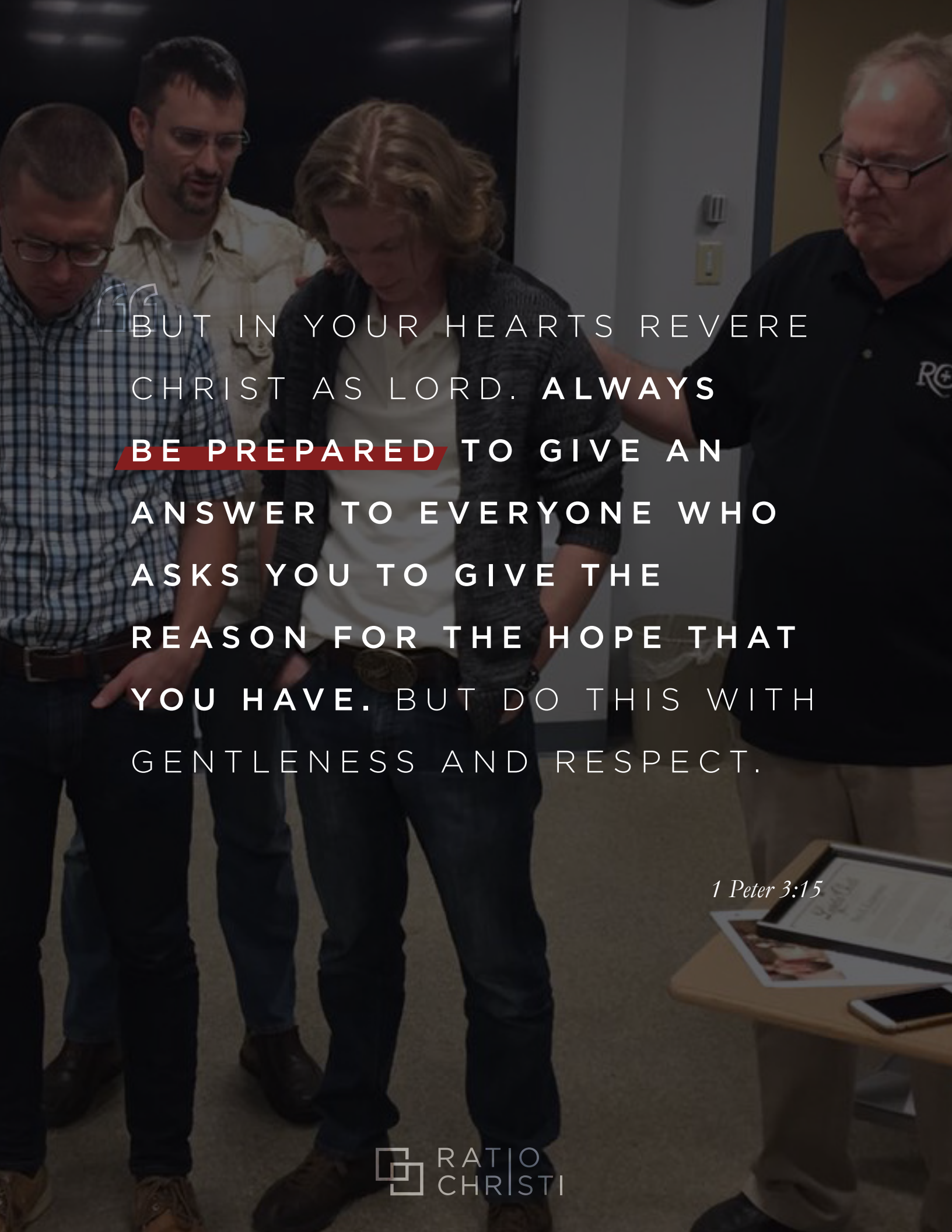




THIS IS  
*THOUGHTFUL  
CHRISTIANITY*

RATIO CHRISTI  
*2021 Annual Report*





BUT IN YOUR HEARTS REVERE  
CHRIST AS LORD. ALWAYS  
**BE PREPARED** TO GIVE AN  
ANSWER TO EVERYONE WHO  
ASKS YOU TO GIVE THE  
REASON FOR THE HOPE THAT  
YOU HAVE. BUT DO THIS WITH  
GENTLENESS AND RESPECT.

