Report of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information

World Concern (a Ministry of CRISTA Ministries)
World Concern Development Organization

June 30, 2024 and 2023

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Report of Independent Auditors

The Board of Trustees
World Concern (a Ministry of CRISTA Ministries) and World Concern Development Organization

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of World Concern (a Ministry of CRISTA Ministries) and World Concern Development Organization (collectively, the Organization), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of changes in net assets without donor restriction, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the results of their operations and their 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 the Organization's 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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 24 through 26 is presented for purposes of additional analysis and is 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.

Moss Adams LLP

Seattle, Washington
October 28, 2024

Consolidated Financial Statements

World Concern (a Ministry of CRISTA Ministries) and
World Concern Development Organization
Consolidated Balance Sheets (in thousands)
June 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,201	$ 2,237
Grants receivable	532	400
Receivable from CRISTA Ministries	-	737
Donated program supply inventory	-	346
Overseas assets	126	171
Total current assets	2,859	3,891
OTHER ASSETS		
Investments	2,205	3,684
Property and equipment, net	285	84
Development loans receivable, net	3,523	3,657
Right of use operating lease assets	257	294
Total assets	$ 9,129	$ 11,610
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 2,718	$ 3,024
Grant advances	769	905
Payable to CRISTA Ministries	277	-
Operating lease liabilities	140	152
Total current liabilities	3,904	4,081
Operating lease liabilities, long term	121	145
Total liabilities	4,025	4,226
NET ASSETS		
Without donor restrictions		
General	678	1,679
Represented by property and equipment owned by the Organization	285	84
Total net assets without donor restrictions	963	1,763
With donor restrictions		
Term endowment	1,063	1,820
Restricted for program activities	3,078	3,801
Total net assets with donor restrictions	4,141	5,621
Total net assets	5,104	7,384
Total liabilities and net assets	$ 9,129	$ 11,610

See accompanying notes.

World Concern (a Ministry of CRISTA Ministries) and
World Concern Development Organization
Consolidated Statements of Changes in Net Assets Without Donor Restrictions
(in thousands)
Years Ended June 30, 2024 and 2023

	2024	2023
REVENUES, GAINS, AND LOSSES		
Contributions	$ 7,132	$ 6,514
Contributions released from restriction	6,890	7,057
Government grants	224	1,821
Government grants, gifts-in-kind	346	285
Gifts-in-kind	1,074	1,074
Income on development loans	782	945
Miscellaneous income	163	117
Foreign currency exchange losses	(251)	(330)
Total revenues, gains and losses	16,360	17,483
EXPENSES		
Program services		
Program	10,362	11,543
Gifts-in-kind	1,071	1,069
Gifts-in-kind, government	346	285
Total program services	11,779	12,897
Supporting services		
Fundraising and promotion		
Fundraising and promotion	2,993	2,347
Gifts-in-kind	3	5
Management and general	2,385	2,168
Total supporting services	5,381	4,520
Total expenses	17,160	17,417
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	$ (800)	$ 66

See accompanying notes.

World Concern (a Ministry of CRISTA Ministries) and
World Concern Development Organization
Consolidated Statements of Changes in Net Assets (in thousands)
Years Ended June 30, 2024 and 2023

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Total revenues, gains and losses	$ 9,470	$ 10,426
Contributions released from restrictions	6,890	7,057
Total expenses	(17,160)	(17,417)
Change in net assets without donor restrictions	(800)	66
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	5,311	5,619
Contributions released from restriction	(6,890)	(7,057)
	(1,579)	(1,438)
Investment return, net		
Income on investments	58	77
Net realized and unrealized gains (losses) on investments	41	(21)
Investment return, net	99	56
Change in net assets with donor restrictions	(1,480)	(1,382)
TOTAL CHANGE IN NET ASSETS	(2,280)	(1,316)
Net assets, beginning of year	7,384	8,700
Net assets, end of year	$ 5,104	$ 7,384

See accompanying notes.

