INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditor's Report

June 30, 2025 and 2024

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

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CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S 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, 2025 and 2024, 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, 2025 and 2024, 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.

Auditor's 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 1.8% and 1.7% of the InterVarsity Christian Fellowship/USA and Subsidiaries total assets as of June 30, 2025 and 2024, respectively, and 11.2% and 2.0% of its change in net assets for the years ended June 30, 2025 and 2024, 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 Auditor's 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 LLC

Naperville, Illinois
October 24, 2025

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Statements of Financial Position
(in thousands)

	June 30, 2025	June 30, 2024
ASSETS:		
Cash and cash equivalents	$ 5,326	$ 4,585
Receivables:		
Trade and subscribers, less allowance for credit losses and returns of $75,000 and $129,000 in 2025 and 2024, respectively	3,912	4,309
Miscellaneous	60	62
Books and supplies inventory, net	3,949	3,856
Royalty advances, less allowance of $630,000 and $590,000 in 2025 and 2024, respectively	3,643	3,345
Investments	57,762	54,557
Prepaid expenses, deposits and other assets	1,199	1,557
Right-of-use operating asset	3,237	3,403
Land, buildings and equipment, net	7,227	7,097
Total Assets	$ 86,315	$ 82,771
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other accrued liabilities	$ 3,783	$ 4,079
Medical insurance claims payable	850	850
Trust and annuity agreements	-	87
Royalties payable	2,224	2,270
Performance obligation liabilities	834	48
Right-of-use operating lease obligation	3,811	3,833
Total liabilities	11,502	11,167
Net assets:		
Net assets without donor restrictions	44,602	42,991
Net assets with donor restrictions	30,211	28,613
Total net assets	74,813	71,604
Total Liabilities and Net Assets	$ 86,315	$ 82,771

See notes to consolidated financial statements

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Statements of Activities

(in thousands)

	Year Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 8,493	$ 90,312	$ 98,805	$ 10,115	$ 84,583	$ 94,698
Sales of books and media	17,265	-	17,265	16,188	-	16,188
Conference and rental fees	2,556	-	2,556	2,045	-	2,045
Royalties and commissions	1,236	-	1,236	692	-	692
Investment income	6,059	-	6,059	6,090	-	6,090
Gain on sale of property	-	-	-	4,704	-	4,704
Other income	500	-	500	234	-	234
	36,109	90,312	126,421	40,068	84,583	124,651
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Satisfaction of program restrictions	88,714	(88,714)	-	85,535	(85,535)	-
	124,823	1,598	126,421	125,603	(952)	124,651
EXPENSES:						
Program	91,362	-	91,362	87,852	-	87,852
Administrative	18,058	-	18,058	15,996	-	15,996
Fundraising	13,792	-	13,792	13,173	-	13,173
	123,212	-	123,212	117,021	-	117,021
Change in Net Assets from Continuing Operations	1,611	1,598	3,209	8,582	(952)	7,630
Discontinued operations—loss on discontinued operations	-	-	-	(1,620)	-	(1,620)
Change in Net Assets	1,611	1,598	3,209	6,962	(952)	6,010
Net Assets, Beginning of Year	42,991	28,613	71,604	36,029	29,565	65,594
Net Assets, End of Year	$ 44,602	$ 30,211	$ 74,813	$ 42,991	$ 28,613	$ 71,604

See notes to consolidated financial statements

INTERVARSITY CHRISTIAN FELLOWSHIP/USA AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 3,209	$ 6,010
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of buildings and equipment	571	614
Unrealized and realized gains on investments	(5,955)	(4,797)
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	(87)	(13)
Non-cash effect of change in accounting principle	-	(142)
Non-cash lease expense	(146)	-
Changes in:		
Receivables	101	6,539
Books and supplies inventory	(93)	265
Prepaid expenses, deposits and other assets	358	253
Accounts payable and other accrued liabilities	(6)	(8)
Royalties payable	(46)	-
Deferred revenue	786	(134)
Net Cash Provided (Used) by Operating Activities	(1,308)	5,219
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(2,323)	(12,001)
Proceeds from sales and maturities of investments	5,073	1,740
Proceeds from sale of building and land	-	6,209
Purchases of buildings and equipment	(701)	(844)
Net Cash Provided (Used) by Investing Activities	2,049	(4,896)
Net Change in Cash and Cash Equivalents	741	323
Cash and Cash Equivalents, Beginning of Year	4,585	4,262
Cash and Cash Equivalents, End of Year	$ 5,326	$ 4,585

