WORLD VISION INTERNATIONAL AND CONSOLIDATED AFFILIATES

Consolidated Financial Statements

September 30, 2024, and 2023

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

The Board of Directors
World Vision International:

Opinion

We have audited the consolidated financial statements of World Vision International and consolidated affiliates (the Organization), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of the other auditor, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the consolidated financial statements of Banco VisionFund Ecuador S.A. (Banco VF Ecuador), a wholly owned subsidiary, which statements reflect total assets constituting 8.8 percent and 7.7 percent of consolidated total assets as of September 30, 2024 and 2023, respectively and total revenues constituting 0.8 percent and 1.0 percent of consolidated revenues for the years ended September 30, 2024 and 2023, respectively. Those statements were audited by another auditor, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Banco VF Ecuador, is based solely on the reports of the other auditor.

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 Auditors' Responsibilities for the Audit of the Consolidated 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2(q) to the consolidated financial statements, in fiscal year ended September 30, 2024, the Organization adopted new accounting guidance Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, 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 for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

KPMG LLP

Los Angeles, California
April 22, 2025

WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Consolidated Statements of Financial Position

September 30, 2024 and 2023
(Amounts in thousands)

Assets		2024	2023
Cash, cash equivalents, and restricted cash	$	759,964	780,169
Investments (note 5)		36,700	34,628
Due from unconsolidated affiliates (note 6)		4,321	13,517
Accounts receivable		37,819	43,028
Microfinance loans receivable, net (note 7)		519,622	551,854
Inventories		62,429	66,513
Prepaid expenses		42,668	57,727
Foreign exchange contracts (notes 5 and 9)		13,768	16,649
Other assets		20,969	17,243
Land, buildings and equipment, net (note 8)		106,131	77,056
Operating lease right-of-use asset (note 16)		23,440	34,483
Total assets	$	1,627,831	1,692,867
Liabilities and Net Assets			
Liabilities:			
Accounts payable	$	119,019	129,614
Accrued expenses		102,495	98,567
Deposits from microfinance institution clients		109,351	122,357
Due to unconsolidated affiliates (note 6)		9,371	132
Notes payable (note 10)		313,130	303,756
Foreign exchange contracts (notes 5 and 9)		17,127	16,515
Operating lease liabilities (note 16)		21,575	36,514
Other liabilities		31,622	27,598
Total liabilities		723,690	735,053
Net assets (note 11):			
Net assets without donor restrictions		621,466	600,854
Net assets with donor restrictions		282,675	356,960
Total net assets		904,141	957,814
Total liabilities and net assets	$	1,627,831	1,692,867

See accompanying notes to consolidated financial statements.

WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Consolidated Statement of Activities

Year ended September 30, 2024
(Amounts in thousands)

	Without donor restrictions	With donor restrictions	Total
Revenues, gains, and other support from donors (note 13):			
Contributions	$ 131,624	1,537,609	1,669,233
Gifts-in-kind (notes 13 and 14)	—	596,058	596,058
Net assets released from restrictions	2,207,952	(2,207,952)	—
Total revenues from donors	2,339,576	(74,285)	2,265,291
Other revenue and gains	286,564	—	286,564
Unrealized loss on foreign exchange contracts (note 9)	(4,495)	—	(4,495)
Total revenues, gains, and other support	2,621,645	(74,285)	2,547,360
Expenses:			
Program services:			
International relief and community development	2,273,057	—	2,273,057
Microenterprise development	231,332	—	231,332
Total program services	2,504,389	—	2,504,389
Supporting activities:			
Management and general activities	57,332	—	57,332
Fundraising	32,696	—	32,696
Total supporting activities	90,028	—	90,028
Total expenses	2,594,417	—	2,594,417
Change in net assets before other gains and losses	27,228	(74,285)	(47,057)
Other gains and losses:			
Pension plan adjustments (note 15)	573	—	573
Loss on deconsolidation	(7,189)	—	(7,189)
Change in net assets	20,612	(74,285)	(53,673)
Net assets at beginning of year	600,854	356,960	957,814
Net assets at end of year	$ 621,466	282,675	904,141

See accompanying notes to consolidated financial statements.

WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Consolidated Statement of Activities

Year ended September 30, 2023
(Amounts in thousands)

		Without donor restrictions	With donor restrictions	Total
Revenues, gains, and other support from donors (note 13):				
Contributions	$	147,282	1,644,972	1,792,254
Gifts-in-kind (notes 13 and 14)		—	729,736	729,736
Net assets released from restrictions		2,401,100	(2,401,100)	—
Total revenues from donors		2,548,382	(26,392)	2,521,990
Other revenue and gains		244,550	—	244,550
Unrealized loss on foreign exchange contracts (note 9)		(35,343)	—	(35,343)
Total revenues, gains, and other support		2,757,589	(26,392)	2,731,197
Expenses:				
Program services:				
International relief and community development		2,443,002	—	2,443,002
Microenterprise development		181,978	—	181,978
Total program services		2,624,980	—	2,624,980
Supporting activities:				
Management and general activities		56,569	—	56,569
Fundraising		29,465	—	29,465
Total supporting activities		86,034	—	86,034
Total expenses		2,711,014	—	2,711,014
Change in net assets before other gains and losses		46,575	(26,392)	20,183
Other gains and losses:				
Pension plan adjustments (note 15)		(70)	—	(70)
Change in net assets		46,505	(26,392)	20,113
Net assets at beginning of year		554,349	383,352	937,701
Net assets at end of year	$	600,854	356,960	957,814

See accompanying notes to consolidated financial statements.

WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Consolidated Statement of Functional Expenses

Year ended September 30, 2024
(Amount in thousands)

	Program services			Supporting activities			
	International relief and community development	Microenterprise development	Total program services	Management and general activities	Fundraising	Total supporting activities	Total
Funding of World Vision International programs:							
Relief and rehabilitation, community development	$ 1,391,749	—	1,391,749	—	—	—	1,391,749
Microenterprise development	—	5,297	5,297	—	—	—	5,297
Gifts-in-kind	600,157	—	600,157	—	—	—	600,157
Salaries and benefits	204,259	85,135	289,394	44,533	16,197	60,730	350,124
Travel	28,465	7,816	36,281	3,176	1,922	5,098	41,379
Professional fees	1,854	9,224	11,078	1,565	6,598	8,163	19,241
Interest expense (note 10)	—	38,142	38,142	—	—	—	38,142
Occupancy	7,931	7,148	15,079	1,223	500	1,723	16,802
Fees and taxes (note 4)	13,737	3,753	17,490	366	1,107	1,473	18,963
Provision for loan losses (note 7)	—	7,428	7,428	—	—	—	7,428
Utilities	4,841	2,402	7,243	882	534	1,416	8,659
Depreciation and amortization (note 8)	2,964	4,105	7,069	1,665	399	2,064	9,133
Equipment, repairs, and maintenance	3,014	—	3,014	1,410	1,133	2,543	5,557
Advertising	2,295	—	2,295	126	1,643	1,769	4,064
Foreign currency losses	51	50,821	50,872	17	—	17	50,889
Other	11,740	10,061	21,801	2,369	2,663	5,032	26,833
Total	$ 2,273,057	231,332	2,504,389	57,332	32,696	90,028	2,594,417

See accompanying notes to consolidated financial statements.

WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Consolidated Statement of Functional Expenses

Year ended September 30, 2023
(Amount in thousands)

	Program services			Supporting activities			
	International relief and community development	Microenterprise development	Total program services	Management and general activities	Fundraising	Total supporting activities	Total
Funding of World Vision International programs:							
Relief and rehabilitation, community development	$ 1,425,975	—	1,425,975	—	—	—	1,425,975
Microenterprise development	—	4,608	4,608	—	—	—	4,608
Gifts-in-kind	742,898	—	742,898	—	—	—	742,898
Salaries and benefits	189,771	78,051	267,822	39,229	15,235	54,464	322,286
Travel	27,945	7,744	35,689	2,530	1,416	3,946	39,635
Professional fees	5,399	8,787	14,186	2,904	5,427	8,331	22,517
Interest expense (note 10)	—	31,246	31,246	—	—	—	31,246
Occupancy	14,631	6,824	21,455	1,354	413	1,767	23,222
Fees and taxes (note 4)	12,928	5,582	18,510	524	1,224	1,748	20,258
Provision for loan losses (note 7)	—	14,486	14,486	—	—	—	14,486
Utilities	5,262	2,395	7,657	1,020	291	1,311	8,968
Depreciation and amortization (note 8)	3,912	4,266	8,178	1,587	188	1,775	9,953
Equipment, repairs, and maintenance	6,723	—	6,723	3,592	461	4,053	10,776
Advertising	1,246	—	1,246	101	3,382	3,483	4,729
Foreign currency losses	—	6,629	6,629	7	—	7	6,636
Other	6,312	11,360	17,672	3,721	1,428	5,149	22,821
Total	$ 2,443,002	181,978	2,624,980	56,569	29,465	86,034	2,711,014

See accompanying notes to consolidated financial statements.

WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Consolidated Statements of Cash Flows

Years ended September 30, 2024 and 2023
(Amounts in thousands)

		2024	2023
Cash flows from operating activities:			
Change in net assets	$	(53,673)	20,113
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Pension plan adjustments		573	70
Gifts-in-kind, net		4,084	14,796
Amortization of operating lease right-of-use assets		19,404	18,605
Unrealized and realized (gain) loss on investments		5,456	(108)
Unrealized (gain) loss on foreign exchange contracts		4,495	35,343
Depreciation and amortization		9,133	9,953
Provision for loan losses		7,428	14,486
Recoveries collected		3,885	—
Foreign currency revaluation		117,800	7,260
(Gain) loss on disposal of equipment		(15)	236
Changes in assets and liabilities:			
Accounts receivable		5,210	(12,061)
Due from/to unconsolidated affiliates		18,434	(17,380)
Prepaid expenses		15,059	(5,255)
Other assets		(3,726)	211
Accounts payable and accrued expenses		(7,240)	9,022
Operating lease liabilities		(17,970)	(16,520)
Other liabilities		3,024	1,035
Net cash provided by operating activities		131,361	79,806
Cash flows from investing activities:			
Purchases of investments		(33,839)	(38,577)
Proceeds from sales and maturities of investments		26,310	32,301
Proceeds from repayment of microfinance loans		681,268	647,197
Issuance of microfinance loans		(778,150)	(776,493)
Purchase of land, buildings, and equipment		(46,803)	(15,595)
Proceeds from sale of equipment		3,281	2,364
Proceeds from sale of subsidiary		—	5,593
Net cash used in investing activities		(147,933)	(143,210)
Cash flows from financing activities:			
Payments on notes payable		(7,905)	(118,973)
Proceeds received on notes payable		17,278	155,459
Deposits from microfinance institution clients		(13,006)	41,604
Net cash provided by (used in) financing activities		(3,633)	78,090
Net change in cash, cash equivalents, and restricted cash		(20,205)	14,686
Cash, cash equivalents, and restricted cash, beginning of year		780,169	765,483
Cash, cash equivalents, and restricted cash, end of year	$	759,964	780,169
Supplemental cash flow disclosures:			
Cash paid during the year for interest	$	20,866	31,253
Cash paid during the year for taxes		7,023	7,020

See accompanying notes to consolidated financial statements.

(1) Organization

World Vision International (WVI) and its consolidated affiliates (collectively, the Organization) is a network of international not-for-profit organizations, and some related for-profit organizations, organized exclusively for purposes which are both religious and charitable, namely to witness to Jesus Christ by life, deed, word and sign by rendering holistic Christian service throughout the world among the poor without regard to race, color, creed or sex.

WVI follows the vision statement below:

> "Our vision for every child, life in all its fullness;
>
> Our prayer for every heart, the will to make it so."

WVI is the lead organization in a network of worldwide affiliated organizations which use the World Vision trademark (except for the microfinance entities) and which are referred to as "the Partnership." (The word Partnership is used in a broad, informal sense, rather than in a technical legal sense).

Offices in this Partnership can be viewed in two ways: by function and type. Function refers to the roles the offices play in the operation of the Partnership. Type describes an entity's legal and accounting relationship within the Partnership.

Major functions in the Partnership include:

WVI – Provides the formal international structure for the Partnership. WVI establishes global governance and standards, and consolidates donations, the majority of which are received from Support Offices. WVI uses donations received for relief aid and community development work in Field Offices. WVI is also the operating entity in many Field Office countries, and some Support Office countries.

Field Offices – Primarily carry out the relief aid and community development work in their respective countries. Some Field Offices also raise local funds for relief aid and community development.

Regional and International Offices – Carry out the regional and global functions of WVI.

Support Offices – Raise funds to support the Partnership's programs outside of their home countries, provide technical and other forms of support, and in many cases assume contractual liability for the programs they fund. Some also perform relief or development programs within their own countries. Most of the Support Offices are not consolidated into these financial statements. Refer to pages 10 and 14 for affiliates WVI elects to consolidate or is required to consolidate.

VisionFund International (VFI) – VFI is a not-for-profit corporation that was established for the purpose of developing and administering the Partnership's microfinance network. The activities of VFI involve ownership of certain microfinance institutions (MFIs), and lending funds and providing oversight to all MFIs affiliated with World Vision.

(Continued)

Microfinance Institutions (MFIs) – MFIs serve micro-entrepreneurs, smallholder farmers, and small businesses in disadvantaged and typically rural markets through the provision of basic financial services, such as credit, savings, and insurance, predominantly to women.

Parallel Organizations (POs) – POs are separately incorporated entities created for specialized purposes, which are controlled by or significantly influenced by another entity in the Organization.

There are four types of entities in the Partnership:

WVI – The legal entity of WVI (i.e., including its branch offices around the world, all consolidated into these financial statements):

Field Offices:

Afghanistan
Angola
Armenia
Bangladesh
Bosnia-Hercegovina
Burkina Faso
Burundi
Cambodia
Central African Republic
Chad
Chile
Colombia
Congo – Democratic Republic of
East Timor
Ethiopia
Georgia
Haiti
Iraq
Jordan
Laos
Lebanon
Lesotho
Mali
Mauritania
Moldova
Mongolia
Mozambique
Myanmar
Nepal
Nicaragua
Niger
Rwanda
Senegal
Sierra Leone
Somalia
South Sudan
Sudan
Turkey
Ukraine
Venezuela
Vietnam
Zimbabwe

Regional Offices:
East Africa
East Asia
Latin America and the Caribbean
Middle East & Eastern Europe
South Asia & Pacific
Southern Africa
West Africa

International Offices:
San Jose
Dubai
Kuala Lumpur
London
Los Angeles
Manila
New York

Support Offices:
Singapore

Microfinance program:

Name	Country
World Vision Vietnam Micro Enterprise Development Program	Vietnam

Subsidiaries of WVI – Separate legal entities, which WVI owns or controls, or which are owned or controlled by an entity which is consolidated into these financial statements. These entities are consolidated with WVI as required by U.S. Generally Accepted Accounting Principles (U.S. GAAP):

Field Offices:
Bolivia
Costa Rica
Dominican Republic
Ecuador
Jerusalem West Bank Gaza
Malawi
Papua New Guinea
Solomon Islands
Vanuatu

International Offices:
Geneva

Parallel Organizations:

