



World Vision[®]

Building a better world for children

Consolidated Financial Statements
World Vision, Inc. and Affiliates
(With Independent Auditors' Report Thereon)

September 30, 2009 and 2010

Report of Independent Auditors



KPMG LLP
Suite 900
801 Second Avenue
Seattle, WA 98104

Independent Auditors' Report

The Board of Directors
World Vision, Inc.:

We have audited the accompanying consolidated statements of financial position of World Vision, Inc. and affiliates (the Organization) as of September 30, 2009 and 2010, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of World Vision, Inc. and affiliates as of September 30, 2009 and 2010, and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 16 to the consolidated financial statements, the Organization adopted the measurement date provisions of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (Accounting Standards Codification 958-715-65), for the year ended September 30, 2009.

December 13, 2010

KPMG LLP

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Consolidated Statements of Financial Position

Assets	Notes	2009	2010
Cash and cash equivalents		\$5,158	\$12,824
Accounts receivable from the United States Agency for International Development (USAID)		18,658	21,547
Accounts, notes, and other receivables, net		10,754	995
Marketable securities	note 4	8,810	10,135
Investments in pooled funds	note 5	65,275	72,976
Real estate held as investment		914	1,914
Inventory, net	note 7	85,493	78,352
Inventory held for others	note 7	4,521	-
Other assets		5,360	7,089
Prepaid funding		5,499	1,703
Fixed assets, net	note 8	65,372	62,405
Charitable trusts receivable		7,429	11,513
Assets held in trust		14,550	14,963

TOTAL ASSETS		\$297,793	\$296,416
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Liabilities and net assets	Notes	2009	2010
Liabilities:			
Accounts payable and accrued expenses		\$27,809	\$22,146
Due to World Vision International		63,054	55,263
Commodities payable		12,730	-
Notes payable	note 9	5,845	5,295
Accrued pension liability	note 16	15,402	9,610
Charitable gift annuities		4,148	4,758
Deferred revenue		28,068	14,694
Amounts held for others	note 11	9,783	10,248
Total liabilities		166,839	122,014
Net assets:			
Unrestricted	note 12	55,243	67,957
Temporarily restricted	note 12	70,381	100,828
Permanently restricted	note 12	5,330	5,617
Total net assets		130,954	174,402

TOTAL LIABILITIES AND NET ASSETS		\$297,793	\$296,416
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See accompanying notes to consolidated financial statements.

2009					
	Notes	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue					
Contributions, primarily private cash		\$33,566	\$421,057	\$1,137	\$455,760
Public cash and food commodity grants	note 13	343,938	-	-	343,938
Gifts-in-kind	note 14	103,484	309,830	-	413,314
Other income/(loss), net		7,787	3,074	(64)	10,797
Net assets released due to expiration of time: split-interest agreements		460	(460)	-	-
Net assets released due to satisfaction of program restrictions		734,912	(734,745)	(167)	-
TOTAL SUPPORT & REVENUE		1,224,147	(1,244)	906	1,223,809
Operating expenses					
Program services					
Funding of World Vision International:					
Child sponsorship		206,400	-	-	206,400
Relief and rehabilitation, community development, and Christian impact and leadership projects		356,097	-	-	356,097
Gifts-in-kind		233,728	-	-	233,728
Other international relief and development programs		137,255	-	-	137,255
Domestic programs		114,784	-	-	114,784
Public awareness and education		7,638	-	-	7,638
Sponsorship programs		3,117	-	-	3,117
Gifts to other ministries		7,423	-	-	7,423
Total program services		1,066,442	-	-	1,066,442
Supporting services					
Management and general		48,935	-	-	48,935
Fundraising		91,015	-	-	91,015
Total supporting services		139,950	-	-	139,950
TOTAL OPERATING EXPENSES		1,206,392	-	-	1,206,392
Change in net assets before the pension actuarial loss and effect of adoption of measurement date provision on pension plan		17,755	(1,244)	906	17,417
Pension actuarial loss		(11,945)	-	-	(11,945)
Effect of adoption of measurement date provision on pension plan	note 16	(856)	-	-	(856)
CHANGE IN NET ASSETS		4,954	(1,244)	906	4,616
Net assets, beginning of year		50,289	71,625	4,424	126,338
NET ASSETS, END OF YEAR		\$55,243	\$70,381	\$5,330	\$130,954

2010					
	Notes	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue					
Contributions, primarily private cash		\$39,356	\$488,577	\$129	\$528,062
Public cash and food commodity grants	note 13	240,950	-	-	240,950
Gifts-in-kind	note 14	60,809	190,370	-	251,179
Other income, net		19,077	1,120	158	20,355
Net assets released due to expiration of time: split-interest agreements		515	(515)	-	-
Net assets released due to satisfaction of program restrictions		649,105	(649,105)	-	-
TOTAL SUPPORT & REVENUE		1,009,812	30,447	287	1,040,546
Operating expenses					
Program services					
Funding of World Vision International:					
Child sponsorship		224,984	-	-	224,984
Relief and rehabilitation, community development, and Christian impact and leadership projects		322,605	-	-	322,605
Gifts-in-kind		99,655	-	-	99,655
Other international relief and development programs		81,328	-	-	81,328
Domestic programs		105,247	-	-	105,247
Public awareness and education		6,950	-	-	6,950
Sponsorship programs		3,568	-	-	3,568
Gifts to other ministries		6,832	-	-	6,832
Total program services		851,169	-	-	851,169
Supporting services					
Management and general		46,840	-	-	46,840
Fundraising		104,311	-	-	104,311
Total supporting services		151,151	-	-	151,151
TOTAL OPERATING EXPENSES		1,002,320	-	-	1,002,320
Change in net assets before the pension actuarial gain and effect of adoption of measurement date provision on pension plan		7,492	30,447	287	38,226
Pension actuarial gain		5,222	-	-	5,222
Effect of adoption of measurement date provision on pension plan	note 16	-	-	-	-
CHANGE IN NET ASSETS		12,714	30,447	287	43,448
Net assets, beginning of year		55,243	70,381	5,330	130,954
NET ASSETS, END OF YEAR		\$67,957	\$100,828	\$5,617	\$174,402

See accompanying notes to consolidated financial statements.

