



WORLD LITERATURE CRUSADE
DBA EVERY HOME FOR CHRIST

Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

**WORLD LITERATURE CRUSADE
DBA EVERY HOME FOR CHRIST**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
World Literature Crusade
dba Every Home for Christ
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of World Literature Crusade dba Every Home for Christ, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Literature Crusade dba Every Home for Christ as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of World Literature Crusade dba Every Home for Christ and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about World Literature Crusade dba Every Home for Christ's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
World Literature Crusade
dba Every Home for Christ
Colorado Springs, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of World Literature Crusade dba Every Home for Christ's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about World Literature Crusade dba Every Home for Christ'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.

Capin Crouse LLP

Colorado Springs, Colorado
March 31, 2022

**WORLD LITERATURE CRUSADE
DBA EVERY HOME FOR CHRIST**

Statements of Financial Position

	December 31,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 9,192,185	\$ 12,767,096
Inventory	53,178	31,724
Prepaid expenses and other assets	344,389	186,280
Estate and other receivables	175,176	354,851
Investments	3,662,811	2,201,888
Property and equipment—net	9,418,256	8,454,616
Assets under gift annuity and trust agreements	8,164,637	6,120,507
Total Assets	\$ 31,010,632	\$ 30,116,962
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 381,080	\$ 195,317
Paycheck Protection Program loan	-	1,020,772
Liabilities under gift annuity and trust agreements	4,030,034	3,352,565
Total liabilities	4,411,114	4,568,654
Net assets:		
Net assets without donor restrictions:		
Gift annuity reserve	2,473,218	1,795,918
Board quasi-endowment	2,427,993	1,208,406
Operating	11,545,681	9,685,862
Total net assets without donor restrictions	16,446,892	12,690,186
Net assets with donor restrictions:		
Restricted in purpose and time:		
Evangelism outreach	7,027,321	10,067,327
Irrevocable and other trusts	999,876	483,205
Estate receivable	-	354,851
	8,027,197	10,905,383
Restricted in perpetuity:		
Endowment fund—held in property and equipment	1,463,920	1,463,920
Irrevocable and other trusts	661,509	488,819
	2,125,429	1,952,739
Total net assets with donor restrictions	10,152,626	12,858,122
Total net assets	26,599,518	25,548,308
Total Liabilities and Net Assets	\$ 31,010,632	\$ 30,116,962

See notes to financial statements

**WORLD LITERATURE CRUSADE
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Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,531,016	\$ 51,367,991	\$ 53,899,007	\$ 1,631,061	\$ 54,497,712	\$ 56,128,773
Gift-in-kind	2,353,105	-	2,353,105	1,497,439	-	1,497,439
Bequests and other agreements	1,504,317	-	1,504,317	931,589	-	931,589
Change in value of gift annuities and trusts	642,762	689,361	1,332,123	329,028	(367,348)	(38,320)
Investment income	219,587	-	219,587	77,765	-	77,765
Privately held shares investment income	160,745	-	160,745	68,666	-	68,666
Other income	1,234,626	-	1,234,626	40,824	-	40,824
Total Support and Revenue	8,646,158	52,057,352	60,703,510	4,576,372	54,130,364	58,706,736
NET ASSETS RELEASED:						
Purpose and time restrictions	48,415,266	(48,415,266)	-	44,349,686	(44,349,686)	-
Administrative assessments	6,347,582	(6,347,582)	-	5,685,551	(5,685,551)	-
	54,762,848	(54,762,848)	-	50,035,237	(50,035,237)	-
EXPENSES:						
Program services:						
Evangelism outreach	50,206,317	-	50,206,317	45,075,955	-	45,075,955
Prayer and vision	4,576,088	-	4,576,088	3,831,505	-	3,831,505
	54,782,405	-	54,782,405	48,907,460	-	48,907,460
Supporting activities:						
General and administrative	2,968,785	-	2,968,785	2,248,464	-	2,248,464
Fund-raising	1,901,110	-	1,901,110	1,194,704	-	1,194,704
	4,869,895	-	4,869,895	3,443,168	-	3,443,168
Total Expenses	59,652,300	-	59,652,300	52,350,628	-	52,350,628

(continued)

See notes to financial statements

**WORLD LITERATURE CRUSADE
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Statements of Activities

(continued)

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets	3,756,706	(2,705,496)	1,051,210	2,260,981	4,095,127	6,356,108
Net Assets, Beginning of Year	12,690,186	12,858,122	25,548,308	10,429,205	8,762,995	19,192,200
Net Assets, End of Year	\$ 16,446,892	\$ 10,152,626	\$ 26,599,518	\$ 12,690,186	\$ 12,858,122	\$ 25,548,308