Name	Country
WV Armenia Foundation	Armenia
World Vision Foundation	Bangladesh
World Vision BH Fondacija	Bosnia-Herzegovina
Instituto Maquina do Bern	Brasil
Fundacion De Asistencia Y Capacitacion Vision Mundial Chile	Chile
Capacitación y Desarrollo Económico Social (“ONG CECADES”)	Chile
Cecades y Cía Ltda. (“OTEC”)	Chile
Asociaction Para El Desarrollo Integral (“ASODESI”)	Colombia
¡Smart360 Srl	Costa Rica
WV Cyprus Foundation	Cyprus
Fundacion Salvadorena Para El Desarrollo (FUNSALDE)	El Salvador
WV Georgia Foundation	Georgia
Samtskhe-Javakheti Area Development Center	Georgia
Kakheti Area Development Center	Georgia
Imereti Area Development Center	Georgia
Asociacion Guatemalteca De Desarrollo (Mf)	Guatemala
Fundacion Realidad FRAC	Mexico

VisionFund International (VFI)

Microfinance Institutions (consolidated by VFI):

Name	Country
VisionFund DRC S.A.	Congo - Democratic Republic
VisionFund Republica Dominicana SAS	Dominican Republic
Banco VisionFund Ecuador S.A.	Ecuador
VFC Foundation	Georgia
VisionFund Caucasus LLC	Georgia
VisionFund Ghana Micro Credit Limited	Ghana
VisionFund Guatemala, S.A.	Guatemala
FUNED VisionFud OPDF	Honduras
VisionFund India Private Limited	India
VisionFund Kenya Ltd.	Kenya
VisionFund Ltd.	Malawi
Vision F Mexico, S.A. de C.V., SOFOM, E.N.R.	Mexico
VisionFund NBFI LLC	Mongolia
MFI Monte Credit LLC	Montenegro
VisionFund AgroInvest LLC	Montenegro
VisionFund Myanmar Company Limited	Myanmar
EDPYME Credivision S.A.	Peru
VisionFund Rwanda (VFR) PLC.	Rwanda
VisionFund Sénégal Microfinance SA	Senegal
AgroInvest Fond LLC	Serbia
VisionFund Holdings (Private) Ltd.	Sri Lanka
VisionFund Lanka Ltd.	Sri Lanka
VisionFund Tanzania Microfinance Bank Limited	Tanzania
VisionFund Uganda Limited	Uganda
VisionFund Zambia Ltd.	Zambia

(Continued)

Microfinance Institutions (consolidated by WVI):

Name	Country
Fundación Boliviana para el Desarrollo Institución Financiera de Desarrollo	Bolivia
Agencia Nacional de Desenvolvimento Microempresarial	Brazil
Fondo de Inversions para el Desarrollo de la Microempresa	Dominican Republic
VisionFund Microfinance Institution (S.C.)	Ethiopia
Association of Productive Entrepreneurship Development	Ghana
Asociación Gutemalteca para del Desarrollo	Guatemala
Fundación para el Desarrollo de Honduras OPD	Honduras
Innovative Microfinance for Poverty Alleviation and Community Transformation	India
Mitra Masyarakat Sejahtera Foundation	Indonesia
PT. VisionFund Indonesia	Indonesia
KosInvest	Kosovo
Reseau de Micro Institutions de Croissance de Revenue	Mali
Community Economic Ventures, Inc.	Philippines
VisionFund Lanka (Gte.) Ltd.	Sri Lanka
VisionFund Tanzania, Trust	Tanzania

Affiliates WVI elects to consolidate – Separate affiliated entities, which under the relevant accounting standards are not owned or controlled by WVI. WVI has elected to include these affiliated entities as a permissive discretionary consolidation allowed under U.S. GAAP where WVI has a level of control and economic interest in these entities and consolidation is considered meaningful to WVI's financial statements:

Field Offices:

Albania	Mexico
Brazil	Peru
China	Philippines
El Salvador	Romania
Eswatini	South Africa
Ghana	Sri Lanka
Guatemala	Tanzania
Honduras	Uganda
Indonesia	Zambia
Kenya	

Parallel Organizations:

Name	Country
World Vision Holding Company	Cambodia
Asociacion De Desarrollo El Conacaste	Guatemala
Vision Lebanon	Lebanon
Agrovision	Romania

Affiliates which are not consolidated – Separate affiliated entities, which under the relevant accounting standards are not owned or controlled by WVI, and which WVI is not required to consolidate:

Support Offices:

Australia	Japan
Austria	Korea
Brussels & European Union Representation	Malaysia
Canada	Netherlands
Finland	New Zealand
France	Spain
Germany	Switzerland
Hong Kong	Taiwan
Ireland	United Kingdom
Italy	United States

Field Office:

Thailand	India

(2) Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting in accordance with U.S. GAAP.

(b) Consolidation

All significant intercompany accounts and transactions among the consolidated entities have been eliminated in the accompanying consolidated financial statements.

(c) Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents consist of demand deposit accounts, certificates of deposit, and money market accounts with original maturities of 90 days or less at the date of acquisition. As of September 30, 2024 and 2023, contractual or donor imposed restrictions totaled $80,929 and $82,411, respectively, comprising of restricted investments and cash and investments held for pension.

(d) Investments

Investments are recorded at fair value and consist of time deposits and mutual funds with financial institutions as well as debt and equity securities. The current investment policy for domestically held securities is to purchase investments with a credit rating of A or better. Other investments are held locally at Field Offices around the world. Field Offices have similar credit quality policies, and these investments are designed to preserve capital. Gains and losses on investments are recorded to other revenue and gains in the consolidated statements of activities.

(e) Accounts and Microfinance Loans Receivable

Accounts receivables are carried at the outstanding receivable amount, less an estimate made for uncollectible receivables. No provision was deemed necessary on the review of our accounts receivable.

For loans to affiliated unconsolidated MFIs, management evaluates the adequacy of the allowance for loan loss annually and determines the amount, if any, of the provision for loan losses to be recorded. The evaluation of the adequacy of the allowance includes a review of the respective MFIs' delinquency rates, historic write offs, liquidity, and financial and operational strength.

Historically, for loans to MFI clients, the management of the respective MFI determined the adequacy of the allowance for loan losses each month. The adequacy was determined by evaluating the aged outstanding balances of loans receivable and recording a provision for loan losses as necessary. The provisions have been based on the MFI's past experience and the historical performance of the portfolio. Loans deemed uncollectible (write-offs) were removed from the outstanding loan portfolio and deducted from the allowance.

As discussed further in note 2(q{i}) below, with the changes in the requirements for determining the allowance for credit losses (effective October 1, 2023), for loans to MFI clients, the management of the Organization now determines the allowance for loan losses annually using the loss rate approach under which the loss rate is derived from analysis of historic credit losses for each MFI and then adjusted for current conditions, and relevant macro-economic factors and other reasonable and supportable forecasts, as applicable. Loans deemed uncollectible (write-offs) are removed from the outstanding loan portfolio and their likelihood of recovery is reflected in the allowance. The ultimate recovery of all loans is susceptible to future market factors often beyond the Organization's control. These factors may result in losses or recoveries, differing significantly from those provided in the accompanying consolidated financial statements.

The Organization evaluates the credit quality of its loan portfolio based on local regulatory requirements and on the aging of loans. Loans over 30 days past due are considered to be non-performing. Loans aged over 91 days are considered to be impaired and are placed on non-accrual status. Loans on non-accrual status are not restored to accrual status unless they become current and full payment is expected. The Organization evaluates its loans receivable collectively for impairment.

(f) Inventories

The Organization's inventories consist of emergency relief supplies for disaster response, donated goods (i.e., clothing, books, pharmaceuticals, etc.), food commodities held for monetization and distribution, and other materials for humanitarian programs. Purchased inventory is stated at the lower of cost or net realizable value. Cost is principally determined by an average-cost method applied to a physical inventory. Donated inventory is recorded at the estimated fair value at the time of donation.

(g) Land, Buildings and Equipment, Net

Land, buildings and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. Buildings and improvements are depreciated over 3 to 25 years, furniture and equipment 3 to 10 years, computers and software 2 to 10 years and vehicles 5 years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred. When assets are disposed of or sold, the related costs and accumulated depreciation are removed from the accounts and any gain or loss upon disposition is included in the consolidated statements of activities.

Land, buildings and equipment are reviewed for impairment whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Impairment losses are recognized if expected future cash flows from the assets are less than the carrying value.

