

BILLY GRAHAM EVANGELISTIC ASSOCIATION AND CONSOLIDATED ORGANIZATIONS

CONSOLIDATED FINANCIAL STATEMENTS

*As of and for the Year Ended December 31, 2023
with Comparative Totals for the Year Ended December 31, 2022*

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
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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, 2023, 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, 2023, 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 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 27, 2023. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited statements from which it has been derived.

Cherry Bekaert LLP

Charlotte, North Carolina
March 26, 2024

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

DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 80,301,650	\$ 74,802,843
Accounts receivable, net	2,501,791	1,899,961
Contributions receivable, net	24,416,076	11,699,469
Inventories	867,976	808,435
Prepaid expenses and other current assets	2,866,779	3,047,594
	<u>110,954,272</u>	<u>92,258,302</u>
Property and equipment, net of accumulated depreciation	<u>82,833,972</u>	<u>85,855,299</u>
Investments:		
Investments functioning as endowments	274,487,235	243,774,407
Other long-term investments	18,910,755	17,778,608
Deferred giving program	110,050,772	97,671,163
	<u>403,448,762</u>	<u>359,224,178</u>
Beneficial interest in remainder trusts	2,346,968	2,541,968
Other assets	8,160,284	8,062,290
Total assets	<u>\$ 607,744,258</u>	<u>\$ 547,942,037</u>
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 7,220,401	\$ 6,820,428
Accrued expenses	5,137,748	4,543,353
Deferred revenue	3,140,617	3,048,842
Deferred giving program	58,262,278	55,405,999
Total liabilities	<u>73,761,044</u>	<u>69,818,622</u>
Net assets:		
Without donor restrictions:		
Charitable gift annuities	44,398,862	34,566,408
Undesignated	76,527,112	75,533,033
Investment in property and equipment	82,833,972	85,855,299
Designated by the governing board for endowment	238,439,588	212,686,559
Total without donor restrictions	<u>442,199,534</u>	<u>408,641,299</u>
With donor restrictions	<u>91,783,680</u>	<u>69,482,116</u>
Total net assets	<u>533,983,214</u>	<u>478,123,415</u>
Total liabilities and net assets	<u>\$ 607,744,258</u>	<u>\$ 547,942,037</u>

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

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

YEAR ENDED DECEMBER 31, 2023 WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating activities:				
Support and revenue:				
Contributions of financial assets	\$ 104,378,742	\$ 50,012,052	\$ 154,390,794	\$ 143,055,047
Contributions of nonfinancial assets	522,424	1,548,239	2,070,663	2,342,374
Billy Graham Training Center	9,511,272	-	9,511,272	8,516,734
<i>Decision</i> magazine and other evangelistic materials	2,062,895	-	2,062,895	2,278,196
Other income	6,996,039	290,300	7,286,339	9,237,318
Net assets released from restrictions	34,384,688	(34,384,688)	-	-
Total support and revenue	<u>157,856,060</u>	<u>17,465,903</u>	<u>175,321,963</u>	<u>165,429,669</u>
Operating expenses:				
Ministry expenses:				
Evangelistic Events	36,050,283	-	36,050,283	34,464,936
Billy Graham Training Center	15,693,334	-	15,693,334	13,386,850
Gospel TV Spots and 24/7 Prayer Line	14,806,399	-	14,806,399	17,624,392
Billy Graham Library and Archive Center	13,514,066	-	13,514,066	9,576,370
God Loves You Tour	11,007,780	-	11,007,780	9,234,415
<i>Search for Jesus</i>	8,548,148	-	8,548,148	7,722,399
Billy Graham Rapid Response Team	8,451,226	-	8,451,226	9,269,783
Print and internet	6,844,320	-	6,844,320	5,710,156
Radio	5,573,703	-	5,573,703	5,568,625
<i>Decision</i> magazine	5,409,565	-	5,409,565	5,254,855
Television and film	4,415,092	-	4,415,092	6,126,831
Church ministry	2,708,746	-	2,708,746	1,617,465
Other evangelistic ministry	12,474,658	-	12,474,658	12,564,628
Total ministry expenses	<u>145,497,320</u>	<u>-</u>	<u>145,497,320</u>	<u>138,121,705</u>
Support activities:				
Fundraising	8,332,953	-	8,332,953	8,063,630
General and administrative	14,872,334	-	14,872,334	14,500,587
Total operating expenses	<u>168,702,607</u>	<u>-</u>	<u>168,702,607</u>	<u>160,685,922</u>
Change in net assets from operations	<u>(10,846,547)</u>	<u>17,465,903</u>	<u>6,619,356</u>	<u>4,743,747</u>
Nonoperating activities:				
Net investment return	36,155,884	5,286,349	41,442,233	(47,079,286)
Change in value of annuities and trusts	9,170,794	(344,809)	8,825,985	(1,796,966)
Other nonoperating income (loss)	(921,896)	(105,879)	(1,027,775)	298,631
Total nonoperating activities	<u>44,404,782</u>	<u>4,835,661</u>	<u>49,240,443</u>	<u>(48,577,621)</u>
Change in net assets	33,558,235	22,301,564	55,859,799	(43,833,874)
Net assets, beginning of year	408,641,299	69,482,116	478,123,415	521,957,289
Net assets, end of year	<u>\$ 442,199,534</u>	<u>\$ 91,783,680</u>	<u>\$ 533,983,214</u>	<u>\$ 478,123,415</u>