See notes to financial statements

**WORLD LITERATURE CRUSADE
DBA EVERY HOME FOR CHRIST**

Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services			Supporting Activities			2021 Total Expenses
	Evangelism Outreach	Prayer and Vision	Total	General and Administrative	Fund-Raising	Total	
Grants	\$ 48,116,933	\$ 1,895,882	\$ 50,012,815	\$ 300,644	\$ 41,500	\$ 342,144	\$ 50,354,959
Salaries and benefits	1,491,887	1,383,960	2,875,847	1,550,086	982,986	2,533,072	5,408,919
Advertising	16,095	186,577	202,672	200,047	214,829	414,876	617,548
Equipment and maintenance	112,184	200,798	312,982	113,614	85,709	199,323	512,305
Printing, postage, and shipping	25,884	141,951	167,835	131,704	135,894	267,598	435,433
Supplies and miscellaneous	63,893	103,249	167,142	101,150	90,963	192,113	359,255
Events	24,927	96,145	121,072	106,799	112,819	219,618	340,690
Travel and business	73,240	81,118	154,358	68,178	67,795	135,973	290,331
Professional fees	54,172	78,541	132,713	93,759	50,673	144,432	277,145
Other	76,909	43,070	119,979	40,233	2,800	43,033	163,012
Seminars and conferences	16,051	27,550	43,601	46,216	31,666	77,882	121,483
Utilities	23,597	61,671	85,268	23,811	12,120	35,931	121,199
Telephone	14,723	17,233	31,956	12,018	12,507	24,525	56,481
Media	5,908	12,078	17,986	11,332	12,166	23,498	41,484
Liability insurance	2,539	5,997	8,536	27,287	470	27,757	36,293
Cost of sales	4,810	6,853	11,663	4,956	3,457	8,413	20,076
Total Operating Expenses	50,123,752	4,342,673	54,466,425	2,831,834	1,858,354	4,690,188	59,156,613
Depreciation	79,515	224,265	303,780	88,151	42,756	130,907	434,687
Depletion of natural resources	3,050	9,150	12,200	48,800	-	48,800	61,000
Total Expenses	\$ 50,206,317	\$ 4,576,088	\$ 54,782,405	\$ 2,968,785	\$ 1,901,110	\$ 4,869,895	\$ 59,652,300

See notes to financial statements

**WORLD LITERATURE CRUSADE
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Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services			Supporting Activities			2020 Total Expenses
	Evangelism Outreach	Prayer and Vision	Total	General and Administrative	Fund-Raising	Total	
Grants	\$ 42,917,120	\$ 1,876,582	\$ 44,793,702	\$ 346,709	\$ 93,772	\$ 440,481	\$ 45,234,183
Salaries and benefits	1,742,929	1,208,603	2,951,532	1,268,773	725,355	1,994,128	4,945,660
Equipment and maintenance	105,417	178,488	283,905	105,142	83,294	188,436	472,341
Printing, postage, and shipping	3,526	59,040	62,566	87,904	97,680	185,584	248,150
Professional fees	36,032	43,558	79,590	71,942	34,337	106,279	185,869
Other	70,413	48,848	119,261	43,399	11,550	54,949	174,210
Supplies and miscellaneous	33,546	53,009	86,555	47,577	31,761	79,338	165,893
Travel and business	33,976	35,825	69,801	59,540	23,138	82,678	152,479
Utilities	22,475	58,297	80,772	22,643	11,491	34,134	114,906
Seminars and conferences	11,326	14,118	25,444	27,879	7,936	35,815	61,259
Telephone	15,881	17,861	33,742	14,369	12,640	27,009	60,751
Liability insurance	2,395	6,000	8,395	28,254	254	28,508	36,903
Media	2,180	6,026	8,206	7,074	7,561	14,635	22,841
Events	377	3,027	3,404	5,083	5,400	10,483	13,887
Cost of sales	535	643	1,178	1,188	612	1,800	2,978
Total Operating Expenses	44,998,128	3,609,925	48,608,053	2,137,476	1,146,781	3,284,257	51,892,310
Depreciation	77,827	221,580	299,407	80,488	47,923	128,411	427,818
Depletion of natural resources	-	-	-	30,500	-	30,500	30,500
Total Expenses	\$ 45,075,955	\$ 3,831,505	\$ 48,907,460	\$ 2,248,464	\$ 1,194,704	\$ 3,443,168	\$ 52,350,628

