INTERVARSITY CHRISTIAN
FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2024 and 2023

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

Audit Committee
InterVarsity Christian Fellowship/USA and Subsidiaries
Madison, Wisconsin

Opinion

We have audited the accompanying consolidated financial statements of InterVarsity Christian Fellowship/USA and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of InterVarsity Christian Fellowship/USA and Subsidiaries as of June 30, 2024 and 2023, 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of Lucent Insurance, Ltd., an investee of which InterVarsity Christian Fellowship/USA and Subsidiaries have a significant influence. Those consolidated statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the investment in Lucent Insurance, Ltd., is based solely on the report of the other auditors. The investee entity reports on the insurance basis of accounting as required by the Bermudan Insurance Regulators which is a financial reporting framework other than generally accepted accounting principles in the United States. We have applied audit procedures on the conversion adjustments to the financial statements of Lucent Insurance, Ltd., which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Lucent Insurance, Ltd., prior to these conversion adjustments, is based solely on the report of the other auditors. The investment in Lucent Insurance, Ltd. made up 1.7% and 2.0% of the InterVarsity Christian Fellowship/USA and Subsidiaries total assets as of June 30, 2024 and 2023, respectively, and 2.0% and 6.9% of its change in net assets for the years ended June 30, 2024 and 2023, respectively.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of InterVarsity Christian Fellowship/USA and Subsidiaries 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.

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Audit Committee
InterVarsity Christian Fellowship/USA and Subsidiaries
Madison, Wisconsin

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about InterVarsity Christian Fellowship/USA and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Capin Crouse LLP

Naperville, Illinois
October 21, 2024

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Statements of Financial Position
(in thousands)

	June 30, 2024	June 30, 2023
ASSETS:		
Cash and cash equivalents	$ 3,882	$ 4,262
Receivables:		
Trade and subscribers, less allowance for credit losses and returns of $129,000 and $165,000 in 2024 and 2023, respectively	4,309	2,899
Contributions	703	792
Grant receivable	-	6,884
Miscellaneous	62	471
Books and supplies inventory, net	3,856	4,121
Royalty advances, less allowance of $590,000 and $566,000 in 2024 and 2023, respectively	3,345	3,209
Property held for sale	-	1,600
Investments	54,557	39,499
Prepaid expenses, deposits and other assets	1,557	1,810
Right-of-use operating asset	3,403	940
Land, buildings and equipment, net	7,097	8,108
Total Assets	$ 82,771	$ 74,595
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other accrued liabilities	$ 4,079	$ 4,377
Medical insurance claims payable	850	850
Trust and annuity agreements	87	100
Royalties payable	2,270	2,270
Deferred revenue	48	182
Right-of-use operating lease obligation	3,833	1,222
Total liabilities	11,167	9,001
Net assets:		
Net assets without donor restrictions	42,991	36,029
Net assets with donor restrictions	28,613	29,565
Total net assets	71,604	65,594
Total Liabilities and Net Assets	$ 82,771	$ 74,595

See notes to consolidated financial statements

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Statements of Activities

(in thousands)

	Year Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 10,115	$ 84,583	$ 94,698	$ 64,111	$ 25,809	$ 89,920
Sales of books and media	16,188	-	16,188	16,520	-	16,520
Grant revenue	-	-	-	6,884	-	6,884
Conference and rental fees	2,045	-	2,045	2,938	-	2,938
Royalties and commissions	692	-	692	700	-	700
Investment income	6,090	-	6,090	4,618	-	4,618
Gain on sale of property	4,704	-	4,704	-	-	-
Other income	234	-	234	225	-	225
	40,068	84,583	124,651	95,996	25,809	121,805
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Satisfaction of program restrictions	85,535	(85,535)	-	27,923	(27,923)	-
	125,603	(952)	124,651	123,919	(2,114)	121,805
EXPENSES:						
Program	87,852	-	87,852	94,597	-	94,597
Administrative	15,996	-	15,996	15,281	-	15,281
Fundraising	13,173	-	13,173	13,323	-	13,323
	117,021	-	117,021	123,201	-	123,201
Change in Net Assets from Continuing Operations	8,582	(952)	7,630	718	(2,114)	(1,396)
Discontinued operations—loss on discontinued operations	(1,620)	-	(1,620)	192	-	192
Change in Net Assets	6,962	(952)	6,010	910	(2,114)	(1,204)
Net Assets, Beginning of Year	36,029	29,565	65,594	35,119	31,679	66,798
Net Assets, End of Year	$ 42,991	$ 28,613	$ 71,604	$ 36,029	$ 29,565	$ 65,594