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

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

YEAR ENDED DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 55,859,799	\$ (43,833,874)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization expense	9,543,097	8,091,733
Realized (gains) losses on sale of investments	(1,473,956)	1,010,479
Unrealized (gains) losses on investments	(31,010,097)	51,622,948
Change in value of annuities and trusts	(8,825,985)	1,796,966
Gift portion of new annuities and trusts	(1,425,068)	(1,117,816)
Donations of real estate and mortgage deeds receivable	-	(507,366)
Donations of beneficial interest in remainder trust	(165,000)	(45,339)
Contributions restricted for endowment	(414,305)	(2,066,673)
Net losses on sale of donated real estate and fixed assets	423,662	101,385
Changes in operating assets and liabilities:		
Increase in receivables, net of allowances	(13,318,437)	(8,194,004)
Decrease (increase) in inventories, prepaid expenses, and other assets	121,274	(1,257,174)
Increase in accounts payable, accrued expenses, and deferred revenue	1,086,143	1,836,023
Net cash flows from operating activities	<u>10,401,127</u>	<u>7,437,288</u>
Cash flows from investing activities:		
Purchases of investments	(23,171,659)	(17,684,585)
Proceeds from sales of investments	20,716,856	17,765,841
Purchases of fixed assets	(6,889,072)	(20,333,184)
Additions to other assets	(190,000)	-
Proceeds from the sale of donated real estate and fixed assets	40,990	509,488
Net cash flows from investing activities	<u>(9,492,885)</u>	<u>(19,742,440)</u>
Cash flows from financing activities:		
Contributions restricted for endowment	414,305	2,066,673
Net investment income	3,177,590	2,765,594
Proceeds from beneficial interest in remainder trusts	360,000	925,193
Proceeds from deferred giving program contracts	5,115,503	4,061,862
Payments of deferred giving program contracts	(4,476,833)	(4,476,557)
Net cash flows from financing activities	<u>4,590,565</u>	<u>5,342,765</u>
Change in cash and cash equivalents	5,498,807	(6,962,387)
Cash and cash equivalents at beginning of year	74,802,843	81,765,230
Cash and cash equivalents at end of year	<u>\$ 80,301,650</u>	<u>\$ 74,802,843</u>
Supplemental information:		
Fixed asset construction included in accounts payable	<u>\$ -</u>	<u>\$ 182,332</u>

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

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

DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR 2022

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 2023, Franklin Graham shared the Good News through the God Loves You Tidewater Tour in six regions along the East Coast. In addition, we held Festivals with Franklin Graham and the God Loves You Tour around the world, with events in Mexico City, Mexico; Ho Chi Minh City, Vietnam; London, England; Essen, Germany; and Rome, Italy. Will Graham led evangelistic Celebrations in Moldova, Brazil, the United States, and Canada.