See notes to financial statements

**WORLD LITERATURE CRUSADE
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Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,051,210	\$ 6,356,108
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gains on investments	(219,587)	(77,765)
Donation of privately held shares	-	(305,000)
Depreciation	434,687	427,818
Depletion of natural resources	61,000	30,500
Change in value of gift annuities and trusts	(1,332,123)	38,320
Paycheck Protection Program loan forgiveness	(1,020,772)	-
Change in operating assets and liabilities:		
Inventory	(21,454)	1,813
Prepaid expenses and other assets	(158,109)	31,371
Estate and other receivables	179,675	139,658
Accounts payable and accrued expenses	185,763	(163,633)
Net Cash Provided (Used) by Operating Activities	(839,710)	6,479,190
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(2,001,773)	(718,982)
Sale of investments	699,437	744,000
Proceeds from sale of assets under gift annuity and trust agreements	24,640	8,194
Purchases of assets under gift annuity and trust agreements	(95,000)	(60,000)
Sale of investments for distributions	390,016	407,926
Purchases of property and equipment	(1,398,327)	(84,883)
Net Cash Provided (Used) by Investing Activities	(2,381,007)	296,255
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paycheck Protection Program loan	-	1,020,772
Non-gift portion of new annuities and trusts	35,822	22,558
Trustor and annuitant payments	(390,016)	(407,926)
Net Cash Provided (Used) by Financing Activities	(354,194)	635,404

(continued)

See notes to financial statements

**WORLD LITERATURE CRUSADE
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Statements of Cash Flows
(continued)

	Year Ended December 31,	
	<u>2021</u>	<u>2020</u>
Net Change in Cash and Cash Equivalents	(3,574,911)	7,410,849
Cash and Cash Equivalents, Beginning of Year	<u>12,767,096</u>	<u>5,356,247</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,192,185</u>	<u>\$ 12,767,096</u>
NON-CASH TRANSACTION:		
Non-cash transaction for recognition of Paycheck Protection Program loan forgiveness	<u>\$ 1,020,772</u>	<u>\$ -</u>

See notes to financial statements

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION:

Every Home for Christ (EHC) is the operating name of World Literature Crusade. EHC is a nonprofit religious organization that exists to serve, mobilize, and train the church to actively pray for and participate in the systematic personal presentation of a printed or repeatable message of the Gospel of Jesus Christ to every home throughout the world, adding new believers as functioning members of the Body of Christ. Most of its domestic programs are conducted under the name of Every Home for Christ. Since 1946, EHC has worked with Christian nationals, volunteers from local churches, and existing mission agencies to distribute Gospel literature and engage the lost through one-on-one evangelism. The evangelism outreaches of EHC (presently in 154 nations) have provided over 5.16 billion presentations worldwide, providing a strategy to disciple new believers known as Christ Groups. The funds to support these outreaches are provided through the faithful, sacrificial gifts of EHC partners. Through the use of direct mail fund-raising, product sales, or EHC's estate planning efforts, partners are motivated to give directly to the EHC ministry. EHC's programs are described as follows:

Evangelism Outreach:

Evangelism Outreach is a systematic distribution of Gospel literature to every home in various countries in cooperation with local churches, Christians, and missionaries. This program offers encouragement to new believers through Bible correspondence courses, monthly news bulletins, and other means.

Prayer and Vision:

Prayer and Vision involves spreading the vision of world evangelism and the importance of systematically reaching every home in the world with the Gospel of Jesus Christ. This program also involves raising prayer support and challenging Christians to actively take part in God's command to evangelize the world.

EHC is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, EHC is subject to federal income tax on any unrelated business taxable income. In addition, EHC is not classified as a private foundation within the meaning of Section 509(a) of the IRC. As such, contributions to EHC are deductible for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

EHC maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

OVERSEAS OPERATIONS

Most of the costs and expenses relating to overseas evangelism are incurred for the production and distribution of Gospel literature in foreign countries and follow-up of those who respond to the Gospel message. The evangelistic activities in foreign countries are controlled by local entities and are not included in these financial statements. Funds granted by EHC to these local entities are expensed on the date of transfer. EHC is affiliated with several EHC-International organizations which are not included in these financial statements because they are not under common control. EHC and these organizations do, however, participate together in evangelistic outreaches in many foreign countries.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking, savings, and money market accounts. These accounts at times exceed federally insured limits. As of December 31, 2021 and 2020, amounts on deposit exceeding federally insured limits were approximately \$7,430,000 and \$11,920,000, respectively. EHC, however, has not experienced any losses on these accounts and does not believe it is exposed to any significant credit risk.

INVENTORY

Inventory consists of books, workbooks, CD's, and tapes. They are valued at the lower of cost or net realizable value using the weighted average method. There was no allowance for obsolescence as of December 31, 2021 and 2020.