	2009 Program Services				
	International Programs	Domestic Programs	Public Awareness and Education	Sponsorship Programs	Total Program Services
Funding of World Vision International and U.S. domestic programs:					
Child sponsorship	\$206,400	\$ -	\$ -	\$ -	\$206,400
Relief and rehabilitation, community development, and Christian impact and leadership projects	342,530	271	-	-	342,801
Gifts-in-kind	233,728	97,819	-	-	331,547
Other international relief and development programs	132,837	-	-	-	132,837
Gifts to other ministries	-	7,423	-	-	7,423
Salaries and benefits	12,368	9,573	4,127	2,219	28,287
Professional services	1,647	372	1,261	95	3,375
Media and advertising	14	16	741	1	772
Freight and postage	50	70	153	311	584
Printing	53	87	233	6	379
Travel	1,227	921	516	36	2,700
Telephone and communication	349	205	67	64	685
Occupancy	462	2,709	189	227	3,587
Supplies	217	1,682	218	37	2,154
Equipment	81	79	31	15	206
Repairs and maintenance	757	193	11	46	1,007
Interest	77	21	3	2	103
Depreciation	594	737	52	56	1,439
Other	89	29	36	2	156
TOTALS	\$933,480	\$122,207	\$7,638	\$3,117	\$1,066,442

continued . . .	2009 Supporting Services			Total
	Management and General	Fundraising	Total Supporting Services	2009
Funding of World Vision International and U.S. domestic programs:				
Child sponsorship	\$ -	\$ -	\$ -	\$206,400
Relief and rehabilitation, community development, and Christian impact and leadership projects	-	-	-	342,801
Gifts-in-kind	-	-	-	331,547
Other international relief and development programs	-	-	-	132,837
Gifts to other ministries	-	-	-	7,423
Salaries and benefits	26,674	37,086	63,760	92,047
Professional services	3,369	14,530	17,899	21,274
Media and advertising	218	13,822	14,040	14,812
Freight and postage	464	7,917	8,381	8,965
Printing	285	8,955	9,240	9,619
Travel	989	3,265	4,254	6,954
Telephone and communication	591	715	1,306	1,991
Occupancy	2,238	2,169	4,407	7,994
Supplies	517	846	1,363	3,517
Equipment	301	280	581	787
Repairs and maintenance	2,686	441	3,127	4,134
Interest	60	30	90	193
Depreciation	5,332	790	6,122	7,561
Other	5,211	169	5,380	5,536
TOTALS	\$48,935	\$91,015	\$139,950	\$1,206,392

See accompanying notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

	2010 Program Services				
	International Programs	Domestic Programs	Public Awareness and Education	Sponsorship Programs	Total Program Services
Funding of World Vision International and U.S. domestic programs:					
Child sponsorship	\$224,984	\$ -	\$ -	\$ -	\$224,984
Relief and rehabilitation, community development, and Christian impact and leadership projects	308,185	227	-	-	308,412
Gifts-in-kind	99,655	88,128	-	-	187,783
Other international relief and development programs	78,386	-	-	-	78,386
Gifts to other ministries		6,832	-	-	6,832
Salaries and benefits	12,476	8,815	3,767	2,724	27,782
Professional services	1,510	448	1,121	40	3,119
Media and advertising	9	78	410	-	497
Freight and postage	27	82	144	256	509
Printing	7	199	305	3	514
Travel	1,192	1,156	538	58	2,944
Telephone and communication	318	181	51	74	624
Occupancy	440	2,550	123	204	3,317
Supplies	216	2,227	267	29	2,739
Equipment	129	159	51	43	382
Repairs and maintenance	475	139	26	43	683
Interest	10	5	2	1	18
Depreciation	497	812	115	85	1,509
Other	56	41	30	8	135
TOTALS	\$728,572	\$112,079	\$6,950	\$3,568	\$851,169

<i>continued . . .</i>	2010 Supporting Services			Total
	Management and General	Fundraising	Total Supporting Services	2010
Funding of World Vision International and U.S. domestic programs:				
Child sponsorship	\$ -	\$ -	\$ -	\$224,984
Relief and rehabilitation, community development, and Christian impact and leadership projects	-	-	-	308,412
Gifts-in-kind	-	-	-	187,783
Other international relief and development programs	-	-	-	78,386
Gifts to other ministries	-	-	-	6,832
Salaries and benefits	22,945	39,130	62,075	89,857
Professional services	3,706	17,321	21,027	24,146
Media and advertising	427	18,939	19,366	19,863
Freight and postage	519	8,934	9,453	9,962
Printing	284	9,193	9,477	9,991
Travel	1,063	4,273	5,336	8,280
Telephone and communication	522	739	1,261	1,885
Occupancy	1,952	2,333	4,285	7,602
Supplies	600	1,302	1,902	4,641
Equipment	767	667	1,434	1,816
Repairs and maintenance	2,513	396	2,909	3,592
Interest	20	13	33	51
Depreciation	5,495	943	6,438	7,947
Other	6,027	128	6,155	6,290
TOTALS	\$46,840	\$104,311	\$151,151	\$1,002,320