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 Billy Graham 24/7 Prayer Line. Representatives answered more than 681,960 calls, and over 6,420 people made life-changing decisions for Jesus Christ.

Billy Graham Training Center at The Cove – 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, 2023 WITH COMPARATIVE TOTALS FOR 2022

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. In 2023, more than 108,740 completed the recently refreshed Journey of Faith tour with its new exhibits and updated technology. In December, the annual Christmas at the Library outreach welcomed more than 39,830 guests to discover the real meaning of the season through festive activities including caroling, light displays, and a live nativity.

Billy Graham Archive and Research Center – Housing more than one million print, audio, and video assets from Billy Graham’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 2023, we continued to provide a ministry of prayer and presence in the aftermath of crises such as hurricanes, tornadoes, shootings, 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.; The Billy Graham Evangelistic Association Limited (Australia); The Billy Graham Evangelistic Association Limited (United Kingdom); and Billy Graham Evangelistic Association of Korea (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, 2022, 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, 2023 WITH COMPARATIVE TOTALS FOR 2022

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 the Association’s assessment of the collectability of the receivable. The Association establishes expected credit losses by evaluating historical levels of credit losses and current economic conditions that may affect payment. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery. As of December 31, 2023 and 2022, the allowance for doubtful accounts was \$100,573 and \$127,636, respectively.

Contributions Receivable – Contribution receivable that are expected to be collected within one year are recorded at net realizable value. Contribution receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue.

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.

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

DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR 2022

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

Deferred Giving Program, continued – 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 4.00% and 3.80% discount rate in 2023 and 2022, 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.

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 which is primarily at the time the services are rendered to their guests.

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.

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

DECEMBER 31, 2023 WITH COMPARATIVE TOTALS FOR 2022

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

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.

Donated Volunteer Services – The Association received contributed services from approximately 32,750 individual volunteers in 2023 and 20,250 individuals in 2022. The Association recorded the value of approximately 80 and 75 of those volunteers for the years ended December 31, 2023 and 2022, respectively. The value of contributed services recorded by the Association amounted to approximately \$105,000 in 2023 and \$97,000 in 2022. 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 32,670 volunteers in 2023 and 20,175 in 2022 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 \$5,105,000 in 2023 and \$3,736,000 in 2022.

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, 2023 and 2022, advertising costs totaled approximately \$12,670,000 and \$17,260,000, 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 2023 and 2022 totals, approximately \$6,550,000 and \$8,850,000 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.

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

Allocation of Joint Costs – In 2023, 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 \$20,724,900 and \$20,917,337 of joint costs for 2023 and 2022, respectively. These joint costs are not specifically attributable to particular components of the activities and were allocated as follows:

	<u>2023</u>	<u>2022</u>
Ministry	\$ 17,366,064	\$ 17,490,904
Fundraising	2,044,871	2,127,042
General and administrative	1,313,965	1,299,391
	<u>\$ 20,724,900</u>	<u>\$ 20,917,337</u>

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.

Changes in Accounting Principles – Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses of Financial Instruments* guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. The Association adopted this ASU effective January 1, 2023 using the modified retrospective approach. Adoption of the new standard did not materially impact the Association’s change in net assets and had no impact on cash flows.

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

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

	2023			2022
	Without Donor Restriction	With Donor Restriction	Total	
Property	\$ 31,747	\$ -	\$ 31,747	\$ 342,366
Services	463,627	1,527,231	1,990,858	1,534,140
Life estate	-	-	-	324,906
Other	27,050	21,008	48,058	140,962
	<u>\$ 522,424</u>	<u>\$ 1,548,239</u>	<u>\$ 2,070,663</u>	<u>\$ 2,342,374</u>

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. In 2023, the Association received and liquidated one property without purpose restriction.

