

**THE MOODY BIBLE INSTITUTE OF CHICAGO**

**FINANCIAL STATEMENTS**

June 30, 2023 and 2022

THE MOODY BIBLE INSTITUTE OF CHICAGO

FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
The Moody Bible Institute of Chicago  
Chicago, Illinois

**Opinion**

We have audited the financial statements of The Moody Bible Institute of Chicago (Institute), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Moody Bible Institute of Chicago (Institute) as of June 30, 2023 and 2022, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute 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 the 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 the Institute's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

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## ***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 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 GAAS 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 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 GAAS, 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 the Institute'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 the Institute'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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information presented on pages 34 and 35, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for that portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That 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, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Crowe LLP

Chicago, Illinois  
November 6, 2023

THE MOODY BIBLE INSTITUTE OF CHICAGO  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,249,829	\$ 29,381,243
Receivables		
Beneficial interest in term trusts held by others and pledges receivable (less allowance for uncollectible amounts \$0 in 2023 and \$0 in 2022)	3,816,445	3,975,411
Other (less allowance for uncollectible amounts \$1,346,011 in 2023 and \$506,032 in 2022)	7,975,365	8,195,835
Inventories, net	6,108,097	6,335,718
Investments	261,221,797	241,731,657
Trust holdings	161,646,832	162,105,856
Property, plant, and equipment, net	67,783,177	56,382,176
Other assets	<u>10,402,270</u>	<u>9,294,966</u>
 Total assets	 <u>\$ 531,203,812</u>	 <u>\$ 517,402,862</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 12,605,913	\$ 11,667,988
Accrued pension and postretirement health benefits	9,052,178	11,302,901
Annuity liability	25,161,323	28,625,776
Trust obligations	131,876,282	129,198,435
Other liabilities	<u>69,544</u>	<u>351,523</u>
Total liabilities	178,765,240	181,146,623
 Net assets		
Without donor restrictions	256,675,637	247,434,018
With donor restrictions	<u>95,762,935</u>	<u>88,822,221</u>
Total net assets	<u>352,438,572</u>	<u>336,256,239</u>
 Total liabilities and net assets	 <u>\$ 531,203,812</u>	 <u>\$ 517,402,862</u>

See accompanying notes to financial statements.

THE MOODY BIBLE INSTITUTE OF CHICAGO  
STATEMENTS OF ACTIVITIES  
Years ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue, gains, and other support						
Contributions	\$ 46,017,779	\$ 4,138,530	\$ 50,156,309	\$ 48,754,156	\$ 4,073,644	\$ 52,827,800
HEERF grant funding	487,900	-	487,900	5,090,166	-	5,090,166
Student tuition and fees, net	28,060,806	-	28,060,806	28,641,907	-	28,641,907
Sales of books and publications	18,359,188	-	18,359,188	21,329,541	-	21,329,541
Investment return designated for current operations	11,113,195	1,325,969	12,439,164	5,927,350	1,412,721	7,340,071
Other	7,607,829	-	7,607,829	8,666,547	-	8,666,547
Net assets released from Board Designated	1,369,652	-	1,369,652	1,565,188	-	1,565,188
Net assets released from restrictions	9,512,557	(9,512,557)	-	8,698,780	(8,698,780)	-
Total operating revenue, gains, and other support	122,528,906	(4,048,058)	118,480,848	128,673,635	(3,212,415)	125,461,220
Operating expenses						
Salaries and wages	51,130,944	-	51,130,944	49,156,272	-	49,156,272
Employee benefits and taxes	13,112,513	-	13,112,513	13,791,421	-	13,791,421
Professional and other outside services	5,955,230	-	5,955,230	6,163,367	-	6,163,367
Promotion and advertising	4,783,653	-	4,783,653	5,102,282	-	5,102,282
Royalties	3,972,374	-	3,972,374	4,525,155	-	4,525,155
Occupancy	4,462,603	-	4,462,603	4,527,882	-	4,527,882
Cost of sales	4,859,726	-	4,859,726	4,872,784	-	4,872,784
Office expense	3,054,500	-	3,054,500	2,868,141	-	2,868,141
Information technology	5,861,541	-	5,861,541	4,860,886	-	4,860,886
Other educational expense	1,917,701	-	1,917,701	1,192,833	-	1,192,833
Grants to students	2,566,065	-	2,566,065	4,730,049	-	4,730,049
Student dining expense	1,800,735	-	1,800,735	1,704,295	-	1,704,295
Travel expense	1,494,523	-	1,494,523	1,144,920	-	1,144,920
Depreciation and amortization	5,082,607	-	5,082,607	5,002,881	-	5,002,881
Other expense	6,208,247	-	6,208,247	6,205,794	-	6,205,794
Total operating expenses	116,262,962	-	116,262,962	115,848,962	-	115,848,962
Changes in net assets before Board Designated item	6,265,944	(4,048,058)	2,217,886	12,824,673	(3,212,415)	9,612,258

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
STATEMENTS OF ACTIVITIES  
Years ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated item - gain on sale of property	\$ -	\$ -	\$ -	\$ 136,220,395	\$ -	\$ 136,220,395
Net assets released from Board Designated to Operations	(1,369,652)	-	(1,369,652)	(1,565,188)	-	(1,565,188)
Net assets released from Board Designated to Capital Projects	(1,886,003)	-	(1,886,003)	(1,940,668)	-	(1,940,668)
Changes in net assets after Board Designated item from operating activities	3,010,289	(4,048,058)	(1,037,769)	145,539,212	(3,212,415)	142,326,797
Other changes in net assets						
Investment return (less than) in excess of amounts designated for current operations	2,401,856	2,008,928	4,410,784	(27,649,322)	(10,233,714)	(37,883,036)
Contributions for new building	-	-	-	-	10,219	10,219
Endowment contributions	-	6,591,367	6,591,367	-	537,007	537,007
Changes in present value of split-interest agreements	402,113	2,388,587	2,790,700	(1,268,270)	(3,530,675)	(4,798,945)
Change in estimate of asset retirement obligation (asbestos)	(133,686)	-	(133,686)	316,230	-	316,230
Net assets released from Board Designated to capital projects	1,886,003	-	1,886,003	1,940,668	-	1,940,668
Net assets released for capital projects	110	(110)	-	286,687	(286,687)	-
Change in value of accrued pension obligation	1,580,183	-	1,580,183	(6,300,271)	-	(6,300,271)
Change in value of postretirement health benefits obligation	94,751	-	94,751	1,175,987	-	1,175,987
Changes in net assets	9,241,619	6,940,714	16,182,333	114,040,921	(16,716,265)	97,324,656
Net assets at beginning of year	247,434,018	88,822,221	336,256,239	133,393,097	105,538,486	238,931,583
Net assets at end of year	\$ 256,675,637	\$ 95,762,935	\$ 352,438,572	\$ 247,434,018	\$ 88,822,221	\$ 336,256,239

See accompanying notes to financial statements.