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. InterVarsity Ministries was dissolved in April 2025. 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. At June 30, 2025 and 2024, InterVarsity's cash balances exceeded federally insured limits by approximately $8,000 and $53,000 respectively.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

RIGHT OF USE OPERATING ASSET AND LEASE OBLIGATION

InterVarsity leases office equipment, and office and storage space. InterVarsity determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, InterVarsity uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that InterVarsity will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease 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 ($75,000 and $129,000 for 2025 and 2024, 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, 2025 and 2024, trade accounts receivable past due 90 days or more totaled $0 and $55,000, 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, 2025 and 2024.

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.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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,	
	2025	2024
Books and merchandise	$ 3,898	$ 3,908
Supplies	276	158
	4,174	4,066
Reserve for slow-moving inventory	(225)	(210)
	$ 3,949	$ 3,856

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. The carrying values of land, buildings and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 or 2024. Costs for repair and maintenance are expensed as incurred. 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.

PERFORMANCE OBLIGATION LIABILITIES

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 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 at a point in time when goods are shipped or otherwise delivered to customers. Revenues and expenses from conferences and camp fees are deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the consolidated statements of financial position. 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. Intervarsity did not incur any joint costs during the years ended June 30, 2025 and 2024. InterVarsity uses advertising to promote its products and programs among the audience it serves. The cost of advertising in expenses as incurred. During the years ended June 30, 2025 and 2024, advertising costs totaled $1,231,000 and $1,271,000, respectively and is included in advertising and promotion in the functional expenses table in Note 8.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SHIPPING AND HANDLING COSTS

Total costs for shipping and handling were $115,000 and $220,000 for the years ended June 30, 2025 and 2024, respectively. Shipping and handling fees to customers of $11,000 for the year ended June 30, 2024, were used to offset these costs and were netted against program postage and shipping expense. There were no shipping and handling fees to customers that were used to offset shipping and handling costs for the year ended June 30, 2025.

USE OF ESTIMATES

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets and allocation of functional expenses.

3. INVESTMENTS:

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

	June 30, 2025	June 30, 2024
Fair market value:		
U.S. Treasury Notes	$ 9,391	$ 10,236
Exchange traded funds	3,723	-
Mutual funds:		
Money market funds	1,055	1,203
Other mutual funds	42,046	41,729
	56,215	53,168
Equity method:		
Investment in Lucent captive insurance holding company	1,547	1,389
	$ 57,762	$ 54,557

InterVarsity considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, except for money market funds, which InterVarsity includes within investments as part of its overall investment portfolio strategy and cash equivalents pending reinvestment in accordance with its investment strategy.

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 $1,547,000 and $1,389,000 as of June 30, 2025 and 2024, respectively, which represents 10.7% and 9.5% 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, 2025 and 2024. InterVarsity has paid approximately $800,000 and $500,000 in premiums to Lucent during the years ended June 30, 2025 and 2024, respectively. InterVarsity received $197,000 and $289,000 in reimbursements from Lucent during the years ended June 30, 2025 and 2024, respectively. InterVarsity recorded dividends from Lucent of $200,000 for both the years ended June 30, 2025 and 2024, respectively.

3. INVESTMENTS, continued:

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

	2025	2024
Total assets	$ 24,602	$ 25,192
Total liabilities	$ 10,180	$ 10,531
Comprehensive loss (net of dividends)	$ (878)	$ (26)

Amounts represent unaudited balances and activities through and for the years ended May 31, 2025 and 2024.

