

**WORLD RELIEF CORPORATION OF
NATIONAL ASSOCIATION OF EVANGELICALS**

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**SEPTEMBER 30, 2024 WITH SUMMARIZED COMPARATIVE
INFORMATION FOR 2023**

**WORLD RELIEF CORPORATION OF
NATIONAL ASSOCIATION OF EVANGELICALS**

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Directors
World Relief Corporation of
National Association of Evangelicals
Baltimore, Maryland**

Opinion

We have audited the accompanying financial statements of World Relief Corporation of National Association of Evangelicals (“World Relief”) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Relief as of September 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of World Relief and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about World Relief’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Board of Directors
World Relief Corporation of
National Association of Evangelicals
Baltimore, Maryland**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of World Relief's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about World Relief'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.

Report on Summarized Comparative Information

We have previously audited World Relief's 2023 financial statements and our report dated February 26, 2024 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
March 3, 2025**

**WORLD RELIEF CORPORATION OF
NATIONAL ASSOCIATION OF EVANGELICALS**

STATEMENTS OF FINANCIAL POSITION

September 30, 2024 And 2023

ASSETS	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$25,871,388	\$29,992,247
Investments, at market <i>(Note 2)</i>	537,669	429,251
Grants receivable	24,372,807	17,304,412
Prepaid expenses and other assets	5,063,637	662,765
Minority interest in net assets <i>(Note 4)</i>	1,303,712	1,391,184
Right-of-use assets <i>(Note 10)</i>	3,881,567	3,037,206
Plant and equipment – net of accumulated depreciation <i>(Note 5)</i>	<u>5,137,271</u>	<u>4,610,561</u>
Total assets	<u>\$66,168,051</u>	<u>\$57,427,626</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	\$14,560,989	\$11,581,629
Deferred revenue	10,823,401	10,608,424
Operating lease liabilities <i>(Note 10)</i>	<u>3,881,567</u>	<u>3,037,206</u>
Total liabilities	<u>29,265,957</u>	<u>25,227,259</u>
Net Assets		
Without donor restrictions <i>(Note 7)</i>		
Common stock, \$100 par value; 500 shares authorized; 10 shares issued and outstanding	1,000	1,000
Net assets	<u>27,880,445</u>	<u>24,148,940</u>
Total net assets without donor restrictions	27,881,445	24,149,940
Net assets with donor restrictions <i>(Note 7)</i>	<u>9,020,649</u>	<u>8,050,427</u>
Total net assets	<u>36,902,094</u>	<u>32,200,367</u>
	<u>\$66,168,051</u>	<u>\$57,427,626</u>

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2024 With Summarized Information For 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>	<u>2023 Total</u>
Support and Revenue				
Private contributions of cash and other financial assets	\$ 15,772,250	\$ 18,198,857	\$ 33,971,107	\$ 32,190,725
Contributions of nonfinancial assets <i>(Note 8)</i>	5,208,487	-	5,208,487	2,205,642
Government and other public grants	152,985,187	-	152,985,187	126,026,563
Other revenue	2,722,196	-	2,722,196	2,349,030
Net assets released from restrictions <i>(Note 7)</i>	<u>17,228,635</u>	<u>(17,228,635)</u>	<u>-</u>	<u>-</u>
Total support and revenue <i>(Note 12)</i>	<u>193,916,755</u>	<u>970,222</u>	<u>194,886,977</u>	<u>162,771,960</u>
Expenses				
Program ministries				
USA programs	119,861,963	-	119,861,963	90,697,725
Overseas programs	28,157,941	-	28,157,941	34,952,522
Disaster response	<u>18,059,332</u>	<u>-</u>	<u>18,059,332</u>	<u>16,924,314</u>
Total program ministries	<u>166,079,236</u>	<u>-</u>	<u>166,079,236</u>	<u>142,574,561</u>
Support Ministries				
General and administrative	16,404,787	-	16,404,787	14,674,822
Fundraising	<u>7,066,442</u>	<u>-</u>	<u>7,066,442</u>	<u>5,839,177</u>
Total support ministries	<u>23,471,229</u>	<u>-</u>	<u>23,471,229</u>	<u>20,513,999</u>
Total expenses	<u>189,550,465</u>	<u>-</u>	<u>189,550,465</u>	<u>163,088,560</u>
Excess of revenue over expenses	4,366,290	970,222	5,336,512	(316,600)
Other Changes				
Realized and unrealized gains on minority interest in net assets	7,482	-	7,482	(16,806)
Gain (loss) on sale of fixed assets	(58,777)	-	(58,777)	1,116,431
Loss on foreign currency translation	(583,490)	-	(583,490)	(484,321)
Other gains (losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(313,438)</u>
Change in net assets	3,731,505	970,222	4,701,727	(14,734)
Net Assets				
Beginning of year	<u>24,149,940</u>	<u>8,050,427</u>	<u>32,200,367</u>	<u>32,215,101</u>
End of year	<u>\$ 27,881,445</u>	<u>\$ 9,020,649</u>	<u>\$ 36,902,094</u>	<u>\$ 32,200,367</u>