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Operating activities	2009	2010
Change in net assets	\$4,616	\$43,448
<i>Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities:</i>		
Pension actuarial loss/(gain)	11,945	(5,222)
Effect of change in measurement date	856	-
Depreciation and amortization	7,561	7,947
Realized and unrealized loss/(gain) on investments	381	(12,376)
Loss on disposal of equipment	23	120
Non-cash contributions	(4,946)	(10,534)
Non-cash (increase)/decrease in inventory, net	(3,338)	7,141
Non-cash (increase)/decrease in inventory held for others, net	(4,521)	4,521
Contributions restricted for investment in endowment	(461)	(129)
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable from USAID	3,703	(2,889)
Accounts and other receivables	(8,020)	9,977
Other assets	595	(1,467)
Prepaid funding	2,331	3,796
Charitable trusts receivable	107	930
Assets held in trust	(41)	(413)
Accounts payable and accrued expenses	(3,391)	(5,663)
Commodities payable	12,730	(12,730)
Accrued pension contribution	(997)	(570)
Due to World Vision International	(67,557)	(7,791)
Charitable gift annuities	125	610
Deferred revenue	(15,874)	(13,374)
Amounts held for others	412	465
Net cash (used in)/provided by operating activities	(63,761)	5,797
Investing activities		
Purchase of marketable securities	(1,334)	(1,802)
Proceeds from the sale of marketable securities	8,779	4,555
Purchase of investment in pooled funds	(338,814)	(220,620)
Proceeds from the sale of investment in pooled funds	399,800	225,344
Acquisition of fixed assets	(5,390)	(5,201)
Proceeds from sale of equipment	23	107
Proceeds from sales of donated real estate held as investment	-	25
Principal collected on notes receivable	394	477
Advances on new notes receivable	(262)	(595)
Net cash provided by investing activities	63,196	2,290
Financing activities		
Proceeds from contributions restricted for investment in endowment	461	129
Principal payments on notes payable	(2,730)	(550)
Net cash (used in) financing activities	(2,269)	(421)
Net (decrease)/increase in cash and cash equivalents	(2,834)	7,666
Cash and cash equivalents, beginning of year	7,992	5,158
CASH AND CASH EQUIVALENTS, END OF YEAR	\$5,158	\$12,824
Cash paid during the year for interest	\$193	\$51

See accompanying notes to consolidated financial statements.

(1) Organization and Operations

The consolidated financial statements include the accounts of World Vision, Inc. and its wholly owned and controlled affiliates (collectively, the Organization): World Vision Foundation (Foundation), World Vision Properties LLC (WVPLLC), World Vision Real Properties LLC (WVRPLLC), and Tower Business Park LLC (TBPLLC). All intercompany transactions and accounts have been eliminated.

World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. World Vision provides emergency relief and long-term community development programs, including local leadership training, in nearly 100 countries around the world. The Organization also educates the public on poverty- and justice-related issues and advocates on behalf of the impoverished and oppressed. World Vision serves all people, regardless of religion, race, ethnicity, or gender. World Vision strives to maximize its impact by partnering with other development groups, local organizations, and churches. The majority of World Vision, Inc. programs are carried out worldwide through World Vision International, a related entity. World Vision, Inc. is organized as a nonprofit corporation under the laws of the State of California and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Donors of cash and/or property are entitled to the maximum charitable contribution deduction allowed by law. 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. The Organization adopted the provisions of ASC 740 for the year ended September 30, 2010. There are no such uncertain tax positions for the Organization at September 30, 2010.

The Foundation is a trust established by World Vision, Inc. in 2002 under the laws of the State of California, as a supporting organization. The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions.

WVPLLC is a single-purpose entity organized by World Vision, Inc. in 2002 under the laws of the District of Columbia for the purpose of holding legal title to the land and building in Washington, D.C. where World Vision has offices.

WVRPLLC is a single-purpose entity organized by World Vision, Inc. in 2007 under the laws of the State of Nevada for the purpose of holding legal title to donated real estate.

TBPLLC is a single-purpose entity created under the laws of the State of Oregon for the purpose of property development. On December 1, 2003, 100% of the membership interest of TBPLLC was contributed to World Vision, Inc.

(2) Summary of Significant Accounting Policies**(a) Basis of Accounting**

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

(b) 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, the 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.

(c) Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, grants and other receivables, loan funds receivable and payable, and borrowings approximate fair value as of September 30, 2009 and 2010, due to the relatively short maturity of these instruments.

(2) Summary of Significant Accounting Policies, continued**(d) Cash Equivalents**

Cash equivalents consist primarily of money market instruments with original maturities of three months or less at the date of acquisition and are considered Level I investments.

(e) Concentration of Credit Risk

The Organization maintains demand deposits in a commercial bank that are in excess of Federal Deposit Insurance Corporation insurance limits at September 30, 2009 and 2010. The Organization performs an ongoing evaluation of the commercial bank to limit its concentration of credit risk exposure. Additionally, the Organization is exposed to credit loss for certain investments in the event of nonperformance by the other parties to the investment transactions. However, the Organization does not anticipate nonperformance by the other parties.

(f) Accounts, Notes, and Other Receivables

Accounts, notes, and other receivables consist of trade receivables, notes receivable, and pledges receivable. Trade receivables, primarily grant receivables, are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts, considering the debtor's financial condition and current economic conditions, and using historical experience applied to an aging of the trade receivables. Trade receivables are expensed when deemed uncollectible. Recoveries of trade receivables previously expensed are recorded when received.

Notes receivable are carried at cost, less an allowance for uncollectible accounts. The allowance for uncollectible accounts for the years ended September 30, 2009 and 2010 was \$272 and \$280, respectively. Interest is accrued monthly, based on the rate stated in the note. Interest is accrued on notes receivable unless receivables are deemed uncollectible.

Pledges receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed at the rate commensurate with the risks involved and upon the rate applicable to the year in which the promise is received. Conditional promises to give are not included as support or pledges receivable until such a time as the conditions are substantially met. As of September 30, 2010 the Organization had outstanding \$39,863 in conditional promises to give. Of the conditional promises to give outstanding, \$35,520 was conditioned upon the raising of matching funds and \$4,343 was conditioned upon the completion of specific programmatic performance milestones.