*1 Peter 3:15*



## MY DEAR FRIENDS,

The vision of Ratio Christi (RC) is **Thoughtful Christianity—Transforming Lives on Campus Today, Changing Culture Tomorrow.** RC has become one of the most strategic ministries in the country because of location, location, location! Unique among campus ministries, we are a special ops ministry engaged in effective apologetics-evangelism at the most influential institution in civilization. From it come our business and political leaders, artists, journalists, K-12 educators, and future professors. As goes the university, so goes the culture. As goes the US university, so goes the world.

Having completed our first decade of ministry, we have moved on from fragility in our infancy to stability in our adolescence. We are looking toward mobility in our adulthood. RC's mission was initiated through a single quest on one campus to become an international movement on 150+ campuses equipping high school students, college students, and professors with historical, philosophical, and scientific reasons for following Jesus.

We are in a battle to win souls and win the soul of the university. In our short decade, we've engaged 30+ cases of legal proceedings, filed four federal lawsuits, contributed to a US Supreme Court victory, and have been engaged in litigation with the executive branch's Department of Education. This is all done simply to maintain a platform of influence in the most influential institution. We believe in defending the faith and defending the ability to defend the faith. So far, no losses. But as the cultural revolution continues, we will continue to fight so that we may inspire the plausibility of the Christian worldview on the campus and to present the truth of the Gospel. We do it all so that we may continue to see souls saved, and to save the soul of the university.

Semper Fidelis, Semper Paratus,

*Corey Miller*  
COREY MILLER





# APOLOGETICS + EVANGELISM



## MISSION

A global movement equipping students and faculty with historical, philosophical, and scientific reasons for following Jesus.

## VISION

Thoughtful Christianity—Transforming Lives on Campus Today, Changing Culture Tomorrow.

## VALUES

1. **Christ** first and foremost as the reason for everything we do.
2. Reason as part of the **Imago Dei**.
3. The **Academy** as an Institution.
4. The intertwined nature of **truth**, love, and integrity.
5. **Servant leadership** and discipleship.
6. The **local Church**.
7. The exponential impact of **disciples making disciples**.
8. Religious **liberty**.
9. The unique **gifts and tasks** that God has given us as individuals and as an organization.
10. The unique gifts and tasks of others and **the entire apologetics movement**.
11. Intergenerational ministry.
12. **Grassroots** actions.
13. "Franchisability."
14. Ambassadors that will affect every campus, the Church, the family, government, and **all of culture**.



# A DECADE OF DISCIPLESHIP

IT'S SAD TO SAY, but nowadays students in our churches are often ill-prepared for the challenges to their faith that they experience in college. Some of these students are able to wrestle with these challenges and make their faith their own, but roughly 75% of students leave the faith during college.

Some return.

**Most do not.**

In the summer of 2008, Southern Evangelical Seminary (SES) students Randy Hardman and Brendan Helms approached the missions director at SES, Simon Brace, with an idea to start an on-campus student apologetics club. They realized, even at seminary, that college aged students needed to know the reasons for their faith. And they weren't the only ones.

Within nine months, the ministry grew nearly 500% and by 2011 Ratio Christi had gotten to the point that it needed more than volunteers and part-time student leaders. They incorporated, created a board, asked Rick Schenker to be the ministry's first president, and thus was Ratio Christi officially born.

We created the Supported Missionaries Program to hire trained apologists who could take their love of the subject from hobby to



vocation. We partnered with other apologetics and campus ministries, got onto dozens of universities like UNC Charlotte, NC State, Ohio State, Texas A&M and even one in South Africa and grew from a small club at SES to the only ministry that is actively on campus doing both apologetics and evangelism. In April 2015, Corey Miller became president and under his leadership, Ratio Christi has continued to grow.

Now we have 146 staff serving on 117 campuses in the United States and on nine campuses in six other countries. These chapters meet weekly and create a space where believers and a number of non-believers can meet and discuss tough issues with logic, respect, and compassion. We also host events like debates with speakers like William Lane Craig, and conferences on topics such as human sex trafficking, slavery, and more. And at each meeting and event, we bring it back to our core: the Reason of Christ.

We also have nine Ratio Christ College Prep groups to equip high school students before they reach the university, and eight RC Professor chapters to minister to and support the more influential voices on campus.