ESTATE AND OTHER RECEIVABLES

EHC has met the requirements for eligibility for the 2020 Employee Retention Credits (ERC). EHC calculated the credit based on qualified wages and has filed the Form 941-X to claim the credits. Laws and regulations concerning government programs, including the ERC, established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge EHC's claims to the ERC, and it is not possible to determine the impact (if any) this would have upon EHC. As of December 31, 2021, the receivable consists of the 2020 second quarter's credit, which has not yet been collected, but is expected to be received within one year. No allowance is recorded as management expects to collect the amount in full. The revenue is included within other income on the statements of activities.

EHC records estate receivables in the year they are earned or unconditionally promised. An estate receivable is recorded as revenue with donor restrictions as of December 31, 2020. This amount was collected during the year ended December 31, 2021.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments consist of marketable securities with readily determinable fair values, which include equities, fixed income securities, mutual funds, and bond funds, and are recorded at fair value. Investments also consist of certificates of deposit with original maturity dates of more than 90 days. Certificates of deposit are held at cost. During the year ended December 31, 2020, privately held shares were donated to EHC in the amount of \$305,000. EHC accounts for the privately held shares under the cost method, which is then analyzed for impairment. Depletion is computed on the straight-line basis for 5 years. Depletion expense for the years ended December 31, 2021 and 2020 was \$61,000 and \$30,500, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or, if donated, at fair value as of the date of the gift. Property donated with restrictions regarding its use and contributions of cash to acquire property and equipment are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. EHC capitalizes purchases or donations greater than \$10,000. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets which are:

Building and improvements	10-60 years
Office and computer equipment	3-7 years
Furniture and fixtures	10-20 years
Vehicles	5-8 years

ASSETS UNDER GIFT ANNUITY AND TRUST AGREEMENTS

Investments

Marketable securities with readily determinable fair values, which include equities, fixed income securities, and mutual funds, are recorded at fair value. Bond funds are recorded at fair value. Certificates of deposit are held at cost. Unrealized gains or losses in fair value are recognized in the year in which they occur.

Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of EHC's investments and total net assets balance could fluctuate materially.

EHC maintains a custody account with its primary custodian, City National (CN). Although EHC monitors CN and believes that it is an appropriate custodian, there is no guarantee that CN, or any other custodian that EHC may use, will not become insolvent. EHC believes that, in the event of the insolvency of CN, some of EHC's assets may be unavailable for a period of time, but that it would ultimately have full recovery of its assets.

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ASSETS UNDER GIFT ANNUITY AND TRUST AGREEMENTS, continued

Beneficial interest in trust agreements

Beneficial interest in trust agreements includes irrevocable perpetual trusts and charitable remainder trusts which are not trusted by EHC. EHC's interest is measured at the estimated present value of the future cash receipts. Adjustments to the amounts reported as assets are reported as change in value of gift annuities and trusts in the statements of activities.

LIABILITIES UNDER GIFT ANNUITY AND TRUST AGREEMENTS

Gift annuity liability

EHC has established a gift annuity plan whereby donors may contribute assets to EHC in exchange for the right to receive a fixed dollar annual return during their lifetimes. The difference between the original annuity amount invested and the discounted liability for future payments, determined on an actuarial basis, is recognized as contribution income at the date of gift. The annuity liability is revalued annually based upon actuarially computed present values using a rate of 4.5% and the Annuity 2000 Gender-Based table using the age of the two youngest beneficiaries.

EHC is required to maintain legally-mandated reserves for certain states in which it issues gift annuities. EHC is in compliance with these reserve requirements, which in most cases is a calculation based off of the annuity liability. See Note 4 for the required reserve amounts.

Trust liabilities

As trustee, EHC administers irrevocable trusts. These trusts provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. The trust liability is the actuarially determined present value of future payments to beneficiaries. At the death of the lifetime beneficiaries, certain trusts contain provisions to distribute assets to remaindermen in addition to EHC. The trust liability includes the remainder interest due other remaindermen (charitable organizations).

WORLD LITERATURE CRUSADE DBA EVERY HOME FOR CHRIST

Notes to Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The net assets of EHC are reported in the following categories:

Net assets without donor restrictions include resources that are used for current operations, including those resources invested in property and equipment, and gift annuity reserves. During the year ended December 31, 2020, EHC set up a board designated quasi-endowment, which is designated for general operations and the assets are included within investments on the statement of financial position. Funds can only be used at the discretion of the board of directors.