World Concern (a Ministry of CRISTA Ministries) and
World Concern Development Organization
Consolidated Statements of Functional Expenses (in thousands)
Years Ended June 30, 2024 and 2023

	2024			
	Program Services	Fundraising and Promotion	Management and General	Total
Salaries	$ 4,132	$ 1,089	$ 1,153	$ 6,374
Payroll taxes	121	92	78	291
Employee benefits	535	111	136	782
Program supplies	4,548	25	26	4,599
Travel	771	85	79	935
Professional services	256	428	238	922
Purchased services	325	836	383	1,544
Occupancy	386	1	22	409
Office expenses	202	160	29	391
Information technology	139	66	88	293
Depreciation	51	55	51	157
Conferences and training	180	3	10	193
Dues and fees	59	34	25	118
Insurance	36	11	52	99
Other	38	-	15	53
Total expenses	$ 11,779	$ 2,996	$ 2,385	$ 17,160

	2023			
	Program Services	Fundraising and Promotion	Management and General	Total
Salaries	$ 4,098	$ 895	$ 1,110	$ 6,103
Payroll taxes	88	72	71	231
Employee benefits	510	102	134	746
Program supplies	5,644	40	39	5,723
Travel	1,086	56	64	1,206
Professional services	239	335	216	790
Purchased services	204	525	207	936
Occupancy	372	1	23	396
Office expenses	224	164	38	426
Information technology	95	64	82	241
Depreciation	66	49	61	176
Conferences and training	145	1	16	162
Dues and fees	73	34	23	130
Insurance	40	14	60	114
Other	13	-	24	37
Total expenses	$ 12,897	$ 2,352	$ 2,168	$ 17,417

See accompanying notes.

World Concern (a Ministry of CRISTA Ministries) and World Concern Development Organization

Consolidated Statements of Cash Flows (in thousands)

Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (2,280)	$ (1,316)
Adjustments to reconcile change in net assets to net net cash (used) by operating activities		
Noncash activity		
Depreciation	157	176
Net realized and unrealized losses (gains) on investments	(163)	21
Donated program supply inventory	346	58
Donated program supplies in grant advances	-	(58)
Noncash operating lease expense	37	256
Change in allowance and loss on foreign currency for development loans	24	693
Changes in operating assets and liabilities		
Grants receivable	(132)	338
Due to/from CRISTA Ministries	1,014	(565)
Overseas assets	392	59
Accounts payable and accrued expenses	(306)	(42)
Grant advances	(136)	(149)
Operating lease liability	(36)	(253)
Net cash (used) provided by operating activities	(1,083)	(782)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(902)	(2,700)
Proceeds from sale of investments	2,544	3,624
Acquisition of property and equipment	(357)	-
Issuances of development loans	(6,730)	(7,216)
Repayments of development loans	6,492	6,623
Net cash (used) provided by investing activities	1,047	331
NET CHANGE IN CASH AND CASH EQUIVALENTS	(36)	(451)
CASH AND CASH EQUIVALENTS		
Beginning of year	2,237	2,688
End of year	$ 2,201	$ 2,237
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Right-of-use asset obtained in exchange for lease liability	$ 216	$ 533

See accompanying notes.

Note 1 – Nature of Operations and Significant Accounting Policies

Business purpose and organization – World Concern, a ministry of CRISTA Ministries (CRISTA), a not-for-profit organization, is an international disaster response and development agency working with people in need around the world. Working in some of the hardest places of the world, its One Village Transformed program partners with villages, empowering them on a six-to-eight-year journey toward attaining goals of better nutrition, clean water, education, economic resources, and healthcare. Along the way, CRISTA prays for spiritual transformation as the people become receptive to the Gospel and find new life in Christ.

World Concern Development Organization (WCDO) is the non-ecclesiastical arm of World Concern and shares common facilities and management with World Concern. WCDO is a not-for-profit organization responsible for administering funds from governments and foundations for international relief and development programs.

Principles of consolidation – The consolidated financial statements include the accounts of World Concern and WCDO (collectively, the Organization). All significant inter-organization transactions have been eliminated upon consolidation. WCDO is a controlled entity which has a board appointed by CRISTA Ministries with members that are also on the CRISTA Ministries board.

Use of estimates – The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Cash in excess of daily requirements is invested in interest-bearing instruments with maturities of three months or less at the time of purchase. Such investments are considered to be cash equivalents, except for those included in the Organization’s investment portfolio and subject to its investment policy.

Grants receivable – Unconditional grants receivable are stated at the amount management expects to collect from outstanding balances within the next year. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. Grants receivable are due primarily from government agencies and implementing partner organizations and are deemed by management to be fully collectible. Therefore, an allowance for credit losses was not recorded at June 30, 2024 and 2023.

Due to/from CRISTA Ministries – Reserves for World Concern are managed centrally by CRISTA Ministries. As a result, an inter-organization payable balance from World Concern to CRISTA of approximately $277,000 remains as of June 30, 2024. An inter-organization receivable balance from CRISTA to World Concern of approximately $737,000 remained as of June 30, 2023.

Donated program supply inventory – Donated program supply inventory consists of nutritional supplements provided by the U.S. federal government for a program operated by the Organization in Somalia and South Sudan. Nutritional supplements not yet used or distributed under this program are recorded as inventory. The nutritional supplements are recorded at fair value on the date received and are evaluated for impairment and obsolescence (Note 6).