The accompanying notes are an integral part of this statement.

**WORLD RELIEF CORPORATION OF
NATIONAL ASSOCIATION OF EVANGELICALS**

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2024 And 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Changes in net assets</i>	\$ 4,701,727	\$ (14,734)
<i>Adjustments to reconcile changes in net assets to net cash from operating activities</i>		
Depreciation and amortization	1,082,971	957,164
Loss (gain) on disposal of fixed assets	58,777	(1,116,431)
Realized loss on sale of minority interest investment	-	182,878
Loss (gain) on foreign exchange rates	410,686	509,024
Amortization of right-of-use assets	1,260,592	944,292
Operating lease liability payments	(1,260,592)	(944,292)
Unrealized gain on minority interest and other investments	94,954	(133,968)
(Increase) decrease in		
Receivables	(7,188,389)	(4,041,508)
Prepaid expenses and other assets	(4,400,872)	1,585,022
Increase (decrease) in		
Accounts payable and accrued liabilities	2,785,004	2,636,940
Deferred revenue and refundable advance	<u>214,977</u>	<u>(2,042,288)</u>
Net cash used in operating activities	<u>(2,240,165)</u>	<u>(1,477,901)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds (purchases) from short term investments, net	(115,900)	188,849
Proceeds from sale of minority interest investment	-	496,441
Proceeds from sale of fixed assets, net	41,778	1,752,109
Purchases of fixed assets	<u>(1,806,572)</u>	<u>(946,138)</u>
Net cash provided by (used in) investing activities	<u>(1,880,694)</u>	<u>1,491,261</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of debt	<u>-</u>	<u>(911,784)</u>
Net cash used in financing activities	<u>-</u>	<u>(911,784)</u>
Net decrease in cash and cash equivalents	(4,120,859)	(898,424)
CASH, CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year	<u>29,992,247</u>	<u>30,890,671</u>
Cash and cash equivalents at the end of the year	<u>\$ 25,871,388</u>	<u>\$ 29,992,247</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 30,449</u>

**WORLD RELIEF CORPORATION OF
NATIONAL ASSOCIATION OF EVANGELICALS**

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2024 With Summarized Information For 2023

