INTERVARSITY CHRISTIAN FELLOWSHIP/USA

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2022 and 2021

INTERVARSITY CHRISTIAN FELLOWSHIP/USA

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INDEPENDENT AUDITORS' REPORT

Audit Committee
InterVarsity Christian Fellowship/USA
Madison, Wisconsin

Opinion
We have audited the accompanying consolidated financial statements of InterVarsity Christian Fellowship/USA, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related 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 financial position of InterVarsity Christian Fellowship/USA as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are required to be independent of InterVarsity Christian Fellowship/USA 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 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's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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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'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 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'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.

Audit Committee
InterVarsity Christian Fellowship/USA
Madison, Wisconsin

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 has 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 2.2% and 2.3% of the InterVarsity Christian Fellowship/USA total assets as of June 30, 2022 and 2021, respectively, and 0.2% and 3.9% of its change in net assets for the year ended June 30, 2022 and 2021, respectively.

Capin Crouse LLP

Naperville, Illinois
October 25, 2022

INTERVARSITY CHRISTIAN FELLOWSHIP/USA

Consolidated Statements of Financial Position
(in thousands)

	June 30, 2022	June 30, 2021
ASSETS:		
Cash and cash equivalents	$ 4,509	$ 7,363
Property held for sale	192	965
Receivables:		
Trade and subscribers, less allowance for doubtful receivables and returns of $185,000 and $192,000 in 2022 and 2021, respectively	3,758	3,007
Donations	520	986
Royalty advances, less allowance for doubtful receivables of $877,000 and $880,000 in 2022 and 2021, respectively	2,957	2,874
Miscellaneous	70	177
Books and supplies inventory, net	4,631	3,733
Investments	47,493	51,275
Prepaid expenses, deposits and other assets	1,412	1,150
Land, buildings and equipment, net	10,081	10,462
Total Assets	$ 75,623	$ 81,992
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other accrued liabilities	$ 4,823	$ 4,010
Medical insurance claims payable	850	863
Trust and annuity agreements	323	300
Royalties payable	2,226	2,519
Deferred revenue	603	109
Total liabilities	8,825	7,801
Net assets:		
Net assets without donor restrictions	35,119	45,148
Net assets with donor restrictions	31,679	29,043
Total net assets	66,798	74,191
Total Liabilities and Net Assets	$ 75,623	$ 81,992

See notes to consolidated financial statements

INTERVARSITY CHRISTIAN FELLOWSHIP/USA

Consolidated Statements of Activities

(in thousands)

	Year Ended June 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Donations	$ 61,264	$ 32,781	$ 94,045	$ 71,515	$ 21,803	$ 93,318
Sales of books and media	18,264	-	18,264	18,389	-	18,389
Conference fees	1,504	-	1,504	307	-	307
Royalties and commissions	621	-	621	724	-	724
Investment (loss) income	(5,238)	-	(5,238)	8,873	-	8,873
Other income	153	-	153	189	-	189
	76,568	32,781	109,349	99,997	21,803	121,800
RECLASSIFICATIONS:						
Net assets released from restrictions:						
Satisfaction of program restrictions	30,145	(30,145)	-	15,239	(15,239)	-
	106,713	2,636	109,349	115,236	6,564	121,800
EXPENSES:						
Program	90,537	-	90,537	79,746	-	79,746
Administrative	13,617	-	13,617	12,508	-	12,508
Fundraising	12,588	-	12,588	12,250	-	12,250
	116,742	-	116,742	104,504	-	104,504
Change in Net Assets from Continuing Operations	(10,029)	2,636	(7,393)	10,732	6,564	17,296
Discontinued operations—loss on discontinued operations (includes loss on disposal of $0 and $1,293,000 for 2022 and 2021, respectively) Note 14	-	-	-	(2,096)	-	(2,096)
Change in Net Assets	(10,029)	2,636	(7,393)	8,636	6,564	15,200
Net Assets, Beginning of Year	45,148	29,043	74,191	36,512	22,479	58,991
Net Assets, End of Year	$ 35,119	$ 31,679	$ 66,798	$ 45,148	$ 29,043	$ 74,191