(g) Investments

Investments are stated at fair value, except for notes receivable, which are stated at cost. The investment goal of the Organization is to invest its assets in a manner that will achieve a total rate of return that exceeds the rate of inflation and meets or exceeds the investment return objectives of World Vision, Inc. funds and reserves. These funds include those internally or donor-designated for various purposes such as working capital, endowments, donor advised funds, and others. To achieve this goal, some investment risk must be taken. To minimize such risk, the Organization diversifies its investments among various financial instruments and asset categories, and uses multiple investment strategies and investment managers. All financial assets are held in custody for the Organization in propriety accounts.

The majority of the Organization's financial assets are invested in U.S. government securities, mutual funds, corporate bonds, and equities. Investment transactions are recognized on a trade-date basis.

(h) Donor Advised Funds and Designated Funds

These assets represent amounts available for distribution in donor advised funds and designated funds (the Funds). The Funds are established only for charitable, religious, or educational purposes and are used for the support of charitable organizations whose purposes are not inconsistent with those of the Organization. Assets of the Funds include the initial gift made in

(2) Summary of Significant Accounting Policies, continued

creating the fund, any subsequent property gifts made into the Funds, and all income and other proceeds from the foregoing property. The Organization recognizes income to the Funds when assets are contributed. The Funds are the property of the Organization and may be commingled with other funds held by it. The Organization has ultimate authority and control over all property in the Funds; however, some designated funds have donor-imposed restrictions. Grants from the Funds are initiated differently for donor advised funds and designated funds. For donor advised funds, donors typically recommend which other organizations should receive grants from their donor advised fund. The Organization usually follows such recommendations, though it is not required to do so. All grants made to other organizations from donor advised funds are recorded as gifts to other ministries under program expenses. For designated funds, generally the donors or a selected member or members of the Organization determine which programs within the Organization should receive distributions from the designated funds. Donor-imposed restrictions are honored by the Organization. Grants of designated funds are recorded as program expenses.

(i) Property and Equipment

Land, buildings and leasehold improvements, equipment, and computer software are recorded at cost when purchased and at estimated fair value at the date of gift if donated. Depreciation of buildings, equipment, and computer software, including amortization of assets recorded under capital leases, is provided on a straight-line basis over the estimated useful lives of the respective assets, generally three to ten years for equipment, seven to forty years for buildings and building improvements, three to eight years for computer software, and over the life of the lease on capital leases.

The costs of repairs and maintenance and depreciation are charged to expense. Upon the sale or retirement of the property and equipment, the related cost and accumulated depreciation are removed from the accounts and the resulting gains or losses are reflected in the statements of activities.

Property 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 their carrying values.

(j) Charitable Trusts Receivable

Charitable trusts are trusts that represent the Organization's interest in outside trust accounts. These trusts are created by donors independently of the Organization and are neither in the possession nor under the control of the Organization. The trusts are administered by outside agents as designated by the donor. The Organization records the fair value, using present value calculations and discounted at the rate that is commensurate with the risks involved. The trusts are recognized as revenue when the Organization is notified that it has been named as an irrevocable beneficiary. The Organization acts as trustee for similar trusts as noted under Assets Held in Trust.

(k) Assets Held in Trust

The Organization acts as trustee, or has been named as successor trustee, for various revocable and irrevocable trusts. These trusts are governed by their respective written agreements, which provide for the assets to become the property of the Organization, in whole or in part, after the occurrence of specific events. Accordingly, the assets of such trusts, where the Organization acts as trustee, are reflected in the accompanying consolidated financial statements of the Organization at fair value with a related liability at net present value which is reported as amounts held for others. The Organization discharges its fiduciary duties pursuant to these agreements under the direction of the Board of Directors and management. Generally, any trust assets held by the Organization are held in the name of the Organization as trustee for a particular trust. The irrevocable and revocable trusts, where the Organization acts as trustee, are administered by TIAA-CREF Trust Company. The Organization continues to act as trustee of these trusts and has named TIAA-CREF Trust Company co-trustee to aid them in their administration.

(l) Charitable Gift Annuities

Under charitable gift annuity contracts, the Organization receives irrevocable title to contributed assets and agrees to make fixed-period payments over various periods, generally the life of the donor. Contributed assets are recorded at fair

(2) Summary of Significant Accounting Policies, continued

value at the date of receipt and a liability is established for the present value of future annuity payments. The assets to fund these liabilities are maintained in a separate and distinct fund and are invested in accordance with applicable state laws and reserve requirements. In addition to these assets, the Organization set aside an additional Gift Annuity reserve of \$2,603 and \$2,720 at September 30, 2009 and 2010, respectively, which is included in Investments in Pooled Funds (note 5). The excess of contributed assets over the annuity liability is recorded as unrestricted contribution revenue. Any actuarial gain or loss resulting from the computation of the liability for the present value of future annuity payments is recorded as an unrestricted change in the value of split-interest agreements. Upon termination of the annuity contract, the remaining liability is recognized as change in value of split-interest revenue.

(m) Net Assets

The Organization's net assets and changes therein are classified and reported as follows:

Permanently Restricted Net Assets – Permanently restricted net assets represent the historical dollar amounts of gifts, including pledges and trusts, subject to donor-imposed stipulations to be invested in perpetuity, and only the income may be available for program operations.

Temporarily Restricted Net Assets – Temporarily restricted net assets are comprised of gifts, including pledges and trusts, as well as income and gains that can be expended, but for which restrictions have not yet been met. Such restrictions include purpose restrictions wherein donors have specified the purpose for which the net assets are to be spent or time restrictions are imposed or implied by the nature of the gift (pledges to be paid in the future, life-income funds, and unappropriated earnings of permanent endowments). When a restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released due to satisfaction of program restrictions.