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)	Unobservable Inputs (Level 3)
June 30, 2025:				
Financial assets:				
U.S. Treasury Notes	$ 9,391	$ -	$ 9,391	$ -
Exchange traded funds	3,723	3,723	-	-
Mutual funds:				
Money market funds	1,055	1,055	-	-
Bond funds	5,508	5,508	-	-
Balanced funds	36,538	36,538	-	-
	$ 56,215	$ 46,824	$ 9,391	$ -

4. FAIR VALUE MEASUREMENTS, continued:

		Fair Value Measurements Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
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	$ -

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.

Level 3 Fair Value Measurements
Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

5. LAND, BUILDINGS AND EQUIPMENT, NET:

Land, buildings and equipment consist of the following at (in thousands):

	June 30, 2025	June 30, 2024
Buildings and improvements	$ 8,251	$ 7,875
Computer equipment	3,020	2,994
Other equipment	156	177
Furniture and fixtures	1,121	1,121
	12,548	12,167
Less accumulated depreciation and amortization	(5,977)	(5,452)
	6,571	6,715
Land	375	375
Construction in process	281	7
	$ 7,227	$ 7,097

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 $10,232,000 and $9,943,000 for the years ended June 30, 2025 and 2024, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS:

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

	June 30, 2025	June 30, 2024
Ministry expenses for specific staff	$ 11,124	$ 10,619
Area, regional and national programs and projects	12,119	11,317
Support for the work at specific schools	5,464	5,324
Scholarships for camps and conferences	1,504	1,353
	$ 30,211	$ 28,613

8. FUNCTIONAL EXPENSES:

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

	Year Ended June 30, 2025			
	Program	Management and General	Fundraising	Total
Salaries & payroll taxes	$ 57,411	$ 7,310	$ 10,513	$ 75,234
Benefits	8,826	1,210	714	10,750
Cost of sales	7,130	-	-	7,130
Travel	7,406	347	457	8,210
Office expenses	2,022	513	1,005	3,540
Information technology	542	2,646	29	3,217
Conference, conventions & meetings	4,417	68	340	4,825
Professional fees	1,080	2,858	509	4,447
Occupancy	244	1,004	1	1,249
Advertising/promotion	1,027	36	168	1,231
Depreciation	64	507	-	571
Equipment	177	113	12	302
Education & training	466	18	33	517
Support to other missions	260	-	-	260
Other	208	97	11	316
Insurance	82	1,331	-	1,413
	$ 91,362	$ 18,058	$ 13,792	$ 123,212
% of Total Expenses	74.1%	14.7%	11.2%	

8. FUNCTIONAL EXPENSES, continued:

	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	579	867	3	1,449
	$ 87,852	$ 15,996	$ 13,173	$ 117,021
% of Total Expenses	75.1%	13.6%	11.3%	

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, 2025 and 2024, retirement plan expense was approximately $1,931,000 and $1,477,000, 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 December 10, 2025. There was no outstanding indebtedness under this agreement as of June 30, 2025 and 2024.

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, 2025	June 30, 2024
Total assets at year end	$ 86,315	$ 82,771
Less non-financial assets		
Prepaid expenses, deposits and other assets	(1,199)	(1,557)
Books and supplies inventory, net	(3,949)	(3,856)
Land, buildings and equipment, net	(7,227)	(7,097)
Right-of-use operating asset	(3,237)	(3,403)
Financial assets, at year-end	70,703	66,858
Less those unavailable for general expenditure within one year, due to:		
Investment in captive insurance company	(1,547)	(1,389)
Investments held in annuity trust	(100)	(100)
Investments not available for general expenditures, within one year, due to contractual or donor imposed restrictions	-	(6,884)
Donor restricted net assets	(2,607)	(4,546)
Financial assets available to meet cash needs for general expenditures within one year	$ 63,212	$ 50,536

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 $30,211,000 in net assets with donor restrictions for campus staff and project support as of June 30, 2025. Approximately $27,604,000 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 $1,371 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, 2025, this additional term is included in the operating lease calculations as management expects to exercise this extension.