	Program Ministries					Supporting Ministries				Total Expenses	
	USA Programs	Overseas Programs	Disaster Response	2024 Total	2023 Comparative Total	General And Administrative	Fundraising	2024 Total	2023 Comparative Total	2024 Total	2023 Comparative Total
Salaries and benefits	\$ 62,009,423	\$ 11,794,049	\$ 4,422,674	\$ 78,226,146	\$ 59,876,411	\$ 11,998,004	\$ 5,201,611	\$ 17,199,615	\$ 13,852,897	\$ 95,425,761	\$ 73,729,308
Other personnel expenses	1,761,214	1,632,736	428,849	3,822,799	3,531,226	1,254,965	454,815	1,709,780	1,392,360	5,532,579	4,923,586
Communications and printing	1,099,796	318,489	80,595	1,498,880	1,200,216	65,194	346,250	411,444	314,157	1,910,324	1,514,373
Office expenses	1,970,969	479,451	512,673	2,963,093	1,987,721	618,217	355,043	973,260	914,799	3,936,353	2,902,520
Equipment costs	1,109,790	916,586	747,773	2,774,149	2,270,922	65,754	30,935	96,689	202,354	2,870,838	2,473,276
Consulting and professional fees	3,276,447	534,870	94,937	3,906,254	5,057,274	1,174,189	542,884	1,717,073	1,615,559	5,623,327	6,672,833
Property and liability insurance	256,325	41,189	12,435	309,949	248,873	400,235	-	400,235	535,168	710,184	784,041
Depreciation and amortization	348,646	369,886	41,951	760,483	587,545	322,488	-	322,488	369,619	1,082,971	957,164
Occupancy costs	3,288,047	776,299	537,896	4,602,242	3,645,851	197,257	-	197,257	255,777	4,799,499	3,901,628
Initial refugee grants	6,611,226	-	-	6,611,226	7,989,347	-	-	-	-	6,611,226	7,989,347
Grants & specific assistance	37,493,133	1,918,839	4,265,888	43,677,860	34,832,045	25,143	-	25,143	58,842	43,703,003	34,890,887
Other program expenses	232,921	9,059,181	6,833,937	16,126,039	20,839,922	174	-	174	1,900	16,126,213	20,841,822
Other expenses	<u>404,026</u>	<u>316,366</u>	<u>79,724</u>	<u>800,116</u>	<u>507,208</u>	<u>283,167</u>	<u>134,904</u>	<u>418,071</u>	<u>1,000,567</u>	<u>1,218,187</u>	<u>1,507,775</u>
Total expenses	<u>\$119,861,963</u>	<u>\$28,157,941</u>	<u>\$18,059,332</u>	<u>\$166,079,236</u>	<u>\$142,574,561</u>	<u>\$16,404,787</u>	<u>\$7,066,442</u>	<u>\$23,471,229</u>	<u>\$20,513,999</u>	<u>\$189,550,465</u>	<u>\$163,088,560</u>

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS

September 30, 2024 And 2023

(1) SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

World Relief Corporation of National Association of Evangelicals (*“World Relief”*) is a not-for-profit, global Christian humanitarian organization that brings sustainable solutions to the world’s greatest problems – disasters, extreme poverty, violence, oppression, and mass displacement. For over 75 years, we’ve partnered with churches and community leaders in the U.S. and abroad to bring hope, healing and transformation to the most vulnerable.

World Relief is a wholly owned subsidiary of The National Association of Evangelicals, a not-for-profit religious organization.

BASIS OF ACCOUNTING

The financial statements are presented on the accrual basis of accounting whereby revenue is recognized when earned, unconditional support is recognized when received, and expense are recognized when incurred.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of 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.

CONCENTRATION OF CREDIT AND OTHER RISKS

World Relief operates in foreign countries, many of which do not have stable governments or economies. To the extent negative events occur in these countries, World Relief may not be able to recover its assets or remove its cash from these countries. Net assets of World Relief’s overseas ministry programs were approximately \$4.4 million and \$4.3 million as of the years ended September 30, 2024, and 2023, respectively.

World Relief occasionally maintains deposits in excess of federally insured limits. The risk is managed by monitoring the financial institutions in which deposits are made. World Relief had approximately \$3.2 million and \$5.2 million of cash and cash equivalents held in foreign banking institutions as of September 30, 2024 and 2023. The funds held in foreign countries are uninsured.