We're proud to say that we're on the cutting edge of what we do giving `the historical, scientific, and philosophical reasons for Christ to students and faculty.

It hasn't always been easy, but it has always been worth it. After spending the past ten years on the forefront at the university campus, we look forward with great anticipation to what God has in store for the next ten years and beyond.



# MEET JANE

When I joined Ratio Christi in August of 2011, I knew there was an assault on the Christian faith in schools. I saw it firsthand. And when I became a Christian during college, my passion was to help equip and encourage people to share their faith and have good reasons for their belief in God.

With Ratio Christi, I found a place to do this with students at the university. As soon as God started putting the details together, I knew it was a calling from God. The idea of leaving my job to go into full-time ministry was a bit scary at first, especially the raising support part, but I have seen that the Lord provides!

I'm glad I stepped out, because it has been one of the most rewarding ministries to be a part of. I get to serve students who had questions like I did. Seeing Christians equipped, encouraged, and ready for evangelism is so much fun because we get to have conversations with people with all kinds of backgrounds and disagree on all kinds of ideas. We let the best ideas win, and we see people change their minds. When we see students come to Christ—what a joy!

Right now especially, Christianity is looked at as bigoted, backward, homophobic, and intolerant. We have an opportunity to show that Christianity makes sense for all the big questions in life, that Jesus meets the deepest longing of our hearts and the deepest questions of life, and we get to point students to Him.



*Jane Pantig has served in a number of capacities at Ratio Christi, spoke at our first apologetics conference in the Philippines, and helped lead some of our Utah missions trips. She is currently the Regional Ministry Director of California and Nevada, and the co-Chapter Director of the University of Utah with Aaron Marshall. Before that, she was the co-Chapter Director or sole Chapter Director at a number of Southern California schools including Biola University, the University of Southern California, and the University of California Los Angeles.*



WE ARE BUILDING

# AMBASSADORS

FOR CHRIST

## MEET WESLEY

During my time in Ratio Christi, God has shown me that people respond differently to outreach and evangelism, which makes sense because God made us all different. I love how Ratio Christi focuses on equipping students to give a reason for their faith and practice giving that reason! We genuinely are helping build ambassadors for Christ. I have learned that God is on the move through this organization. We are strategic in our teaching and focused on our events and mission trips.

Serving with Ratio Christi has been a blessing and has provided me with a place to express my particular passion for ministry. The annual mission trips to Utah are the thing I look forward to the most throughout the year. Just recently, I finished encouraging a student to come on the Utah trip with us saying, "You should join our mission trip this year is my point..." and our student president said, "That's Wesley's main point on everything!" because I never stop talking about it!

*Wesley Farewell is the Regional Ministry Director of the Plains. He has served with Ratio Christi since 2017 when he was brought on as the Assistant Chapter Director for the University of Nebraska-Lincoln. During his time with RC, he's been the Area Director of Nebraska, Iowa, South Dakota, and Kansas, and the Chapter Director of Kansas State University. His passion and apologetics focus is counter-cult missions and he is currently pursuing a D.Min in Christian Leadership and Strategic Growth.*



### CODY | *Student at Rice University in Houston, TX*

RC has enabled me to carefully consider the truth of essential issues and build relationships with others who are similarly enthusiastic about **seeking God's truth in love**. We seek this so we may be transformed by the gospel and so we may share it with believers and nonbelievers alike, seeking the flourishing of all as we become conformed into the **image of Christ**.

### ABBY | *Student at Kansas State University in Manhattan, KS*

Ratio Christi has impacted how I approach the gospel, not only with others but with myself. It's challenged me to **understand why I believe what I believe** and the truths that back my beliefs up. I've learned so many tactics to defend my faith since I've been with RC. God has used my time with RC to challenge me to grow in my faith with Him.

### JOEY | *Student at Indiana University - Purdue University Indianapolis in Indianapolis, IN*

I not only learned about these discussion points and arguments for why God exists and is good, but I also learned how to be compassionate to those who do not think the same as me. Ratio Christi helped build upon the **firm foundation** laid by Jesus so that I was prepared when I was confronted by differing arguments both during college and after.