See notes to consolidated financial statements

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended June 30, 2024	Year Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 6,010	$ (1,204)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of buildings and equipment	614	756
Unrealized and realized gains on investments	(4,797)	(3,878)
Gain on sale of property	(4,704)	-
Loss on disposal of land, buildings and equipment	1,336	-
Actuarial change in value of annuities and trusts, net of payments	(13)	3
Non-cash effect of change in accounting principle	-	(8)
Non-cash lease expense	(142)	-
Changes in:		
Receivables	5,836	(6,950)
Books and supplies inventory	265	510
Prepaid expenses, deposits and other assets	253	(398)
Accounts payable and other accrued liabilities	(8)	(156)
Royalties payable	-	44
Deferred revenue	(134)	(421)
Net Cash Provided (Used) by Operating Activities	4,516	(11,702)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(12,001)	(16,344)
Proceeds from sales and maturities of investments	1,740	28,216
Proceeds from sale of building and land	6,209	-
Purchases of buildings and equipment	(844)	(191)
Net Cash (Used) Provided by Investing Activities	(4,896)	11,681
CASH FLOWS FROM FINANCING ACTIVITIES:		
Matured annuity and trusts	-	(226)
Net Cash Used by Financing Activities	-	(226)
Net Change in Cash and Cash Equivalents	(380)	(247)
Cash and Cash Equivalents, Beginning of Year	4,262	4,509
Cash and Cash Equivalents, End of Year	$ 3,882	$ 4,262

See notes to consolidated financial statements

1. NATURE OF ORGANIZATION:

In response to God's love, grace and truth, the purpose of InterVarsity Christian Fellowship/USA (InterVarsity) is to establish and advance at colleges and universities, witnessing communities of students and faculty who follow Jesus as Savior and Lord, growing in love for God, God's Word, God's people of every ethnicity and culture and God's purposes in the world.

The consolidated financial statements include the accounts and transactions of the funds operating as InterVarsity Christian Fellowship/USA and InterVarsity Ministries. The funds of InterVarsity include general operating, general capital, specific purpose, conference, charitable funds, operating reserves fund and InterVarsity Press (IVP), which is a publisher of Christian books, pamphlets and other written materials. Effective September 11, 2020, IVP became a separate single-member limited liability company organized in the state of Delaware. The sole member of IVP is InterVarsity, and, for federal tax purposes, IVP is disregarded as an entity separate from InterVarsity and subject to InterVarsity's tax exemption. InterVarsity Ministries includes the camp fund. All significant interfund and intercompany balances and transactions have been eliminated. The majority of InterVarsity's revenues result from contributions, product sales and conference fees.

InterVarsity is incorporated under the laws of the State of Illinois. It is classified by the Internal Revenue Service (IRS) as a tax-exempt publicly supported 501(c)(3) religious organization, which is not a private foundation under Section 509(a) of the Internal Revenue Code (IRC). Accordingly, it is exempt from federal and state income taxes and contributions are tax deductible within the limitations prescribed by the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual amounts could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Amounts classified as cash and cash equivalents in the consolidated statements of financial position include checking and savings accounts, money market funds, all highly liquid debt instruments purchased with original maturities of three months or less and all highly liquid donated securities pending sale. As contributions of securities are received, it is InterVarsity's policy to liquidate the donated securities immediately.