(h) Leases

A contract is determined to be a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Organization does not have any finance leases but does have operating leases which are included in the consolidated statement of financial position.

Operating lease right-of-use assets represent the right to use the leased asset for the lease term and operating lease liabilities are the present value of remaining lease payments owed over such term.

Right-of-use assets and liabilities are recognized at the commencement date based on the lease term and extension options reasonably certain to be exercised, discounted by the risk-free rate to determine present value. Lease expense for minimum operating lease payments is amortized on a straight-line basis over the lease term. The Organization elected to combine lease and non-lease components as a single lease component and to exclude short term leases with an original term of 12 months or less, from its consolidated statement of financial position.

(i) Self-Insurance

The Organization is self-insured for certain losses and liabilities related primarily to employee health and welfare claims. Provisions for expenses expected under this program are accrued based upon the Organization's estimate of the aggregate liability for claims incurred. Actual results could differ from those estimates.

(j) Contribution Revenue Recognition

WVI receives unconditional promises to give funds from unconsolidated Support Offices. Unconditional promises to give are recognized as revenue in the year the promises are made. All unconditional promises to give that were not yet fulfilled as of September 30, 2024, and 2023 are presented in due from unconsolidated affiliates and detailed in note 6. WVI also receives cash donations from affiliated entities and unaffiliated donors. Revenue is recognized on these donations at the time of the donation.

Conditional promises to give are not recognized as revenue or pledges receivable until such time as the conditions are substantially met. A donor-imposed condition must include both a barrier and a right of asset return or pledge cancellation. As of September 30, 2024, the Organization had outstanding $6,294 in conditional promises to give, excluding public grants, which are conditioned upon the completion of specific programmatic performance milestones. The Organization also had outstanding $32,227 in conditional promises to give directly related to public grants as of September 30, 2024. Of the outstanding conditional promises to give related to public grants, $2,068 was awarded by government donors and $30,159 was awarded by multilateral agencies or other donors.

(k) Gifts-in-Kind

Gifts-in-kind (GIK) received through private donations are recorded in accordance with U.S. GAAP and industry standards, referred to as the Interagency GIK Standards, as developed by an interagency task force appointed by Accord Network. Accord Network is an industry network which collaborates to eliminate poverty and establish common reporting and operating principles. GIK are valued and recognized as revenue at their estimated fair value based upon the Organization’s estimate of the wholesale values that would be received for selling the goods in their principal exit markets considering the goods condition and utility for use at the time of contribution. The Organization monetizes GIK when the generation of cash funding through the sale (monetization) of those gifts supports best practice program design and is permitted by the donors.

Pharmaceutical contributions legally permissible for sale in the United States are valued using a hierarchy of pricing inputs that approximates wholesale prices in the United States. Pharmaceutical contributions not legally permissible for sale in the United States are valued based upon wholesale market price data, obtained from reliable third-party sources, representing principal exit markets where such products are approved for sale.

Non-pharmaceutical contributions received by the Organization have been valued at their estimated wholesale value as provided by the donor, as well as “like-kind” methodology that references wholesale market pricing data for similar products.

GIK expense is recorded when the goods are distributed for program use. While it is the Organization’s policy to distribute GIK as promptly as possible, undistributed GIK is recorded as inventory.

(l) Other Revenue and Gains

Other revenue and gains consist primarily of interest on microfinance loans and investment gains and losses.

(m) Functional Expenses

The Organization categorizes its activities into the following categories for the fiscal years ended September 30, 2024 and 2023:

International Relief and Community Development – The Organization employs effective development, relief and advocacy practices to empower families and communities to overcome poverty and injustice by addressing issues such as preventable diseases, malnutrition, clean water, education, food security, child protection and emergency relief. This category represents the costs incurred by the Organization in delivering these programs in country and the associated technical expertise regionally and globally to ensure programs are implemented consistently and to a high standard.

Microenterprise Development – The Organization implements microfinance and microenterprise programs to promote financial inclusion in rural areas and vulnerable communities so that families are empowered to generate their own income and break free from the cycle of poverty. This category represents the costs incurred by the Organization in delivering these programs in country and the associated technical expertise regionally and globally to ensure programs are implemented consistently and to a high standard.

Management and General Activities – The Organization invests to provide executive direction, financial management, audit and accountability, human resource services, planning and coordination of the Organization's activities.

Fundraising – The Organization works to secure vital financial support to fund the life-changing programs of the Organization.

(n) Allocation Methodology

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses, such as employee related costs, are identified as related to a specific program or supporting service and are directly classified accordingly. Centralized costs are allocated to the specific program or supporting service for services performed, the basis of which may be head count, square footage, number of licenses or other appropriate drivers. Costs that cannot be practically allocated to a specific functional category are categorized as Management and General Activities.

(o) Foreign Currency Translation Adjustments

The assets and liabilities of non-U.S. WVI branch offices and consolidated affiliates, whose functional currencies are the respective country's local currency, are translated into U.S. dollars at year-end exchange rates and revenue and expenses are translated at weighted average rates during the year. The resulting translation adjustment is included in program services expense in the consolidated statements of activities.

(p) Use of Estimates

In preparing the Organization's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure

(Continued)

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. Significant estimates relate primarily to the determination of the allowance for loan losses and the valuation of GIK.

(q) Newly Adopted Accounting Pronouncements

(i) The Organization adopted the Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments for its fiscal year ended September 30, 2024. This pronouncement requires an entity to utilize a new impairment model known as the current expected credit loss (CECL) model to estimate its lifetime expected credit loss and record an allowance that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. The CECL model is expected to result in more timely recognition of credit losses. The pronouncement also requires new disclosures for financial assets measured at amortized cost, loans and available-for-sale debt securities. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted and otherwise, apply the guidance on a prospective basis. The guidance requires the measurement of expected credit losses to be determined for the expected life of financial assets, rather than using an incurred loss model. This primarily applies to loans to MFI clients for which a standardized global methodology has been implemented.

(ii) The Organization has evaluated its accounts receivable under the requirements of ASC 326-20, Current Expected Credit Losses (CECL). Based on historical experience, current conditions, and reasonable and supportable forecasts, the Organization has concluded that the expected credit losses associated with its accounts receivable are immaterial to the consolidated financial statements. As a result, no CECL allowance has been recorded for the financial year 2024. Management will continue to monitor the credit quality of these receivables on an ongoing basis and assess the appropriateness of this conclusion in future periods.

(iii) The Organization holds Held-to-Maturity (HTM) investments related to pension funds, severance payment reserves, and restricted funds. These investments are subject to CECL under ASC 326-20. Based on the nature of the investments, which are predominantly low-risk, investment-grade instruments, the expected credit losses were determined to be immaterial to the consolidated financial statements. As such, no allowance for credit losses has been recorded for the financial year 2024

(3) Liquidity and Availability

The following reflects the Organization's financial assets at September 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions. The Organization manages its fiscal resources primarily to ensure the preservation of capital and adequate liquidity in order to meet the funding requirements of ongoing field commitments. The Organization is substantially supported by contributions with donor restrictions. These restrictions include requirements for resources to be used for a particular purpose or in a future period. The Organization must manage its financial assets in such a way that it meets these donor restrictions and have sufficient funds available as its general expenditures, liabilities, and other obligations come due.

(Amounts in thousands)

The following table presents the financial assets available to meet cash needs for general expenditures within one year at September 30, 2024 and 2023:

Assets		2024	2023
Cash, cash equivalents, and restricted cash	$	759,964	780,169
Investments		36,700	34,628
Due from unconsolidated affiliates		4,321	13,517
Accounts receivable		37,819	43,028
Financial assets at year-end		838,804	871,342
Less those unavailable for general expenditures within one year, due to:			
Contractual or donor imposed restrictions:			
Restricted investments		(4,059)	(7,001)
Cash and investments held for pensions		(76,870)	(75,410)
Financial assets available to meet cash needs for general expenditures within one year	$	757,875	788,931

The principal use of funds for MFIs is for loans to clients, net operating cash flows, debt repayments, demand deposits repayments and capital expenditures. Each MFI is bound by the Organization' liquidity policy; however, each MFI also must adhere to their respective in-country regulatory environment and operating model requirements, which vary by country. If an MFI needs additional liquidity, they will typically disburse fewer loans in order to increase liquidity and cover their liabilities.