See notes to consolidated financial statements

INTERVARSITY CHRISTIAN FELLOWSHIP/USA

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended June 30, 2022	Year Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (7,393)	$ 15,200
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of buildings and equipment	782	967
Unrealized and realized losses (gains) on investments	5,961	(8,025)
Donated land, buildings, and equipment	-	(965)
(Gain) Loss on disposal of assets	(362)	1,293
Actuarial change in value of annuities and trusts, net of payments	(2)	10
Changes in:		
Receivables	(261)	1,085
Books and supplies inventory	(898)	(78)
Prepaid expenses, deposits and other assets	(262)	(91)
Accounts payable and other accrued liabilities	813	154
Medical insurance claims payable	(13)	-
Royalties payable	(293)	238
Deferred revenue	494	(103)
Net Cash (Used) Provided by Operating Activities	(1,434)	9,685
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(17,098)	(34,566)
Proceeds from sales and maturities of investments	14,919	28,221
Proceeds from sale of building and land	1,327	-
Purchases of buildings and equipment	(593)	(204)
Net Cash (Used) by Investing Activities	(1,445)	(6,549)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New annuity agreements	25	25
Net Cash Provided by Financing Activities	25	25
Net Change in Cash and Cash Equivalents	(2,854)	3,161
Cash and Cash Equivalents, Beginning of Year	7,363	4,202
Cash and Cash Equivalents, End of Year	$ 4,509	$ 7,363

See notes to consolidated financial statements

INTERVARSITY CHRISTIAN FELLOWSHIP/USA

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 donations, 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 donations 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, 2022 and 2021, InterVarsity's cash balances exceeded federally insured limits by $3,344,000 and $6,667,000, respectively. InterVarsity monitors the credit worthiness of the financial institutions which holds their cash and does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY HELD FOR SALE

Property held for sale at June 30, 2021, consisted of donated property located in Livermore, California, the property was sold in August 2021. Property held for sale at June 30, 2022, consists of donated property located in Salt Lake City, Utah. 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.

RECEIVABLES

The majority of the receivables are related to book sales, donations and royalty advances. Trade and subscriber receivables are stated net of any allowance for doubtful accounts and sales returns ($185,000 and $320,000 for 2022 and 2021, 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 doubtful accounts receivable 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 doubtful accounts 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 doubtful accounts in the period in which they become known. At June 30, 2022 and 2021, trade accounts receivable past due 90 days or more totaled $176,000 and $61,000, respectively.

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,	
	2022	2021
Books and merchandise	$ 4,678	$ 3,832
Supplies	158	112
	4,836	3,832
Reserve for slow-moving inventory	(205)	(211)
	$ 4,631	$ 3,655

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. See Note 7.

DEFERRED REVENUE

Income from the Urbana 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 and those received pursuant to appeals, grant awards or agreements to perform specific programs which are expended in the same fiscal year as received 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. 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. Donations that are unconditionally pledged are recorded as revenue and as donations receivable when the pledge is received. Estate gifts are recorded as donations 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 $506,000 and $391,000 for the years ended June 30, 2022 and 2021, respectively. Shipping and handling fees to customers of $184,000 and $162,000 for the years ended June 30, 2022 and 2021, respectively, were used to offset these costs and were netted against program postage and shipping expense.

3. INVESTMENTS:

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

	June 30,	
	2022	2021
Fair market value:		
U.S. Treasury Notes	$ 785	$ 833
Money market funds	468	3,405
Mutual funds	44,586	45,149
	45,839	49,387
Equity method:		
Investment in Lucent captive insurance holding company	1,654	1,888
	$ 47,493	$ 51,275

Investments include $545,000 and $603,000 related to liabilities under annuity agreements at June 30, 2022 and 2021, respectively.