	June 30, 2025	June 30, 2024
Operating lease right-of-use asset	$ 3,237	$ 3,403
Operating lease liability	$ 3,811	$ 3,833
Operating lease costs	$ 425	$ 314
Weighted-average discount rate	7.71%	6.95%
Weighted-average remaining lease term	16.04 years	16.90 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,	
2026	$ 371
2027	387
2028	399
2029	391
2030	391
Thereafter	4,255
	6,194
Less imputed interest	(2,383)
	$ 3,811

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 prior 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,	
	2025	2024
Support and revenue:		
Contributions	$ -	$ 18
Sales of books and media	-	9
Conference fees	-	375
Loss on disposal of land, buildings and equipment	-	(1,336)
	-	(934)
Expenses:		
Program	-	686
Loss on discontinued operations	$ -	$ (1,620)

14. RELATED PARTY TRANSACTIONS:

Approximately $1,784,000, and $1,014,000 of contribution revenue was received from Board members of InterVarsity for the years ended June 30, 2025 and 2024, respectively.

15. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 24, 2025, which represents the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S 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, 2025 and 2024, and our report thereon dated October 24, 2025, 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 LLC

Naperville, Illinois
October 24, 2025

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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, 2025							Year Ended June 30, 2024						
	Without Donor Restrictions							Without Donor Restrictions						
	Core Ministries	IVP	Camps	Urbana	Strategic Plan	With Donor Restrictions	Total	Core Ministries	IVP	Camps	Urbana	Strategic Plan	With Donor Restrictions	Total
SUPPORT AND REVENUE:														
Contributions	$ 8,428	$ 5	$ -	$ 60	$ -	$ 90,312	$ 98,805	$ 3,756	$ 1,296	$ -	$ 617	$ 4,446	$ 84,583	$ 94,698
Sales of books and media	201	17,064	-	-	-	-	17,265	208	15,980	-	-	-	-	16,188
Conference and rental fees	2,556	-	-	-	-	-	2,556	2,041	-	-	-	4	-	2,045
Royalties and commissions	99	1,137	-	-	-	-	1,236	142	550	-	-	-	-	692
Gain on sale of property	-	-	-	-	-	-	-	-	4,704	-	-	-	-	4,704
Investment income	5,657	162	-	240	-	-	6,059	5,909	123	-	58	-	-	6,090
Other income	347	153	-	-	-	-	500	221	13	-	-	-	-	234
Net assets released from restrictions	91,917	-	-	-	(3,203)	(88,714)	-	88,740	-	-	-	(3,205)	(85,535)	-
	109,205	18,521	-	300	(3,203)	1,598	126,421	101,017	22,666	-	675	1,245	(952)	124,651
EXPENSES:														
Program	76,880	12,882	-	1,234	366	-	91,362	73,882	12,200	-	915	169	-	87,166
Administrative	11,638	6,404	-	-	16	-	18,058	9,641	6,355	-	-	-	-	15,996
Fundraising	13,792	-	-	-	-	-	13,792	13,171	-	-	-	-	-	13,171
Inter-company cost allocations	(16,709)	2,625	(7,297)	(3,264)	24,645	-	-	5,743	(663)	-	6	(4,398)	-	688
	85,601	21,911	(7,297)	(2,030)	25,027	-	123,212	102,437	17,892	-	921	(4,229)	-	117,021
Change in Net Assets from Continuing Operations	23,604	(3,390)	7,297	2,330	(28,230)	1,598	3,209	(1,420)	4,774	-	(246)	5,474	(952)	7,630
Discontinued Operations	-	-	-	-	-	-	-	-	-	(1,620)	-	-	-	(1,620)
Change in Net Assets	23,604	(3,390)	7,297	2,330	(28,230)	1,598	3,209	(1,420)	4,774	(1,620)	(246)	5,474	(952)	6,010
Net Assets, Beginning of Year	4,107	20,350	(7,297)	(3,378)	29,209	28,613	71,604	5,527	15,576	(5,677)	(3,132)	23,735	29,565	65,594
Net Assets, End of Year	$ 27,711	$ 16,960	$ -	$ (1,048)	$ 979	$ 30,211	$ 74,813	$ 4,107	$ 20,350	$ (7,297)	$ (3,378)	$ 29,209	$ 28,613	$ 71,604