Investments – Investments consist primarily of marketable mutual and alternative strategy funds, and private equity. Investments in marketable securities and funds are stated at fair value. Investments in private equity and alternative strategies are reported at their net asset value. Investments in nonmarketable securities are valued at cost. Purchases and sales are recorded on a trade-date basis. Interest and dividends, recorded on the accrual basis, and gains and losses on investments are recognized in the consolidated statement of changes in net assets. Investment securities, in general, are exposed to various risks, including interest rate, credit, and overall market volatility. It is reasonably probable that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Property and equipment used in ministries and depreciation – The Organization capitalizes assets with a cost greater than $3,000 and an estimated useful life of three or more years for equipment, and $5,000 and an estimated useful life of five years for property and improvements. Certain technology items, such as computers, with a cost greater than $750 and estimated life of three or more years are also capitalized. Purchased property is carried at cost. Donated property is recorded at fair value when received. Depreciation is computed using the straight-line method based on estimated useful lives as follows:

Buildings and improvements	5–50 years
Furniture and equipment	3–10 years
Vehicles	3–7 years

Overseas purchases of property and equipment are not considered significant and are included as expenses in the consolidated statement of changes in net assets without donor restrictions in the period incurred.

The Organization recorded a $29,000 impairment loss of their building in Haiti in the year ended June 30, 2024. Impairment was recorded due to the economic insecurity in Haiti and decrease of market value. Fair market value for the building in the conflict-torn city of Port-Au-Prince is undeterminable and is concluded to be $0. The impairment loss is included in other expenses in the statement of functional expenses.

Development loans receivable – Development loans receivable represent loans outstanding under the Micro-Enterprises Loan Program (MLP) in the country of Bangladesh.

The purpose of the MLP is to assist impoverished persons to become self-reliant, successful entrepreneurs. The MLP is administered in accordance with guidelines published by World Concern and is tailored to specific conditions of the host country. The majority of these loans mature in one to two years. Based on management’s intent and ability to reinvest collected amounts in the MLP in those countries, the balance has been classified as a long-term receivable.

Overseas assets – Overseas assets consist of prepaid expenses, deposits, and miscellaneous receivables of the overseas offices.

Leases – In the ordinary course of business, the Organization enters into a variety of lease arrangements, primarily operating leases.

The Organization determines if a lease has occurred at inception of a signed agreement, either for the use of physical property or a service agreement with the right of use of physical property. The operating right-of-use (ROU) assets are included as another asset and operating lease liabilities are included in current or noncurrent liabilities on the Organization's consolidated statements of financial position.

Operating ROU assets represent the Organization's right to use, or control the use of, a specified asset for the lease term. Operating lease liabilities are the Organization's obligation to make lease payments arising from a lease and are measured on a discounted basis. Operating ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term on the commencement date. The operating ROU asset includes any lease payments made and initial direct costs incurred, and excludes lease incentives, such as tenant improvement reimbursements, as well as variable charges such as common area maintenance fees. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. All active leases as of June 30, 2024, are measured under the assumption that a lease extension will not be taken at the end of the lease agreement. Lease expense for minimum lease payments continues to be recognized on a straight-line basis over the lease term.

The Organization adopted FASB Accounting Standards Codification (ASC) 842, *Leases* (Topic 842), effective July 1, 2022, using the modified retrospective approach and did not adjust comparative periods as allowed by the standard.

The adoption had a material impact on the Organization's consolidated balance sheet and consolidated statement of changes in net assets without donor restrictions. The most significant impact was the recognition of an operating ROU asset and operating lease liability. Adoption of the standard required the Organization to adjust amounts as of July 1, 2022, resulting in an increase in operating ROU assets of $495,000 and an increase in operating lease liability of $495,000.

Grant advances – Grant advances consist of funds received from donors for conditional grants prior to the conditions being satisfied. The conditions are expected to be satisfied and grant revenue recognized within the following year.

Advertising costs – Advertising costs are expensed as incurred. Advertising costs amounts to $57,000 and $28,000 in the years ending June 30, 2024 and 2023, respectively.

Concentration of credit risk – Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalents are held with banks located in and outside of the United States. As of June 30, 2024 and 2023, 82% and 78% of cash and cash equivalents were held in banks outside of the United States, respectively. Cash and cash equivalents may at times exceed Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) insurance limits.