Unrestricted Net Assets – Unrestricted net assets are all the remaining net assets of the Organization. The only limits on unrestricted net assets are broad limits resulting from the nature of the Organization and purposes specified in its articles of incorporation or bylaws and any limits resulting from contractual agreements.

(n) Contributions

Contributions are recorded as revenue when an unconditional promise to give has been made. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the donor intent.

(o) Grant Revenue

Cash grant revenue is recognized in the period the Organization incurs reimbursable program expenditures. Food commodities and freight reimbursement received through the United States Agency for International Development (USAID) are valued using guidelines published by the United States Department of Agriculture and USAID. Food inventory and deferred revenue are recorded when the Organization receives title to the food using the cost values provided by the donor and costs incurred by World Vision as the inputs for determining fair value.

Food revenue granted for distribution is generally recognized when the commodities are delivered to the ultimate destination. Proceeds received on commodities that are monetized (sold) are recorded as prepaid funding and deferred revenue. Revenue is recognized on the proceeds for food granted for monetization when the proceeds are utilized for program activities.

(p) Gifts-in-Kind

Gifts-in-kind (GIK) received through private donations are recorded in accordance with GAAP and industry standards, referred to as the Interagency GIK Standards, as developed by an interagency task force appointed by the Association of Evangelical Relief and Development Organizations (AERDO). GIK are valued and recorded 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 market considering their condition and utility for use at the time the goods are contributed by the donor. The Organization does not sell donated GIK and only distributes the goods for program use.

(2) Summary of Significant Accounting Policies, continued

Nonpharmaceutical GIK contributions received by the Organization have been valued at their estimated wholesale value as provided by the donor, or, in the absence of the donors' valuation, using "like-kind" methodology that references United States wholesale pricing data for similar products.

Pharmaceutical GIK contributions of products legally permissible to be sold in the United States are valued using a hierarchy of pricing source inputs that approximates wholesale prices in the United States. Pharmaceutical GIK contributions of products not legally permissible to be sold in the United States, but approved for sale outside the United States, are valued based upon wholesale market price data in countries representing principal exit markets of such products.

Gift-in-kind 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. The inventory is valued at wholesale values estimated by the Organization. The Organization believes that this approximates the lower of cost or market.

(q) Other Income

Other income consists primarily of actuarial adjustments, and realized and unrealized investment revenue, gains, and losses.

(r) Contributed Services

A substantial number of volunteer workers have donated significant amounts of their time to the Organization that are not reflected in the accompanying consolidated financial statements, as the services provided do not meet the required criteria.

(s) Self-Insurance

The Organization is self-insured for 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. The Organization holds a stop-loss policy that limits the maximum liability for benefits payable under such claims. Adjustments to expenses resulting from changes in historical loss trends have been insignificant for the years ended September 30, 2009 and 2010. Further, the Organization does not anticipate any significant change in loss trends, settlements, or other costs that would cause a significant change in net assets.

(t) Functional Allocation of Expenses

The costs of providing certain activities of the Organization have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs of joint activities related to fundraising, management and general, sponsorship programs, and public awareness have been allocated as indicated among the ministry and supporting services benefited.

(u) Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current presentation.

(3) Fair Value

The Organization has adopted fair value measurement as required by SFAS No. 157, *Fair Value Measurements* (ASC Subtopic 820-10-55), for its nonfinancial assets and liabilities and Retirement Plan assets. In accordance with the statement, 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 ASC to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements 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:

(3) Fair Value, continued

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.

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 profile of that asset.

As a result of this pronouncement, the Organization adopted a method of valuing its pharmaceutical GIK that provides a value which is comparable to fair market value in the principal exit markets. This change took effect in the fiscal year ended September 30, 2010.

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2009:

Marketable securities	September 30, 2009	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Government securities	\$556	\$ -	\$556	\$ -
Equity securities	310	241	-	69
Mutual funds:				
domestic equities	3,612	3,612	-	-
international equities	313	313	-	-
domestic bonds	2,924	2,924	-	-
Corporate bonds	1,095	-	1,095	-
Total marketable securities	\$8,810	\$7,090	\$1,651	\$69

Investments				
Cash equivalents	\$6,315	\$6,315	\$ -	\$ -
Equity securities	22,391	22,391	-	-
Mutual funds:				
domestic equities	4,977	4,977	-	-
international equities	3,184	3,184	-	-
domestic bonds	5,767	5,767	-	-
Real estate investment trusts	1,343	1,343	-	-
Residential mortgage-backed securities	402	-	402	-
Corporate bonds	1,998	-	1,998	-
Master limited partnerships	11,053	11,053	-	-
Other assets	2,228	-	-	2,228
Total investments	\$59,658	\$55,030	\$2,400	\$2,228

Charitable trusts receivable	\$7,429	\$ -	\$ -	\$7,429
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(3) Fair Value, continued

Assets held in trust				
Cash equivalents	\$147	\$147	\$ -	\$ -
Mutual funds:				
domestic equities	2,038	2,038	-	-
international equities	874	874	-	-
domestic bonds	6,342	6,342	-	-
Government securities	108	-	108	-
Total assets held in trust	\$9,509	\$9,401	\$108	\$ -

In the statement of financial position, total investments include \$5,617 of notes receivable and total assets held in trust include \$5,041 of notes receivable in addition to the asset held at fair value. These notes receivable are held at face value and thus excluded from this disclosure.