INVESTMENT IN CAPTIVE INSURANCE COMPANY

InterVarsity, along with 9 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 $1,654,000 and $1,888,000 as of June 30, 2022 and 2021, respectively, which represents 11.6% and 12.7% 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, 2022 and 2021. InterVarsity has paid approximately $301,000 and $333,000 in premiums to Lucent during the years ended June 30, 2022 and 2021, respectively. InterVarsity has received approximately $80,000 and $82,000 in reimbursements from Lucent during the years ended June 30, 2022 and 2021, respectively. InterVarsity recorded dividends from Lucent of $250,000 and $200,000, during the years ended June 30, 2022 and 2021, respectively.

3. INVESTMENTS, continued:

Summary financial information of Lucent is as follows, rounded to the nearest thousand, at June 30:

	2022	2021
Total assets	$ 20,479	$ 20,973
Total liabilities	$ 6,222	$ 6,138
Comprehensive (loss) income (net of dividends)	$ (1,016)	$ 1,901

Amounts represent unaudited balances and activities through and for the years ended May 31, 2022 and 2021.

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, establishes a framework for measuring fair value and enhances 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, 2022:			
Financial assets:			
U.S. Treasury Notes	$ 785	$ -	$ 785
Money market funds	468	468	-
Mutual funds:			
Equity fund	16	16	-
Bond funds	5,685	5,685	-
Balanced funds	38,885	38,885	-
	$ 45,839	$ 45,054	$ 785

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)
June 30, 2021:			
Financial assets:			
U.S. Treasury Notes	$ 833	$ -	$ 833
Money market funds	3,405	3,405	-
Mutual funds:			
Equity fund	11,014	11,014	-
Bond funds	6,757	6,757	-
Balanced funds	27,378	27,378	-
	$ 49,387	$ 48,554	$ 833

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, 2022	June 30, 2021
Buildings and improvements	$ 15,557	$ 15,264
Computer equipment	2,912	3,114
Other equipment	1,045	1,106
Furniture and fixtures	1,818	1,824
	21,332	21,308
Less accumulated depreciation and amortization	(12,291)	(11,907)
	9,041	9,401
Land	1,040	1,061
	$ 10,081	$ 10,462

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 $11,415,000 and $9,197,000 for the years ended June 30, 2022 and 2021, respectively.

7. TRUST AND ANNUITY AGREEMENTS:

Trust and annuity agreements consist of the following at (in thousands):

	June 30, 2022	June 30, 2021
Gift annuity liability	$ 244	$ 223
Revocable trusts and loan agreements	79	77
	$ 323	$ 300

8. OPERATING LEASES:

InterVarsity leases various facilities under operating leases expiring at various times through 2024. Generally, the leases provide that InterVarsity pays taxes, insurance, maintenance and other costs associated with use of the facilities. In 2022 and 2021, InterVarsity incurred rent expense of $363,000 and $376,000, respectively, under these leases and others that operate on a month to month basis.

In 2015, InterVarsity was assigned a lease on property in Wisconsin. The original lease began in 2000 with a 50 year life and provides two options to extend for terms of 20 years each. The property is evaluated every five years for increases in property value with the lease payments adjusted accordingly. Land lease expense was $109,000 and $105,000 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments under InterVarsity's non-cancelable operating leases are as follows (in thousands):

Year Ending June 30,	
2023	$ 252
2024	110
2025	109
2026	109
2027	114
Thereafter	3,415
	$ 4,109

9. NET ASSETS WITH DONOR RESTRICTIONS:

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

	June 30, 2022	June 30, 2021
Ministry expenses for specific staff	$ 13,973	$ 13,972
Area, regional and national programs and projects	10,763	9,047
Support for the work at specific schools	5,470	4,476
Scholarships for camps and conferences	1,473	1,548
	$ 31,679	$ 29,043