However, if necessary, management and VFI will work together to find a suitable solution, which can include providing a loan or equity from VFI to the MFI as well as other strategic solutions. The maturity dates of the MFI loans to clients are generally managed to match or precede the maturity dates of notes payable to various lenders.

(4) Other Disclosures

(a) Concentration of Credit Risk

The Organization maintains certain cash accounts at various financial institutions in the United States and foreign countries. The total deposits at institutions in the United States at times exceed the amount covered by bank deposit insurance up to $250. As of September 30, 2024, the total deposits at institutions exceeded the amount covered by the bank deposit insurance by $497,076. For deposits outside the United States, the Organization is exposed to a maximum of $261,355 in the event of non-performance of the banks as of September 30, 2024. Many of the deposits held at institutions outside of the United States are not covered by local depository insurance. In the event of non-performance by the other parties to investment transactions, the Organization is exposed to loss for the amount of cash in excess of the insurance coverage.

(b) Net Assets

Net assets of the Organization are reported within the following categories:

Net Assets without Donor Restrictions – Net assets without donor restrictions represent those resources of the Organization that are not subject to donor-imposed restrictions or law. The only limits on net assets without donor restrictions are broad limits resulting from the nature of the Organization and the purposes specified in its articles of incorporation or bylaws, and limitations resulting from contractual agreements, if any.

Net Assets with Donor Restrictions – Net assets with donor restrictions represent contributions and other inflows of assets that are subject to donor-imposed restrictions or law, which can be fulfilled by actions of the Organization pursuant to those stipulations or by the passage of time.

Expenses are reported as decreases in net assets without donor restrictions. Expiration of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. Contributions with donor restrictions are recorded in net assets with donor restrictions when received and when the restriction expires, the net assets are shown as released from restriction on the consolidated statements of activities.

(c) Tax Status

WVI is a not-for-profit organization exempt from federal income and California state franchise taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 23701d of the California Revenue and Taxation Code. However, WVI remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements as a whole. Accounting Standards Codification (ASC) Topic 740 (ASC 740), *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, disclosure, and transition. Management believes there are no such uncertain tax positions for the Organization for the years ended September 30, 2024 or 2023.

The foreign World Vision offices that are not part of the entity of WVI (as defined in note 1) are separate not-for-profit organizations organized within their respective countries. They are subject to the respective local tax laws. Taxes recorded in program services expense and supporting services expense in the accompanying consolidated statements of activities consist entirely of non-U.S. taxes related to the operations of the foreign consolidated entities.

MFIs are subject to their respective local tax laws, pursuant to which some are taxable, and some are not taxable (or tax-exempt). Taxes totaling $3,753 and $5,582 for the years ended September 30, 2024 and 2023, respectively, are recorded in program services expense in the accompanying consolidated statements of activities and consist entirely of non-U.S. taxes related to the operations of the foreign consolidated entities.

(5) Fair Value

Fair value is defined as the price that the Organization would receive upon selling an asset in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset. A three-tier hierarchy was established by the Financial Accounting Standards Board (FASB) to classify measurement inputs for determining fair value for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Inputs that are unobservable, including the Organization's own assumptions in determining the fair value of assets or liabilities. As of September 30, 2024 and 2023, the Organization did not hold any investments measured using Level 3 inputs.

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the asset in its entirety falls is determined based on the lowest level input that is significant to the asset in its entirety. Assessing the significance of a particular input to the asset in its entirety requires judgment and considers factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's perceived risk of liquidity for that asset.

(Amounts in thousands)

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2024:

		Total	(Level 1)	(Level 2)
Assets:				
Investments:				
Certificates of deposit	$	25,974	—	25,974
Foreign government securities		3,819	—	3,819
Mutual funds and other		6,907	6,907	—
Total investments	$	36,700	6,907	29,793
Foreign exchange contracts	$	13,768	—	13,768
Liabilities:				
Foreign exchange contracts	$	17,127	—	17,127

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2023:

		Total	(Level 1)	(Level 2)
Assets:				
Investments:				
Certificates of deposit	$	25,967	—	25,967
Foreign government securities		1,157	—	1,157
Mutual funds and other		7,504	7,504	—
Total investments	$	34,628	7,504	27,124
Foreign exchange contracts	$	16,649	—	16,649
Liabilities:				
Foreign exchange contracts	$	16,515	—	16,515

Level 2 investments primarily consist of certificates of deposit held at the Field Offices' local banks. Level 2 investments also include time deposits held with the Field Offices' local government and debt securities held by WVI's global offices in the markets of developed countries.

(Amounts in thousands)

(6) Due from/ to Unconsolidated Affiliates

Amounts due from/to unconsolidated affiliates arise from short-term transactions relating to project commitments and investments held for unconsolidated affiliates. Amounts due from/to unconsolidated affiliates at September 30, 2024 and 2023 are as follows:

		2024	2023
Due from unconsolidated affiliates:			
World Vision United States	$	—	5,634
World Vision Korea		709	4,957
World Vision Thailand		1,313	1,102
World Vision Austria		612	602
World Vision Canada		305	518
World Vision Taiwan		624	390
World Vision Hong Kong		180	252
World Vision Switzerland		20	45
World Vision Italy		558	17
Total due from unconsolidated affiliates	$	4,321	13,517

		2024	2023
Due to unconsolidated affiliates:			
World Vision Spain	$	(66)	(132)
World Vision United States		(4,670)	—
World Vision Canada		(429)	—
World Vision India		(4,206)	—
Total due to unconsolidated affiliates	$	(9,371)	(132)

(7) Microfinance Loans Receivable

The Organization operates microenterprise development activities in many countries primarily through MFIs. These community-based loan programs are designed to assist individuals without access to normal banking resources with loans for the development of small business enterprises. These loans consist of funds lent to entrepreneurial individuals, solidarity groups, and community banks for the purpose of furthering economic development in the communities served. Amounts in microfinance loans receivable represent funds lent to the entrepreneurial poor in the respective areas of operation.

Collateral is held by certain MFIs against certain loans to their clients. Such collateral is in the form of land, buildings, vehicles and chattels and covers 26% of the total balance of the loans to MFI clients.

(Amounts in thousands)

Microfinance loans receivable, net at September 30, 2024 and 2023, consist of the following:

		2024	2023
Microfinance loans receivable, gross	$	529,228	564,694
Less loan loss allowance		(9,606)	(12,840)
Microfinance loans receivable, net	$	519,622	551,854

The average loan amount varies by country from one hundred forty eight dollars to two thousand five hundred and sixty seven dollars. The average loan terms commonly range from 3 to 48 months with a weighted average maturity of approximately 24 months.

Interest rates on the outstanding loans vary by country due to varying inflation rates and operating environments. For the years ending September 2024 and 2023, the weighted average annual interest rates charged was 30% and 29%, respectively. In 2024 and 2023, the average loan portfolio for the Organization's consolidated MFIs was $21,169 and $20,915, respectively, with the largest consolidated MFI loan portfolio being $125,210 and $159,512, respectively.

Microfinance loans receivable were concentrated in the following regions as of September 30, 2024 and 2023:

Region of operations		2024	2023
Latin America/Caribbean	$	272,511	259,283
Africa		197,833	248,457
Asia/Pacific		41,532	44,206
Middle East/Eastern Europe		17,352	12,748
Total	$	529,228	564,694

An aging analysis of microfinance loans receivable at September 30, 2024 and 2023, is as follows:

		2024	2023
Current or less than 30 days past due	$	504,806	553,486
31–60 days past due		2,967	2,765
61–90 days past due		2,095	1,948
91 days or more past due		19,360	6,495
	$	529,228	564,694

As of September 30, 2024 and 2023, loans 91 days or more past due totaling $19,360 and $6,495, respectively, were not accruing interest.

