outstanding commitment at December 31, 2021. As of December 31, 2022, construction for these projects has concluded and the assets have been placed into service.

In 2022, the Association entered into agreements with companies for the purchase and installation of generators at the Billy Graham Training Center at The Cove, with a total cost of approximately \$1,900,000, and for which approximately \$1,600,000 is an outstanding commitment at December 31, 2022.

Note 17—Subsequent events

The Association has evaluated subsequent events through March 27, 2023 in connection with the preparation of these consolidated financial statements which is the date the consolidated financial statements were available to be issued.