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 – Other contributed nonfinancial assets is comprised of donated goods and materials, as well as donated office space. The fair value of donated space is determined based on the current market conditions at the time of the rental agreement, and a contribution is recognized for the fair value amount in excess of what the Association was obligated to pay. In 2022, the majority of other contributed nonfinancial assets was in the form of donated office space. The office space was utilized as a local office for an evangelistic event, which took place in 2022. In 2023, there was no such office space, and the majority of the other contributed nonfinancial assets was in the form of donated goods and materials.

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Note 2—Liquidity and availability

The following reflects the Association's financial assets as of December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 80,301,650	\$ 74,802,843
Accounts receivable, net	2,501,791	1,899,961
Contributions receivable, net	24,416,076	11,699,469
Investments	403,448,762	359,224,178
Beneficial interest in remainder trusts	2,346,968	2,541,968
Total financial assets	<u>513,015,247</u>	<u>450,168,419</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 2024 and 2023 projected release, respectively	55,685,107	54,457,801
Subject to appropriation and satisfaction of donor restrictions	10,746,573	6,355,315
Investments held for planned giving obligations	110,050,772	97,671,163
Other long-term investments	18,910,755	17,778,608
Board designations:		
Investments functioning as endowments, net of spending plan	<u>227,635,933</u>	<u>202,975,367</u>
Financial assets unavailable for general expenditures within one year	<u>423,029,140</u>	<u>379,238,254</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 89,986,107</u>	<u>\$ 70,930,165</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 2024 approved budget of \$10,803,655 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.

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Note 3—Contributions receivable

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

	<u>2023</u>	<u>2022</u>
Unconditional contributions receivable	\$ 24,416,076	\$ 11,699,469
Less discount and allowance	-	-
Net contributions receivable	<u>\$ 24,416,076</u>	<u>\$ 11,699,469</u>
Amounts due in:		
Less than one year	\$ 24,416,076	\$ 10,864,469
One to five years	-	835,000
	<u>\$ 24,416,076</u>	<u>\$ 11,699,469</u>

Note 4—Property and equipment

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

	<u>2023</u>	<u>2022</u>
Land and improvements	\$ 20,151,891	\$ 19,961,821
Buildings and improvements:		
Billy Graham Training Center	38,277,170	36,362,765
Billy Graham Library & Archive Center	34,683,052	34,560,888
Headquarters and other	40,607,146	40,235,843
Equipment, furniture, and fixtures	<u>78,038,062</u>	<u>77,868,247</u>
	211,757,321	208,989,564
Less accumulated depreciation	<u>128,974,349</u>	<u>123,756,501</u>
	82,782,972	85,233,063
Construction in progress	<u>51,000</u>	<u>622,236</u>
Net property and equipment	<u>\$ 82,833,972</u>	<u>\$ 85,855,299</u>

Depreciation expense for the years ended December 31, 2023 and 2022 was approximately \$9,451,000 and \$8,012,000, 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 2023 or 2022.

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Note 5—Investments

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

	<u>2023</u>	<u>2022</u>
Equities	\$ 233,496,532	\$ 200,698,753
Fixed income and credit	128,888,903	119,821,084
Cash	11,273,298	8,919,879
Certificates of deposit	525,000	500,000
Alternative	8,791,894	9,827,686
Other	20,473,135	19,456,776
Total investments	<u>\$ 403,448,762</u>	<u>\$ 359,224,178</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>2023</u>		<u>2022</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liability</u>
Gift annuity fund	\$ 81,319,687	\$ 36,920,825	\$ 71,180,230	\$ 36,613,822
Irrevocable trusts	19,738,032	12,916,433	18,149,065	11,116,664
Life estates	1,433,417	865,384	1,433,417	767,062
	102,491,136	50,702,642	90,762,712	48,497,548
Revocable trusts	7,559,636	7,559,636	6,908,451	6,908,451
Total	<u>\$ 110,050,772</u>	<u>\$ 58,262,278</u>	<u>\$ 97,671,163</u>	<u>\$ 55,405,999</u>