(Amounts in thousands)

Changes in the allowance for loan losses for the years ended September 30, 2024 and 2023 are as follows:

Allowance for loan loss		2024	2023
Beginning of year	$	12,840	10,970
Loans written off		(11,998)	(14,723)
Provision for loan losses		7,428	14,486
Recoveries collected		3,885	—
Currency valuation change		(2,549)	2,107
Allowance for loan losses for Asset held for sale		—	—
End of year	$	9,606	12,840

In the years ended September 30, 2024 and 2023, funds recovered from loans written off totaled $3,885 and $5,737, respectively. These amounts are included within other revenue and gains in the accompanying consolidated statements of activities.

(8) Land, Buildings and Equipment, Net

Land, buildings and equipment, net at September 30, 2024 and 2023, consist of the following:

		2024	2023
Land	$	20,949	19,202
Buildings and improvements		68,685	58,164
Computers and software		56,374	52,054
Vehicles		48,387	7,993
Furniture and other equipment		17,532	11,307
Total land, buildings and equipment		211,927	148,720
Less accumulated depreciation		(105,796)	(71,664)
Total land, buildings and equipment, net	$	106,131	77,056

Assets are located in countries the Organization’s operations are located, which includes developed and developing countries and fragile contexts.

Depreciation and amortization expense for the years ended September 30, 2024, and 2023 were $9,133 and $9,953, respectively.

(Continued)

(Amounts in thousands)

(9) Foreign Exchange Contracts

The Organization receives most of its funds from unconsolidated Support Offices throughout the world (as discussed in note 13, Contributions and Gifts-in-Kind Revenue). Planned funding is made annually by the Organization to Field Offices and MFIs in the local currency of the respective countries. In order to protect against adverse fluctuations in such currencies, the Organization may enter into foreign currency forward (FOREX) contracts, which provide for the future exchange of funds at agreed-upon rates. These agreements are recorded at fair value at September 30, 2024 and 2023. Any realized gains or losses as of September 30, 2024 and 2023 are recognized in unrealized loss on foreign exchange contracts in the consolidated statements of activities. It is the Organization's general policy and practice to hold such contracts until maturity.

For the years ended September 30, 2024 and 2023, the Organization recorded unrealized losses of $4,495 and $35,343, respectively, on FOREX contracts held.

At September 30, 2024 and 2023, the Organization had in place foreign currency contracts for purchases of U.S. dollars with notional amounts totaling $397,335 and $664,351, respectively, and sales of U.S. dollars for foreign currencies with notional amounts totaling $167,820 and $198,831, respectively. At September 30, 2024 and 2023, the fair values of FOREX contracts held recognized in the consolidated statements of financial position are assets of $13,768 and $16,649 and liabilities of $17,127 and $16,515, respectively.

(10) Notes Payable

Notes payable represent amounts received from various foundations, individuals, unconsolidated Support Offices, and banking organizations, which extended loans to the Organization to provide funding for its activities. At September 30, 2024 and 2023, a total of $313,130 and $303,756, respectively, in loans was outstanding. Interest rates generally range from 0% to over 15%. These loans are scheduled for repayment as follows:

Fiscal year:		
2025	$	136,021
2026		105,185
2027		52,735
2028		14,234
2029		3,479
2030 and thereafter		1,476
Total	$	313,130

Notes payable are unsecured with the exception of aggregate loans of $8,081 and $14,176 at September 30, 2024 and 2023, respectively, in loans that have been collateralized by the assets of individual MFIs. Each of these collateral agreements represents a first priority guarantee on the assets of a particular MFI. Interest expense totaling $38,142 and $31,246 for the years ended September 30, 2024 and

(Amounts in thousands)

2023, respectively, is recorded in the consolidated statements of activities as microenterprise development program services and supporting activities expense.

VFI has one available unused line of credit from WVI of $5,000 as of September 30, 2024 and 2023. The $5,000 credit line is to address liquidity needs for the Organization and its MFIs.

(11) Net Assets

Consolidated net assets at September 30, 2024 are restricted or designated for the following purposes:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Contributions received restricted for international relief and community development	$ —	220,246	220,246
Contributions of gifts-in-kind restricted for international programs		62,429	62,429
Other revenue received for international relief and community development	323,993	—	323,993
Other revenue received for microenterprise development	179,974	—	179,974
Other designated amounts:			
Christian endowment	14,037	—	14,037
Net unrealized gain on foreign exchange contracts	(3,359)	—	(3,359)
Represented by fixed assets and investments:			
Land, buildings, and equipment, net	106,131		106,131
Investment in captive insurance company	690	—	690
	$ 621,466	282,675	904,141

(Amounts in thousands)

Consolidated net assets at September 30, 2023 are restricted or designated for the following purposes:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Contributions received restricted for international relief and community development	$ —	290,447	290,447
Contributions of gifts-in-kind restricted for international programs	—	66,513	66,513
Other revenue received for international relief and community development	317,507	—	317,507
Other revenue received for microenterprise development	188,875	—	188,875
Other designated amounts:			
Christian endowment	14,019	—	14,019
Net unrealized gain on foreign exchange contracts	134	—	134
Represented by fixed assets and investments:			
Land, buildings, and equipment, net	79,629	—	79,629
Investment in captive insurance company	690	—	690
	$ 600,854	356,960	957,814

(Amounts in thousands)

(12) Endowments

Most states (including California) have adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA governs the appropriation of expenditures from donor-designated endowments, subject to the intent of the donor as expressed in the gift instrument. UPMIFA is not applicable to board-designated endowments. WVI has one board-designated endowment and does not have any donor restricted endowments. WVI has a policy for the board-designated endowment allowing that, annually, the board may appropriate and expend all or part of the accumulated income. The following table provides the endowment activity for 2023 and 2024:

Balance, September 30, 2022	$	14,045
Net investment return		429
Appropriated expenditures		(455)
Balance, September 30, 2023		14,019
Net investment return		674
Appropriated expenditures		(656)
Balance, September 30, 2024	$	14,037

(Amounts in thousands)

(13) Revenues, gains, and other support from donors

Revenue, gains and other support from donors for the year ended September 30, 2024 are from the following:

	Without donor restrictions	With donor restrictions	Total
Contributions:			
World Vision United States	$ 50,900	708,651	759,551
World Vision Canada	16,835	122,705	139,540
World Vision Australia	14,224	112,058	126,282
World Vision Germany	768	128,660	129,428
World Vision Korea	10,008	82,352	92,360
World Vision United Kingdom	4,041	43,606	47,647
World Vision Taiwan	5,100	39,625	44,725
World Vision Hong Kong	5,749	42,013	47,762
World Vision Japan	2,516	31,506	34,022
World Vision New Zealand	2,051	19,641	21,692
World Vision Netherlands	453	21,053	21,506
World Vision Switzerland	1,383	13,105	14,488
World Vision France	123	7,816	7,939
World Vision Finland	212	8,375	8,587
World Vision Austria	254	8,494	8,748
World Vision Malaysia	386	6,277	6,663
World Vision Ireland	137	8,195	8,332
World Vision Spain	45	3,082	3,127
World Vision Italy	6	544	550
Contributions received from nonaffiliated sources through:			
World Vision Singapore	—	12,714	12,714
Other subsidiaries	16,433	117,137	133,570
Subtotal	131,624	1,537,609	1,669,233

(Continued)

(Amounts in thousands)