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2010:

Marketable securities	September 30, 2010	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Government securities	\$210	\$ -	\$210	\$ -
Equity securities	534	374	-	160
Mutual funds:				
domestic equities	3,828	3,828	-	-
international equities	325	325	-	-
domestic bonds	4,407	4,407	-	-
Corporate bonds	831	-	831	-
Total marketable securities	\$10,135	\$8,934	\$1,041	\$160

Investments				
Cash equivalents	\$6,474	\$6,474	\$ -	\$ -
Equity securities	25,521	25,521	-	-
Mutual funds:				
domestic equities	6,976	6,976	-	-
international equities	2,417	2,417	-	-
domestic bonds	6,376	6,376	-	-
Real estate investment trusts	1,299	1,299	-	-
Residential mortgage-backed securities	307	-	307	-
Corporate bonds	1,612	-	1,612	-
Master limited partnerships	14,277	14,277	-	-
Other assets	2,228	-	-	2,228
Total investments	\$67,487	\$63,340	\$1,919	\$2,228

Charitable trusts receivable	\$11,513	\$ -	\$ -	\$11,513
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Assets held in trust				
Cash equivalents	\$32	\$32	\$ -	\$ -
Mutual funds:				
domestic equities	2,109	2,109	-	-
international equities	921	921	-	-
domestic bonds	6,756	6,756	-	-
Government securities	104	-	104	-
Total assets held in trust	\$9,922	\$9,818	\$104	\$ -

(3) Fair Value, continued

In the statement of financial position, total investments include \$5,489 of notes receivable and total assets held in trust include \$5,041 of notes receivable in addition to the asset held at fair value. These notes receivable are held at face value and thus excluded from this disclosure.

The majority of the investments held by the Organization have been classified within Level 1. The Organization holds some investments, marketable securities, and assets held in trust within Level 2 in which the fair value is determined through the use of models or other valuation methodologies. Level 2 investments include mortgage-backed securities, government securities, and corporate bonds.

The Organization holds investments in four limited partnerships classified within Level 3. The value of these investments is based upon appraisals. The Organization also records the fair value of charitable trusts receivable using present value calculations discounted at the rate commensurate with the risks involved. This method of valuation is considered to be Level 3. Due to the inherent uncertainty of these estimates, these values may differ from the values that would have been used had a ready market for these investments existed, but the Organization does not expect the difference to be material. The following table is a rollforward of the statements of financial position amounts for marketable securities, investments, and charitable trusts receivable classified by the Organization within Level 3 of the fair value hierarchy defined in note 2. The net change in value for charitable trusts receivable includes the impact of realized and unrealized gains and losses and changes in value from actuarial derived fluctuations.

	Marketable securities	Investments	Charitable trusts receivable
Balance at September 30, 2008	\$19	\$2,228	\$5,652
New contributions	50	-	1,884
Net change in value	-	-	(107)
Balance at September 30, 2009	69	2,228	7,429
New contributions	123		5,014
Net change in value	(32)		(930)
Balance at September 30, 2010	\$160	\$2,228	\$11,513

(4) Marketable Securities

The fair value of assets reported as marketable securities was as follows at September 30:

	2009	2010
Government securities	\$556	\$210
Equity securities	310	534
Mutual funds	6,849	8,560
Corporate bonds	1,095	831
	\$8,810	\$10,135

Marketable securities consist of securities held in trust at TIAA-CREF and securities donated to the Organization not yet liquidated.

(5) Investments in Pooled Funds

The Organization pools its investments to manage its cash needs and to maximize returns. Included in the pool are assets of the Organization's operating funds as well as funds held for various purposes such as endowments, donor advised funds, and others. The carrying value of assets held in investment in pooled funds was as follows at September 30:

(5) Investments in Pooled Funds, continued

	2009	2010
Cash equivalents	\$6,315	\$6,474
Equity securities	22,391	25,521
Mutual funds	13,928	15,769
Real estate investment trusts	1,343	1,299
Residential mortgage-backed securities	402	307
Corporate bonds	1,998	1,612
Notes receivable	5,617	5,489
Master limited partnerships	11,053	14,277
Other assets	2,228	2,228
	\$65,275	\$72,976

(6) Endowments

The Organization's Board has interpreted the California State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Organization to appropriate for expenditure or accumulate as much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of a donor expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Organization. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. During the years ended September 30, 2009 and 2010, the Organization had four donor-restricted endowment funds totaling \$4,613 and \$4,765, respectively, for a variety of purposes. These endowments had a net investment return of \$259 and \$100, and appropriated \$267 and \$250 for expenditure for the years ended September 30, 2009 and 2010, respectively. The Organization does not have any board-designated endowments.

(7) Inventory

Inventory, which is comprised of GIK, food commodities held for monetization, and food commodities received for distribution, fluctuates primarily due to the timing of items received and distributed. Balances were as follows at September 30:

	2009	2010
GIK inventory	\$68,269	\$ 67,741
Food held for monetization	1,954	5,851
Food received for distribution	22,151	5,317
	92,374	78,909
Provision for GIK obsolescence	(2,360)	(557)
Inventory held for others	(4,521)	-
Inventory, net	\$85,493	\$78,352

(8) Fixed Assets

Fixed assets were comprised of the following at September 30:

	2009	2010
Land	\$6,829	\$6,829
Buildings and leasehold improvements	48,211	50,169
Equipment	28,664	29,840
Computer software	33,742	35,454
	117,446	122,292
Less accumulated depreciation and amortization	(52,074)	(59,887)
	\$65,372	\$62,405

Depreciation and amortization expense for the years ended September 30, 2009 and 2010, was \$7,561 and \$7,947, respectively.

(9) Notes Payable

Notes payable consisted of the following at September 30:

	2009	2010
4.50% note, interest due quarterly until 2008, due 2010	\$375	\$ -
7.50% note, interest and principal due quarterly, due 2012	429	254
7.07% note, interest only, due 2013	5,041	5,041
	\$5,845	\$5,295
Debt maturity		
2011		\$188
2012		66
2013		5,041
		\$5,295

(10) Obligations Under Operating Leases

The Organization has commitments related to operating leases for building facilities and equipment at September 30, 2009 and 2010. All operating leases are noncancellable and expire on various dates by 2021.