THE MOODY BIBLE INSTITUTE OF CHICAGO  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 16,182,333	\$ 97,324,656
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization of property, plant, and equipment	4,746,074	4,665,643
Amortization of other assets	336,533	337,238
Gain on sale of property	-	(136,321,348)
Net realized and unrealized (gain) loss on investments	(9,850,145)	35,176,441
Contributions for new building	-	(10,219)
Endowment contributions	(6,591,366)	(537,007)
Change in pension and postretirement health benefits	(2,250,723)	4,418,965
Changes in operating assets and liabilities:		
Beneficial interest in term trusts	158,966	3,157,793
Other receivables	220,470	(105,733)
Inventories	227,621	(1,703,251)
Accounts payable and accrued expenses	(447,762)	(1,432,402)
Other assets and liabilities	(1,725,816)	(5,162,237)
Net cash from operating activities	<u>1,006,185</u>	<u>(191,461)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(50,759,268)	(157,961,658)
Proceeds from sales or maturities of investments	41,119,273	32,273,178
Purchase of property, plant, and equipment, net of disposals	(14,825,388)	(7,815,985)
Proceeds from sales of property, plant, and equipment	64,000	141,418,610
Change in trust holdings	<u>459,024</u>	<u>20,485,829</u>
Net cash from investing activities	<u>(23,942,359)</u>	<u>28,399,974</u>
<b>Cash flows from financing activities</b>		
Contributions to and distributions from trusts	2,677,847	(15,797,045)
Contributions to and distributions from annuity reserves	(3,464,453)	(1,966,734)
Contributions for new building	-	10,219
Endowment contributions	<u>6,591,366</u>	<u>537,007</u>
Net cash from financing activities	<u>5,804,760</u>	<u>(17,216,553)</u>
<b>Change in cash and cash equivalents</b>	<u>(17,131,414)</u>	<u>10,991,960</u>
Cash and cash equivalents at beginning of year	<u>29,381,243</u>	<u>18,389,283</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 12,249,829</u>	<u>\$ 29,381,243</u>
<b>Supplemental disclosure of cash flow information</b>		
Construction in process included in accounts payable	\$ 1,752,033	\$ 366,346

See accompanying notes to financial statements.



THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 1 - ORGANIZATION**

The Moody Bible Institute of Chicago (the Institute) was incorporated in the state of Illinois in February 1887 as the Chicago Evangelization Society. The name was changed to The Moody Bible Institute of Chicago in March 1900.

The Institute exists to equip and motivate people to advance the cause of Christ through ministries that educate, edify, and evangelize. The primary means for executing this purpose are:

- Conducting Christian educational activities through undergraduate, seminary, and distance learning divisions and conference ministries;
- Publishing and distributing evangelical Christian literature; and
- Producing and broadcasting Christian radio programs.

The Institute draws its students from all fifty states as well as around the world. An Institute distinctive is its long held tuition-paid education model for full-time undergraduate students studying on the Chicago campus, which is financed through contributions from friends of the Institute. These students only pay for room and board and miscellaneous student fees. However, students studying on the Seminary campuses, Moody Aviation Spokane branch campus or through distance learning options pay tuition and student fees, as well as room and board if living on the Chicago campus. The amount of tuition charged does not fully cover the cost of all programs so some are also heavily financed by contributions.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Institute have been prepared on the accrual basis of accounting. Significant accounting policies followed in preparation of these financial statements are described below.

General: The accompanying financial statements have been prepared to focus on the Institute as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Without donor restrictions – Net assets not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that will be met by actions of the Institute and/or the passage of time. This category also included net assets to be maintained permanently by the Institute for endowment purposes. Generally, the donors of these assets permit the Institute to use all or part of the income earned on related investments for general or specific purposes.

Revenue Recognition: Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Realized and unrealized gains and losses on investments are reported as increases or decreases in net assets without donor restrictions in the statements of activities unless their use is restricted by explicit donor stipulations or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets in the statement of activities as net assets released from restrictions.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Contributions:* Contributions, including unconditional pledges, are recognized in the period received. Conditional gifts, with a barrier and a right of return, are recognized when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions received with donor-imposed restrictions that are met in the same year as the contributions are received and reported as revenue of the 'Without Donor Restrictions' net asset class. Contributions of land, building, and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue of the 'Without Donor Restrictions' net asset class.

The Institute is the beneficiary under various estate plans, the total realizable value of which is not presently determinable. Such amounts are recorded as contributions when the estate clears probate and the proceeds are clearly measurable.

*Student Fees and Tuition:* Student tuition revenue is recorded as revenue during the year the related academic services are rendered and is recognized over the academic term. Scholarships provided to students by the Institute are reflected as a reduction of gross tuition and fees. Tuition revenue was reduced by scholarships of approximately \$9,656,000 and \$10,665,000 for the years ended June 30, 2023 and 2022, respectively.

Fee revenue is charged primarily for room and board as well other course and activity fees. Fee revenue is recognized as the related benefits are used over the course of the academic term.

Tuition and fee revenue consisted of the following for the years ended June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Tuition	\$ 12,995,677	\$ 13,696,980
Housing services	7,131,371	6,990,065
Dining services	4,437,770	4,260,803
Other fees	<u>3,495,988</u>	<u>3,694,059</u>
Total tuition and fees	<u>\$ 28,060,806</u>	<u>\$ 28,641,907</u>

Student tuition and fees received in advance of services to be rendered are recorded as deferred revenue. Deferred revenue is generally recognized in the following academic period.

*Sales of Books and Publications:* Revenue from the sales of books and publications is recognized upon shipment, representing the point in time control, title, and risks of ownership of the merchandise transfers to the customer. Returns are netted against revenue. Amounts received in advance of shipment of books and publications, and conference dates are recorded as deferred revenue.

*Other Revenue:* Other revenue consists primarily of revenue associated with radio broadcast programs. This revenue is recognized at the point in time when the related program airs. Additional revenue is earned from miscellaneous sales, registrations, fees and rentals.

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Institute's historical losses, accounts receivable aging information, specific circumstances and general economic conditions. Receivables are charged off against the allowance when all attempts to collect the receivable have failed.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investment Return Designated for Current Operations: The Institute has adopted an endowment and investment spending policy in support of current operational budget requirements. The policy allows for the spending of a percentage of the prior year-end fair value of endowment assets (4.0% for fiscal years 2023 and 2022) and other investments (5.0% for fiscal years 2023 and 2022). If endowment and investment returns (i.e., interest, dividends, and gains) exceed the established spending rate, such excess is set aside and reinvested for future needs. If endowment returns are not sufficient to support the spending policy, the yield shortfall is provided from amounts previously set aside. The amounts spent for the current year are shown in the operating section on the statements of activities as "Investment return designated for current operations." The amount set aside is shown in the "Other changes in net assets" section as "Investment return in excess of (less than) amounts designated for current operations."

Operations: The changes in net assets from operating activities in the statements of activities reflect all transactions increasing or decreasing net assets except for endowment gifts, contributions for the new building, reinvestment of income and gains in excess of amounts designated for current operations, changes in asset retirement obligations, changes in the funded status of pension and other postretirement obligations in excess of service cost, changes in the value of split interest agreements, and assets released to construct a new building on the Chicago Campus.

Cash Equivalents: Cash equivalents include all highly liquid investments with a maturity of three months or less. Cash equivalents that are held in an Institute managed trust are included with trust holdings. The Institute maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Institute has not experienced any losses in such accounts. Management believes that the Institute is not exposed to any significant credit risk on cash.

Inventories: Inventories, which primarily consist of books and publications, are stated at the lower of cost or fair value. Cost is determined by the average cost method.

Investments and Trust Holdings: Investments, except for real estate held for investment and other non-marketable investments, in marketable equity, debt securities, and alternative investments are reported at fair value. The estimated fair value of alternative investments is based on valuations determined by the investment managers using net asset value (NAV). All investments valued at cost are reviewed for impairment whenever events or changes in circumstances indicate that the fair value of an asset may be less than its carrying value. This loss would be recorded if it is not recoverable.

FASB defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Institute's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

FASB establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Investments that calculate NAV per share (or its equivalent) using the practical expedient are not categorized in the fair value hierarchy.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following are descriptions of the valuation methods and assumptions used by the Institute to estimate the fair values of investments:

*Common and preferred stocks:* Institute equity holdings that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

*U.S. government securities:* Fair values reflect the closing price reported in the active market in which the security is traded (Level 1 inputs).