Basis of presentation – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets without donor restrictions include all net assets on which there are no donor-imposed restrictions for use, or such donor-imposed restrictions that expired or were met during the current or previous years.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization, the passage of time, or must be maintained in perpetuity by the Organization. The Organization had no net assets that must be maintained in perpetuity as of June 30, 2024 or 2023.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Contributions with donor restrictions are initially recorded as net assets with donor restrictions and when contributions are satisfied, including those satisfied in the same year, they are then reported as revenue without donor restrictions. Net assets released from restriction are primarily for the satisfaction of donor-imposed program restrictions.

Foreign currency translation – The functional currency of World Concern's field offices is the local currency in which the office is located. Assets and liabilities of the offices have been translated into U.S. dollars at year-end exchange rates. Revenues and expenses have been translated at average monthly exchange rates. Foreign currency translation losses of $251,000 and $330,000 were recognized for the years ended June 30, 2024 and 2023, respectively, and these amounts are included in the consolidated statement of changes in net assets without donor restrictions.

Revenue recognition – Unconditional contributions, pledges, and grants are recognized as revenue at the time received or committed. Conditional grants and contributions are recognized as revenue in the period in which the donor conditions upon which they depend are satisfied. Government grants are considered conditional, and revenue is recognized in the period in which the related qualifying expenses are incurred. Advance payments received prior to incurring qualifying expenses or prior to satisfying donor conditions are recorded as grant advances on the consolidated balance sheet. Conditional grants committed but outstanding totaled approximately $3,744,000 and $3,590,000 as of June 30, 2024 and 2023, respectively, and are expected to be recognized as revenue during the next three years.

Nonfinancial gifts of medicine, nutritional supplements, clothing, agricultural supplies, medical supplies, and other commodities are donated to World Concern for distribution to overseas development projects. Such gifts are recorded, at estimated fair value on the date received, except for food commodities (Note 6). Food commodities, consisting of nutritional supplements, are received from the U.S. federal government, and are considered conditional grants. Therefore, revenue for the nutritional supplements is recognized when the goods are distributed or used by the Organization.

Methods used for allocation of expenses among programs – The consolidated financial statements report certain categories of expenses that are attributable to program or supporting services of the Organization. Those expenses include the Executive Office, ministry management departments, the legal department, the information technology department, the security department, the facilities department, the housekeeping department, and the grounds department. The Executive Office, ministry management department, and legal department expenses are allocated based on level of effort. Information technology costs are allocated based on network accounts. Facility expenses are allocated based upon workorders. Security, housekeeping, and ground expenses are allocated based upon square footage.

Income taxes – The Internal Revenue Service (IRS) has determined that the operations of World Concern, as a ministry of CRISTA Ministries, and WCDO are exempt from federal income taxes under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code except to the extent of unrelated business taxable income as defined under IRC sections 511 through 515. The Organization recognizes the tax benefit from uncertain tax positions only if it is more likely than not the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Organization recognizes interest and penalties related to income tax matters in operating expenses. Accordingly, no provision has been made for federal income tax in the accompanying consolidated financial statements.

The Organization had no unrecognized tax benefits at June 30, 2024 and 2023. No interest or penalties were accrued for the years ended June 30, 2024 and 2023. The Organization files an exempt organization return in the U.S. federal jurisdiction.

Recently issued accounting standard – In June 2016, the FASB issued ASU 2016-13*, Financial Instruments – Credit Losses (Topic 326): Financial Instruments—Credit Losses*, which introduced an expected credit loss methodology for the measurement and recognition of credit losses on most financial assets, including development loans receivable. The expected credit loss methodology under ASU 2016-13 is based on historical experience, current conditions, and reasonable and supportable forecasts, and replaces the probable/incurred loss model for measuring and recognizing expected losses under current U.S. GAAP. The ASU also requires disclosure of information regarding how an entity developed its allowance, including changes in the factors that influenced management's estimate of expected credit losses and the reasons for those changes. The ASU was adopted by the Organization on July 1, 2023, and did not have a material impact on management's estimate of the allowance for credit losses for accounts receivable.

Allowance for credit losses are established based on historical collection experience as well as management's evaluation of, among other factors, current and reasonable supportable expected future economic conditions and the individual client's willingness to pay.

Subsequent events – The Organization has evaluated subsequent events through October 28, 2024, the date on which the consolidated financial statements were available to be issued.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents consisted of the following as of June 30, 2024 and 2023 (in thousands):

	2024	2023
Cash	$ 1,808	$ 1,739
Money market funds	393	498
Total cash and cash equivalents	$ 2,201	$ 2,237

Cash and cash equivalents include approximately $1,808,000 and $1,739,000 as of June 30, 2024 and 2023, respectively, of funds on deposit in banks in foreign countries.