FOREIGN CURRENCY TRANSLATION

World Relief has foreign branch offices in many countries. Assets and liabilities for these foreign branch offices and the majority-owned microenterprise entities are translated at the rates of exchange at the balance sheet date while income statement accounts are translated at the average exchange rates in effect during the period. The effect of such translation adjustments was a decrease to net assets of approximately \$580,000 and \$480,000 for the years ended September 30, 2024 and 2023, respectively.

INCOME TAXES

World Relief is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the *“Code”*) and has been classified as a public charity under Section 509(a)(1) of the Code.

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

Management has reviewed the tax positions for each of the open tax years (years ended September 30, 2021 - 2023) or expected to be taken in World Relief's September 30, 2024 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

CONTRIBUTIONS TO INDEPENDENT ENTITIES

It is World Relief's practice that its overseas ministry programs may eventually become independent entities or be transferred to like-minded organizations. When the decision to transfer such assets is approved, World Relief records a liability for the net assets to be transferred and a corresponding charge to operations for the contribution.

CASH AND CASH EQUIVALENTS

World Relief considers cash and cash equivalents to include currency on hand, demand deposits with banks and short-term investments with maturities of less than three months when purchased.

INVESTMENTS

World Relief records investments in securities at fair market value with the resulting gains and losses reported in the statement of activity. The fair market value of investments traded on a securities exchange is determined based on quoted market prices for those investments.

PROPERTY AND EQUIPMENT

Property and equipment are capitalized at cost and depreciated over their estimated useful lives on the straight-line basis (buildings – 29 years, computer, office and other equipment – 3-8 years and vehicles – 5 years).

World Relief requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount at which the carrying value of the assets exceeds the estimated fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less the costs to sell.

World Relief receives various federal, state, city and private grants and contracts relating to refugee immigration, relief and disaster response. Property and equipment purchased through grants/contracts is capitalized in the period purchased. The property and equipment is retained by World Relief or returned to the grantor based upon the grant/contract.

NET ASSETS

Net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of World Relief and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this category principally consist of income from cost reimbursement contracts; gifts without restrictions; and expenses associated with the core activities of World Relief.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of World Relief or the passage of time. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

CONTRIBUTIONS

World Relief recognizes contributions when cash, securities or other assets, and unconditional promise to give are received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before World Relief is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. World Relief recognizes the contribution when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as “*net assets released from restrictions.*”

GOVERNMENT AND PRIVATE GRANTS

World Relief receives funding under various federal and state awards for direct and indirect program costs. Revenues from such awards are considered to be conditional contributions and are generally recognized as qualifying expenses are incurred. World Relief adopted the simultaneous release option for donor-restricted conditional grants that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Balances outstanding on grants for which the conditions have been met are included in grants receivable and are expected to be collected within one year. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue on the statement of financial position.

FEES FOR SERVICE

Revenue is recognized when control of the services provided is transferred to the customer in an amount that reflects the consideration that World Relief expects to be entitled to in exchange for those services. Revenue from contracts with customers is primarily comprised of servicing fees charged on the collection of transportation loans issued by the International Office for Migration (“IOM”) and for legal services provided to refugees. Fees for Service revenue is included in Other Income on the Statement of Activities.

GIFTS IN-KIND AND VOLUNTARY SERVICES

GIFTS IN-KIND

World Relief receives in-kind goods which are utilized to support its refugee resettlement, emergency intervention and other overseas programs. These resources are provided by refugee sponsors, churches, individuals and organizations. Donated goods are recorded at estimated fair value. World Relief also receives services in-kind from attorneys and other professional service providers that have a specialized skill set. The value of such services is recorded in the statement of activities at fair value generally derived from utilizing the National Occupational Employment and Wage Estimates guidelines.

In addition, refugee sponsors and others often provide goods and services directly to resettled refugees; however, the value of these goods and services is not included in the financial statements.