*Corporate and International bonds:* Certain corporate and international bond funds are valued at the closing price reported in the active market in which the bond is traded (Level 1 inputs). Individual corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings (Level 2 inputs) (income and market approach).

*Mutual funds:* The fair values of mutual funds' investments in equity securities, fixed income securities and international holding securities that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

*Alternative Investments:* Alternative investments consist of investments where there may be no active market. The Institute has elected to value alternative investments at fair value and generally uses the NAV of the investment as provided by the investment manager to determine the fair value of these investments.

Hedge Fund: The fund is a globally diversified, multi-strategy, multi-manager "fund of hedge funds" portfolio allocated to 20-30 managers focusing on such categories as: long/short equity, event driven, relative value, and global asset allocation. After one year lock up on each new deposit, the Institute has quarterly liquidity upon 65 days' prior written notice. As of June 30, 2023, all Institute investments in the Fund were more than one year old, and thus had quarterly liquidity. There are no outstanding commitments as of June 30, 2023 and 2022.

*Beneficial interest in assets held by others:* The fair value of beneficial interests in trust assets (or any type of beneficial interest) was determined based upon the fair value of the underlying trust assets at June 30, 2023 and 2022. This valuation method has been estimated to represent the present value of future distributed income (Level 3 inputs) (income approach).

Property, Plant, and Equipment: Property, plant, and equipment are stated at cost at date of acquisition or at fair value at date of gift. Property, plant, and equipment are being depreciated principally on a straight-line method over their estimated useful lives. The Institute's policy is to capitalize purchases that exceed \$5,000 and have a useful life of at least three years. Long-lived assets, such as property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the fair value of an asset may be less than its carrying value. This loss would be recorded if it is not recoverable. The Institute has various literary collections, which consist of evangelical manuscripts, private papers, and rare books of several authors. The collections are not capitalized on the accounting records of the Institute.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Radio Station Licenses: Radio station licenses are recorded as other assets and are being amortized on a straight-line basis over 40 years.

Beneficial Interest in Trusts Held by Others: Donors have established and funded trusts which are administered as trustee by external organizations. Under the terms of the trusts, the Institute has the irrevocable right to receive the income earned on the trust assets either in perpetuity or for the life (term) of the trust. The Institute does not control the assets held by outside trusts. Although the Institute has no control over the administration of the funds held in these term and perpetual trusts, the current fair value of the underlying assets, which approximates the estimated fair value of the expected future cash flows from the trusts, is recognized as an asset in the accompanying financial statements.

Obligations Under Split-Interest Agreements: These agreements include trusts, annuities, and a pooled income fund held by the Institute in which the Institute is a beneficiary. The liability on irrevocable trusts with donor restrictions held by the Institute is computed by taking the present value of the payments expected to be made to other beneficiaries at the date of the trust agreement. For these trusts, the discount rates utilized in 2023 and 2022 ranged from 1.65% to 6.0%. The liability on pooled income funds is calculated based on the fair value of the assets donated discounted at a rate from 1.96% to 6.0% for the estimated time period until the donor's death. Annuities use the Internal Revenue Service (IRS) discount rate based on the date of the gift, and these rates range from 0.6% to 6.2%. Actuarial tables are used to estimate the years until distribution in all cases mentioned above. Contributions from split-interest agreements approximated \$724,000 and \$2,539,000 in 2023 and 2022, respectively.

Use of Estimates: 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 amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed therein.

Income Taxes: The Institute has received a determination letter from the Internal Revenue Service indicating that the Institute has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes. No provision has been made for income taxes in the accompanying financial statements, as the Institute has had no significant unrelated business income. The Institute follows guidance issued by the Financial Accounting Standards Board (FASB) with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Institute recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Institute has no amounts accrued for interest or penalties as of June 30, 2023 or 2022.

Recent Accounting Guidance: In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. This ASU is effective for the Institute's fiscal year beginning July 1, 2023. The Institute performed an analysis and determined that the implementation of ASU 2016-02, *Leases*, did not have a material impact on the Institute's financial statements.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Reclassifications: Certain reclassifications have been made to prior year amounts to conform to the current year presentation. These reclassifications had no effect on the change in net assets or classification of net assets.

Related Party Transactions: Certain trustees have entered into book contracts with Moody Publishers or received fees for speaking at Moody events. Moody's conflict of interest policy requires that the contracts be approved by the Board of Trustees, with the affected Trustee excluded from this process. Compensation must not exceed competitive rates. The amounts paid under these contracts have not been material.

COVID-19 Risk Factors:

The Higher Education Emergency Relief Fund (HEERF) grant program provides financial aid to students and higher education institutions to help with new expenses and revenue losses associated with the COVID-19 pandemic. The program was created by Congress as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, and received additional funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in December 2020 and the American Rescue Plan Act (ARPA) in March 2021. The Institute was awarded \$1,848,490 by CARES in fiscal year 2020, \$3,020,458 by CRRSAA in fiscal year 2021, and \$5,151,489 by ARPA in fiscal year 2021. Under the legislation, a portion of these grants must be used for direct emergency aid to students. The remaining portion must be used by institutions to cover costs associated with significant changes to the delivery of instruction due to the coronavirus or lost revenue. For the years ended June 30, 2023 and 2022, the Institute issued emergency aid to its students of \$0 and \$2,720,179, respectively. For the years ended June 30, 2023 and 2022, the Institute utilized \$487,900 and \$2,369,987, respectively, for the institutional portion to cover costs. HEERF grant funding is accounted for as a conditional contribution.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2023, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2023. Management has performed their analysis through November 6, 2023, the date the financial statements were available to be issued.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 3 - FAIR VALUE OF INVESTMENTS**

At June 30, 2023 and 2022, the carrying value of cash and investments is comprised of the following:

	<u>2023</u>	<u>2022</u>
Common stocks	\$ 15,329,889	\$ -
Mutual funds	122,405,672	114,376,883
Hedge fund	22,692,569	22,151,721
U.S. government securities	37,508,240	33,595,464
Corporate bond funds	54,362,532	59,685,150
International bond funds	6,522,118	8,906,933
REITs and S-Corp	1,216,746	1,016,015
Real estate	255,841	140,840
Mortgage, note, and contract receivables	23,608	27,664
Other	<u>904,582</u>	<u>1,830,987</u>
Total investments	261,221,797	241,731,657
Cash and cash equivalents	<u>12,249,829</u>	<u>29,381,243</u>
Total investments and cash equivalents	<u>\$ 273,471,626</u>	<u>\$ 271,112,900</u>

Investments and cash and cash equivalents are allocated by fund as follows:

	<u>2023</u>	<u>2022</u>
Operating funds	\$ 189,095,057	\$ 192,232,968
Annuity fund	26,390,169	28,624,857
Other donor restricted funds	8,657,547	12,056,863
Endowment fund	<u>49,328,853</u>	<u>38,198,212</u>
Total carrying value	<u>\$ 273,471,626</u>	<u>\$ 271,112,900</u>

The annuity fund investments help to fund the annuity actuarial reserve liability of \$25,161,323 and \$28,625,776 at June 30, 2023 and 2022, respectively.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 3 - FAIR VALUE OF INVESTMENTS** (Continued)

Investment return for the years ended June 30, 2023 and 2022, is as follows:

	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 6,307,119	\$ 850,507	\$ 7,157,626
Realized and unrealized gain, net	7,358,163	2,491,982	9,850,145
Investment expense	<u>(150,231)</u>	<u>(7,592)</u>	<u>(157,823)</u>
Total investment return	13,515,051	3,334,897	16,849,948
Less amounts designated for current operations	<u>11,113,195</u>	<u>1,325,969</u>	<u>12,439,164</u>
 Investment return less than amounts designated for current operations	 <u>\$ 2,401,856</u>	 <u>\$ 2,008,928</u>	 <u>\$ 4,410,784</u>
	Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 4,095,062	\$ 826,988	\$ 4,922,050
Realized and unrealized loss, net	(25,535,533)	(9,640,908)	(35,176,441)
Investment expense	<u>(281,501)</u>	<u>(7,073)</u>	<u>(288,574)</u>
Total investment return	(21,721,972)	(8,820,993)	(30,542,965)
Less amounts designated for current operations	<u>5,927,350</u>	<u>1,412,721</u>	<u>7,340,071</u>
 Investment return in excess of amounts designated for current operations	 <u>\$ (27,649,322)</u>	 <u>\$ (10,233,714)</u>	 <u>\$ (37,883,036)</u>

(Continued)



THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 3 - FAIR VALUE OF INVESTMENTS (Continued)**

Assets Measured on a Recurring Basis: Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 30, 2023 Using			NAV	Valued At Cost	Total
	Level 1	Level 2	Level 3			
Assets:						
Investments:						
Common stocks						
Domestic largecap	\$ 1,008,993	\$ -	\$ -	\$ -	\$ -	\$ 1,008,993
International largecap	14,320,896	-	-	-	-	14,320,896
Mutual funds						
Domestic smallcap	12,722,040	-	-	-	-	12,722,040
Domestic midcap	16,970,833	-	-	-	-	16,970,833
Domestic largecap	60,176,432	-	-	-	-	60,176,432
International largecap	32,536,367	-	-	-	-	32,536,367
Hedge fund	-	-	-	22,692,569	-	22,692,569
U.S. government securities	37,508,240	-	-	-	-	37,508,240
Corporate bond funds	54,362,532	-	-	-	-	54,362,532
International bond funds	6,522,118	-	-	-	-	6,522,118
REITs and S Corp	-	-	-	-	1,216,746	1,216,746
Real estate	-	-	-	-	255,841	255,841
Mortgage, note, and contract receivables	-	-	-	-	23,608	23,608
Other	-	-	-	-	904,582	904,582
Total investments	<u>236,128,451</u>	<u>-</u>	<u>-</u>	<u>22,692,569</u>	<u>2,400,777</u>	<u>261,221,797</u>
Cash and cash equivalents	<u>12,249,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,249,829</u>
Total investments and cash equivalents	<u>\$ 248,378,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,692,569</u>	<u>\$ 2,400,777</u>	<u>\$ 273,471,626</u>

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 3 - FAIR VALUE OF INVESTMENTS (Continued)**

	Fair Value Measurements at June 30, 2022 Using			NAV	Valued At Cost	Total
	Level 1	Level 2	Level 3			
Assets:						
Investments:						
Mutual funds						
Domestic smallcap	\$ 9,948,827	\$ -	\$ -	\$ -	\$ -	\$ 9,948,827
Domestic midcap	14,605,252	-	-	-	-	14,605,252
Domestic largecap	48,671,124	-	-	-	-	48,671,124
International largecap	41,151,680	-	-	-	-	41,151,680
Hedge fund	-	-	-	22,151,721	-	22,151,721
U.S. government securities	33,595,464	-	-	-	-	33,595,464
Corporate bond funds	59,685,150	-	-	-	-	59,685,150
International bond funds	8,906,933	-	-	-	-	8,906,933
REITs and S Corp	-	-	-	-	1,016,015	1,016,015
Real estate	-	-	-	-	140,840	140,840
Mortgage, note, and contract receivables	-	-	-	-	27,664	27,664
Other	-	-	-	-	1,830,987	1,830,987
Total investments	<u>216,564,430</u>	<u>-</u>	<u>-</u>	<u>22,151,721</u>	<u>3,015,506</u>	<u>241,731,657</u>
Cash and cash equivalents	<u>29,381,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,381,243</u>
Total investments and cash equivalents	<u>\$ 245,945,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,151,721</u>	<u>\$ 3,015,506</u>	<u>\$ 271,112,900</u>

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023 and 2022

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**NOTE 4 - TRUST HOLDINGS AND OBLIGATIONS**

As trustee, the Institute administers revocable trusts that provide for a beneficial interest to the Institute or other beneficiaries at the death of the grantor. Revocable trusts are subject to change at the discretion of the grantor and are, therefore, recorded as an asset and an equivalent liability. At the grantor's death, the remaining assets will be distributed to the Institute or other specified beneficiaries in accordance with the trust agreement.

In addition, the Institute administers irrevocable charitable remainder trusts. These trusts provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. Upon the death of the grantor or other designated beneficiaries, the trusts will distribute assets to the designated remaindermen. The present value of the portion of the trust that is paid during the lifetime of other designated beneficiaries is recorded as a trust obligation in the statement of financial position. In addition, some of the trusts contain provisions requiring distributions to remaindermen other than the Institute. The portion of the trust attributable to other remaindermen is also recorded as a trust obligation in the statement of financial position. The change between reporting periods in the trust obligation is recorded in the statement of activities as a component of change in present value of split-interest agreements. This amount is reclassified to net assets without donor restrictions at the termination of the trust.

The assets held in trust by the Institute and the corresponding liabilities at June 30, 2023 and 2022, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Trust assets:		
Cash and cash equivalents	\$ 8,939,251	\$ 7,654,297
Common and preferred stocks	39,184,301	38,996,546
U.S. government securities	18,869,819	19,345,908
Corporate bonds	4,948,555	6,357,891
Mutual funds	74,709,016	73,743,588
Real estate	3,025,080	4,204,572
Other assets	7,294,915	7,269,058
Beneficial interest in perpetual trusts held by others	<u>4,675,895</u>	<u>4,533,996</u>
	<u>\$ 161,646,832</u>	<u>\$ 162,105,856</u>
Trust obligations:		
Revocable trusts	\$ 72,888,797	\$ 72,113,832
Irrevocable trusts	36,476,992	37,267,393
Pooled income funds	6,148,493	6,325,959
Due to other remaindermen	<u>16,362,000</u>	<u>13,491,251</u>
	<u>\$ 131,876,282</u>	<u>\$ 129,198,435</u>

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 4 - TRUST HOLDINGS AND OBLIGATIONS HOLDINGS (Continued)**

Assets Measured on a Recurring Basis: Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 30, 2023 Using			Valued At Cost	Total
	Level 1	Level 2	Level 3		
Trust holdings:					
Cash and cash equivalents	\$ 8,939,251	\$ -	\$ -	\$ -	\$ 8,939,251
Common and preferred stocks					
Domestic smallcap	21,324	-	-	-	21,324
Domestic midcap	2,761,481	-	-	-	2,761,481
Domestic largecap	27,451,658	-	-	-	27,451,658
International largecap	120,579	-	-	-	120,579
Preferred stocks	8,627,579	-	-	-	8,627,579
Partnership interests	124,480	-	-	-	124,480
Other	-	-	-	77,200	77,200
U.S. government securities	18,869,819	-	-	-	18,869,819
Corporate bonds	-	4,948,555	-	-	4,948,555
Mutual funds					
Balanced funds large	2,872,488	-	-	-	2,872,488
Corporate bond funds	20,207,353	-	-	-	20,207,353
Municipal bond funds	7,742,423	-	-	-	7,742,423
Stock funds small	4,305,425	-	-	-	4,305,425
Stock funds midcap	10,489,276	-	-	-	10,489,276
Stock funds large	21,596,430	-	-	-	21,596,430
Stock funds international large	7,495,621	-	-	-	7,495,621
Real estate	-	-	-	3,025,080	3,025,080
Other assets	-	-	-	7,294,915	7,294,915
Beneficial interest in perpetual trusts held by others	-	-	4,675,895	-	4,675,895
	<u>\$ 141,625,187</u>	<u>\$ 4,948,555</u>	<u>\$ 4,675,895</u>	<u>\$ 10,397,195</u>	<u>\$ 161,646,832</u>
 Beneficial interest in assets held by others	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 3,816,445</u>	 <u>\$ -</u>	 <u>\$ 3,816,445</u>