### COLE | *Student at Rice University in Houston, TX*

I lost my faith in middle school when I thought it was too unscientific and oppressive. I only recovered it during my senior year of high school after realizing anti-theism was illogical and that the Christian moral system was the only one that worked. By the time I got to college, I was confident spiritually in my faith. However, I still felt a little uneasy and self-conscious that I couldn't answer some of the logical and scientific objections that caused me to become an atheist before.

Then sophomore year, I saw Ratio Christi and thought it looked interesting, so I went to the first meeting. That semester they were focused on the historical and scientific evidence supporting Christianity, so every presentation and discussion on topics from the Historicity of Jesus to Evidence



for Creationism not only helped me to answer objections others had to Christianity but also **helped me to feel more secure and confident in my faith**.

This is my second year as a member of Ratio Christi. I'm blessed that I can grow my faith and knowledge of God every week with the other members. Every week I can better defend and explain Christianity to those who have lost their faith.



# LEGATUS CHRISTI

## *The Next Generation of Apologists*

IN 2012 WE ESTABLISHED AN AWARD to recognize those students that have completed a challenging course of study in areas of Christian apologetics, worldview analysis, evangelism, and Christian thinking that has better equipped them to be leaders in the Christian community, disciple makers, and evangelists for Jesus Christ. A Legatus Christi Certificate (Latin for *Ambassador of Christ*) may be conferred on any student that has demonstrated the use of apologetics in evangelistic conversations and is willing and able to regularly teach other believers the skills they have learned.



### **CHRIS STOCKMAN** | *Student at Indiana University in South Bend, IN*

I can honestly say that the experiences I have had with Ratio Christi have changed my life and emboldened me to speak truth to the world with the confidence that I am on the side of grace and knowledge. Being a recipient of the Legatus Christi is humbling and reminds me that I have given myself in service to Christ, and therefore I have a job to do: Be an ambassador for Him to those around me.

*Chris is currently a Ratio Christi intern at Grand Valley State University in Michigan.*

### **JAELYN MORGAN** | *Student at Liberty University in Lynchburg, VA*

The LU Ratio Christi Chapter has had a tremendous impact on my life. We discussed topics I had always been interested in but never explored, such as the concept of beauty, evidence for the resurrection, and personhood. Each week brought new insights, conviction, and encouragement as we encouraged and equipped each other to give good reasons for our beliefs.

### **SAMUEL HERRINGTON** | *Student at University of Kentucky in Lexington, KY*

My ability to defend my beliefs, engage in tactical and fruitful conversations with others, and teach the truth of God's word through tangible discussion and current events is a result of my training with RC.





## Our Vision for the Next 10 Years?

# RATIO CHRISTI ON 1000 CAMPUSES

**T**O EXPAND OUR MINISTRY and pursue our dream to equip students, change lives on campus today, and transform culture tomorrow, we have a vision to plant Ratio Christi Chapters on 1000 college campuses, starting with a medium-term goal of doubling the number of chapters and college ministry staff in the next three to four years.

How will we do this? We've identified two main priorities for success and growth:

### CHAPTER PRIORITIES

- Apologetics
- Evangelism
- Community
- Developing Student Leaders

### MINISTRY GROWTH

- Intentional Regional Recruiting
- Developing Area & Regional Leaders

To accomplish all this, we are praying for financial support beyond our base budget:

CAMPUS EVANGELISM EVENTS	Tactical Evangelism in Strategic Hubs	\$50,000/yr
AREA STUDENT EVENTS	Teaching, Training, Recruiting Students	\$60,000/yr
REGIONAL LEADERSHIP EVENTS	Leadership Development Conferences	\$70,000/yr
REGIONAL RECRUITING EFFORTS	Resources & Travel Funds for Recruiting	\$40,000/yr
NATIONAL SUPPORT	Leadership & Infrastructure Support	\$30,000/yr

## MEDIUM-TERM STRATEGIC PLAN (2021 - 2025)

By the end of the 2025 - 2026 Academic Year, our goal is to increase our numbers on university and college campuses across the United States.

	FROM	TO
UNIVERSITY AND COLLEGE CHAPTERS	120	240
LOCAL AREAS (WITH DIRECTORS)	20	40
REGIONS (WITH DIRECTORS)	3	6
SUPPORTED MISSIONARIES	60	180

## HOW CAN I HELP?

Some can **join** us. Many can **support** us. Everyone can **pray** for us. So where do *you* fit in?