10. FUNCTIONAL EXPENSES:

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

	Year Ended June 30, 2022			
	Program	Management and General	Fundraising	Total
Salaries & payroll taxes	$ 55,427	$ 6,919	$ 9,636	$ 71,982
Benefits	11,451	1,551	847	13,849
Cost of sales	6,740	-	-	6,740
Travel	5,444	397	317	6,158
Office expenses	2,443	327	1,007	3,777
Information technology	1,210	1,043	158	2,411
Conference, conventions & meetings	2,267	85	63	2,415
Professional fees	1,327	1,437	474	3,238
Occupancy	413	376	1	790
Advertising/promotion	1,545	49	-	1,594
Depreciation	191	591	-	782
Equipment	473	316	20	809
Education & training	478	48	13	539
Support to other missions	475	-	-	475
Other	205	60	19	284
Insurance	448	418	-	866
Interest	-	-	33	33
	$ 90,537	$ 13,617	$ 12,588	$ 116,742
% of Total Expenses	77.6%	11.6%	10.8%	

10. FUNCTIONAL EXPENSES, continued:

	Year Ended June 30, 2021			
	Program	Management and General	Fundraising	Total
Salaries & payroll taxes	$ 52,569	$ 6,761	$ 9,602	$ 68,932
Benefits	9,600	1,210	745	11,555
Cost of sales	7,084	-	-	7,084
Travel	1,495	63	119	1,677
Office expenses	2,167	388	1,006	3,561
Information technology	1,204	968	127	2,299
Conference, conventions & meetings	453	46	32	531
Professional fees	1,394	1,536	535	3,465
Occupancy	310	327	-	637
Advertising/promotion	1,579	44	-	1,623
Depreciation	352	615	-	967
Equipment	542	312	18	872
Education & training	441	18	11	470
Support to other missions	298	-	-	298
Other	146	1	12	159
Insurance	92	219	1	312
Interest	20	-	42	62
	$ 79,746	$ 12,508	$ 12,250	$ 104,504
% of Total Expenses	76.4%	12.0%	11.6%	

11. 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 addition, InterVarsity makes a base contribution for each eligible employee based on years of service that ranges from 2% to 4%. For the years ended June 30, 2022 and 2021, retirement plan expense was approximately $3,745,000 and $3,548,000, respectively.

12. COMMITMENTS:

InterVarsity has available a $3,000,000 unsecured line of credit which carries an interest rate of 2% and expires November 21, 2022. There was no outstanding indebtedness under this agreement as of June 30, 2022 and 2021.

InterVarsity has signed contracts for several hotels and a conference center for the Urbana 2022 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.

A contract was signed by InterVarsity for the 2024 National Staff Conference for a conference center. This event is typically held every three years. The 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.

13. 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 statement 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, 2022	June 30, 2021
Financial assets: (in thousands)		
Cash and cash equivalents	$ 4,509	$ 7,363
Investments	47,493	51,275
Receivables:		
Trade	3,758	3,007
Donations	520	986
Financial assets, at year end	56,280	62,631
Less those unavailable for operating needs within on year, due to:		
Investment in captive insurance company	(1,654)	(1,888)
Investments held in annuity trust	(323)	(300)
Donor restricted net assets	(4,434)	(3,439)
	(6,411)	(5,627)
Financial assets available to meet cash needs for general expenditures within one year	$ 49,869	$ 57,004

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 need up to $3,000,000. InterVarsity has $31,679,000 in net assets with donor restrictions for campus staff and project support as of June 30, 2022. Approximately $27,245,000 of these funds are considered available to meet needs for general expenditures within one year.

14. DISCONTINUED OPERATIONS:

During the year ended June 30, 2021, InterVarsity made a strategic decision to divest of Campus By The Sea. InterVarsity signed an operational transfer agreement effective May 18, 2021, for another organization to take over operations of the camp. A sublease agreement was also signed on May 18, 2021, where InterVarsity will sublease the Campus By The Sea property, plant and equipment to the new operating organization through December 31, 2021. Per the operational transfer agreement, at the conclusion of the sublease, InterVarsity commits to transfer all fixed assets to the new organization for consideration of $1. As a result, property, plant, and equipment of Campus By The Sea was considered held for sale at year end and a loss on assets held for sale of $1,293,000 was recorded. There were no discontinued operations during the year ended June 30, 2022.