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 4 - TRUST HOLDINGS AND OBLIGATIONS HOLDINGS (Continued)**

	Fair Value Measurements at June 30, 2022 Using			Valued At Cost	Total
	Level 1	Level 2	Level 3		
Trust holdings:					
Cash and cash equivalents	\$ 7,654,297	\$ -	\$ -	\$ -	\$ 7,654,297
Common and preferred stocks					
Domestic smallcap	25,483	-	-	-	25,483
Domestic midcap	3,684,852	-	-	-	3,684,852
Domestic largecap	25,568,317	-	-	-	25,568,317
International largecap	241,004	-	-	-	241,004
Preferred stocks	9,285,462	-	-	-	9,285,462
Partnership interests	114,228	-	-	-	114,228
Other	-	-	-	77,200	77,200
U.S. government securities	19,345,908	-	-	-	19,345,908
Corporate bonds	-	6,357,891	-	-	6,357,891
Mutual funds					
Balanced funds large	3,148,195	-	-	-	3,148,195
Corporate bond funds	22,346,620	-	-	-	22,346,620
Municipal bond funds	7,506,939	-	-	-	7,506,939
Stock funds small	3,882,186	-	-	-	3,882,186
Stock funds midcap	9,305,317	-	-	-	9,305,317
Stock funds large	20,636,611	-	-	-	20,636,611
Stock funds International midcap	2,745	-	-	-	2,745
Stock funds international large	6,914,975	-	-	-	6,914,975
Real estate	-	-	-	4,204,572	4,204,572
Other assets	-	-	-	7,269,058	7,269,058
Beneficial interest in perpetual trusts held by others	-	-	4,533,996	-	4,533,996
 Total trust holdings	 <u>\$ 139,663,139</u>	 <u>\$ 6,357,891</u>	 <u>\$ 4,533,996</u>	 <u>\$ 11,550,830</u>	 <u>\$ 162,105,856</u>
 Beneficial interest in assets held by others	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 3,975,411</u>	 <u>\$ -</u>	 <u>\$ 3,975,411</u>

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 4 - TRUST HOLDINGS AND OBLIGATIONS HOLDINGS** (Continued)

The table below presents a reconciliation and income statement classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2023 and 2022.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	<u>Trusts</u>	<u>Beneficial Interest</u>	<u>Total</u>
Beginning balance, July 1, 2021	\$ 4,805,800	\$ 7,127,223	\$ 11,933,023
Change in split interest agreements	(271,804)	(510,101)	(781,905)
Contributions	-	35,191	35,191
Settlements	-	(2,676,902)	(2,676,902)
	<u>4,533,996</u>	<u>3,975,411</u>	<u>8,509,407</u>
Ending balance, June 30, 2022	4,533,996	3,975,411	8,509,407
Change in split interest agreements	141,899	(83,170)	58,729
Settlements	-	(75,796)	(75,796)
	<u>-</u>	<u>(75,796)</u>	<u>(75,796)</u>
Ending balance, June 30, 2023	<u>\$ 4,675,895</u>	<u>\$ 3,816,445</u>	<u>\$ 8,492,340</u>

**NOTE 5 - PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment at June 30, 2023 and 2022, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Land and improvements	\$ 8,056,213	\$ 8,056,213
Building and building equipment	131,226,336	128,095,141
Furniture and equipment	34,891,110	33,416,249
Computer software	13,509,068	13,031,224
Construction in process	13,691,669	2,962,315
	<u>201,374,396</u>	<u>185,561,142</u>
Less allowance for depreciation and amortization	<u>133,591,219</u>	<u>129,178,966</u>
Total property, plant, and equipment	<u>\$ 67,783,177</u>	<u>\$ 56,382,176</u>

The provision for depreciation and amortization of property, plant, and equipment amounted to \$4,746,074 and \$4,665,643 for the years ended June 30, 2023 and 2022, respectively. The Institute's asset retirement obligation liability located within accounts payable and accrued expenses on the statement of financial position is \$2,344,170 and \$2,477,855 in 2023 and 2022, respectively. Expenses incurred but not yet paid related to construction in process as of June 30, 2023 and 2022 were \$1,752,033 and \$366,346, respectively. Construction in process commitments as of June 30, 2023 are approximately \$32 million.

During the year ended June 30, 2022, land and buildings surrounding the Institute's Chicago campus were sold. The property was sold in three tranches: one in December 2021, one in March 2022, and the last in May 2022. These sales generated a gain on sale, which is presented on the Institute's statement of activities for the year ended June 30, 2022.

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 6 - OTHER ASSETS**

Other assets are comprised at June 30, 2023 and 2022 of the following:

	<u>2023</u>	<u>2022</u>
Intangible assets - Radio station licenses, net	\$ 4,985,009	\$ 5,321,542
Prepaid expenses	5,099,369	3,606,499
Other	<u>317,892</u>	<u>366,925</u>
Total other assets	<u>\$ 10,402,270</u>	<u>\$ 9,294,966</u>

Amortization expense related to the radio station licenses amounted to \$336,533 and \$337,238 while accumulated amortization was \$8,482,986 and \$8,146,453 for the years ended June 30, 2023 and 2022, respectively. Over the next five years annual amortization expense related to the radio station licenses is estimated to be approximately \$337,000 through June 30, 2025, and thereafter.

**NOTE 7 - BENEFIT PLANS**

The Institute has a frozen defined-benefit pension plan (the Pension Plan), implemented through a trust. Employees who were part of this plan retain their pension benefits earned through December 31, 2015, but future retirement earnings will come from the defined-contribution plan.

The defined-contribution plan started January 1, 2006, with employees hired after this date only eligible to participate in the defined contribution plan. Institute contributions to the defined contribution plan totaled \$2,596,842 and \$2,656,193 for the years ended June 30, 2023 and 2022, respectively.

In addition to the Pension Plan, the Institute also sponsors a defined-benefit healthcare plan (the Postretirement Plan) that provides postretirement medical benefits and life insurance to full-time employees who have worked 10 years at age 55 or five years at age 60 while in service with the Institute. The Postretirement Plan only covers employees and retirees who were hired on or before December 31, 1995. Moody provides covered retirees an annual stipend through a health reimbursement account (HRA) so they can purchase supplemental Medicare coverage through a private exchange.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 7 - BENEFIT PLANS** (Continued)

The following tables summarize the changes in the projected benefit obligation, plan assets, and funded status during 2023 and 2022:

	Pension Plan		Postretirement Plan	
	2023	2022	2023	2022
Change in projected benefit obligation				
Projected benefit obligation				
beginning of year	\$57,065,185	\$81,181,925	\$ 7,577,029	\$ 9,458,335
Service costs	-	-	41,657	62,213
Interest cost	2,431,889	2,161,163	317,124	244,351
Actuarial gain	(3,040,599)	(10,319,798)	(453,532)	(1,482,551)
Settlement	(106,370)	(12,126,151)	-	-
Benefits paid	(3,452,275)	(3,831,954)	(575,787)	(705,319)
Projected benefit obligation, end of year	52,897,830	57,065,185	6,906,491	7,577,029
Change in plan assets				
Fair value of plan assets, beginning of year	53,339,313	83,756,324	-	-
Actual return on plan assets	971,475	(14,458,906)	-	-
Employer contribution	-	-	575,787	705,319
Settlement	(106,370)	(12,126,151)	-	-
Benefits paid	(3,452,275)	(3,831,954)	(575,787)	(705,319)
Fair value of plan assets, end of year	50,752,143	53,339,313	-	-
Funded status - liability recognized in the statement of financial position	<u>\$ (2,145,687)</u>	<u>\$ (3,725,872)</u>	<u>\$ (6,906,491)</u>	<u>\$ (7,577,029)</u>

The settlement balance totaling \$106,370 and \$12,126,151 on June 30, 2023 and June 30, 2022, respectively, is due to 152 participants who received a one-time lump sum payment between January 1, 2022 and June 30, 2023. The significant actuarial gain recognized in the 2022 fiscal year was primarily due to the change of the discount rate of 2.70% in 2021 to 4.40% in 2022. Additionally, the significant actuarial gain recognized in the 2023 fiscal year was primarily due to the change of the discount rate of 4.40% in 2022 to 5.0% in 2023.