InterVarsity has cash and cash equivalents deposited in financial institutions in which the balances exceed the federal government agency (FDIC) insured limit. During the year ended June 30, 2023, InterVarsity entered an insured sweep account consortium arrangement to mitigate a substantial amount of the risk. At June 30, 2024 and 2023, InterVarsity's cash balances exceeded federally insured limits by approximately $53,000 and $2,040,000 respectively.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY HELD FOR SALE

Property held for sale at June 30, 2023, consisted of property located in Westmont, Illinois. This property was sold during the year ended June 30, 2024. The real estate held for sale is reported at the lower of its carrying amount or fair value less estimated selling costs.

INVESTMENTS

InterVarsity invests, along with several other not-for-profit organizations, in a captive insurance holding company, Lucent Insurance, Ltd. (Lucent). InterVarsity is accounting for this investment using the equity method. Lucent reinsures claims relating to workers' compensation, general liability and property. Claim experience is identified to each participating entity, and subsequent premiums are modified based on an entity's claim experience.

Investments in marketable equity securities with readily determinable fair values and all investment in debt securities are stated at fair value. Realized and unrealized gains and losses are reflected in the consolidated statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

Investment securities are exposed to various risks including, but not limited to, interest rate and market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES
The majority of the receivables are related to book sales, contributions and royalty advances.

Allowance for credit losses
Trade and subscriber receivables are stated net of any allowance for credit and sales returns ($129,000 and $165,000 for 2024 and 2023, respectively). Trade accounts receivable become past due when they exceed their contractual due dates, usually 30 to 90 days from the date of sale. The allowance for credit losses is maintained at a level that, in management's judgment, is adequate to absorb probable losses. The amount is based upon an analysis of overall trade receivables by management. Management's evaluation of the allowance for credit losses includes, but is not limited to, the historical experience of payment patterns from the customer, financial condition of the customer, other known facts and circumstances and general economic conditions. This process is based on estimates, and ultimate loss may vary from current estimates. As changes in estimates occur, adjustments to the level of the allowance are recorded in the provision for credit losses in the period in which they become known. At June 30, 2024 and 2023, trade accounts receivable past due 90 days or more totaled $55,000 and $96,000, respectively.

Credit quality indicators
InterVarsity categorizes its receivables in aging pools. Status for performing and nonperforming receivables is based on payment activity for the year. Receivables are considered to be nonperforming when days delinquent is greater than 180 days in the previous month. InterVarsity evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics and performance status change. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider the following: monitoring creditworthiness of accounts, current and forecasted direction of the economic and business environment. InterVarsity did not have any non-performing receivables for either of the years ended June 30, 2024 and 2023.

GRANT RECEIVABLE
Grant receivable consists of a tax credit claimed through the Employee Retention Credit (ERC) program offered through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Laws and regulations concerning government programs, including the ERC, established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge InterVarsity's claim to the ERC, so management is taking a conservative position by investing ERC proceeds in US Treasuries until the audit statute of three to five-years expires.

InterVarsity claimed a tax credit of $6,884,000, through the Employee Retention Credit program offered through the CARES Act. The credit is claimed in relation to qualified wages owed for the years ended June 30, 2020 and 2021. The full amount of the credit was recognized as grant revenue for the year ended June 30, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

ROYALTY ADVANCES

IVP has entered into book publishing agreements with various artists and authors. IVP agrees to pay the artists and authors a nonrefundable advance against future royalties earned. Future royalties are based on a percentage of net sales as defined in the agreements. In the event that InterVarsity anticipates that the future product sales do not earn back the royalty advance, an allowance for doubtful royalties is recorded.

BOOKS AND SUPPLIES INVENTORY

Books and supplies inventory is stated at the lower of cost, determined principally by the first-in, first-out method, or market. Inventory consists of the following (in thousands):

	June 30, 2024	June 30, 2023
Books and merchandise	$ 3,908	$ 4,222
Supplies	158	114
	4,066	4,336
Reserve for slow-moving inventory	(210)	(215)
	$ 3,856	$ 4,121