Note 3 – Investments and Fair Value Measurements

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 – Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 – Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. These financial instruments were valued using a market approach.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024:

Mutual funds stated at fair value – Valued at quoted market prices in active markets.

Private equity and alternative strategies – Valued at net asset value (NAV) per share, or its equivalent, as a practical expedient, as reported by the general partner or investment manager unless specific evidence indicated the NAV should be adjusted. In accordance with U.S. GAAP, certain investments that were measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated balance sheet.

Total investments and assets recorded at fair value on a recurring basis were as follows as of June 30, 2024 (in thousands):

	Level 1	Level 2	Level 3	Total
Equity mutual funds	$ 550	$ -	$ -	$ 550
Fixed income mutual funds	1,198	-	-	1,198
Total mutual funds	1,748	-	-	1,748
Alternative strategy funds	170	-	-	170
Total investments in the fair value hierarchy	$ 1,918	$ -	$ -	1,918
Private equity investments measured at NAV				262
Cash and cash equivalents				25
Total investments				$ 2,205

Total investments and assets recorded at fair value on a recurring basis were as follows as of June 30, 2023 (in thousands):

	Level 1	Level 2	Level 3	Total
Equity mutual funds	$ 887	$ -	$ -	$ 887
Fixed income mutual funds	2,048	-	-	2,048
Total mutual funds	2,935	-	-	2,935
Alternative strategy funds	274	-	-	274
Total investments in the fair value hierarchy	$ 3,209	$ -	$ -	3,209
Private equity investments measured at NAV				370
Cash and cash equivalents				105
Total investments				$ 3,684

The following table lists investments in private equity for which fair value is measured using the NAV per share practical expedient and summarizes significant terms of the agreements with certain investment companies as of June 30, 2024 (in thousands):

Strategy	Fair Value June 30, 2024	Redemption Frequency	Redemption Notice Period	Other Restrictions
Private equity				
Limited partnerships and limited liability company	$ 262	Not currently redeemable	Not currently redeemable	Not currently redeemable

The following table lists investments in private equity for which fair value is measured using the NAV per share practical expedient and summarizes significant terms of the agreements with certain investment companies as of June 30, 2023 (in thousands):

Strategy	Fair Value June 30, 2023	Fair Value June 30, 2023	Redemption Notice Period	Other Restrictions
Private equity				
Limited partnerships and limited liability company	$ 370	Not currently redeemable	Not currently redeemable	Not currently redeemable

There were no unfunded commitments as of June 30, 2024 and 2023.

Private equity investment consists of limited partnerships and a limited liability company with diversified strategies that invest in domestic and global securities and are available to institutional investors.

Note 4 – Property and Equipment

Property and equipment consisted of the following as of June 30, 2024 and 2023 (in thousands):

	2024	2023
Buildings, improvements, and lease improvements	244	244
Furniture, equipment, and other	288	46
Less accumulated depreciation	(247)	(206)
Property and equipment, net	$ 285	$ 84

Note 5 – Development Loans Receivable

The Organization makes loans under the Micro-Enterprise Loan Program (MLP) to assist impoverished persons to become self-reliant, successful entrepreneurs in the country of Bangladesh. The loans are funded by donor restricted contributions, and amounts collected on these loans are reinvested in the MLP to fund future loans. Outstanding loan balances in the MLP represented 39% and 31% of total assets as of June 30, 2024 and 2023, respectively.

Development loans receivable and the allowance for credit losses were as follows as of June 30, 2024 and 2023 (in thousands):

	2024	2023
Receivables from individuals in Bangladesh	$ 4,183	$ 4,293
Less allowance for credit losses		
Beginning balance	(636)	(537)
Provision for loan losses	(67)	(32)
Adjustments	25	(67)
Loans written off	18	-
Allowance balance	(660)	(636)
Microloans receivable, net	$ 3,523	$ 3,657

The following amounts were past due under the MLP as of June 30, 2024 and 2023 (in thousands):

	2024	2023
Less than one year	$ 83	$ 43
One to five years	275	298
Total loans past due	$ 358	$ 341

The average loan size was $285 and $277 at June 30, 2024 and 2023, respectively. Maturities on the loans range from six months to two years, and interest rates range from 13.4% to 24%. Allowances for credit losses are established based on prior collection experience, current and reasonably supportable expected future economic conditions, and the individual client's willingness to pay. Loans under the MLP are written off only when they are deemed to be uncollectible, and interest continues to accrue until the loan balances are paid in full. Assessed impairment of certain loans is included in the allowance for credit losses.

The Organization is subject to certain business risks that could affect net assets. These risks include the geographic concentration in Bangladesh, a developing country, which represents 100% of the total development loans receivable at June 30, 2024 and 2023.