Net assets with donor restrictions include certain net assets provided by irrevocable charitable trusts and donor restricted projects. These also include permanent endowments where donors stipulated that the principal remain in perpetuity. Certain net assets provided by irrevocable charitable trusts, EHC's interest in perpetual trusts held by third parties, and endowment funds are restricted in perpetuity.

The management of EHC has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, EHC classifies as net assets with donor restrictions in perpetuity (a) the original value of the gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetuity is classified by purpose and time until those amounts are appropriated for expenditure by EHC in a manner consistent with the standard of prudence prescribed by the Act.

SUPPORT AND REVENUE

Contributions and bequests are recorded when made, which may be when cash is received, when unconditional promises are made, or when ownership of donated assets is transferred to EHC. Donated materials are reflected as gift-in-kind contributions in the accompanying statements of activities at their estimated fair market values on the date of receipt. EHC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Investment income is recorded when earned, which is when gains and losses are recognized and interest and dividends are received.

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Notes to Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ADVERTISING

EHC uses advertising to promote its programs among the audiences it serves and to raise funds. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2021 and 2020, was \$617,548 and \$0, respectively, as noted on the statement of functional expenses for the year ended December 31, 2021.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of EHC. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, travel and business, and seminars and conferences, which are allocated on the basis of estimates of time and effort. Depreciation is allocated on a square footage basis.

ADMINISTRATIVE ASSESSMENTS

In an effort to cover overhead costs, EHC charges an administrative assessment, primarily at 12%, on contributions with donor restrictions. The administrative fee varies based upon the type of gift given.

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3. FAIR VALUE MEASUREMENTS:

EHC uses appropriate valuation techniques to determine fair value based on inputs available. When available, EHC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Fair value of assets measured on a recurring basis at December 31, 2021 and 2020, are as follows:

	December 31, 2021	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments and assets under gift annuity and trust agreements at fair value:				
Mutual funds	\$ 1,475,520	\$ 1,475,520	\$ -	\$ -
Bonds:				
Governmental	684,133	-	684,133	-
Corporate	521,766	-	521,766	-
Municipal	127,737	-	127,737	-
Equities	5,341,885	5,341,885	-	-
Beneficial interest in trust agreements	603,919	-	-	603,919
	8,754,960	\$ 6,817,405	\$ 1,333,636	\$ 603,919
Investments and assets under gift annuity and trust agreements at other than fair value:				
Cash and cash equivalents	909,180			
Trust receivable	1,200,000			
Certificates of deposit	749,808			
Privately held shares	213,500			
	\$ 11,827,448			
Total investments and assets under gift annuity and trust agreements	\$ 11,827,448			

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3. FAIR VALUE MEASUREMENTS, continued:

	December 31, 2020	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets under gift annuity and trust agreements at fair value:				
Mutual funds	\$ 1,008,868	\$ 1,008,868	\$ -	\$ -
Bonds:				
Governmental	817,677	-	817,677	-
Corporate	320,754	-	320,754	-
Municipal	77,768	-	77,768	-
Equities	4,012,836	4,012,836	-	-
Beneficial interest in trust agreements	557,076	-	-	557,076
	6,794,979	\$ 5,021,704	\$ 1,216,199	\$ 557,076
Investments and assets under gift annuity and trust agreements at other than fair value:				
Cash and cash equivalents	553,479			
Certificates of deposit	699,437			
Privately held shares	274,500			
Total investments and assets under gift annuity and trust agreements	\$ 8,322,395			

Valuation techniques: Fair values for mutual funds and equities are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair values of bonds are based on quoted prices in active markets for the underlying assets which are publicly traded. The fair value for the charitable remainder trusts is determined by calculating the present value of the future distributions expected to be received, using the published life expectancy tables and a 6% discount rate. The fair value for the irrevocable perpetual trusts is determined by calculating EHC's portion of the current investment's fair value.

Changes in valuation techniques: None

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3. FAIR VALUE MEASUREMENTS, continued:

The following table provides further details of Level 3 fair value measurements as of December 31, 2021 and 2020:

	December 31,	
	2021	2020
Beginning balance	\$ 557,076	\$ 526,623
Change in value of split-interest agreements	46,843	30,453
Ending balance	<u>\$ 603,919</u>	<u>\$ 557,076</u>

4. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects EHC's financial assets reduced by amounts not available for general use within one year, as of December 31, 2021 and 2020:

	December 31,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 9,192,185	\$ 12,767,096
Estate and other receivables	175,176	354,851
Investments	3,662,811	2,201,888
Assets under gift annuity and trust agreements	8,164,637	6,120,507
Financial assets, at year-end	<u>21,194,809</u>	<u>21,444,342</u>
Less those unavailable for general expenditure within one year, due to:		
Estate and other receivables	-	(354,851)
Privately held shares	(213,500)	(274,500)
Donor imposed restrictions:		
Irrevocable trusts, donor restricted as to purpose and use	(2,681,420)	(1,123,428)
Irrevocable trusts, donor restricted in perpetuity	(660,544)	(626,498)
Revocable trust liabilities	-	(222,979)
Board designated quasi-endowment	(2,427,993)	(1,208,406)
State required annuity reserves	<u>(2,293,574)</u>	<u>(2,379,977)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 12,917,778</u>	<u>\$ 15,253,703</u>

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Notes to Financial Statements

December 31, 2021 and 2020

4. LIQUIDITY AND FUNDS AVAILABLE, continued:

EHC receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to EHC's annual operations to be available to meet cash needs for general and program expenditures. As of December 31, 2021 and 2020, net assets with donor restrictions of \$7,027,321 and \$10,067,327, respectively, were included in financial assets available to meet cash needs for general and program expenditures within one year, as these amounts are anticipated to be utilized for their intended purpose within the one year.

EHC manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. EHC has a liquidity target to maintain current financial assets less current liabilities at a minimum of 60 days operating expenses. EHC targets a year-end balance of reserves of undesignated net assets without donor restrictions at 45 to 60 days of expected expenditures. To achieve these targets, EHC forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2021 and 2020, the level of liquidity and reserves was managed within the desired targets.

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	December 31,	
	2021	2020
Land	\$ 426,846	\$ 426,846
Building and improvements	12,936,425	11,538,098
Office and computer equipment	1,424,590	1,424,590
Vehicles	182,642	182,642
Furniture and fixtures	963,892	963,892
	15,934,395	14,536,068
Accumulated depreciation	(6,516,139)	(6,081,452)
	\$ 9,418,256	\$ 8,454,616

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December 31, 2021 and 2020

6. INVESTMENTS

The investment assets consist of:

	December 31,	
	2021	2020
<u>Assets:</u>		
Cash and cash equivalents	\$ 47,881	\$ 96,909
Certificates of deposit	749,808	699,437
Mutual funds	570,541	139,507
Bonds—governmental	97,906	24,997
Bonds—corporate	445,999	242,834
Bonds—municipal	76,035	77,768
Equities	1,461,141	645,936
Privately held shares	213,500	274,500
	\$ 3,662,811	\$ 2,201,888

7. GIFT ANNUITY AND TRUST AGREEMENTS:

The assets and liabilities of gift annuities and trust agreements consist of:

	December 31,	
	2021	2020
<u>Assets:</u>		
Cash and cash equivalents	\$ 861,299	\$ 456,570
Trust receivable	1,200,000	-
Mutual funds	904,979	869,361
Bonds—governmental	586,227	792,680
Bonds—corporate	75,767	77,920
Bonds—municipal	51,702	-
Equities	3,880,744	3,366,900
Beneficial interest in trust agreements	603,919	557,076
	\$ 8,164,637	\$ 6,120,507
<u>Liabilities:</u>		
Gift annuities	\$ 2,184,964	\$ 2,273,561
Irrevocable trusts	1,845,070	856,025
Revocable trusts	-	222,979
	\$ 4,030,034	\$ 3,352,565

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Notes to Financial Statements

December 31, 2021 and 2020

7. GIFT ANNUITY AND TRUST AGREEMENTS, continued:

The change in value of gift annuities and trust agreements for the years ended December 31, 2021 and 2020, consists of:

	December 31,	
	2021	2020
Interest and dividends	\$ 121,875	\$ 108,759
Net realized and unrealized gains	1,009,426	570,590
Actuarial change	556,737	(333,312)
Matured agreements	41,060	51,489
Trustor and annuitant payments	(390,016)	(407,926)
Investment administrative expenses	(53,802)	(58,373)
Gain on beneficial interest in trust agreements	46,843	30,453
	\$ 1,332,123	\$ (38,320)

8. PAYCHECK PROTECTION PROGRAM LOAN

During the year ended December 31, 2020, EHC obtained a Paycheck Protection Program loan in the amount of \$1,020,722, due April 2022, at a fixed interest rate of 1%. The loan was eligible for forgiveness based on EHC incurring various qualifying expenses such as normal payroll costs and utilities. Because EHC has overcome the required barriers related to these funds as of December 31, 2021, the loan was forgiven in full and is recorded as other income on the statements of activities.