LAND, BUILDINGS, EQUIPMENT AND DEPRECIATION

Computer software owned by InterVarsity and equipment over $5,000 and other items over $3,000 are capitalized at cost, or if the asset was contributed, at estimated fair market value at the date of the contribution. The values are determined from publications, appraisals and other sources that assist in establishing a market value. InterVarsity does not capitalize software development costs for software-as-a-services licenses. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	31.5 years to 39 years
Computer, software and equipment	3 - 5 years
Other equipment	3 years
Furniture and fixtures	7 years

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

TRUST AND ANNUITY AGREEMENTS
InterVarsity has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the assets received, recognized at fair value, and the liability for future payments, determined on an actuarial basis, is recognized as support without donor restrictions at the date of the gift, unless the gift portion is restricted by donor imposed stipulations. InterVarsity uses industry standard practices to calculate the actuarial annuity liability, using IRS published mortality rate tables at a 3.5% assumed rate of return. Assets related to annuity agreements are included in investments. In accordance with the regulations of the State of Wisconsin, InterVarsity maintains a cash reserve of the greater of $100,000 or 10% of annuities payable as security for life annuities. As trustee, InterVarsity administers limited revocable trusts that provide a beneficial interest to InterVarsity at the grantor's death. The agreements are revocable, in whole or in part, upon the written request of the grantor, if there is an adverse change in the grantor's financial circumstances or a change in the mission of InterVarsity. As a result of these conditional rights, the principal amounts provided are recorded as liabilities. All income paid is reportable by the grantor for tax purposes. At the grantor's death, the remaining trust amount will be recorded as contribution income. Assets related to trust agreements are included in investments.

DEFERRED REVENUE
Income from conference and camp fees are deferred and recognized in the period the event occurs. Performance obligations for conferences and camps are delivered over the term of the event. Consequently, associated revenues are earned and recognized over the course of each event as the services are delivered.

NET ASSETS
The consolidated financial statements report amounts by class of net assets as follows:

Net assets without donor restrictions are currently available for ministry purposes under the direction of the Board and those designated by the Board for a specific use.

Net assets with donor restrictions are those contributed with donor stipulations for specific operating purposes or programs, those with time restrictions, or those not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE AND EXPENSE RECOGNITION
InterVarsity reports amounts received for general ministry purposes as support without donor restrictions. Current year amounts received for specific ministry programs that have not yet been expended at year end are reported as support with donor restrictions. When such amounts are expended for the specific ministry program in future periods, they are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The majority of contributions are subject to a 13% administrative assessment, which is used to cover general and administrative costs, ministry support and grants to staff with financial needs. Contributions that are unconditionally pledged are recorded as revenue and as contributions receivable when the pledge is received. Estate gifts are recorded as contributions receivable and revenue at the time InterVarsity has an established right to the gift and the proceeds are measurable.

Sales revenue is recognized when goods are shipped or otherwise delivered to customers. Revenues and expenses from conferences and camp fees are deferred until the event occurs. All other revenues are recognized when earned and expenses when incurred in accordance with the accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES
The costs of providing the various program services and supporting activities of InterVarsity have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited and are allocated on estimated time and effort. The supporting activities are indispensable to the conduct of the program services and to InterVarsity's existence.

SHIPPING AND HANDLING COSTS
Total costs for shipping and handling were $220,000 and $516,000 for the years ended June 30, 2024 and 2023, respectively. Shipping and handling fees to customers of $11,000 and $148,000 for the years ended June 30, 2024 and 2023, respectively, were used to offset these costs and were netted against program postage and shipping expense.

RECENTLY ISSUED ACCOUNTING STANDARDS
In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB Accounting Standards Codification (ASC) 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by InterVarsity that are subject to the guidance in FASB ASC 326 are trade accounts receivable.

InterVarsity adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

3. INVESTMENTS:

Investments consist of the following at June 30 (in thousands):

	June 30, 2024	June 30, 2023
Fair market value:		
U.S. Treasury Notes	$ 10,236	$ 454
Mutual funds:		
Money market funds	1,203	1,137
Other mutual funds	41,729	36,422
	53,168	38,013
Equity method:		
Investment in Lucent captive insurance holding company	1,389	1,486
	$ 54,557	$ 39,499

Investments include $594,000 related to liabilities under annuity agreements at June 30, 2023. There were no investments related to liabilities under annuity agreements at June 30, 2024.