The Organization holds approximately $1,478,000 and $1,527,000 in deposits against the loans from the individuals in the MLP at June 30, 2024 and 2023, respectively. These are returned to the individuals when the loans are repaid, but they are also used to offset losses if the individuals default on their loans. The deposits are reflected as liabilities in the consolidated balance sheets as a part of the accounts payable and accrued expenses line item.

Note 6 – Gifts-in-Kind

The Organization receives contributions of clothing, health supplies, and other commodities for use in its various programs and purchased medicines at prices significantly below fair value. Such gifts are recorded as donated project supply inventory and revenue at the time received and as a reduction of donated project supply inventory and as a program services expense when the distributing agency has received the goods.

Gifts-in-kind (GIK) are recorded in accordance with U.S. GAAP and in consideration of Accord GIK Interagency Standards. Gifts that can be used in the United States are recorded at their fair value based on product like-kind analysis and an average of current estimated wholesale prices as available.

Donated nutrition supplements are valued based on published market prices established by the donor. The nutrition supplements are used by the Organization in a program in Somalia and South Sudan.

The Organization obtains deworming medicine that is distributed to children and adults in Haiti and several countries in Africa and Asia. The Organization purchases this deworming medicine and records such purchases at cost and books any difference between cost and fair value as a non-financial contribution, where fees paid are significantly below fair values, per applicable accounting standards. The deworming medication is restricted to use outside the United States and is used in international health services and natural disaster services. In valuing the deworming medication, not legally permissible for sale in the United States, and primarily consumed in developing markets, the Organization obtains market data from third-party sources representing wholesale exit prices in the developing markets in which the deworming medication is approved for sale, that is, the principal markets. The valuation per unit for each type of medicine obtained is based on the average price over the most recent four quarters in representative developing markets population. Such industry standards are subject to review and adjustment; therefore, estimates of the fair value of donated medicines may vary in the future.

The Organization only records the value of GIK for which the Organization was the original recipient of the gift, was the end use agency, was involved in partnership with another organization for distribution internationally, or used the GIK in its own programs. GIK is not monetized.

A summary of GIK revenue is as follows for the years ended June 30, 2024 and 2023 (in thousands):

	2024	2023
Medicines and medical supplies	$ 1,071	$ 1,069
Nutrition supplies from the U.S. federal government	346	285
Advertising	3	5
Total gifts-in-kind revenue	$ 1,420	$ 1,359

For the years ended June 30, 2024 and 2023, the Organization distributed approximately 2,018,000 and 2,022,000 (unaudited), respectively, deworming pills to children and adults in several countries, including Haiti, Somalia, and Kenya. For the year ended June 30, 2024, 99% of the GIK was received from two donors. For the year ended June 30, 2023, 99% of the GIK was received from two donors.

Note 7 – Commitments and Contingencies

Employee retirement benefits – CRISTA offers a Section 403(b) savings plan to eligible employees, including employees of the Organization. Employees may contribute amounts from their salaries to the plan up to the limits specified by the IRS. The Organization may contribute 3% of the employee's earnings annually to each eligible employee's account on a discretionary basis. This discretionary contribution has been suspended for 2024 and 2023. The Organization matches up to 4% additional contributions to an eligible employee's account based upon years of service to CRISTA. Employer provided funds are vested to the employee at 20% per year until fully vested after five years. Total employer contributions for the Organization's employees for the years ended June 30, 2024 and 2023, totaled approximately $26,000 and $23,000, respectively.

Contingencies – Amounts received under U.S. federal government grants and other programs are subject to audit and adjustment by the granting agency. Any adjusted amounts, including funds already received, may constitute a liability of the Organization. Management believes adjustments required, if any, as a result of audits, will not have a material effect on the Organization's financial position or results of activities.

In the normal course of business, the Organization has various claims in process, matters in litigation, and other contingencies. In management's opinion, the outcome from these matters will not materially impact the Organization's financial position or results of activities.

Note 8 – Intra-Organization Transactions

In the normal course of business, the Organization enters into transactions with CRISTA to maximize operating efficiency. Expenses related to these transactions are determined based upon actual costs related to the services provided.

The following is a summary of expenses incurred in transactions with CRISTA for the years ended June 30, 2024 and 2023 (in thousands):

	2024	2023
Expenses		
Fundraising services	$ 4,918	$ 3,710
Management services	1,083	1,136
Other	8	14
Total expenses	$ 6,009	$ 4,860

Due to/from CRISTA – Amounts due to or from CRISTA arise related to expenses incurred by the Organization. As of June 30, 2024, $737,000, was due to the Organization from CRISTA. This amount is reported as a receivable on the consolidated balance sheet. As of June 30, 2024, $277,000 was due to CRISTA.