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:

	Year ended June 30,	
	2022	2021
Support and revenue:		
Donations	$ -	$ 287
Sales of books and media	-	52
Conference fees	-	157
Loss on disposal of assets	-	(1,293)
	-	(797)
Expenses:		
Program	-	1,299
Loss on discontinued operations	$ -	$ (2,096)

15. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 25, 2022, which represents the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CAPINCROUSE LLP

Celebrating 50 YEARS OF EMPOWERING NONPROFITS

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

Audit Committee
InterVarsity Christian Fellowship/USA
Madison, Wisconsin

We have audited the consolidated financial statements of InterVarsity Christian Fellowship/USA as of and for the years ended June 30, 2022 and 2021, and our report thereon dated October 25, 2022, 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 25, 2022

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INTERVARSITY CHRISTIAN FELLOWSHIP/USA

Supplemental Schedule - Activities by Ministry Area

Consolidated Statements of Activities

(in thousands)

	Year Ended June 30, 2022							Year Ended June 30, 2021						
	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:														
Donations	$ 52,523	$ 494	$ 131	$ 1,049	$ 7,067	$ 32,781	$ 94,045	$ 64,539	$ 11	$ 58	$ 124	$ 6,783	$ 21,803	$ 93,318
Sales of books and media	184	18,079	1	-	-	-	18,264	489	17,898	-	2	-	-	18,389
Conference and rental fees	999	-	465	-	40	-	1,504	158	-	123	-	26	-	307
Royalties and commissions	92	529	-	-	-	-	621	104	620	-	-	-	-	724
Investment (loss) income	(5,286)	48	-	-	-	-	(5,238)	8,861	12	-	-	-	-	8,873
Other income	151	2	-	-	-	-	153	189	-	-	-	-	-	189
Net assets released from restrictions	29,103	-	-	-	1,042	(30,145)	-	13,204	-	-	-	2,035	(15,239)	-
	77,766	19,152	597	1,049	8,149	2,636	109,349	87,544	18,541	181	126	8,844	6,564	121,800
EXPENSES:														
Program	74,900	13,101	690	1,235	611	-	90,537	65,049	12,749	344	745	859	-	79,746
Administrative	8,195	4,636	-	-	786	-	13,617	6,747	4,465	-	-	1,296	-	12,508
Fundraising	11,574	-	-	-	1,014	-	12,588	11,069	-	-	-	1,181	-	12,250
Inter-company cost allocations	(524)	582	-	8	(66)	-	-	(556)	585	13	2	(44)	-	-
	94,145	18,319	690	1,243	2,345	-	116,742	82,309	17,799	357	747	3,292	-	104,504
Change in Net Assets from Continuing Operations	(16,379)	833	(93)	(194)	5,804	2,636	(7,393)	5,235	742	(176)	(621)	5,552	6,564	17,296
Discontinued Operations	-	-	-	-	-	-	-	-	-	(2,096)	-	-	-	(2,096)
Change in Net Assets	(16,379)	833	(93)	(194)	5,804	2,636	(7,393)	5,235	742	(2,272)	(621)	5,552	6,564	15,200
Net Assets, Beginning of Year	27,720	16,083	(5,776)	(1,654)	8,775	29,043	74,191	22,485	15,341	(3,504)	(1,033)	3,223	22,479	58,991
Net Assets, End of Year	$ 11,341	$ 16,916	$ (5,869)	$ (1,848)	$ 14,579	$ 31,679	$ 66,798	$ 27,720	$ 16,083	$ (5,776)	$ (1,654)	$ 8,775	$ 29,043	$ 74,191

Note: The last Urbana convention occurred in the fiscal year ending June 30, 2019, and the next Urbana convention is December 28-31, 2022.

Note: InterVarsity has adopted the policy that restricted gifts received and used in the same year are considered donations without donor restrictions. Gifts restricted for the Strategic Plan, for example, that were received and released in the current year are shown as without donor restriction