INVESTMENT IN CAPTIVE INSURANCE COMPANY

InterVarsity, along with 10 other nonprofit organizations, are members of an offshore captive insurance holding company, Lucent Insurance, Ltd. (Lucent). Beginning on September 11, 2018, there is one wholly-owned subsidiary of Lucent, Lucent Reinsurance, Ltd. (Lucent Re). InterVarsity owns a non-controlling interest of the common stock of the captive insurance and is accounting for the investment under the equity method, due to its ability to exercise significant influence over the operations of Lucent.

Lucent insures claims relating to workers’ compensation, general liability, property and automobile liability. Lucent pays the first $250,000 of any covered claim and Lucent Re pays the next $100,000 with the remaining coverage paid by a primary insurance carrier.

InterVarsity's investment in Lucent was approximately $1,389,000 and $1,486,000 as of June 30, 2024 and 2023, respectively, which represents 9.5% and 11.4% of Lucent's total equity, respectively. Financial information is recorded as of May 31, which represents the most recent data available. InterVarsity is not aware of any material changes to these balances as of June 30, 2024 and 2023. InterVarsity has paid approximately $500,000 and $398,000 in premiums to Lucent during the years ended June 30, 2024 and 2023, respectively. InterVarsity received $289,000 and $157,000 in reimbursements from Lucent during the years ended June 30, 2024 and 2023, respectively. InterVarsity recorded dividends from Lucent of $220,000 and $250,000, for the years ended June 30, 2024 and 2023, respectively.

3. INVESTMENTS, continued:

Summary financial information of Lucent is as follows at June 30 (in thousands):

	2024	2023
Total assets	$ 25,192	$ 21,175
Total liabilities	$ 10,531	$ 8,152
Comprehensive (loss) income (net of dividends)	$ (26)	$ (82)

Amounts represent unaudited balances and activities through and for the years ended May 31, 2024 and 2023.

4. FAIR VALUE MEASUREMENTS:

InterVarsity adopted the provisions of the *Fair Value Measurements and Disclosure* topic of the FASB ASC. These standards define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. Fair value is defined under the standards as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market between market participants on the measurements date.

FASB ASC 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 following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the ASC fair value hierarchy in which the fair value measurements fall at, (in thousands):

		Fair Value Measurements Using:	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
June 30, 2024:			
Financial assets:			
U.S. Treasury Notes	$ 10,236	$ -	$ 10,236
Mutual funds:			
Money market funds	1,203	1,203	-
Bond funds	628	628	-
Balanced funds	41,101	41,101	-
	$ 53,168	$ 42,932	$ 10,236

4. FAIR VALUE MEASUREMENTS, continued:

	Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
June 30, 2023:			
Financial assets:			
U.S. Treasury Notes	$ 454	$ -	$ 454
Mutual funds:			
Money market funds	1,137	1,137	-
Bond funds	2,267	2,267	-
Balanced funds	34,155	34,155	-
	$ 38,013	$ 37,559	$ 454

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Level 1 Fair Value Measurements
The fair values of mutual funds are based on quoted market prices.

Level 2 Fair Value Measurements
The fair value of U.S. Treasury Notes are based on yields currently available on comparable securities with similar credit ratings.

5. LAND, BUILDINGS AND EQUIPMENT, NET:
Land, buildings and equipment consist of the following at (in thousands):

	June 30, 2024	June 30, 2023
Buildings and improvements	$ 7,875	$ 10,861
Computer equipment	2,994	2,839
Other equipment	177	238
Furniture and fixtures	1,121	726
Construction in process	7	-
	12,174	14,664
Less accumulated depreciation and amortization	(5,452)	(7,475)
	6,722	7,189
Land	375	919
	$ 7,097	$ 8,108