Note 9 – Endowment

The Organization’s endowment consists of one donor-restricted term endowment established for the Organization’s Africa One Village Transform Expansion program (the Program) that will be spent down over future years. As required by U.S. GAAP, net assets associated with the endowment are classified and reported as net assets with donor restrictions on the consolidated balance sheet in accordance with donor restrictions.

The endowment agreement provides for annual spending from the endowment through December 31, 2026, as long as the corpus balance allows. The annual releases are based on actual expenditures, up to amounts specified in the endowment agreement.

Changes to endowment net assets are as follows for the years ended June 30, 2024 and 2023 (in thousands):

	2024	2023
Endowment net assets, beginning of year	$ 1,820	$ 2,825
Endowment investment return, net	95	52
Distributions	(852)	(1,056)
Endowment net assets, end of year	$ 1,063	$ 1,820

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold for a donor-specified period. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to seek an average annual rate of return of 7%, or total return of Consumer Price Index plus 3%, whichever is greater. Actual returns may vary significantly from this objective in any given year.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through capital appreciation, realized and unrealized gains, and current yield, such as interest and dividends. The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Underwater endowment funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the State Prudent Management of Institutional Funds Act requires the Organization to retain as a fund of perpetual duration. No deficiencies existed at June 30, 2024 or 2023, as the Organization has no endowment funds to be held in perpetuity.

Note 10 – Liquidity

The Organization's financial assets available for general expenditures within one year of the consolidated balance sheet date were as follows as of June 30, 2024 and 2023 (in thousands):

	2024	2023
Cash and cash equivalents	$ 2,201	$ 2,237
Grants receivable	532	400
Receivable from CRISTA Ministries	-	737
Investments	2,205	3,684
Total financial assets	4,938	7,058
Term endowment	(1,063)	(1,820)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,875	$ 5,238

Liquidity and reserves for World Concern are managed centrally by CRISTA. Financial assets available to meet cash needs of general expenditures are primarily carried by CRISTA. World Concern generally carries direct financial assets sufficient to meet approximately 30 days of expected cash operating expenses in overseas locations. Development loans receivable are not included in the table above, as amounts collected on the loans are reinvested in the loan program to provide new loans.

Management regularly monitors the financial results and cash flows of World Concern's operations to ensure that adequate liquidity is maintained. World Concern is one of several ministries of CRISTA, and the overall liquidity of CRISTA can be called upon to ensure sufficient liquidity for World Concern's operations. CRISTA manages its overall liquidity and reserves following three guiding principles: (1) operating within a prudent range of financial soundness and stability; (2) maintaining adequate liquid assets to fund near-term operating needs; and (3) maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. CRISTA has a liquidity policy to maintain current financial assets at a minimum of 30 days of expected cash operating expenses. CRISTA has a policy to target a year-end balance of reserves of undesignated net assets without donor restrictions to meet 60 to 105 days of expected expenditures. To achieve these targets, CRISTA forecasts its future cash flows, monitors its liquidity monthly, and monitors its reserves quarterly. CRISTA also has a line of credit available to meet short-term needs.

Note 11 – Leases

The Organization has leases for office space from unrelated parties internationally under operating leases expiring at various dates through June 2028. Variable expenses generally represent the Organization's share of the landlord's operating expenses. The Organization determined the likelihood of exercising lease extension options as reasonably or not reasonably certain depending on the lease. The risk-free rate was used as the discount rate in determining the ROU asset and lease liabilities at the commencement date of leases as of July 1, 2022, for leases existing before the implementation of Topic 842. The Organization has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

The Organization does not act as a lessor. The weighted average discount rate for operating leases as of June 30, 2024 and 2023, was 3.88 and 3.66, respectively. The weighted average remaining lease term for operating leases as of June 30, 2024 and 2023, was 2.00 and 2.44 years, respectively.

Operating lease expense for the years ended June 30 are recorded within the consolidated statement of activities as follows (in thousands):

	2024	2023
Operating lease expense	$ 257	$ 256
Short-term lease expense	-	-
Variable lease expense	-	-
Sublease income	-	-
Total lease expense	$ 257	$ 256

Total lease expense does not include common area maintenance charges and other non-lease components, which were not significant for the year ended June 30, 2024 or 2023.