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

VOLUNTARY SERVICES (UNAUDITED)

Worldwide, volunteers account for a majority of the World Relief workforce, greatly multiplying the number of people reached by the organizations' global ministries. In many cases volunteers serve on the front lines of World Relief's programs, partnering with staff to increase the impact of services given. Approximately 27,000 and 83,000 people volunteered with World Relief during 2024 and 2023, respectively. The value of these services provided by these unpaid workers is not reflected in the financial statements because they do not meet the criteria for recognition.

FUNCTIONAL ALLOCATION OF EXPENSES

World Relief's costs of program and support activities have been summarized on a functional basis in the statement of activities and changes in net assets. Costs that can be identified with a specific program or support service are charged directly according to their natural expenditure classifications. Costs that are common to multiple program and/or support functions are allocated based on level of effort and other cost studies.

SELF-INSURED MEDICAL PLAN

World Relief has established a program to self-insure a portion of its health benefits provided to its employees. Benefits paid to employees in excess of certain limits are provided by a commercial insurance carrier, thus limiting the World Relief's exposure under the program.

World Relief estimates the amount of claims incurred but not reported ("IBNR") based on an actuarial calculation using statistical analysis and historical experience. World Relief records a liability for any portion of IBNR not covered by its commercial insurance carriers. As of September 30, 2024 and 2023, the balance of the IBNR recorded in accounts payable and accrued expenses on the statement of financial position was approximately \$90,000 and \$760,000, respectively.

LEASES

Long-term operating leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. World Relief determines whether an agreement is or contains a lease at lease inception.

ROU assets represent World Relief's 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 lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When the lease does not provide an implicit interest rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

PRIOR YEAR INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such comparative information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such comparative information should be read in conjunction with World Relief's audited financial statements for the year ended September 30, 2023, from which the summarized information was derived.

RECLASSIFICATIONS

Certain reclassifications were made to the 2023 financial statements to conform to the 2024 presentation.

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

(2) INVESTMENTS

At September 30, 2024 and 2023, the market value of investments consisted of the following:

	<u>2024</u>	<u>2023</u>
Certificates of deposit	\$ 205,272	\$ 161,937
Money market funds	204,165	166,157
Mutual funds	<u>128,232</u>	<u>101,157</u>
	<u>\$ 537,669</u>	<u>\$ 429,251</u>

(3) FAIR VALUE OF FINANCIAL INSTRUMENTS

World Relief utilized various methods to measure the year-end value of its investments. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that World Relief has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing World Relief's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

**WORLD RELIEF CORPORATION OF
NATIONAL ASSOCIATION OF EVANGELICALS**

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

The summary of inputs used to value World Relief’s investments as of September 30 are as follows:

	<u>2024</u>			
	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Investments				
Certificates of deposit	\$ 205,272	\$ -	\$ 205,272	\$ -
Money market funds	204,165	204,165	-	-
Mutual funds	<u>128,232</u>	<u>128,232</u>	<u>-</u>	<u>-</u>
	<u>\$ 537,669</u>	<u>\$ 332,397</u>	<u>\$ 205,272</u>	<u>\$ -</u>
	<u>2023</u>			
	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Investments				
Certificates of deposit	\$ 161,937	\$ -	\$ 161,937	\$ -
Money market funds	166,157	161,157	-	-
Mutual funds	<u>101,157</u>	<u>101,157</u>	<u>-</u>	<u>-</u>
	<u>\$ 429,251</u>	<u>\$ 262,314</u>	<u>\$ 161,937</u>	<u>\$ -</u>

(4) MINORITY INTEREST IN NET ASSETS

Minority interest in net assets represents World Relief’s investment in microfinance institutions. World Relief’s investment in Urwego Opportunity Bank (“**UOB**”), a for-profit bank extending services to the poor of Rwanda was 0.8% as of September 30, 2024 and 2023 and is carried at cost. As of September 30, 2024 and 2023, World Relief has a 49.95% investment interest in IMF Hekima (“**Hekima**”), a for profit microfinance institution extending services to the poor in the Democratic Republic of Congo. Hekima is carried at fair market value using the equity method of accounting where World Relief records its share of net profit or loss each period. The carrying amount of these investments at September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
UOB	\$ 49,030	\$ 49,030
IMF Hekima	<u>1,254,682</u>	<u>1,342,154</u>
	<u>\$ 1,303,712</u>	<u>\$ 1,391,184</u>

Realized and unrealized gains/losses on these assets are reported in the statement of activities and changes in net assets as realized and unrealized gains on minority interest in net assets.