Postretirement healthcare costs are funded each year out of the Institute's operating budget; the liability above represents total expected expenses over the lives of all covered employees, retirees, and dependents.

The accumulated benefit obligation for the pension plan was \$52,897,830 and \$57,065,185 for the years ended June 30, 2023 and 2022, respectively. The accumulated benefit obligation for the Postretirement Plan was \$6,906,491 and \$7,577,029 for the years ended June 30, 2023 and 2022, respectively.

(Continued)



THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 7 - BENEFIT PLANS** (Continued)

Net periodic benefit cost is comprised of the following during 2023 and 2022:

	Pension Plan		Postretirement Plan	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Service cost	\$ -	\$ -	\$ 41,657	\$ 62,213
Interest cost	2,431,889	2,161,163	317,124	244,351
Expected return on plan assets	(2,319,515)	(3,573,204)	-	-
Amortization of unrecognized prior service cost	-	-	(722,458)	(722,458)
Amortization of net loss	<u>1,820,158</u>	<u>5,071,439</u>	<u>(103,509)</u>	<u>-</u>
 Net periodic benefit cost	 <u>\$ 1,932,532</u>	 <u>\$ 3,659,398</u>	 <u>\$ (467,186)</u>	 <u>\$ (415,894)</u>

Amounts recognized as non-operating activities during 2023 and 2022, are as follows:

	Pension Plan		Postretirement Plan	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Prior service costs	\$ -	\$ -	\$ (722,458)	\$ (722,458)
Actuarial loss (gain) and changes in plan assets	(1,692,557)	7,712,312	(453,532)	(1,482,551)
Amortization of net loss	(1,820,158)	(1,169,430)	-	-
Impact of plan settlements	-	(3,902,009)	-	-
Other changes in funded status	<u>1,932,532</u>	<u>3,659,398</u>	<u>1,081,239</u>	<u>1,029,022</u>
	<u>\$ (1,580,183)</u>	<u>\$ 6,300,271</u>	<u>\$ (94,751)</u>	<u>\$ (1,175,987)</u>

Amounts already recorded in net assets without donor restrictions that have not yet been recognized as a component of net periodic benefit costs for the pension plan was \$16,372,834 and \$19,885,549 as of June 30, 2023 and 2022, respectively. Amounts already recorded in net assets without donor restrictions that have not yet been recognized as a component of net periodic benefit costs for the postretirement plan was \$3,404,196 and \$3,776,631 as of June 30, 2023 and 2022, respectively. These amounts have already been recognized in the statements of financial position and statements of activities.

The weighted-average assumptions used in determining the actuarial present value of the projected benefit obligation and the expected rate of return on plan assets were as follows as of June 30:

	Pension Plan		Postretirement Plan	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Discount rate	5.00%	4.40%	5.00%	4.40%
Rate of compensation increase	N/A	N/A	N/A	N/A

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 7 - BENEFIT PLANS** (Continued)

Weighted-average assumptions used to determine net periodic benefit cost for year ended June 30:

	Pension Plan		Postretirement Plan	
	2023	2022	2023	2022
Discount rate	5.00%	4.40%	5.00%	4.40%
Expected long-term return plan assets	5.00%	4.50%	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A	N/A

The fair value of the Institute's Pension Plan assets at June 30, 2023, by asset class is as follows:

	2023				
	Level 1	Level 2	Level 3	NAV	Total
Investments, at fair value					
Mutual funds - equity					
US real estate	\$ 724,923	\$ -	\$ -	\$ -	\$ 724,923
Domestic blend	630,816	-	-	-	630,816
Foreign large cap blend	2,843,457	-	-	-	2,843,457
Domestic large cap equities	3,391,315	-	-	-	3,391,315
Foreign large cap equities	1,304,813	-	-	-	1,304,813
Domestic mid cap blend	776,795	-	-	-	776,795
Domestic small cap blend	511,472	-	-	-	511,472
Mutual funds - fixed Income					
Long-term investment grade	20,132,750	-	-	-	20,132,750
Int-term investment grade	16,110,918	-	-	-	16,110,918
Short Term investment grade	4,023,228	-	-	-	4,023,228
Short-term investments					
High-grade money market instruments with short maturities	301,656	-	-	-	301,656
	<u>\$ 50,752,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,752,143</u>

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 7 - BENEFIT PLANS** (Continued)

The fair value of the Institute's Pension Plan assets at June 30, 2022, by asset class is as follows:

	2022			NAV	Total
	Level 1	Level 2	Level 3		
Investments, at fair value					
Mutual funds - equity					
US real estate	\$ 753,600	\$ -	\$ -	\$ -	\$ 753,600
Domestic blend	727,696	-	-	-	727,696
Foreign large cap blend	2,833,572	-	-	-	2,833,572
Domestic large cap equities	3,303,341	-	-	-	3,303,341
Foreign large cap equities	1,352,848	-	-	-	1,352,848
Domestic mid cap blend	749,007	-	-	-	749,007
Domestic small cap blend	500,632	-	-	-	500,632
Mutual funds - fixed Income					
Long-term investment grade	34,343,328	-	-	-	34,343,328
Government fixed income	8,542,466	-	-	-	8,542,466
Short-term investments					
High-grade money market instruments with short maturities	232,823	-	-	-	232,823
	<u>\$ 53,339,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,339,313</u>

The target allocation of pension plan assets for the years ended June 30, 2023 and 2022 was 20% for equity, 78% for debt securities and 2% for cash equivalents.

The objective of the investment allocation strategy is to meet the commitment to plan participants at a reasonable cost to the Institute. The Pension Plan assets are to be actively invested to achieve growth through capital appreciation and accumulation and reinvestment of interest and dividend income.

Contributions: The Institute did not contribute to the Pension Plan in 2023 and 2022.

Estimated Future Benefit Payments: The following benefit payments are expected to be paid:

	Pension Plan	Postretirement Plan
2024	\$ 3,758,552	\$ 758,987
2025	3,826,644	702,725
2026	3,916,009	646,696
2027	3,953,836	611,179
2028	4,025,068	563,374
Thereafter	20,290,530	2,442,535

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 7 - BENEFIT PLANS** (Continued)

The annual increase in healthcare costs, impacting pre-65 retiree participants, is assumed to be 7.0% initially decreasing gradually to 3.9% in 2076. The healthcare costs for all other retirees is subject to the annual stipend and is limited to the consumer price index, not to exceed 2%. A one-percentage-point change in the assumed healthcare cost trend rate would have the following effects on the Postretirement Plan:

	<u>One- Percentage- Point Increase</u>	<u>One- Percentage- Point Decrease</u>
Effect on total of service and interest cost components in 2023	\$ 28,946	\$ (25,209)
Effect on postretirement benefit obligation at June 30, 2023	504,118	(441,087)

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes for the years ended June 30, 2023 and 2022:

<u>With Donor Restrictions</u>	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Purpose restrictions		
Scholarships, grants, and student loans	\$ 12,600,201	\$ 9,968,670
Unallocated operating endowment	2,827,696	2,204,507
Miscellaneous projects	2,039,942	1,567,984
Time restrictions		
Beneficial interest in term trusts held by others	3,816,445	3,975,411
Irrevocable trust agreements for which the Institute is trustee	<u>24,299,156</u>	<u>27,653,171</u>
	45,583,440	45,369,743
Endowments held by the Institute		
Student aid	27,282,709	20,784,004
General purpose	5,203,560	5,203,560
Building maintenance	3,804,030	3,804,030
Education ministries	8,310,119	8,298,834
Broadcast ministries	107,800	107,800
Held in Institute-managed Trusts	795,382	720,254
Endowments held by others on behalf of the Institute		
Beneficial interest in perpetual trusts held by others	<u>4,675,895</u>	<u>4,533,996</u>
	<u>50,179,495</u>	<u>43,452,478</u>
	<u>\$ 95,762,935</u>	<u>\$ 88,822,221</u>

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS** (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows:

<u>Net Assets Released</u>	June 30,	
	<u>2023</u>	<u>2022</u>
Purpose restriction accomplished		
Moody capital projects	\$ 331,026	\$ 286,687
Student grants and scholarships	2,125,094	2,115,551
Educational purposes	480,447	609,732
Miscellaneous projects	84,776	33,840
	3,021,343	3,045,810
Time restrictions expired		
Termination of irrevocable trust agreements	6,491,324	5,939,657
	6,491,324	5,939,657
	<u>\$ 9,512,667</u>	<u>\$ 8,985,467</u>

Assets released from restrictions include assets distributed to the Institute from terminated trusts and restricted donations expended for their restricted purposes. Certain costs related to assets released are included in fund-raising expenses.

**NOTE 9 - ENDOWMENT COMPOSITION**

The Institute's endowment consists of both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments for Scholarships for students.

Interpretation of Relevant Law: Under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of Illinois, the Institute's Board of Trustees set the following guidelines to operate the endowment fund: The endowment fund with donor restrictions will distribute to the current fund or to other funds to be used for ministry purpose each year 4.0% of the fund, as valued on the first day of each fiscal year. Income and appreciation in excess of that amount shall be retained and accumulated within the Endowment Fund.

Endowment net asset composition by type of fund as of June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 50,179,495	\$ 50,179,495
Accumulated donor-restricted endowment earnings	-	8,653,851	8,653,851
Board-designated funds	146,629,725	-	146,629,725
Total funds	<u>\$ 146,629,725</u>	<u>\$ 58,833,346</u>	<u>\$ 205,463,071</u>

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 9 - ENDOWMENT COMPOSITION** (Continued)

Endowment net asset composition by type of fund as of June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 43,452,478	\$ 43,452,478
Accumulated donor-restricted endowment earnings	-	6,375,890	6,375,890
Board-designated funds	<u>143,562,543</u>	<u>-</u>	<u>143,562,543</u>
 Total funds	 <u>\$ 143,562,543</u>	 <u>\$ 49,828,368</u>	 <u>\$ 193,390,911</u>

Changes in endowment net assets for years ended June 30, 2023 and 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, July 1, 2021	\$ 46,052,706	\$ 59,157,761	\$ 105,210,467
Investment return:			
Investment income, net of fees	1,666,099	1,322,791	2,988,890
Realized/unrealized loss	(16,435,870)	(9,061,607)	(25,497,477)
Change in split interest trusts held by others	-	(339,825)	(339,825)
New gifts	-	537,007	537,007
Amounts Designated by the Board	115,853,731	-	115,853,731
Appropriation for expenditure	<u>(3,574,123)</u>	<u>(1,787,759)</u>	<u>(5,361,882)</u>
 Net assets, June 30, 2022	 143,562,543	 49,828,368	 193,390,911
Investment return:			
Investment income, net of fees	3,576,414	473,597	4,050,011
Realized/unrealized loss	5,413,106	2,595,606	8,008,712
Change in split interest trusts held by others	-	134,437	134,437
New gifts	-	6,591,367	6,591,367
Amounts Designated by the Board	-	-	-
Appropriation for expenditure	<u>(5,922,338)</u>	<u>(790,029)</u>	<u>(6,712,367)</u>
 Net assets, June 30, 2023	 <u>\$ 146,629,725</u>	 <u>\$ 58,833,346</u>	 <u>\$ 205,463,071</u>

Return Objectives and Risk Parameters: The investment objective of the endowment fund is to achieve, at minimum, an average total return of inflation plus 4% per year on a long-term basis. The asset allocation of the fund is designed to meet this objective with the lowest possible risk, and is determined using generally accepted techniques, which consider historic returns of various asset classes to calculate an efficient frontier.

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 9 - ENDOWMENT COMPOSITION** (Continued)

Spending Policy: For the fiscal years 2023 and 2022, the Institute's policy for the appropriation of endowment assets for expenditure was to appropriate up to 4.0% of the value of those assets as of the first day of the new fiscal year for the donor-restricted endowment fund.

Donor-Restricted Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Institute to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related amounts with donor restrictions are reported in net assets without donor restrictions. There were donor deficiencies of \$7,459 and \$107,600 as of June 30, 2023 and 2022, respectively. Donor-restricted principal, unless otherwise directed by the donor, shall not be disbursed.

**NOTE 10 - UNSECURED LINE OF CREDIT**

The Institute has a \$7,000,000 uncommitted line of credit with The Northern Trust Company (the Bank). Drawings on the line of credit are available solely on approval by the Bank; bear interest at Prime or SOFR-Based plus 1.1% and are due on demand. There are no borrowings under the line of credit as of June 30, 2023 and 2022.

**NOTE 11 - COMMITMENTS**

The Institute maintains group employee health insurance plan with Cigna, whereby Cigna provides certain administrative services and provides specific and aggregate stop loss coverage. The Institute pays a reduced monthly premium; however, it is responsible for the funding of all claims up to \$300,000 per individual per policy year. A liability of approximately \$479,200 and \$750,400 has been recorded by the Institute as of June 30, 2023 and 2022, respectively, for estimated claims incurred but not reported on that date. Group health insurance expense for the fiscal years ended June 30, 2023 and 2022, totaled approximately \$7,236,000 and \$8,006,000, respectively.

**NOTE 12 - CONTINGENCIES**

The Institute is party to certain legal proceedings and allegations. In most cases, these matters are covered by commercial insurance. Management is of the opinion that these matters will not have a material effect on the Institute's financial position or changes in net assets.

The Institute receives significant student financial aid and HEERF funding from the U.S. Department of Education. The disbursement of funds received under such programs generally requires compliance with terms and conditions specified in federal regulations and are subject to audit by the U.S. Department of Education and possible disallowance of certain expenditures. The Institute has not had any significant disallowance of student financial aid or HEERF funding in the past and expects such amounts, if any, to be immaterial.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 13 - OPERATING EXPENSES BY FUNCTION**

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of the Institute by their natural classification. Program activities are solely related to the Institute's mission of ministry as described in Note 1. Supporting activities include management and general and fundraising.