		Without donor restrictions	With donor restrictions	Total
Gifts-in-kind:				
World Vision United States	$	—	285,717	285,717
World Vision Canada		—	120,218	120,218
World Vision Australia		—	49,127	49,127
World Vision Korea		—	34,272	34,272
World Vision Taiwan		—	16,362	16,362
World Vision Germany		—	31,688	31,688
World Vision Hong Kong		—	11,889	11,889
World Vision New Zealand		—	9,913	9,913
World Vision Japan		—	5,722	5,722
World Vision Switzerland		—	9,814	9,814
World Vision United Kingdom		—	4,220	4,220
World Vision Ireland		—	3,310	3,310
World Vision Italy		—	537	537
World Vision Austria		—	5,021	5,021
World Vision Netherlands		—	5,566	5,566
World Vision Spain		—	1,341	1,341
Gifts-in-kind received from nonaffiliated sources through:				
World Vision Singapore		—	—	—
Other subsidiaries		—	1,341	1,341
Subtotal		—	596,058	596,058
Total	$	131,624	2,133,667	2,265,291

(Amounts in thousands)

Contributions for the year ended September 30, 2023 are from the following:

		Without donor restrictions	With donor restrictions	Total
Contributions:				
World Vision United States	$	56,623	714,904	771,527
World Vision Canada		18,800	135,810	154,610
World Vision Australia		15,948	131,751	147,699
World Vision Germany		860	126,256	127,116
World Vision Korea		11,211	84,132	95,343
World Vision United Kingdom		4,530	55,380	59,910
World Vision Taiwan		5,698	54,196	59,894
World Vision Hong Kong		6,506	46,947	53,453
World Vision Japan		2,813	33,009	35,822
World Vision New Zealand		2,292	23,999	26,291
World Vision Netherlands		499	19,290	19,789
World Vision Switzerland		1,729	13,387	15,116
World Vision France		306	10,887	11,193
World Vision Finland		238	10,278	10,516
World Vision Austria		289	9,741	10,030
World Vision Malaysia		437	7,555	7,992
World Vision Ireland		154	7,791	7,945
World Vision Spain		49	3,062	3,111
World Vision Italy		6	532	538
Contributions received from nonaffiliated sources through:				
World Vision Singapore		—	12,855	12,855
Other subsidiaries		18,294	143,210	161,504
Subtotal		147,282	1,644,972	1,792,254
Gifts-in-kind:				
World Vision United States		—	314,726	314,726
World Vision Canada		—	138,563	138,563
World Vision Australia		—	87,022	87,022
World Vision Korea		—	48,863	48,863
World Vision Taiwan		—	34,462	34,462
World Vision Germany		—	31,541	31,541
World Vision Hong Kong		—	16,723	16,723

(Amounts in thousands)

		Without donor restrictions	With donor restrictions	Total
World Vision New Zealand	$	—	12,451	12,451
World Vision Japan		—	11,324	11,324
World Vision Switzerland		—	8,223	8,223
World Vision United Kingdom		—	5,565	5,565
World Vision Ireland		—	3,623	3,623
World Vision Italy		—	2,991	2,991
World Vision Austria		—	2,477	2,477
World Vision Netherlands		—	1,138	1,138
World Vision France		—	986	986
Gifts-in-kind received from nonaffiliated sources through:				
World Vision Singapore		—	1,743	1,743
Other subsidiaries		—	7,315	7,315
Subtotal		—	729,736	729,736
Total	$	147,282	2,374,708	2,521,990

(14) Gifts-in-Kind Revenue

Contributed non-financial assets received during the years ended September 30 2024 and 2023 are as follows:

		2024	2023
Food	$	540,143	671,149
Clothing		13,922	23,733
Household goods		14,436	12,076
Pharmaceuticals		5,565	5,391
Medical supplies		7,508	5,232
School and office supplies		2,169	2,614
Toys		2,882	1,539
Building supplies		1,249	850
Books		485	735
Other		7,699	6,417
	$	596,058	729,736

Food commodities are either distributed directly to beneficiaries or monetized based on donor requirements. Sales proceeds are used to fund international relief and development programs.

Food revenue granted for distribution is generally recognized when the commodities are delivered to the ultimate destination. Revenue is recognized on the proceeds for food granted for monetization when the proceeds are utilized for program activities.

None of the GIK was monetized in 2024 or 2023. Please refer to note 2(k) for description of the GIK valuation techniques and inputs. All donations will be used according to the donor restrictions, or in their absence, according to programmatic needs.

Contributions may be held in inventory at year-end, resulting in timing differences between their receipt and utilization in programs.

(15) Retirement Plans

(a) Defined Contribution Retirement Plans

(i) Plan for non-U.S. and non-U.K. Employees

WVI has an international defined contribution plan covering substantially all non-U.S. and non-U.K. citizens on an International Assignment (outside their home country) who are not included in the US or UK plans referred to below. Total contributions to this plan for the year ended September 30, 2024 and 2023 were $2,163 and $2,045, respectively.

(ii) Plan for U.S. Employees

WVI also provides U.S. eligible employees a defined contribution plan, which is a qualified plan under Section 403(b) of the Internal Revenue Code. Employees are eligible to make voluntary pre-tax and post-tax contributions beginning the first day of hire. Employees are eligible to receive employer contributions equal to 5% of gross salary after one year of service and matching contributions up to 5% of gross salary, depending on years of service.

WVI contributed for the years ended September 30, 2024 and 2023 were $2,167 and $2,341, respectively. Effective October 1, 2018, employees began receiving enhanced benefits in existing 403(b) plans in lieu of further contributions to the Cash Balance Retirement Plan referred to in 15(b) below. Some of these enhanced benefits were transition provisions that ended on September 30, 2023.

(iii) Plan for UK Employees

For UK employees, WVI has an international defined contribution plan. Total contributions to this plan for the years ended September 30, 2024 and 2023 were $641 and $607, respectively.

(b) Defined Benefit Retirement Plan

WVI participates jointly with World Vision, Inc. (also known as World Vision United States), an unconsolidated affiliate, in a non-contributory Cash Balance Retirement Plan (the Plan) for substantially all regular full-time WVI staff working in the U.S. or who are U.S. taxpayers. The assets of the Plan are held in trust by an external trustee. Under the Plan, an annual pay credit and interest credit are added to a participant’s balance each December. The annual pay credit is based on a participant’s pay and age. The annual interest credit is determined by multiplying a participant’s previous year account balance by the interest rate. The interest rate is set each November for the following year and currently is established as the 30-year US Treasury rate. The amount of employer contributions is determined based on actuarial valuations and recommendations as to the amounts required to fund benefits under this Plan. Effective September 30, 2018, the plan was frozen and no additional pay credits will be earned after that date.

(Amounts in thousands)

WVI and World Vision, Inc. established a grandfathered minimum guaranteed benefit provision for participants covered under the prior plan at September 1, 1998. Upon withdrawing from the Plan, those participants will receive the greater of the minimum guaranteed benefit or the accrued benefit under the Cash Balance Plan. Participants that have terminated prior to January 1, 1999, are only covered by the grandfathered benefit and can only be paid out with a normal monthly pension.

The following table sets forth the actuarial assumptions related to the Plan. Assumptions as of September 30, 2024 and 2023 are as follows:

	2024	2023
Discount rate	4.70 %	5.55 %
Expected return on Plan assets	5.50	5.50
Assumed interest crediting rate to participants	4.47	3.55

Each year, the discount rate is determined as of the measurement date based on a review of interest rates associated with long-term high-quality debt instruments. The rate is based on management's understanding of the current economic environment and the Plan's expected future benefit payments. The expected return on Plan assets represents the long-term rate of return that the Joint Pension Committee assumes will be earned over the life of the pension assets. Management believes the assumed rate is appropriate based on historical returns.