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

	<u>2023</u>	<u>2022</u>
Investment return, net	\$ 11,781,706	\$ (11,637,021)
Change in liability from actuarial assumptions	(1,907,881)	10,962,231
Trust payments to beneficiaries and fees	(980,965)	(1,061,026)
Other expenses	(66,875)	(61,150)
	<u>\$ 8,825,985</u>	<u>\$ (1,796,966)</u>

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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, 2023, 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, 2023			
	Level 1	Level 2	Level 3	Total
Equities:				
Mutual funds	\$ 230,534,485	\$ -	\$ -	\$ 230,534,485
Common and foreign stock	2,962,047	-	-	2,962,047
Fixed income and credit:				
U.S. government	22,543,487	-	-	22,543,487
Corporate	2,664,978	11,956,748	-	14,621,726
Government mortgage backed securities	-	5,642,277	-	5,642,277
Bond funds	86,081,413	-	-	86,081,413
Other:				
Cash and cash equivalents	11,798,298	-	-	11,798,298
	<u>\$ 356,584,708</u>	<u>\$ 17,599,025</u>	<u>\$ -</u>	<u>374,183,733</u>
Alternative investments ⁽¹⁾				<u>8,791,894</u>
Total investments - recurring basis				<u>\$ 382,975,627</u>
Beneficial interest in remainder trusts	\$ -	\$ -	\$ 2,346,968	\$ 2,346,968
Deferred giving liabilities	\$ 1,018,820	\$ 52,202,134	\$ -	\$ 53,220,954

⁽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.

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

Measurement at fair value on a non-recurring basis:

	Fair Value Measurement at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Other - real estate	\$ -	\$ 19,536,439	\$ -	\$ 19,536,439
Other	-	-	936,696	936,696
Total investments - nonrecurring basis	\$ -	\$ 19,536,439	\$ 936,696	\$ 20,473,135
Deferred giving liabilities	\$ -	\$ 5,041,324	\$ -	\$ 5,041,324

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, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Investment Fund ^(a)	\$ 1,053,232	\$ -	Ineligible	None
Private Investment Fund ^(b)	\$ 7,738,662	\$ -	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.

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, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, the Association retains 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.

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Note 8—Endowment funds (continued)

Donor-Restricted Endowments – At December 31, 2023, 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 2023, over 144,000 people visited the Billy Graham Library having the opportunity to hear the Gospel message with approximately 1,970 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. Expenditures from the fund are based upon a spending plan using a three year rolling average of fund assets. Funds totaling approximately \$5,461,000 and \$5,083,000 were transferred to support the ministry of the Billy Graham Library for 2023 and 2022, 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 \$2,709,000 and \$1,956,000 were transferred to support the ministry of The Cove for 2023 and 2022, respectively.

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 2023 or 2022 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.

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Note 8—Endowment funds (continued)

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 2023 or 2022 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, 2023 and 2022, the Association had no underwater endowments.

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

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Billy Graham Library Endowment Trust Fund	\$ 141,572,095	\$ 30,117,655	\$ 171,689,750	\$ 152,306,080
Cove Endowment Trust Fund	89,851,212	361,708	90,212,920	79,971,464
Future ministries fund	5,596,535	-	5,596,535	5,391,051
Graham Fund for Evangelism	33,597	-	33,597	32,344
Blue Ridge Broadcasting	1,386,149	-	1,386,149	1,144,861
Other endowment funds	-	6,580,443	6,580,443	5,804,701
	\$ 238,439,588	\$ 37,059,806	\$ 275,499,394	\$ 244,650,501

Changes in endowment net assets for the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 212,686,559	\$ 31,963,942	\$ 244,650,501
Investment return:			
Investment income	6,238,768	924,074	7,162,842
Realized and unrealized gains, net	27,120,612	4,354,719	31,475,331
Total net investment return	33,359,380	5,278,793	38,638,173
Contributions	-	414,305	414,305
Other income	-	290,300	290,300
Amounts appropriated for expenditure	(150,351)	(887,534)	(1,037,885)
Transfers from	(7,456,000)	-	(7,456,000)
Endowment net assets, end of year	\$ 238,439,588	\$ 37,059,806	\$ 275,499,394