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

(5) PLANT AND EQUIPMENT

The cost of property and equipment is as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 274	\$ 438
Buildings	926,348	950,744
Computers, furniture and other office equipment	5,169,749	3,993,275
Vehicles	5,626,355	4,568,105
Work-in-progress	<u>-</u>	<u>1,254,483</u>
	11,722,726	10,767,045
Less: accumulated depreciation	<u>6,585,455</u>	<u>6,156,484</u>
Net value	<u>\$ 5,137,271</u>	<u>\$ 4,610,561</u>

In September 2023, World Relief sold its building in Baltimore, Maryland for \$1,700,000. The transaction resulted in a gain of approximately \$1,000,000 and is included in gain on sale of fixed assets and other activity in the statement of activities.

(6) DEBT

World Relief has a \$5,000,000 line of credit with the bank. This line of credit expires on September 29, 2025. Interest on outstanding advances as of September 30, 2024, is charged at 8.5%. There were no outstanding advances under this line of credit as of September 30, 2024, and 2023.

(7) NET ASSETS

Net assets without donor restrictions at September 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Microenterprise/agricultural development activities	\$ 1,040,798	\$ 1,128,270
General net assets without donor restrictions	<u>26,840,647</u>	<u>23,021,670</u>
	<u>\$ 27,881,445</u>	<u>\$ 24,149,940</u>

Net assets with donor restrictions are restricted to a specific purpose as designated by the donors. As of September 30, 2024, and 2023 such net assets are available for the following purposes:

	<u>2024</u>	<u>2023</u>
USA Programs	\$3,019,586	\$ 3,068,737
Overseas Programs	210,382	49,428
Disaster Response	798,365	698,386
General	<u>4,992,316</u>	<u>4,233,876</u>
	<u>\$9,020,649</u>	<u>\$ 8,050,427</u>

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

Net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes as follows:

Purposes restrictions accomplished:

USA Programs	\$10,843,991
Overseas Programs	3,743,450
Disaster Response	2,206,398
General Programs	<u>434,796</u>
	<u>\$17,228,635</u>

(8) CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended September 30, contributed nonfinancial assets have been recorded in statement of activities and changes in net assets as follows:

	<u>2024</u>	<u>2023</u>
Household goods, clothing and supplies	\$3,884,776	\$2,039,521
Vehicles	91,934	35,421
Food	812,093	5,165
Pharmaceuticals	62,170	400
Temporary housing and transportation	280	-
Professional services	-	79,823
Other	<u>357,234</u>	<u>45,312</u>
Total Contributed Nonfinancial assets	<u>\$5,208,487</u>	<u>\$2,205,642</u>

**WORLD RELIEF CORPORATION OF
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NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

The following table describes the programs which benefited from contributed nonfinancial assets, restrictions related to such assets, and the valuation techniques utilized by World Relief:

	Utilization In Program/Activities	Donor Restrictions	Valuation Techniques And Inputs
Household goods, clothing and supplies	Resettlement and Overseas Programs	No associated donor restrictions with Resettlement program; Overseas programs restricted to specific programs in Sudan	Fair value estimated based on average prices of items held at Salvation Army and Goodwill thrift stores
Vehicles	Resettlement Programs	No associated donor restrictions	Kelley Bluebook, local vendor, or donor value
Food	Resettlement and Overseas Programs	No associated donor Restrictions with Resettlement program; Overseas programs restricted to specific programs in Sudan	Fair value estimated based on wholesale values that would be received for selling similar products in the markets in which they are distributed.
Pharmaceuticals	Overseas Programs	Restricted to use outside the United States	Quotation from pharmaceutical company in market in which the drug is distributed
Temporary housing and transportation	Resettlement Programs	Restricted to the Reception and Placement Program	Fair value based on rates charged to consumers in the marketplace
Services	Resettlement Programs	No associated donor restrictions	Contributed services from attorneys are valued at the estimated fair value based on current rates for similar services
Other	Resettlement Programs	No associated donor restrictions	Various