Natural expenses by their functional classification for the year ended June 30, 2023 are as follows:

	2023			Total
	Program Activities	Supporting Activities		
		Management and General	Fundraising	
Salaries and wages	\$ 43,376,626	\$ 3,632,028	\$ 4,122,290	\$ 51,130,944
Employee benefits and taxes	10,917,326	844,322	1,350,865	13,112,513
Professional and other outside services	4,501,228	664,566	789,436	5,955,230
Promotion and advertising	2,701,831	53,281	2,028,541	4,783,653
Royalties	3,972,374	-	-	3,972,374
Occupancy	3,903,118	365,590	193,895	4,462,603
Cost of sales	4,859,726	-	-	4,859,726
Office expense	2,768,319	13,622	272,559	3,054,500
Information technology	3,962,427	1,413,267	485,847	5,861,541
Other educational expense	1,917,701	-	-	1,917,701
Grants to students	2,566,065	-	-	2,566,065
Student dining expense	1,800,735	-	-	1,800,735
Travel expense	1,126,074	54,107	314,342	1,494,523
Depreciation and amortization	4,934,720	45,137	102,750	5,082,607
Other expense	<u>3,797,433</u>	<u>870,059</u>	<u>1,540,755</u>	<u>6,208,247</u>
 Total functional expenses for year ended June 30, 2023	 <u>\$ 97,105,703</u>	 <u>\$ 7,955,979</u>	 <u>\$ 11,201,280</u>	 <u>\$ 116,262,962</u>

(Continued)



THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 13 - OPERATING EXPENSES BY FUNCTION** (Continued)

Natural expenses by their functional classification for the year ended June 30, 2022 are as follows:

	2022			Total
	Program Activities	Supporting Activities		
		Management and General	Fundraising	
Salaries and wages	\$ 40,890,280	\$ 3,722,205	\$ 4,543,787	\$ 49,156,272
Employee benefits and taxes	11,660,248	710,506	1,420,667	13,791,421
Professional and other outside services	4,417,735	777,444	968,188	6,163,367
Promotion and advertising	3,913,799	33,552	1,154,931	5,102,282
Royalties	4,525,155	-	-	4,525,155
Occupancy	4,065,505	369,673	92,704	4,527,882
Cost of sales	4,872,784	-	-	4,872,784
Office expense	2,152,455	189,383	526,303	2,868,141
Information technology	4,348,206	226,011	286,669	4,860,886
Other educational expense	1,192,833	-	-	1,192,833
Grants to students	4,730,049	-	-	4,730,049
Student dining expense	1,704,295	-	-	1,704,295
Travel expense	826,966	31,315	286,639	1,144,920
Depreciation and amortization	4,819,322	35	183,524	5,002,881
Other expense	3,962,382	1,188,637	1,054,775	6,205,794
Total functional expenses for year ended June 30, 2022	<u>\$ 98,082,014</u>	<u>\$ 7,248,761</u>	<u>\$ 10,518,187</u>	<u>\$ 115,848,962</u>

Expenses are charged directly to the categories based upon specific identification where possible. Expenses that are not directly identifiable to the program or supporting activities are allocated in a manner that represents an approximation of the benefits accruing to that function. Such allocations are done either on full time equivalents or on square footage of space.

(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 14 - LIQUIDITY AND AVAILABILITY**

The following financial assets could be made available within one year to meet general expenditures as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and equivalents	\$ 3,035,022	\$ 2,289,580
Accounts receivable, net	5,988,005	6,486,520
Annual payout on donor-restricted endowments	2,353,000	697,000
Annual payout on board-designated endowments	5,865,000	2,669,000
Net assets released for scholarships	2,125,000	2,000,000
Net assets released for other	896,000	1,134,725
Investments not subject to donor or board restrictions	<u>18,691,980</u>	<u>16,743,071</u>
 Total	 <u>\$ 38,954,007</u>	 <u>\$ 32,019,896</u>

The Institute regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize investment returns on available funds. The Institute Endowment Fund supports operating needs and student scholarships; 4.0% is utilized for operations and scholarships each year. To help manage unanticipated liquidity needs, the Institute has a \$7,000,000 uncommitted line of credit. In addition to financial assets available to meet general expenditures over the next 12 months, the Institute operates with a balanced budget and anticipates collecting sufficient revenue to cover all general expenditures.

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(Continued)

THE MOODY BIBLE INSTITUTE OF CHICAGO  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 15 - UNITED STATES DEPARTMENT OF EDUCATION SUPPLEMENTAL DISCLOSURES**

The Department of Education issued regulations on September 23, 2019, which became effective July 1, 2020, regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV.

**Net Assets**

1 Other net assets with donor restrictions (not perpetually restricted):	
a. Annuities with donor restrictions	\$ -
b. Term endowments	-
c. Life income funds (trusts)	28,115,601
d. Total annuities, term endowments and life income funds with donor restrictions	<u>\$ 28,115,601</u>

**Property, Plant and Equipment, net**

2 Pre-implementation property, plant and equipment, net	
a. Ending balance of last financial statements submitted to the Department of Education (June 30, 2022 financial statement)	\$ 56,382,176
b. Less subsequent depreciation and disposals	<u>(5,058,001)</u>
c. Property, plant and equipment pre-implementation	51,324,175
3 Property, plant and equipment post-implementation with outstanding debt for original purchase	-
4 Construction in progress - acquired subsequent to June 30, 2022	10,729,354
5 Property, plant and equipment post-implementation without outstanding debt for original purchase	<u>5,729,648</u>
6 Total Property, Plant and Equipment, net - June 30, 2023	<u>\$ 67,783,177</u>

**Expenses and losses**

7 Non-operating losses	
a. Change in estimate of asset retirement obligation	\$ (133,686)
b. Total non-operating losses	<u>\$ (133,686)</u>

**Net Income**

8 Total revenues and gains	
a. Total operating revenue and other additions	\$ 122,528,906
b. Investment return in excess of amounts designated for current operations	\$ 2,401,856
c. Change in estimate of split interest agreement	402,113
d. Change in value of accrued pension obligation	1,580,183
e. Change in value of postretirement health benefits obligation	94,751
f. Net assets released from Board Designated to capital projects	1,886,003
g. Net assets released for capital projects	110
h. Total revenues and gains	<u>\$ 128,893,922</u>

**SUPPLEMENTARY INFORMATION**

THE MOODY BIBLE INSTITUTE OF CHICAGO  
SCHEDULE OF FINANCIAL POSITION BY NET ASSET CATEGORY  
June 30, 2023, with comparable totals for 2022

	2023			2022 <u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,035,600	\$ 9,214,229	\$ 12,249,829	\$ 29,381,243
Receivables				
Beneficial interest in term trusts held by others and pledges receivable, net	-	3,816,445	3,816,445	3,975,411
Other, net	5,988,005	1,987,360	7,975,365	8,195,835
Inventories, net	6,108,097	-	6,108,097	6,335,718
Investments	210,222,446	50,999,351	261,221,797	241,731,657
Trust holdings	-	161,646,832	161,646,832	162,105,856
Property, plant, and equipment, net	67,783,177	-	67,783,177	56,382,176
Due from (to) other funds	25,000	(25,000)	-	-
Other assets	10,402,270	-	10,402,270	9,294,966
	<u>\$ 303,564,595</u>	<u>\$ 227,639,217</u>	<u>\$ 531,203,812</u>	<u>\$ 517,402,862</u>
Total assets				
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable and accrued expenses	\$ 12,605,913	\$ -	\$ 12,605,913	\$ 11,667,988
Accrued pension and postretirement health benefits	9,052,178	-	9,052,178	11,302,901
Annuity liability	25,161,323	-	25,161,323	28,625,776
Trust obligations	-	131,876,282	131,876,282	129,198,435
Other liabilities	69,544	-	69,544	351,523
Total liabilities	46,888,958	131,876,282	178,765,240	181,146,623
Net assets				
Without donor restrictions	256,675,637	-	256,675,637	247,434,018
With donor restrictions	-	95,762,935	95,762,935	88,822,221
Total net assets	<u>256,675,637</u>	<u>95,762,935</u>	<u>352,438,572</u>	<u>336,256,239</u>
	<u>\$ 303,564,595</u>	<u>\$ 227,639,217</u>	<u>\$ 531,203,812</u>	<u>\$ 517,402,862</u>
Total liabilities and net assets				

THE MOODY BIBLE INSTITUTE OF CHICAGO  
TRUSTEES AND OFFICERS  
As of June 30, 2023  
(Unaudited)

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