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Note 9—Composition of net assets with donor restrictions

	2022	Contributions and Other Income	Net Assets Released from Restriction and Transfers	Change in Value Gains & Losses	2023
Subject to expenditure for specified purpose:					
Evangelistic Events	\$ 49,858	\$ 7,456,016	\$ (7,309,647)	\$ -	\$ 196,227
Gospel TV Spots and 24/7 Prayer Line	2,331	10,834,734	(4,211,957)	-	6,625,108
God Loves You Tour	-	7,195,684	(3,091,666)	-	4,104,018
Billy Graham Rapid Response Team	9,329,036	5,181,406	(7,196,792)	-	7,313,650
World Emergency Fund	1,534,976	1,263,520	(1,114,011)	-	1,684,485
Billy Graham Library	-	1,093,279	(1,093,279)	-	-
<i>Search for Jesus</i>	503,293	1,198,596	(1,490,729)	-	211,160
Billy Graham Archive and Research Center	-	104,881	(104,881)	-	-
Other evangelistic ministry	2,061,165	7,938,716	(4,053,451)	-	5,946,430
	<u>13,480,659</u>	<u>42,266,832</u>	<u>(29,666,413)</u>	<u>-</u>	<u>26,081,078</u>
Subject to the passage of time:					
Beneficial interests in charitable trusts held by others	2,541,968	165,000	(360,000)	-	2,346,968
Assets held under split-interest agreements	6,880,089	134,006	-	(357,414)	6,656,681
Life Estates	459,540	-	-	(82,208)	377,332
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	8,561,300	8,580,148	(3,390,401)	-	13,751,047
	<u>18,442,897</u>	<u>8,879,154</u>	<u>(3,750,401)</u>	<u>(439,622)</u>	<u>23,132,028</u>
Subject to the passage of time perpetual in nature:					
Literary properties	5,235,490	-	(80,340)	-	5,155,150
Assets held under split-interest agreements	152,312	-	-	12,605	164,917
Life Estates	206,816	-	-	(16,115)	190,701
	<u>5,594,618</u>	<u>-</u>	<u>(80,340)</u>	<u>(3,510)</u>	<u>5,510,768</u>
Endowments:					
Accumulated earnings subject to appropriation and expenditure when a specified event occurs:					
Available for general use	2,783,977	-	-	1,197,075	3,981,052
Purpose restrictions	3,571,337	-	(887,534)	4,081,718	6,765,521
	<u>6,355,314</u>	<u>-</u>	<u>(887,534)</u>	<u>5,278,793</u>	<u>10,746,573</u>
Restricted in perpetuity, the income from which is expendable to support:					
Billy Graham Library Endowment Trust Fund	21,582,353	704,605	-	-	22,286,958
Other endowment fund	3,812,933	-	-	-	3,812,933
The Cove Endowment Trust Fund	213,342	-	-	-	213,342
	<u>25,608,628</u>	<u>704,605</u>	<u>-</u>	<u>-</u>	<u>26,313,233</u>
Total endowments	<u>31,963,942</u>	<u>704,605</u>	<u>(887,534)</u>	<u>5,278,793</u>	<u>37,059,806</u>
Total with donor restrictions	<u>\$ 69,482,116</u>	<u>\$ 51,850,591</u>	<u>\$ (34,384,688)</u>	<u>\$ 4,835,661</u>	<u>\$ 91,783,680</u>

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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. For the years ended December 31, 2023 and 2022, no impairment losses were considered necessary. These intangible assets are carried at \$2,030,000 as of December 31, 2023 and 2022.

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, 2023 and 2022.

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 was \$80,340 for the years ended December 31, 2023 and 2022. The intangible assets are carried at approximately \$5,160,000 and \$5,235,000 as of December 31, 2023 and 2022, 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, 2023 and 2022 was approximately \$290,300 and \$293,500, respectively, and is included in other income on the consolidated statement of activities.