6. MEDICAL INSURANCE CLAIMS PAYABLE:

InterVarsity self insures the medical expenses of eligible employees. Under the self insurance plan, InterVarsity is responsible for the first $300,000 of covered medical expenses per person per year. Claims of any individual in excess of this amount are covered by an excess loss insurance policy. An accrued liability for claims payable is recorded based on an estimate of outstanding claims at June 30; however, the actual liability is unknown and exposure to losses in excess of the accrued liability may exist. Management believes the liability reflected in the consolidated statements of financial position is adequate to cover future losses. Claims expense and insurance costs under this program totaled $9,943,000 and $11,135,000 for the years ended June 30, 2024 and 2023, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following activities as of (in thousands):

	June 30,	
	2024	2023
Ministry expenses for specific staff	$ 10,619	$ 11,995
Area, regional and national programs and projects	11,317	10,579
Support for the work at specific schools	5,324	5,520
Scholarships for camps and conferences	1,353	1,471
	$ 28,613	$ 29,565

8. FUNCTIONAL EXPENSES:

Expenses of InterVarsity by function are as follows for the year ended (in thousands):

	Year Ended June 30, 2024			
	Program	Management and General	Fundraising	Total
Salaries & payroll taxes	$ 54,526	$ 7,281	$ 10,313	$ 72,120
Benefits	7,986	1,130	775	9,891
Cost of sales	6,420	-	-	6,420
Travel	8,180	329	395	8,904
Office expenses	2,123	627	939	3,689
Information technology	496	2,418	75	2,989
Conference, conventions & meetings	4,045	50	43	4,138
Professional fees	1,053	1,764	392	3,209
Occupancy	225	734	1	960
Advertising/promotion	1,087	-	184	1,271
Depreciation	61	553	-	614
Equipment	174	121	17	312
Education & training	470	13	21	504
Support to other missions	363	-	-	363
Other	64	109	15	188
Insurance	578	867	1	1,446
Interest	1	-	2	3
	$ 87,852	$ 15,996	$ 13,173	$ 117,021
% of Total Expenses	75.0%	13.7%	11.3%	

8. FUNCTIONAL EXPENSES, continued:

	Year Ended June 30, 2023			
	Program	Management and General	Fundraising	Total
Salaries & payroll taxes	$ 55,978	$ 7,993	$ 10,147	$ 74,118
Benefits	10,400	1,617	809	12,826
Cost of sales	6,667	-	-	6,667
Travel	7,905	344	345	8,594
Office expenses	2,814	416	1,117	4,347
Information technology	1,198	1,285	135	2,618
Conference, conventions & meetings	3,584	77	146	3,807
Professional fees	2,057	1,656	549	4,262
Occupancy	228	368	-	596
Advertising/promotion	1,458	42	-	1,500
Depreciation	189	567	-	756
Equipment	652	193	14	859
Education & training	449	48	30	527
Support to other missions	608	-	-	608
Other	166	233	28	427
Insurance	220	405	-	625
Interest	24	37	3	64
	$ 94,597	$ 15,281	$ 13,323	$ 123,201
% of Total Expenses	76.8%	12.5%	10.8%	

9. RETIREMENT PLAN:

InterVarsity maintains a defined contribution retirement plan (the Plan), under Section 403(b) of the IRC, for the benefit of all eligible employees as defined in the plan document. The Plan provides for InterVarsity to match 50% of the first 6% contributed by employees. In November 2022, InterVarsity discontinued an additional base contribution that historically averaged 2% to 4% of salary, for all but a small segment of employees. For the years ended June 30, 2024 and 2023, retirement plan expense was approximately $1,477,000 and $2,600,000, respectively.

10. COMMITMENTS:

InterVarsity has available a $5,000,000 unsecured line of credit which carries an interest rate of 7.19% and matures on November 30, 2024. There was no outstanding indebtedness under this agreement as of June 30, 2024 and 2023.

InterVarsity has signed contracts for several hotels and a conference center for the Urbana 2025 conference. Each contract contains a liquidated damages provision that is triggered if InterVarsity cancels the agreement without cause at any time after the contract is signed and increases the amount of liquidated damages owed for any such cancellation as the date of the conference gets closer.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES:

InterVarsity regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds in accordance with the investment policy annually reviewed and affirmed by the Board of Trustees. The following reflects the financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or because the governing board has set aside the funds for specific contingency reserves and projects within one year of the consolidated statements of financial position date. Board designations could be drawn upon if the Board approves that action.

