World Vision®

Building a better world for children

Consolidated Financial Statements

World Vision, Inc. and Affiliates

(With Independent Auditors' Report Thereon)

September 30, 2010 and 2011

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, 2010 and 2011, 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, 2010 and 2011, 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.

KPMG LLP

December 12, 2011

In Thousands of Dollars | September 30, 2010 and 2011

Consolidated Statements of Financial Position

Assets	Notes	2010	2011
Cash and cash equivalents		$12,824	$7,655
Accounts receivable from the United States Agency for International Development (USAID)		21,547	22,745
Accounts, notes, and other receivables, net		995	700
Marketable securities	*note 3*	10,135	10,409
Investments in pooled funds	*note 3*	72,976	86,279
Real estate held as investment		1,914	2,006
Inventory, net	*note 5*	78,352	57,420
Other assets		7,089	13,470
Prepaid funding		1,703	1,544
Fixed assets, net	*note 6*	62,405	60,979
Charitable trusts receivable	*note 3*	11,513	10,244
Assets held in trust	*note 3*	14,963	14,392
TOTAL ASSETS		**$296,416**	**$287,843**

Liabilities and assets	Notes	2010	2011
Liabilities:			
Accounts payable and accrued expenses		$22,146	$19,983
Due to World Vision International		55,263	76,868
Notes payable	*note 7*	5,295	5,107
Accrued pension liability	*note 15*	9,610	13,070
Charitable gift annuities		4,758	4,813
Deferred revenue		14,694	9,184
Amounts held for others	*note 9*	10,248	10,269
Total liabilities		**122,014**	**139,294**
Net assets:			
Unrestricted	*note 10*	67,957	48,823
Temporarily restricted	*note 10*	100,828	92,881
Permanently restricted	*note 10*	5,617	6,845
Total net assets		**174,402**	**148,549**
TOTAL LIABILITIES AND NET ASSETS		**$296,416**	**$287,843**

See accompanying notes to consolidated financial statements.

In Thousands of Dollars | September 30, 2010 and 2011

Consolidated Statements of Activities

	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 11*	240,950	-	-	240,950
Gifts-in-kind	*note 12*	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	*note 13*				
International programs		732,140	-	-	732,140
Domestic programs		112,079	-	-	112,079
Public awareness and education		6,950	-	-	6,950
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		7,492	30,447	287	38,226
Pension actuarial gain	*note 15*	5,222	-	-	5,222
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**

In Thousands of Dollars | September 30, 2010 and 2011 World Vision, Inc. and Affiliates

	2011				
	Notes	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue					
Contributions, primarily private cash		$34,940	$520,063	$1,363	$556,366
Public cash and food commodity grants	*note 11*	198,654	-	-	198,654
Gifts-in-kind	*note 12*	36,458	254,441	-	290,899
Other income, net		9,946	2,617	(135)	12,428
Net assets released due to expiration of time: split-interest agreements		630	(630)	-	-
Net assets released due to satisfaction of program restrictions		784,438	(784,438)	-	-
TOTAL SUPPORT & REVENUE		1,065,066	(7,947)	1,228	1,058,347
Operating expenses					
Program services	*note 13*				
International programs		828,438	-	-	828,438
Domestic programs		92,405	-	-	92,405
Public awareness and education		6,310	-	-	6,310
Total program services		927,153	-	-	927,153
Supporting services					
Management and general		50,200	-	-	50,200
Fundraising		101,702	-	-	101,702
Total supporting services		151,902	-	-	151,902
TOTAL OPERATING EXPENSES		1,079,055	-	-	1,079,055
Change in net assets before the pension actuarial loss		(13,989)	(7,947)	1,228	(20,708)
Pension actuarial loss	*note 15*	(5,145)	-	-	(5,145)
CHANGE IN NET ASSETS		(19,134)	(7,947)	1,228	(25,853)
Net assets, beginning of year		67,957	100,828	5,617	174,402
NET ASSETS, END OF YEAR		$48,823	$92,881	$6,845	$148,549

See accompanying notes to consolidated financial statements.

In Thousands of Dollars | September 30, 2010

Consolidated Statement of Functional Expenses

	2010 Program Services			
	International Programs	Domestic Programs	Public Awareness and Education	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	-	-	308,185
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
Community development and subgrantee expenses	-	227	-	227
Salaries and benefits	15,200	8,815	3,767	27,782
Professional services	1,550	448	1,121	3,119
Media and advertising	9	78	410	497
Freight and postage	283	82	144	509
Printing	10	199	305	514
Travel	1,250	1,156	538	2,944
Telephone and communication	392	181	51	624
Occupancy	644	2,550	123	3,317
Supplies	245	2,227	267	2,739
Equipment	172	159	51	382
Repairs and maintenance	518	139	26	683
Interest	11	5	2	18
Depreciation	582	812	115	1,509
Other	64	41	30	135
TOTALS	$732,140	$112,079	$6,950	$851,169

In Thousands of Dollars | September 30, 2010 World Vision, Inc. and Affiliates

continued . . .	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	-	-	-	308,185
Gifts-in-kind	-	-	-	187,783
Other international relief and development programs	-	-	-	78,386
Gifts to other ministries	-	-	-	6,832
Community development and subgrantee expenses	-	-	-	227
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