9. ENDOWMENT FUND:

The endowment fund consists of land and cash donor restricted in perpetuity for construction of the Jericho Center. Upon completion, the endowment fund transferred land and cash to the property fund in exchange for a note receivable. Management's intent is to continue to indefinitely postpone the maturity date of the note receivable as the assets of the endowment have effectively been invested in the Jericho Center. The intracompany receivable and payable have been eliminated for financial statement purposes. The policy governing this endowment requires that funds be invested in property and equipment. The required spending policy is that 100% of the earnings be spent on operations of EHC.

10. DEFINED CONTRIBUTION PENSION PLAN:

EHC provides a 403(b) plan covering all employees that work at least 30 hours per week and who are over 21 years of age. If an employee makes an elective deferral to the plan, EHC will match any deferral up to 6%. Employees are immediately vested in the plan. Total contributions amounted to \$170,725 and \$170,490, for the years ended December 31, 2021 and 2020, respectively.

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Notes to Financial Statements

December 31, 2021 and 2020

11. RELATED PARTIES:

During the years ended December 31, 2021 and 2020, EHC received and granted funds to two organizations in which two EHC board members serve as employees. These two organizations are helping EHC fulfill its global mission. Total funds received during the years ended December 31, 2021 and 2020, was \$0 and \$119,600, respectively. Total funds granted during the years ended December 31, 2021 and 2020, was \$120,000 and \$693,105, respectively.

During the year ended December 31, 2020, EHC granted funds to EHC Americas in which the brother of the chief financial officer is the executive director. Total funds granted during the years ended December 31, 2021 and 2020 was \$921,585 and \$822,500, respectively.

12. SUPPORT AND REVENUE CONCENTRATION:

During the year ended December 31, 2021 and 2020, EHC received contributions from a foundation that totaled \$49,037,850 and \$52,000,000, respectively. These gifts accounted for approximately 81% and 89% of total support and revenue for the year ended December 31, 2021 and 2020, respectively.

13. RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread through the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and change in net assets of EHC for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 31, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
World Literature Crusade
dba Every Home for Christ
Colorado Springs, Colorado

We have audited the financial statements of World Literature Crusade dba Every Home for Christ as of and for the years ended December 31, 2021 and 2020, and our report thereon dated March 31, 2022, which expresses an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information located on pages 24-27 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Capin Crouse LLP

Colorado Springs, Colorado
March 31, 2022

**WORLD LITERATURE CRUSADE
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Operating Fund Supplemental Comparative Statements of Financial Position

	December 31,		Change 2021-2020
	2021	2020	
ASSETS:			
Cash and cash equivalents	\$ 9,192,185	\$ 12,767,096	\$ (3,574,911)
Inventory	53,178	31,724	21,454
Prepaid expenses and other assets	344,389	186,280	158,109
Estate and other receivables	175,176	354,851	(179,675)
Investments	1,234,818	993,482	241,336
Property and equipment-net	9,418,256	8,454,616	963,640
Total Assets	\$ 20,418,002	\$ 22,788,049	\$ (2,370,047)
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts payable and accrued expenses	\$ 381,080	\$ 195,317	\$ 185,763
Paycheck Protection Program loan	-	1,020,772	(1,020,772)
Total liabilities	381,080	1,216,089	(835,009)
Net assets:			
Net assets without donor restrictions	11,545,681	9,685,862	1,859,819
Net assets with donor restrictions:			
Restricted by purpose and time	7,027,321	10,422,178	(3,394,857)
Restricted in perpetuity	1,463,920	1,463,920	-
Total net assets	20,036,922	21,571,960	(1,535,038)
Total Liabilities and Net Assets	\$ 20,418,002	\$ 22,788,049	\$ (2,370,047)

**WORLD LITERATURE CRUSADE
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Operating Fund Supplemental Comparative Statements of Activities

	Year Ended December 31,		Change
	2021	2020	2021-2020
SUPPORT AND REVENUE:			
Contributions	\$ 53,839,829	\$ 56,091,331	\$ (2,251,502)
Gift-in-kind	2,353,105	1,497,439	855,666
Privately held shares investment income	160,745	68,666	92,079
Other income	1,234,626	40,824	1,193,802
Total Support and Revenue	57,588,305	57,698,260	(109,955)
EXPENSES:			
Program services:			
Evangelism outreach	50,206,317	45,075,955	5,130,362
Prayer and vision	4,576,088	3,831,505	744,583
	<u>54,782,405</u>	<u>48,907,460</u>	<u>5,874,945</u>
Supporting activities:			
General and administrative	2,968,785	2,248,464	720,321
Fund-raising	1,901,110	1,194,704	706,406
	<u>4,869,895</u>	<u>3,443,168</u>	<u>1,426,727</u>
Total Expenses	59,652,300	52,350,628	7,301,672
Change in Net Assets From Operations	(2,063,995)	5,347,632	(7,411,627)
Bequests and Other Agreements	1,504,317	931,589	572,728
Change in Net Assets	(559,678)	6,279,221	(6,838,899)
Net Assets, Beginning of Year	21,571,960	15,284,545	6,287,415
Interfund Transfers	(975,360)	8,194	(983,554)
Net Assets, End of Year	\$ 20,036,922	\$ 21,571,960	\$ (1,535,038)