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

(9) PENSION PLAN

All salaried employees, excluding foreign nationals of the overseas offices who have separate local pension plans, of World Relief who have attained the age of 21 are eligible to participate in the World Relief 401(k) defined contribution plan on the first day of the month following the 90th day of employment. World Relief contributed approximately \$2,100,000 and \$1,450,000 (net of approximately \$200,000 in forfeitures) to the plan in 2024 and 2023, respectively.

(10) OPERATING LEASES

World Relief has short-term and long-term lease agreements for office space in locations throughout the United States and abroad. The following is quantitative data related to World Relief's long-term operating leases for the year ended September 30, 2024 and 2023:

Operating Lease Amounts:

	<u>2024</u>	<u>2023</u>
Right-of-use-assets	\$ 3,881,567	\$ 3,037,206
Operating lease liability	\$ 3,881,567	\$ 3,037,206

Other Information:

	<u>2024</u>	<u>2023</u>
Operating outgoing cash flows for operating leases	\$ 1,261,000	\$ 944,000
Weighted-average remaining lease term	4.5 years	4.7 years
Weighted average discount rate	3.96%	3.72%

The amounts above are based on management's assumption that World Relief will exercise its right to extend lease terms where such an option is included in the lease agreement.

Lease cost information for World Relief's operating leases (short-term and long-term) for the year ended September 30, 2024, and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	<u>\$ 3,198,000</u>	<u>\$ 2,641,000</u>

World Relief's operating leases are based on monthly fixed amounts, which generally escalate over the term of each lease and do not include variable lease payments.

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

Approximate future minimum rentals under its non-cancelable operating lease is as follows:

	Office Facilities
2025	\$ 1,298,000
2026	865,000
2027	671,000
2028	406,000
2029	324,000
2030 and thereafter	<u>558,000</u>
	4,122,000
Less: present value discount	<u>(240,433)</u>
Lease liability	<u>\$3,881,567</u>

(11) EXPENSES BY REGION

Program expenses by Region for the year ended September 30, 2024 are as follows:

	Europe	Global Technical Units	USA	Latin America And Caribbean	East And West Africa	Southern Africa	South And Southeast Asia	Total
Agriculture	\$ -	\$ -	\$ 95,770	\$ 1,701,435	\$ 9,135,576	\$ 368,771	\$ -	\$ 11,301,552
Anti-Trafficking	-	-	29,861	-	-	-	-	29,861
Construction, Shelter & Settlements	-	-	-	-	194,150	-	-	194,150
Economy, Industry & Income	-	-	-	422,561	258,410	104,425	48,158	833,554
Education	-	75,000	199,999	-	778,043	324,253	107,702	1,484,997
Emergency Relief	655,856	817,189	3,121,042	76,026	1,182,602	40,770	-	5,893,485
Health	-	612,060	-	57,545	10,134,231	190,766	-	10,994,602
Integrated Projects	(36,880)	5,933	5,172,714	465,075	11,216,112	526,063	184,267	17,533,284
Local Partner Strengthening	-	13	2,305,711	371,337	1,564,666	708,969	288,633	5,239,329
Peace Building	-	-	-	-	76,439	-	-	76,439
Refugee Resettlement	-	-	104,589,992	-	954,752	-	-	105,544,744
Service to Immigrants	-	-	4,346,852	-	-	-	-	4,346,852
Water & Sanitation	-	-	-	465,906	2,140,481	-	-	2,606,387
2024 Totals	<u>\$ 618,976</u>	<u>\$ 1,510,195</u>	<u>\$ 119,861,941</u>	<u>\$ 3,559,885</u>	<u>\$ 37,635,462</u>	<u>\$ 2,264,017</u>	<u>\$ 628,760</u>	<u>\$ 166,079,236</u>
2023 Totals	<u>\$ 2,051,276</u>	<u>\$ 1,731,319</u>	<u>\$ 90,697,725</u>	<u>\$ 1,981,108</u>	<u>\$ 42,166,275</u>	<u>\$ 3,376,903</u>	<u>\$ 569,955</u>	<u>\$ 142,574,561</u>