During 2023, the Association completed the development of a mobile application with costs totaling \$210,000. The intangible asset is amortized over the estimated useful life of 3 years. Amortization expense for the year ended December 31, 2023 was approximately \$11,700.

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 2023 and 2022. The Association recorded expense of \$3,282,237 and \$3,030,725 for the years ended December 31, 2023 and 2022, respectively.

In addition, the Association has deferred compensation plans. Deferred compensation expense of \$23,032 and \$21,729 was incurred in 2023 and 2022, respectively. Deferred compensation liabilities of \$406,905 and \$383,873 existed at December 31, 2023 and 2022, 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 2023 and 2022. The estimated liability for these claims at December 31, 2023 and 2022, approximated \$950,000 and \$1,100,000, respectively, and are included in accrued expenses.

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Note 13—Schedules of functional expenses

	For the Year Ended December 31, 2023			
	Ministry Expenses	Fundraising	General and Administrative	Total
Ministry events	\$ 34,980,209	\$ 703,926	\$ 91,931	\$ 35,776,066
Salaries and wages	42,672,085	3,401,907	6,921,229	52,995,221
Employee benefits and taxes	13,358,049	1,172,964	2,659,711	17,190,724
Legal and professional services	1,174,439	78,982	532,903	1,786,324
Contract labor	12,211,274	242,839	978,986	13,433,099
Travel	11,314,322	830,058	465,398	12,609,778
Postage and mailing	4,347,959	795,868	264,766	5,408,593
Building and equipment	8,041,555	231,543	1,081,902	9,355,000
Printing	2,653,945	418,759	123,281	3,195,985
Supplies and telecommunications	2,057,181	106,848	232,388	2,396,417
Broadcasting and production	1,535,282	86,347	88,466	1,710,095
Grants and scholarships	1,247,806	-	-	1,247,806
Depreciation and other	9,903,214	262,912	1,431,373	11,597,499
Total expenses	<u>\$ 145,497,320</u>	<u>\$ 8,332,953</u>	<u>\$ 14,872,334</u>	<u>\$ 168,702,607</u>

	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>

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.

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Note 15—Related party transactions

The Association has entered into Master License Agreements with the following unconsolidated organizations: Billy Graham Evangelistic Association of Canada; Billy Graham Evangelistic Association – India Trust; 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, 2023 and 2022, the International Affiliates reimbursed the Association \$106,198 and \$70,374, respectively, for various ministry projects. The Association transferred funds to the International Affiliates totaling \$253,471 and \$1,753,410 in 2023 and 2022, respectively, for various ministry projects and support. As of December 31, 2023 and 2022, the Association had accounts receivable totaling \$6,583 and \$121,562, respectively, from the International Affiliates. As of December 31, 2023 and 2022, the Association had accounts payable to the International Affiliates totaling \$85,907 and \$6,966, 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 \$9,609,280 and \$12,488,039 in 2023 and 2022, respectively, while Samaritan’s Purse paid cash to the Association totaling \$2,270,616 and \$2,372,468 in 2023 and 2022, respectively, related to these activities. The Association received from Samaritan’s Purse in-kind contributions valued at \$1,272,430 and \$836,101 in 2023 and 2022, respectively.

Other evangelistic ministry in the consolidated statement of activities includes contributions given to like ministries approved by the Board of Directors annually. Contributions of \$125,000 were given to Montreat College in 2023 and 2022. The Association shares several common board members with Montreat College but does not control the Board of Directors. Contributions of \$175,000 and \$125,000 in 2023 and 2022, 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 2023 and 2022 to Ruth Graham and Friends. The founder and Chairman of Ruth Graham and Friends is the sister of the Chief Executive Officer.

Note 16—Commitments

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 \$1,400,000, and for which approximately \$1,100,000 was an outstanding commitment at December 31, 2022. As of December 31, 2023, the generators have been installed and placed into service.

Note 17—Subsequent events

The Association has evaluated subsequent events through March 26, 2024 in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.