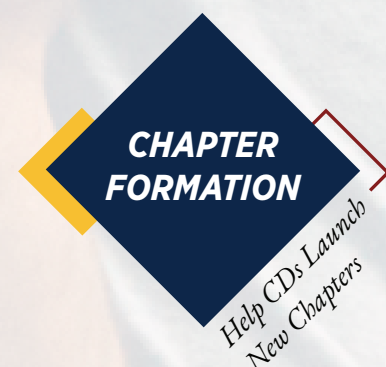
One of the easiest and most impactful way to demonstrate your support of Ratio Christi is to include Ratio Christi in your estate plans. To get more information on the benefits and simple steps, please contact Donald McLaughlin, Senior Director of Advancement at [donaldmclaughlin@ratiochristi.org](mailto:donaldmclaughlin@ratiochristi.org).

“While there are many Christian ministries one can support, we've made the decision to give to Ratio Christi, as they have held the line on their Christian beliefs and remain focused on their mission of equipping university students with the reasons to follow Christ.”

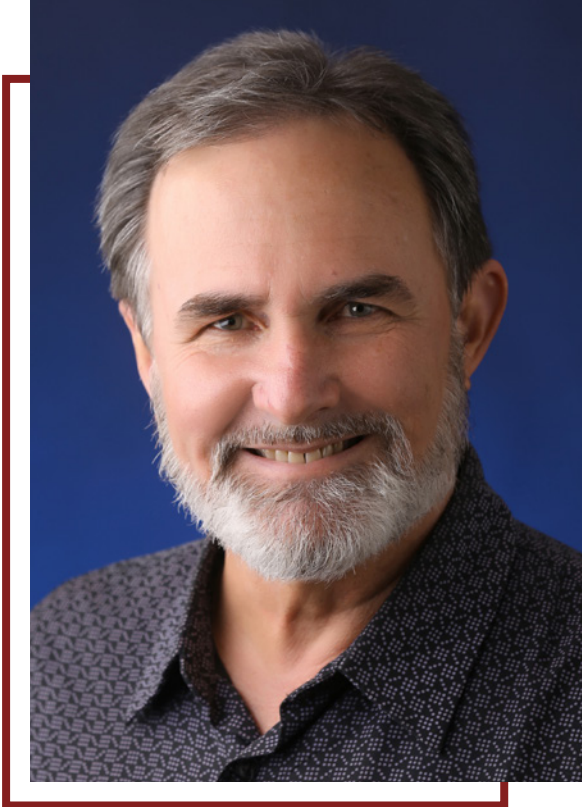
**PAUL & MARY E.** | *Legacy Society Members*

Visit [ratiochristi.org/legacy-society](http://ratiochristi.org/legacy-society) for more information and to get involved.

We've broken our our Campus Ministry Leadership into three functions:







# A LETTER FROM THE CHAIRMAN OF THE BOARD

Contemporary Christian music stations are presently playing a hit song by Tasha Layton entitled “Look What You’ve Done.” Layton’s song is about how God has used hardship in her life to heal her so that now she exuberantly proclaims “look what you’ve done in me.”

And that’s how I feel about Ratio Christi—look what God’s done! I’ve been on the board for the last eight years and Ratio Christi has endured some very hard times. For the first few years of my board

tenure we were running financially in the red. Although that’s not unusual for a new ministry, as a board member I can tell you that was stressful. But that’s no longer the case! *We have no debt!*

Also, in the last few years we have endured some grueling personnel changes to our national staff, but it has all been for the better! As of six and a half years ago we hired a new president, Corey Miller, and he is the right man for the job! Having himself led a thriving Cru campus ministry at Purdue, he was forced out of his first Ph.D. program when they said that he had too much of a “faith perspective.” Also, as an ethics professor, he was formally accused of fostering a suicidal environment because he presented a balanced perspective of homosexual practice—the Alliance Defending Freedom sent letters to the university and, after an investigation, the university dismissed the complaint as having no merit. Ratio Christi has now sued or threatened to sue a number of universities and in every case the universities have backed down and even had to pay our legal expenses.