Future minimum lease payments under noncancellable operating leases with initial or remaining terms of one year or more at September 30, 2010 are as follows:

Year ending September 30	Operating leases
2011	\$2,406
2012	2,093
2013	919
2014	718
2015	421
Thereafter	1,550
	\$8,107

Lease and rent expenses for the years ended September 30, 2009 and 2010 were \$3,404 and \$3,362, respectively.

(11) Amounts Held for Others

The Organization has entered into a variety of trusts for which the Organization is the trustee. Amounts held for others represent the exchange portion of irrevocable split-interest agreements (usually, an agreement to pay an annuity to the donor) and refundable advances of revocable agreements (usually, the fair value of assets held in trust). The estimated present value of future payments was determined on the basis of published actuarial factors for ages of the respective beneficiaries discounted using a rate based upon Treasury bond rates, which have ranged between 3.7% and 7.0%. The amounts held belong to various investment funds held in trust by the Organization and were as follows at September 30:

	2009	2010
Exchange portion of charitable lead trusts, charitable remainder trusts, and life estates	\$9,643	\$10,100
Refundable advances of revocable trusts and missions agreements	140	148
	\$9,783	\$10,248

(12) Net Assets

Unrestricted net assets are comprised of the following at September 30:

	2009	2010
Working capital and net fixed assets	\$14,728	\$28,770
Donor advised funds and designated funds	22,858	20,655
Charitable gift annuities	931	1,438
Undistributed GIK contributions	32,129	26,704
Underfunded status of pension plan	(15,403)	(9,610)
	\$55,243	\$67,957

Temporarily restricted net assets are available for the following purposes at September 30:

	2009	2010
Child sponsorship and childcare ministries	\$1,660	\$3,724
Relief and rehabilitation, community development, and Christian impact and leadership projects	18,798	37,078
Domestic programs	2,740	2,356
Term endowments, the income from which is expendable to support World Vision programs	1,151	1,211
Split-interest agreements, the income from which is unrestricted upon the expiration of certain time restrictions	10,265	14,116
Designated funds	1,986	1,863
Undistributed GIK contributions	33,781	40,480
	\$70,381	\$100,828

Permanently restricted net assets consist of the following at September 30:

	2009	2010
Endowments invested in perpetuity, the income from which is expendable to support World Vision programs	\$4,613	\$4,765
Perpetual trusts	717	852
	\$5,330	\$5,617

(13) Public Cash and Food Commodity Grants

Cash grants are received primarily through United States government agencies to further the exempt purpose of the Organization. Food commodity grants are received primarily from the United States Agency of International Development's (USAID's) Office of Food for Peace and the World Food Program. Such goods are valued using guidelines published by the United States Department of Agriculture and USAID. Food commodities are either distributed directly to beneficiaries or monetized into cash, which is used to fund international relief and development programs.

Cash and food commodity grant revenues are as follows for the years ended September 30:

(13) Public Cash and Food Commodity Grants, continued

Cash grants	2009	2010
Cash awards from USAID	\$114,703	\$120,923
Cash awards from other agencies	10,126	9,818
Total cash grants	124,829	130,741
Food monetization grants		
Cash and freight awards from USAID	12,657	11,916
Cash and freight awards from other agencies	2,444	1,694
Total food monetization grants	15,101	13,610
Food distribution grants		
Food commodities from USAID	89,381	26,081
Food commodities from the World Food Program	43,734	41,626
Cash freight awards from USAID	67,308	25,435
Cash freight awards from other agencies	3,585	3,457
Total food distribution grants	204,008	96,599
TOTAL CASH & FOOD COMMODITY GRANTS	\$343,938	\$240,950

(14) Gift-in-Kind Revenue

GIK revenue has been allocated for use as follows:

	2009	2010
World Vision programs	\$319,765	\$161,700
Other nonprofit organizations	93,549	89,479
	\$413,314	\$251,179

(15) Joint Cost Allocation

The Organization incurred expenses that were identifiable with a particular function but served joint purposes. Expenses related to certain events, donor communication, and program materials jointly support sponsorship, public awareness, fundraising, or management and general. These expenses were allocated by their functional classification as follows at September 30:

	2009	2010
Management and general	\$1,158	\$1,123
Fundraising	5,823	5,761
Public awareness and education	1,090	1,102
Sponsorship programs	800	838
	\$8,871	\$8,824

(16) Retirement Plans

The Organization has a noncontributory Cash Balance Retirement Plan (the Plan) covering substantially all regular employees. Under the Plan, the Organization will add an annual pay credit and interest credit to a participant's account 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 the amount will be the higher of the 30-year Treasury rate or another rate adopted by the Organization. The amount of employer contributions is determined based on actuarial valuations and recommendations as to the amounts required to fund benefits under this Plan. In 1989, the Organization began acting as trustee of the assets of the Plan for the Organization and World Vision International. The assets of the Plan are held in trust by the Organization.

Effective September 30, 2009 the Organization adopted the measurement date provision of SFAS No. 158 (ASC Subtopic 958-715-65). As a result, the Organization will measure Plan assets and benefit obligations as of September 30 rather than June 30. The effect of this change is reflected as the measurement date change in the tables below.

The following table sets forth the actuarial assumptions related to the Plan. Assumptions as of September 30, 2009 and 2010:

	2009	2010
Discount rate	5.25%	4.50%
Expected return on Plan assets	7.00%	7.00%
Rate of compensation increase	4.00%	4.00%

Each year, the Organization determines the discount rate 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 Organization assumes will be earned over the life of the pension assets. Management believes the assumed rate is a conservative one based on historical returns.