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Statement of Financial Position-Trusteed Agreements and Other Trusts

December 31, 2021
(with comparative information for December 31, 2020)

	Gift Annuity	Board Quasi-Endowment	Irrevocable		Other Trusts	2021 Total	2020 Total
			Net Assets With Donor Restrictions				
			Restricted by Purpose and Time	Restricted in Perpetuity			
ASSETS:							
Cash and cash equivalents	\$ 553,168	\$ 47,881	\$ 299,655	\$ 8,476	\$ -	\$ 909,180	\$ 553,479
Trust receivable	-	-	1,200,000	-	-	1,200,000	-
Investments	4,105,014	2,380,112	1,256,323	138,082	-	7,879,531	6,218,358
Beneficial interest in trust agreements	-	-	-	-	603,919	603,919	557,076
Total Assets	\$ 4,658,182	\$ 2,427,993	\$ 2,755,978	\$ 146,558	\$ 603,919	\$ 10,592,630	\$ 7,328,913
LIABILITIES AND NET ASSETS:							
Liabilities:							
Gift annuities	\$ 2,184,964	\$ -	\$ -	\$ -	\$ -	\$ 2,184,964	\$ 2,273,561
Trust liabilities	-	-	1,845,070	-	-	1,845,070	1,079,004
Total liabilities	2,184,964	-	1,845,070	-	-	4,030,034	3,352,565
Net Assets:							
Net Assets Without Donor Restrictions:							
Gift annuity reserve	2,473,218	-	-	-	-	2,473,218	1,795,918
Board quasi-endowment	-	2,427,993	-	-	-	2,427,993	1,208,406
Net Assets With Donor Restrictions:							
Restricted by purpose and time	-	-	910,908	-	88,968	999,876	483,205
Restricted in perpetuity	-	-	-	146,558	514,951	661,509	488,819
Total net assets	2,473,218	2,427,993	910,908	146,558	603,919	6,562,596	3,976,348
Total Liabilities and Net Assets	\$ 4,658,182	\$ 2,427,993	\$ 2,755,978	\$ 146,558	\$ 603,919	\$ 10,592,630	\$ 7,328,913

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Statement of Activities-Trusteed Agreements and Other Trusts

Year Ended December 31, 2021
(with comparative information for the year ended December 31, 2020)

	<u>Gift Annuity</u>	<u>Board Quasi- Endowment</u>	<u>Net Assets With Donor Restrictions</u>	<u>Other Trusts</u>	<u>2021 Totals</u>	<u>2020 Totals</u>
SUPPORT AND REVENUE:						
Gift portion of new agreements	\$ 59,178	\$ -	\$ -	\$ -	\$ 59,178	\$ 37,442
Matured agreements	41,060	-	-	-	41,060	51,489
Interest and dividends	58,105	-	63,770	-	121,875	108,759
Net realized and unrealized gains	792,798	219,587	216,628	-	1,229,013	648,355
Actuarial change	83,359	-	473,378	-	556,737	(333,312)
Gain on beneficial interest in trust agreements	-	-	-	46,843	46,843	30,453
Total Support and Revenue	<u>1,034,500</u>	<u>219,587</u>	<u>753,776</u>	<u>46,843</u>	<u>2,054,706</u>	<u>543,186</u>
PAYMENTS AND EXPENSES:						
Payments to annuitants and trustors	314,638	-	75,378	-	390,016	407,926
General and administrative expenses	42,562	-	11,240	-	53,802	58,373
Total Payments and Expenses	<u>357,200</u>	<u>-</u>	<u>86,618</u>	<u>-</u>	<u>443,818</u>	<u>466,299</u>
Change in Net Assets	677,300	219,587	667,158	46,843	1,610,888	76,887
Net Assets, Beginning of Year	1,795,918	1,208,406	414,948	557,076	3,976,348	3,907,655
Interfund Transfers	-	1,000,000	(24,640)	-	975,360	(8,194)
Net Assets, End of Year	<u>\$ 2,473,218</u>	<u>\$ 2,427,993</u>	<u>\$ 1,057,466</u>	<u>\$ 603,919</u>	<u>\$ 6,562,596</u>	<u>\$ 3,976,348</u>