(Amounts in thousands)

The following tables provide a reconciliation of benefit obligations, Plan assets, and funded status of the Plan for the years ended September 30, 2024 and 2023:

	2024		2023	
	WVI	**Total plan**	**WVI**	**Total plan**
Change in benefit obligations:				
Projected benefit obligations at beginning of year	$ 27,408	94,738	30,029	99,041
Service cost	57	200	49	170
Interest cost	1,428	4,974	1,317	4,555
Changes in assumptions	2,283	7,949	(1,609)	(2,924)
Actuarial gain / (loss)	74	257	304	1,051
Benefits paid	(1,838)	(3,968)	(2,633)	(6,985)
Settlements	(1,665)	(6,127)	—	—
Expenses paid	(57)	(200)	(49)	(170)
Effect of changes in allocation%	395	—	—	—
Projected benefit obligations at end of year	$ 28,085	97,823	27,408	94,738
Accumulated benefit obligations at end of year	$ 28,085	97,823	27,408	94,738

	2024		2023	
	WVI	**Total plan**	**WVI**	**Total plan**
Change in Plan assets:				
Plan assets at fair value at beginning of year	$ 29,217	100,990	31,958	105,400
Actual return on Plan assets	4,384	15,270	(43)	2,796
Benefits paid	(1,838)	(3,968)	(2,634)	(6,985)
Settlements	(1,664)	(6,127)	—	—
Expenses paid	(70)	(245)	(64)	(221)
Effects of changes in allocation %	382	—	—	—
Plan assets at fair value at end of year	$ 30,411	105,920	29,217	100,990
Funded status	$ 2,326	8,097	1,809	6,252

(Amounts in thousands)

		2024	2023
Asset recognized in the consolidated statement of financial position as funded status asset	$	2,325	1,809
Amounts recognized in the consolidated statements of activities as other gains and (losses) consist of:			
Pension plan adjustments	$	573	(70)

For the years ended September 30, 2024 and 2023, the benefit obligation increased primarily due to the decrease in the discount rate.

Net periodic benefit credit cost for WVI includes the following components for the years ended September 30, 2024 and 2023, as follows:

		2024	2023
Service cost	$	57	49
Interest cost		1,428	1,317
Expected return on plan assets		(1,511)	(1,393)
Amortization of net loss		251	242
Net periodic benefit credit cost	$	225	215

(c) *Fair Value of Plan Assets*

The Plan employs an asset allocation investment strategy designed to achieve a diversified portfolio mix that will maximize return while maintaining a moderate risk profile. The Plan does not employ leverage and is prohibited by policy from investing in derivative financial instruments.

The following table presents total plan assets that are measured at fair value at September 30, 2024:

		2024	Level 1	Level 2	Level 3
Cash equivalents	$	2,892	2,889	3	—
Equity securities		4,980	4,980	—	—
Mutual funds:				—	—
Equities		3,251	3,251	—	—
Bonds		33,396	33,396	—	—
Other fixed income		61,401	61,401	—	—
Total plan assets measured at fair value	$	105,920	105,917	3	—

(Amounts in thousands)

The following table presents total plan assets that are measured at fair value at September 30, 2023:

	2023	Level 1	Level 2	Level 3
Cash equivalents	$ 1,492	1,489	3	—
Equity securities	3,884	3,884	—	—
Mutual funds:				
Equities	2,433	2,433	—	—
Other fixed income	93,181	93,181	—	—
Total plan assets measured at fair value	$ 100,990	100,987	3	—

Most of the investments held by the Plan have been classified within Level 1. The Plan holds some investments within Level 2.

(d) Estimated Future Payments

Due to the funded status of the Plan, the Plan contribution for the year ending September 30, 2025 is expected to be $0. Assuming all participants commenced benefit payments at age 65 in the form of an immediate lump-sum payout, the following schedule estimates future benefit payments, in the years ended September 30:

	WVI	Total plan
2024	$ 2,785	8,354
2025	2,754	8,263
2026	2,740	8,219
2027	2,711	8,133
2028	2,681	8,043
2029–2033	11,925	35,776
	$ 25,596	76,788

(Amounts in thousands)

(16) Leases

The Organization has commitments related to operating leases for building facilities, equipment, motor vehicles and land at September 30, 2024 and 2023. The leases expire on various dates through December 2033.

Lease costs and other related information were as follows for the years ended September 30:

		2024	2023
Lease cost:			
Operating lease costs	$	18,420	21,494
Other information:			
Weighted average discount rate – operating leases		7.32%	6.20%
Weighted average remaining lease term – operating leases		3.91 years	3.39 years

Supplemental cash flow information related to the leases is as follows at September 30:

		2024	2023
Cash paid for operating leases	$	17,952	18,256
Right-of-use assets obtained in exchange for new operating lease liabilities		9,423	7,016

As of September 30, 2024, the future maturities of operating lease liabilities were as follows:

		Operating leases
Year ending September 30:		
2025	$	10,336
2026		5,215
2027		3,226
2028		1,975
2029		1,083
2030 and thereafter		2,357
Total minimum lease payments		24,192
Present value of the cash flows		21,575
Difference between discounted and undiscounted cash flows	$	2,617

(Amounts in thousands)

As of September 30, 2023, the future maturities of operating lease liabilities were as follows:

		Operating leases
Year ending September 30:		
2024	$	17,019
2025		10,416
2026		7,405
2027		2,922
2028		1,250
2029 and thereafter		1,379
Total minimum lease payments		40,391
Present value of the cash flows		36,514
Difference between discounted and undiscounted cash flows	$	3,877

(17) Commitments and Contingencies

The Organization is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position.

Grant programs funded by various governments, multilateral entities, and other grantors are subject to review by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenditures. Management believes that it has adhered to the terms of its grants and that any disallowed expenditures resulting from such reviews would not have a material effect on the financial position of the Organization.

(18) Sale of Subsidiary

In January 2023, VFI sold its 100% ownership in SEF International Universal Credit Organization LLC for a cash consideration. An impairment loss provision of $693 was provided in fiscal year 2022. SEF International Universal Credit Organization LLC had $212 changes in net assets from discontinued operations during fiscal year 2023 before it was sold. The decision to exit operations in Armenia was made as part of continuing efforts to focus the Organization's network on countries and areas which will result in the most impact via the largest number of children being reached.

(Amounts in thousands)

The balances relating to SEF International Universal Credit Organization LLC as of and for the years ended September 2024 and 2023 are as follows:

		2024	2023
Results of discontinued operations:			
Revenue	$	—	2,045
Expenses		—	2,257
Changes in net assets from discontinued operations	$	—	(212)

(19) Deconsolidation of World Vision India

In January 2024, the Government of India cancelled World Vision India's Foreign Contribution Regulation Act (FCRA) license, preventing it from receiving international funding for three years. As a result, World Vision India now operates solely on locally generated revenue, with no financial support from World Vision International (WVI) or its related entities. For financial year 2023, World Vision India received $11,587 in total revenue, of which $2,469 (21%) was funded by WVI, while $9,118 (79%) was locally generated. By FY24, all of World Vision India's revenue, $9,190 was locally sourced (100%), with no contributions from WVI.

WVI no longer has the level of control and economic interest to justify permissive discretionary consolidation in FY24.

These changes do not materially impact on WVI's financial position. Management will continue monitoring developments and reassess consolidation if circumstances change.

(20) Subsequent Events

Subsequent events have been evaluated from September 30, 2024 through April 22, 2025, which is the date these consolidated financial statements were available to be issued.

(a) U.S. Government Foreign Assistance Review

In accordance with the President of United States of America's Executive Order on Reevaluating and Realigning United States Foreign Aid, on January 24, 2025, the U.S. Department of State (DOS) and the United States International Development Agency (USAID) issued separate directives to recipients of federal government funds, pausing most existing foreign acquisition and assistance programs and temporarily halting new aid commitments for a 90-day review period. Emergency food and certain life-saving humanitarian aid assistance awards, including essential medicine, and shelter, have been exempted from this pause.

This development affects funding that World Vision received directly from the U.S. government and indirectly from multi-lateral international agencies that receive U.S. federal funds. For the fiscal year ended September 30, 2024, World Vision International (WVI) received $318,071 in direct funding from the U.S. government, representing approximately 10% of WVI's total consolidated revenue. At the date of issuance of these financial statements, the organization is monitoring the situation and assessing potential implications. Given the evolving nature of the review period, the ultimate impact on WVI's financial position and operations cannot be determined at this time.