The following table provides a reconciliation of benefit obligations, Plan assets, and funded status of the Plan for the years ended September 30, 2009 and 2010. The year ended September 30, 2009 includes 15 months of activity. The measurement dates for the information included in the following table are September 30, 2009 and 2010:

Change in projected benefit obligations	2009		2010	
	World Vision, Inc.	Total Plan	World Vision, Inc.	Total Plan
Projected benefit obligations at beginning of year	\$53,850	\$69,493	\$58,894	\$82,531
Service cost	3,442	4,787	3,868	5,392
Interest cost	2,697	4,389	2,487	3,917
Changes in assumptions	718	7,695	1,837	4,673
Actuarial loss	(1,106)	(1,550)	(171)	(246)
Benefits paid	(2,193)	(4,366)	(2,915)	(4,194)
Expenses paid	(151)	(211)	(99)	(142)
Measurement date change	1,637	2,294	-	-
Projected benefit obligations at end of year	\$58,894	\$82,531	\$63,901	\$91,931
Accumulated benefit obligations at end of year	\$51,686	\$72,430	\$56,489	\$81,268

(16) Retirement Plans, continued

Change in Plan assets	2009		2010	
	World Vision, Inc.	Total Plan	World Vision, Inc.	Total Plan
Plan assets at fair value at beginning of year	\$50,252	\$64,850	\$43,492	\$60,947
Actual return on Plan assets	(5,224)	(7,321)	8,997	12,944
Employer contributions	4,600	6,900	5,700	8,550
Benefits paid	(2,193)	(4,366)	(2,915)	(4,194)
Expenses paid	(151)	(211)	(99)	(142)
Changes in assumptions	(4,573)	-	(884)	-
Measurement date change	781	1,095	-	-
Plan assets at fair value at end of year	43,492	60,947	54,291	78,105
Funded status	\$(15,402)	\$(21,584)	\$(9,610)	\$(13,826)
Amounts recognized in the Statement of Financial Position consist of:				
Funded status liability	\$(15,402)	\$(21,584)	\$(9,610)	\$(13,826)
Total amount recognized	\$(15,402)	\$(21,584)	\$(9,610)	\$(13,826)
Amounts recognized in unrestricted net assets under SFAS 158 consist of:				
Increase/(decrease) in actuarial loss	\$11,945	\$17,592	\$(5,222)	\$(6,588)

Net periodic benefit cost for the Plan includes the following components for the years ended September 30:

	2009		2010	
	World Vision, Inc.	Total Plan	World Vision, Inc.	Total Plan
Service cost	3,442	4,787	3,868	5,392
Interest cost	2,697	4,389	2,487	3,917
Expected return on Plan assets	(2,691)	(4,378)	(2,542)	(4,002)
Amortization of net loss	155	252	1,316	2,072
Measurement date change	(736)	(1,031)	-	-
Net periodic benefit cost	2,867	4,019	5,129	7,379

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

(16) Retirement Plans, continued**(a) Fair Value Plan Assets**

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2009:

	September 30, 2009	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents	\$206	\$206	\$ -	\$ -
Mutual funds:				
domestic	28,152	28,152	-	-
international	10,899	10,899	-	-
bond	8,787	8,787	-	-
Equity securities	926	913	13	-
Preferred stock	4,262	4,262	-	-
Corporate bonds	3,285	1,307	1,978	-
Limited partnerships	2,851	2,851	-	-
Other assets	1,579	1,579	-	-
Total Plan assets	\$60,947	\$58,956	\$1,991	\$ -

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2010:

	September 30, 2010	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents	\$206	\$206	\$ -	\$ -
Mutual funds:				
domestic	33,658	33,658	-	-
international	13,369	13,369	-	-
bond	11,747	11,747	-	-
Equity securities	1,450	1,409	41	-
Preferred stock	5,157	5,157	-	-
Corporate bonds	3,706	1,645	2,061	-
Limited partnerships	5,884	5,884	-	-
Other assets	2,928	2,928	-	-
Total Plan assets	\$78,105	\$76,003	\$2,102	\$ -

The majority of the investments held by the Plan have been classified within Level 1. The Plan holds some investments within Level 2 in which the fair value is determined through other significant observable inputs. Level 2 investments include mortgage-backed securities, government securities, and corporate bonds.

(16) Retirement Plans, continued**(b) Estimated Future Payments**

The Plan contribution for the year ending September 30, 2011, is expected to be \$5,500 and \$8,250 for World Vision, Inc. and the total Plan, respectively. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	World Vision, Inc.	Total Plan
2010-11	\$10,840	\$16,260
2011-12	5,517	8,275
2012-13	6,021	9,031
2013-14	5,864	8,796
2014-15	5,549	8,324
Thereafter	28,742	43,113
	\$62,533	\$93,799

The Organization also provides eligible employees a defined contribution plan, which qualifies under Section 403(b) of the Internal Revenue Code. Under the Plan, the Organization contributes to a participant's account depending on years of service, not to exceed 5% of the participant's eligible earnings. During 2010, the Organization changed from contributing an amount ranging from 25% to 50% of the employee contribution to contributing an amount ranging from 50% to 100%. The Organization contributed \$1,229 and \$1,043, respectively, for the years ended September 30, 2009 and 2010.

(17) Contingencies

The Organization is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the financial position of the Organization.

Grant funding from government agencies is subject to additional audit requirements under Office of Management and Budget (OMB) Circular A-133 and review by the grantor. Based on historical experience and results of prior OMB Circular A-133 audits, which have been completed through fiscal year 2009, the Organization's management believes costs ultimately disallowed, if any, would not materially affect the financial position, changes in net assets, or cash flows of the Organization.

(18) Subsequent Events

Subsequent events have been evaluated through December 13, 2010, which is the date the financial statements were available to be issued.



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World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. We serve all people, regardless of religion, race, ethnicity, or gender.



*A higher standard.
 A higher purpose.*



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