	June 30, 2024	June 30, 2023
Financial assets: (in thousands)		
Cash and cash equivalents	$ 3,882	$ 4,262
Investments	54,557	39,499
Receivables:		
Trade	4,309	2,899
Contributions	703	792
Grant receivable	-	6,884
Miscellaneous	62	471
Financial assets, at year end	63,513	54,807
Less those unavailable for operating needs within one year, due to:		
Investment in captive insurance company	(1,389)	(1,486)
Investments held in annuity trust	(100)	(323)
Grant receivable	-	(6,884)
Investments not available for use within one year	(6,884)	-
Donor restricted net assets	(4,546)	(4,434)
	(12,919)	(13,127)
Financial assets available to meet cash needs for general expenditures within one year	$ 50,594	$ 41,680

11. LIQUIDITY AND AVAILABILITY OF RESOURCES, continued:

As part of liquidity management, InterVarsity has a policy to structure its financial assets to be available as its general operating needs, liabilities, and other obligations come due and part of this strategy includes the ability to draw on a line of credit for operating needs up to $5,000,000. InterVarsity has $28,613,000 in net assets with donor restrictions for campus staff and project support as of June 30, 2024. Approximately $22,935,000 of these funds are considered available to meet needs for general expenditures within one year.

12. OPERATING LEASE - RIGHT OF USE ASSET AND OBLIGATION:

InterVarsity leases land for office use, copiers, and an office and storage space under noncancellable leases ending in 2050, 2028, and 2026, respectively. The discount rate represents the implicit interest rate within the lease agreement. Monthly payments under these leases range from $1,193 to $19,341.

The ground lease with an original maturity date of May 2050 contains an option for renewal for an additional 40 years (two-20 year renewals) with the increase in lease payment amount based on CPI for Urban areas, expiring in May 2090. As of June 30, 2024, this additional term is included in the operating lease calculations as management expects to exercise this extension.

	June 30,	
	2024	2023
Operating lease right-of-use asset	$ 3,403	$ 940
Operating lease liability	$ 3,833	$ 1,222
Operating lease costs	$ 314	$ 106
Weighted-average discount rate	6.95%	9.00%
Weighted-average remaining lease term	16.90 years	66.92 years

Future minimum lease payments required under operating leases that have an initial or remaining non-cancellable lease term in excess of one year are as follows:

Year Ending June 30,	
2025	$ 242
2026	370
2027	387
2028	399
2029	391
Thereafter	5,316
	7,105
Less imputed interest	(3,272)
	$ 3,833

13. DISCONTINUED OPERATIONS:

InterVarsity made a strategic decision to divest of Toah Nipi, a Christian retreat center in New Hampshire. During the year ended June 30, 2024, InterVarsity signed an agreement to transfer ownership of Toah Nipi to new owners to take effect on December 31, 2023. As a result, property, plant, and equipment of Toah Nipi was disposed at year end and a loss on land, buildings and equipment of $1,336,000 was recorded.

The net change in net assets from this program is shown as discontinued operations on the consolidated statements of activities. The following activity is included in discontinued operations for the year ended June 30, 2024:

	June 30,	
	2024	2023
Support and revenue:		
Contributions	$ 18	$ 134
Sales of books and media	9	1
Conference fees	375	808
Loss on disposal of land, buildings and equipment	(1,336)	-
	(934)	943
Expenses:		
Program	686	751
Loss on discontinued operations	$ (1,620)	$ 192

14. RELATED PARTY TRANSACTIONS:

Approximately $1,014,000, and $634,000 of contribution revenue was received from Board members of InterVarsity for the years ended June 30, 2024 and 2023, respectively.

15. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 21, 2024, which represents the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CAPINCROUSE LLP

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Audit Committee
InterVarsity Christian Fellowship/USA and Subsidiaries
Madison, Wisconsin

We have audited the consolidated financial statements of InterVarsity Christian Fellowship/USA and Subsidiaries as of and for the years ended June 30, 2024 and 2023, and our report thereon dated October 21, 2024, which expresses an unmodified opinion on those consolidated financial statements, appears on page 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedule of consolidated statements of activities of the individual ministry areas are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

Naperville, Illinois
October 21, 2024

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INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Supplemental Schedule - Activities by Ministry Area
Consolidated Statements of Activities
(in thousands)

Year Ended June 30, 2024

	Without Donor Restrictions						
	Core Ministries	IVP	Camps	Urbana	Strategic Plan	With Donor Restrictions	Total
SUPPORT AND REVENUE:							
Contributions	$ 3,756	$ 1,296	$ -	$ 617	$ 4,446	$ 84,583	$ 94,698
Sales of books and media	208	15,980	-	-	-	-	16,188
Grant revenue	-	-	-	-	-	-	-
Conference and rental fees	2,041	-	-	-	4	-	2,045
Royalties and commissions	142	550	-	-	-	-	692
Gain on sale of property	-	4,704	-	-	-	-	4,704
Investment income	5,909	123	-	58	-	-	6,090
Other income	221	13	-	-	-	-	234
Net assets released from restrictions	88,740	-	-	-	(3,205)	(85,535)	-
	101,017	22,666	-	675	1,245	(952)	124,651
EXPENSES:							
Program	73,882	12,200	-	915	169	-	87,166
Administrative	9,641	6,355	-	-	-	-	15,996
Fundraising	13,171	-	-	-	-	-	13,171
Inter-company cost allocations	5,743	(663)	-	6	(4,398)	-	688
	102,437	17,892	-	921	(4,229)	-	117,021
Change in Net Assets from Continuing Operations	(1,420)	4,774	-	(246)	5,474	(952)	7,630
Discontinued Operations	-	-	(1,620)	-	-	-	(1,620)
Change in Net Assets	(1,420)	4,774	(1,620)	(246)	5,474	(952)	6,010
Net Assets, Beginning of Year	5,527	15,576	(5,677)	(3,132)	23,735	29,565	65,594
Net Assets, End of Year	$ 4,107	$ 20,350	$ (7,297)	$ (3,378)	$ 29,209	$ 28,613	$ 71,604

Year Ended June 30, 2023

	Without Donor Restrictions						
	Core Ministries	IVP	Camps	Urbana	Strategic Plan	With Donor Restrictions	Total
SUPPORT AND REVENUE:							
Contributions	$ 58,387	$ 44	$ -	$ 1,688	$ 3,992	$ 25,809	$ 89,920
Sales of books and media	164	16,306	-	50	-	-	16,520
Grant revenue	6,884	-	-	-	-	-	6,884
Conference and rental fees	1,252	-	-	1,686	-	-	2,938
Royalties and commissions	160	540	-	-	-	-	700
Gain on sale of property	-	-	-	-	-	-	-
Investment income	4,570	48	-	-	-	-	4,618
Other income	224	1	-	-	-	-	225
Net assets released from restrictions	26,955	-	-	-	968	(27,923)	-
	98,596	16,939	-	3,424	4,960	(2,114)	121,805
EXPENSES:							
Program	75,911	13,455	-	4,382	603	-	94,351
Administrative	9,762	5,282	-	-	483	-	15,527
Fundraising	12,458	-	-	-	865	-	13,323
Inter-company cost allocations	6,279	(458)	-	326	(6,147)	-	-
	104,410	18,279	-	4,708	(4,196)	-	123,201
Change in Net Assets from Continuing Operations	(5,814)	(1,340)	-	(1,284)	9,156	(2,114)	(1,396)
Discontinued Operations	-	-	192	-	-	-	192
Change in Net Assets	(5,814)	(1,340)	192	(1,284)	9,156	(2,114)	(1,204)
Net Assets, Beginning of Year	11,341	16,916	(5,869)	(1,848)	14,579	31,679	66,798
Net Assets, End of Year	$ 5,527	$ 15,576	$ (5,677)	$ (3,132)	$ 23,735	$ 29,565	$ 65,594