Further, Ratio Christi has hired other national staff members—a COO, director of development, controller, director of chapter formation, information technology director, and many more, who are quality people who can keep the trains running on time as we expand the ministry. Further, our board treasurer was a full partner for Price Waterhouse Coopers in their home office. One of his clients was ExxonMobil and I am thrilled to have a CPA of his expertise (it doesn’t get better than that) over seeing our finances to ensure we always act honorably.

But, ultimately, I’m thankful for the continuing growth and health of the expanding number of Ratio Christi university chapters who answer skeptics and encourage students that no argument can stand against historic Christianity because historic Christianity is true. I could say much, much more but I’ll close with simply extolling, **“Look what God’s done!”**

*Clay Jones*  
CLAY JONES





# INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Ratio Christi, Inc.  
Lafayette, Indiana

We have reviewed the accompanying financial statements of Ratio Christi, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

## Management's Responsibility for the Financial Statements

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

## Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

## Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Columbia, South Carolina  
October 8, 2021

801 Gervais Street, Suite 101  
Columbia, SC 29201  
505.50.CAPIN  
capincrouse.com

## RATIO CHRISTI, INC. STATEMENTS OF FINANCIAL POSITION

	June 30	
	2021	2020 (restated)
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 725,368	\$ 486,979
Restricted cash	846,583	573,154
Accounts receivable	26,559	40,493
<b>Total Assets</b>	<b>\$ 1,598,510</b>	<b>\$ 1,100,626</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 19,159	\$ 846
<b>Net assets:</b>		
<b>Net assets without donor restriction</b>		
Undesignated	\$ 659,242	\$ 502,510
Board designated for missionary support	687,021	467,630
Board designated for university chapters	115,279	76,993
	<u>1,461,542</u>	<u>1,047,133</u>
<b>Net assets with donor restriction:</b>		
Christian Education Charitable grant	46,247	-
Murdock Foundation grant	71,526	52,647
	<u>117,809</u>	<u>52,647</u>
<b>Total net assets</b>	<b>1,579,351</b>	<b>1,099,780</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,598,510</b>	<b>\$ 1,100,626</b>

## STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE:</b>			
Contributions	\$ 3,050,745	\$ 103,155	\$ 3,153,900
Investment income	2,933	-	2,933
Other program revenue	1,763	-	1,763
<b>Total Support and Revenue</b>	<b>3,055,441</b>	<b>103,441</b>	<b>3,158,596</b>
<b>RECLASSIFICATIONS:</b>			
Net assets released for satisfaction of purpose restrictions	37,933	(37,993)	-
<b>EXPENSES:</b>			
Program services	1,887,374	-	1,887,374
<b>Supporting activities:</b>			
Management and general	581,250	-	581,250
Fundraising	210,401	-	210,401
<b>Total Expenses</b>	<b>2,679,025</b>	<b>-</b>	<b>2,679,025</b>
<b>Change in Net Assets</b>	<b>414,409</b>	<b>65,162</b>	<b>479,571</b>
<b>Net Assets, Beginning of Year</b>	<b>1,047,133</b>	<b>52,647</b>	<b>1,099,780</b>



## STATEMENTS OF ACTIVITIES

Year Ended June 30, 2020, restated

	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE:</b>			
Contributions	\$ 2,675,718	\$ 52,750	\$ 2,728,468
Investment income	3,675	-	3,675
Other program revenue	8,023	-	8,023
<b>Total Support and Revenue</b>	<b>2,687,416</b>	<b>52,750</b>	<b>2,740,166</b>
<b>RECLASSIFICATIONS:</b>			
Net assets released for satisfaction of purpose restrictions	103	(103)	-
<b>EXPENSES:</b>			
Program services	1,902,667	-	1,902,667
Supporting activities:			
Management and general	564,566	-	564,566
Fundraising	125,145	-	125,145
<b>Total Expenses</b>	<b>2,592,378</b>	<b>-</b>	<b>2,592,378</b>
Change in Net Assets	95,141	52,647	147,788
<b>Net Assets, Beginning of Year:</b>			
As previously reported	337,025	614,967	951,992
Prior period adjustment	614,967	(614,967)	-
As restarted	951,992	-	951,992
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,047,133</b>	<b>\$ 52,647</b>	<b>\$ 1,099,780</b>