**WORLD RELIEF CORPORATION OF
NATIONAL ASSOCIATION OF EVANGELICALS**

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

(12) SUPPORT AND REVENUE BY TYPE

Support and revenue by type for the years ending September 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Private contributions – Without donor restrictions	\$ 11,545,665	\$ 11,228,104
Private restricted (International – except Emergency)	7,108,153	5,953,904
Private restricted (Emergency Relief)	2,692,211	3,562,588
Private restricted (U.S.)	11,469,562	10,860,625
Private restricted (General)	<u>1,155,516</u>	<u>585,504</u>
Subtotal Private Contributions	<u>33,971,107</u>	<u>32,190,725</u>
Government grants (Federal to U.S. – direct receipt)	85,796,017	54,491,946
Government grants (Federal to U.S. – sub award)	22,803,155	20,059,225
Government grants (Federal to International – direct receipt)	<u>17,809,606</u>	<u>21,844,452</u>
Subtotal Government Grants	<u>126,408,778</u>	<u>96,395,623</u>
U.S state and local government grants	8,250,623	8,010,008
Non-U.S. public grants	<u>18,325,786</u>	<u>21,620,932</u>
Subtotal Other Public Grants	<u>26,576,409</u>	<u>29,630,940</u>
Fees for services (U.S.)	1,621,741	1,305,158
Fees for services (International)	<u>3,990</u>	<u>4,274</u>
Subtotal Fees for Services	<u>1,625,731</u>	<u>1,309,432</u>
Gift in kind (International)	2,048,478	400
Gift in kind (U.S.)	3,160,009	2,205,242
Miscellaneous income	803,490	958,929
Investments income and gains	<u>292,975</u>	<u>80,669</u>
Subtotal Other Income	<u>6,304,952</u>	<u>3,245,240</u>
Total Support and Revenue	<u>\$ 194,886,977</u>	<u>\$ 162,771,960</u>

WORLD RELIEF CORPORATION OF NATIONAL ASSOCIATION OF EVANGELICALS

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2024 And 2023

(13) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

At September 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditure such as operating expenses and grant expenses, were as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 25,871,388	\$ 29,992,247
Investments – current	537,669	429,251
Receivables	<u>24,372,807</u>	<u>17,304,412</u>
Total financial assets available within one year	50,781,864	47,725,910
Less those unavailable for general expenditure within one year due to donor-imposed restrictions	<u>(9,020,649)</u>	<u>(8,050,427)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 41,761,215</u>	<u>\$ 39,675,483</u>

As part of World Relief's liquidity management, it has a practice of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

(14) CONTINGENCIES

In the ordinary course of operations, World Relief occasionally becomes involved in legal proceedings. While any legal proceeding or litigation has an element of uncertainty, management believes that the outcome of all current pending or threatened actions will not have a material adverse effect on the operations or financial condition of World Relief.

U.S. government grants and contracts are subject to audit by various governmental agencies. Management believes any potential disallowed costs would not be material to the financial statements.

(15) SUBSEQUENT EVENTS

Subsequent events after the statement of financial position date through the date that the financial statements were available for issuance, March 3, 2025, have been evaluated in the preparation of the financial statements.