Future minimum operating lease payments for the years ending June 30 are as follows (in thousands):

2025	$ 147
2026	96
2027	22
2028	5
2029	0
Total undiscounted cash flows	270
Less present value discount	(10)
Total operating lease liabilities	261
Less current portion of operating lease liabilities	(140)
Noncurrent operating lease liabilities	$ 121

Cash paid for amounts included in the measurement of operating lease liabilities was $258,000 and $250,000 for the years ended June 30, 2024 and 2023, respectively.

Supplementary Information

World Concern (a Ministry of CRISTA Ministries) and
World Concern Development Organization
Consolidating Balance Sheet (in thousands)
June 30, 2024

	World Concern	World Concern Development Organization	Consolidation/ Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 2,201	$ -	$ -	$ 2,201
Grants receivable	511	21	-	532
Receivable from World Concern	-	1,964	(1,964)	-
Overseas assets	126	-	-	126
Total current assets	2,838	1,985	(1,964)	2,859
OTHER ASSETS				
Investments	2,205	-	-	2,205
Property and equipment, net	285	-	-	285
Development loans receivable, net	3,523	-	-	3,523
Right-of-use operating lease assets	257	-	-	257
Total assets	$ 9,108	$ 1,985	$ (1,964)	$ 9,129
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 2,718	$ -	$ -	$ 2,718
Grant advances	769	-	-	769
Payable to CRISTA Ministries	277	-	-	277
Operating lease liabilities	140	-	-	140
Payable to World Concern Development Organization	1,964	-	(1,964)	-
Total current liabilities	5,868	-	(1,964)	3,904
Operating lease liabilities, long term	121	-	-	121
Total liabilities	5,989	-	(1,964)	4,025
NET ASSETS				
Without donor restrictions				
General	(1,307)	1,985	-	678
Represented by property and equipment owned by the Organization	285	-	-	285
Total net assets without donor restrictions	(1,022)	1,985	-	963
With donor restrictions				
Term endowment	1,063	-	-	1,063
Restricted for program activities	3,078	-	-	3,078
Total net assets with donor restrictions	4,141	-	-	4,141
Total net assets	3,119	1,985	-	5,104
Total liabilities and net assets	$ 9,108	$ 1,985	$ (1,964)	$ 9,129

World Concern (a Ministry of CRISTA Ministries)
World Concern Development Organization
Consolidating Schedule of Activities (in thousands)
Year Ended June 30, 2024

	World Concern	World Concern Development Organization	Total
REVENUES, GAINS, AND LOSSES			
Contributions	$ 7,024	$ 108	$ 7,132
Contributions released from restrictions	6,890	-	6,890
Government grants	20	204	224
Government grants, gifts-in-kind	-	346	346
Gifts-in-kind	1,074	-	1,074
Income on development loans	782	-	782
Miscellaneous income	162	1	163
Foreign currency exchange losses	(251)	-	(251)
Total revenues, gains, and losses	15,701	659	16,360
EXPENSES			
Program services			
Program	10,175	187	10,362
Gifts-in-kind	1,071	-	1,071
Gifts-in-kind, government	-	346	346
Total program services	11,246	533	11,779
Supporting services			
Fundraising and promotion			
Fundraising and promotion	2,993	-	2,993
Gifts-in-kind (Note 6)	3	-	3
Management and general	2,306	79	2,385
Total supporting services	5,302	79	5,381
Total expenses	16,548	612	17,160
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(847)	47	(800)
NET ASSETS WITH DONOR RESTRICTIONS			
Contributions	5,311	-	5,311
Contributions released from restrictions	(6,890)	-	(6,890)
	(1,579)	-	(1,579)
Investment return, net			
Income on investments	58	-	58
Net realized and unrealized (losses) gains on investments	41	-	41
Investment return, net	99	-	99
Change in net assets with donor restrictions	(1,480)	-	(1,480)
TOTAL CHANGE IN NET ASSETS	(2,327)	47	(2,280)
NET ASSETS, beginning of year	5,446	1,938	7,384
NET ASSETS, end of year	$ 3,119	$ 1,985	$ 5,104

See report of independent auditors.

World Concern (a Ministry of CRISTA Ministries)
World Concern Development Organization
World Concern Development Organization Schedule of Functional Expenses
(in thousands)
Year Ended June 30, 2024

	Relief and Development Services	Management and General	Total
Salaries	$ 97	$ 34	$ 131
Employee benefits	11	-	11
Program supplies	380	-	380
Travel	27	2	29
Professional services	-	16	16
Purchased services	-	22	22
Occupancy	10	-	10
Office expenses	8	2	10
Information technology	-	1	1
Conferences and training	-	-	-
Dues and fees	-	1	1
Insurance	-	1	1
Total expenses	$ 533	$ 79	$ 612

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