## STATEMENTS OF CASH FLOWS

	June 30	
	2021	2020 (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 479,571	\$ 147,788
Change in operating assets and liabilities		
Accounts receivable	13,934	14,901
Accounts payable and accrued expenses	18,313	(31,515)
<b>Net Cash Provided by Operating Activities</b>	<b>511,818</b>	<b>131,174</b>
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	1,060,133	928,959
<b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 1,571,951</b>	<b>\$ 1,060,133</b>
The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of cash flows:		
Cash and cash equivalents	\$ 725,368	\$ 486,979
Restricted cash	846,583	573,154
<b>Total cash, cash equivalents, and restricted cash shown in the statements of cash flows</b>	<b>\$ 1,571,951</b>	<b>\$ 1,060,133</b>

## Notes to Financial Statements

June 30, 2021 and 2020 (restated)

### 1. NATURE OF THE ORGANIZATION:

Ratio Christi, Inc. (Ministry) was incorporated under the laws of North Carolina in 2011. The Ministry was organized to encourage and strengthen the faith of Christian students at public and private institutions around the world, while sharing Christ's message and love with those who have not yet accepted Him. By situating apologetic clubs at universities nationally and internationally, Ratio Christi hopes to take part in the battle for the mind and begin to reverse the prevalent trend toward secularism in the university by encouraging dialogue and stimulating discussion directed towards answering life's pressing questions.

The Ministry is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Ministry has been classified as a publicly supported organization, which is not a private foundation under Section 509(a)(1) of the Code.

Ratio Christi's University Apologetics Program consists of 125 chapters. The average chapter serves from 10 to 20 students with between 1,000 and 2,000 students participating in weekly meetings on campus, and about 30,000 students annually at big events. In addition, the ministry publishes an online newsletter that reaches over 2,000 students and supporters. Ratio Christi also is also active on Facebook and Twitter.

Ratio Christi's revenues consist primarily of contributions from the public.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### BASIS OF ACCOUNTING

The financial statements of Ratio Christi have been prepared on the accrual basis of accounting. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies are summarized below.

#### CASH AND CASH EQUIVALENTS AND CREDIT RISK

Ratio Christi considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash is secured by FDIC insurance up to \$250,000 at each financial institution. At June 30, 2021 and 2020, the Ministry's cash balances exceeded federally insured limits by \$1,309,902 and \$817,182. The Ministry does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

#### RESTRICTED CASH

Restricted cash consists of funds set aside in a bank savings account to assure that sufficient funds will be available for future expenditures related to missionary and university chapter support, and donor restricted grants.

#### ACCOUNTS RECEIVABLE

Accounts receivable consist of contributions originated via Ratio Christi's website and processed by the Ministry's third party payment processing provider. Management has not established an allowance for doubtful accounts as it believes all amounts are fully collectible at this time.

#### NET ASSETS

The financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are those available for current purposes under the direction of the board and those resources designated by the board for a specific purpose. Ratio Christi receives contributions earmarked by donors for missionary support and university chapters, however, the board retains the control over these net assets and therefore are reflected as board designated without donor restriction net assets.

Net assets with donor restrictions result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be removed by actions of Ratio Christi pursuant to those stipulations. Net assets with donor restrictions are comprised generally of gifts made for specific purposes identified by the donor.

#### CONTRIBUTIONS

Contributions received are reported as support without donor restrictions or with donor restrictions depending on the existence and nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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.

#### EXPENSES

Expenses are reported when incurred in accordance with the accrual basis of accounting. The cost of providing the various program services and supporting activities of Ratio Christi have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities that benefited from those costs.

#### RECENTLY ISSUED ACCOUNTING STANDARDS

In 2018, FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The Ministry adopted the provisions of this new standard during the year ended June 30, 2021, as a resources provider. The new standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on change in net assets or net assets in total.



### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Ministry's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions or board designation within one year of the statement of financial position date. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Where as funds designated by the board for missionary support and chapter expenses are excluded from financial assets available to meet cash needs for general expenditures within one year, expenditures for missionary support and chapter expenses represent the majority of the Ministry's total program expenses (see note 2 and 4).

	June 30,	
	2021	2020
Financial assets		
Cash and cash equivalents	\$ 725,368	\$ 486,979
Restricted cash	846,583	573,154
Accounts receivable	26,559	40,493
Financial assets, at year-end	<u>1,589,510</u>	<u>1,100,626</u>
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions:		
Restricted by donor with purpose and time restrictions	(117,809)	(52,647)
Designated by the board:		
Missionary Support	(687,021)	(467,630)
University Chapters	(115,279)	(76,993)
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	<u>\$ 678,401</u>	<u>\$ 503,356</u>

### 4. FUNCTIONAL EXPENSES:

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization. These expenses include salaries and benefits and are allocated based on time and effort. Other expenses report certain categories that are attributable to more than one program or supporting function, these expenses are allocated based on management judgment and analysis. Amounts classified as contract labor represent compensation to missionaries.

	Year Ended June 30, 2021			
	Program Expenses	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 406,869	\$ 346,110	\$ 86,433	\$ 839,412
Professional services and dues	-	13,077	-	13,077
Contract Labor	1,445,978	8,643	4,190	1,458,811
Occupancy and office expenses	4,476	198,703	17,661	220,840
Travel	6,968	2,881	5,372	15,221
Conferences and meeting	22,530	1,629	-	24,159
Other expenses	553	10,207	96,745	107,505
Total expenses	<u>\$ 1,887,374</u>	<u>\$ 581,250</u>	<u>\$ 210,401</u>	<u>\$ 2,679,025</u>
	Year Ended June 30, 2020			
	Program Expenses	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 845,265	\$ 403,680	\$ 86,646	\$ 975,591
Professional services and dues	44,270	24,369	-	68,639
Contract Labor	1,316,703	22,158	2,082	1,340,943
Occupancy and office expenses	2,794	106,381	4,233	113,408
Travel	16,415	-	4,104	20,519
Conferences and meeting	28,330	-	-	28,330
Other expenses	8,890	7,978	28,080	44,948
Total expenses	<u>\$ 1,902,667</u>	<u>\$ 564,566</u>	<u>\$ 125,145</u>	<u>\$ 2,592,378</u>

### 5. OPERATING LEASE:

The Ministry leases office space under a noncancelable operating lease agreement. Total rent expense was \$6,000 for the years ended June 30, 2021 and 2020. Future minimum operating lease payments as of June 30, 2021, are:

Years Ending June 30,	Amounts
2022	\$ 6,000
2023	5,000
Thereafter	-
	<u>\$ 11,000</u>

### 6. RELATED PARTY TRANSACTIONS:

During the years ended June 30, 2021 and 2020, the Ministry received \$76,638 and \$81,119 in contributions from members of the board of directors.

### 7. 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 throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. COVID-19 pandemic did not, however, significantly impact contributions of the Ministry during fiscal year 2021. 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 results of the Ministry for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

### 8. PRIOR PERIOD ADJUSTMENT:

During the year ended June 30, 2021, management determined contributions and net assets designated by the board for missionary and chapter support were incorrectly recorded as with donor restriction rather than without donor restriction. A prior period adjustment was recorded to correct the classification error. The adjustment had no effect on the total net assets. The effects of the adjustment on the beginning net assets as of July 1, 2019, and contributions, releases for satisfaction of purpose restrictions, and change in net assets for the year ended June 30, 2020 were as follows:

	As Previously Stated	Prior Adjustment Period	As Restated
Net assets without donor restriction, July 1, 2019	\$ 337,025	\$ 614,967	\$ 951,992
Net assets with donor restriction, July 1, 2019	\$ 614,967	\$ (614,967)	\$ -
Without donor restriction contributions, June 30, 2020	\$ 702,591	\$ 1,973,127	\$ 2,675,718
With donor restriction contributions, June 30, 2020	\$ 2,025,877	\$ (1,973,127)	\$ 52,750
Change in net assets without donor restriction, June 30, 2020	\$ 165,485	\$ (70,344)	\$ 95,141
Change in net assets with donor restriction, June 30, 2020	\$ (17,697)	\$ 70,344	\$ 52,647
Net assets released for satisfaction of purpose restriction, June 30, 2020	\$ 2,043,574	\$ (2,043,471)	\$ 103

### 8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 8, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.



☪ *May the*

**GOD OF HOPE**

*fill you with all*

**JOY & PEACE**

*as you trust in Him, so that you may*

*overflow with hope by the power*

*OF  
THE*

**HOLY SPIRIT**

ROMANS 15:13



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