In Thousands of Dollars | September 30, 2011

Consolidated Statement of Functional Expenses

	2011 Program Services			
	International Programs	Domestic Programs	Public Awareness and Education	Total Program Services
Funding of World Vision International and U.S. domestic programs				
Child sponsorship	$241,422	$ -	$ -	$241,422
Relief and rehabilitation, community development, and Christian impact and leadership projects	319,411	-	-	319,411
Gifts-in-kind	169,480	70,219	-	239,699
Other international relief and development programs	73,580	-	-	73,580
Gifts to other ministries	-	5,345	-	5,345
Community development and subgrantee expenses	-	150	-	150
Salaries and benefits	16,633	10,395	3,730	30,758
Professional services	1,675	384	1,011	3,070
Media and advertising	7	72	178	257
Freight and postage	300	74	115	489
Printing	10	89	184	283
Travel	1,484	1,071	517	3,072
Telephone and communication	354	174	44	572
Occupancy	750	2,604	111	3,465
Supplies	2,190	472	221	2,883
Equipment	224	171	38	433
Repairs and maintenance	285	401	33	719
Interest	3	2	1	6
Depreciation	510	735	84	1,329
Other	120	47	43	210
TOTALS	**$828,438**	**$92,405**	**$6,310**	**$927,153**

In Thousands of Dollars | September 30, 2011

continued . . .	2011 Supporting Services			Total
	Management and General	Fundraising	Total Supporting Services	2011
Funding of World Vision International and U.S. domestic programs				
Child sponsorship	$ -	$ -	$ -	$241,422
Relief and rehabilitation, community development, and Christian impact and leadership projects	-	-	-	319,411
Gifts-in-kind	-	-	-	239,699
Other international relief and development programs	-	-	-	73,580
Gifts to other ministries	-	-	-	5,345
Community development and subgrantee expenses	-	-	-	150
Salaries and benefits	24,961	42,120	67,081	97,839
Professional services	4,294	14,915	19,209	22,279
Media and advertising	274	15,158	15,432	15,689
Freight and postage	607	8,816	9,423	9,912
Printing	322	9,356	9,678	9,961
Travel	1,221	4,761	5,982	9,054
Telephone and communication	506	712	1,218	1,790
Occupancy	2,006	2,435	4,441	7,906
Supplies	552	910	1,462	4,345
Equipment	733	533	1,266	1,699
Repairs and maintenance	2,712	536	3,248	3,967
Interest	5	2	7	13
Depreciation	6,043	1,292	7,335	8,664
Other	5,964	156	6,120	6,330
TOTALS	$50,200	$101,702	$151,902	$1,079,055

See accompanying notes to consolidated financial statements.

In Thousands of Dollars | September 30, 2010 and 2011

Consolidated Statement of Cash Flows

Cash flows from operating activities	**2010**	**2011**
Change in net assets	$43,448	($25,853)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension actuarial (gain)/loss	(5,222)	5,145
Depreciation and amortization	7,947	8,664
Realized and unrealized (gain)/loss on investments	(12,376)	943
Loss on disposal of equipment	120	197
Marketable securities and non-cash contributions	(10,534)	(7,987)
Non-cash decrease in inventory, net	7,141	20,932
Non-cash decrease in inventory held for others, net	4,521	-
Contributions restricted for investment in endowment	(129)	(1,363)
Changes in operating assets and liabilities:		
Accounts receivable from USAID	(2,889)	(1,198)
Accounts and other receivables	9,977	211
Other assets	(1,467)	(6,380)
Prepaid funding	3,796	159
Charitable trusts receivable	930	2,175
Assets held in trust	(413)	571
Accounts payable and accrued expenses	(5,663)	(2,163)
Commodities payable	(12,730)	-
Accrued pension contribution	(570)	(1,685)
Due to World Vision International	(7,791)	21,605
Charitable gift annuities	610	55
Deferred revenue	(13,374)	(5,510)
Amounts held for others	465	21
Net cash provided by operating activities	**5,797**	**8,539**

Cash flows from investing activities		
Purchase of marketable securities	(1,802)	(1,021)
Proceeds from the sale of marketable securities	4,555	6,655
Purchase of investment in pooled funds	(220,620)	(184,969)
Proceeds from the sale of investment in pooled funds	225,344	171,625
Acquisition of fixed assets	(5,201)	(7,444)
Proceeds from sale of equipment	107	9
Proceeds from sales of donated real estate held as investment	25	178
Principal collected on notes receivable	477	84
Advances on new notes receivable	(595)	-
Net cash provided by/(used in) investing activities	**2,290**	**(14,883)**

Cash flows from financing activities		
Proceeds from contributions restricted for investment in endowment	129	1,363
Principal payments on notes payable	(550)	(188)
Net cash (used in)/provided by financing activities	**(421)**	**1,175**
Net increase/(decrease) in cash and cash equivalents	**7,666**	**(5,169)**
Cash and cash equivalents, beginning of year	5,158	12,824
CASH AND CASH EQUIVALENTS, END OF YEAR	**$12,824**	**$7,655**
Cash paid during the year for interest	**$51**	**$13**

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 for the years ended September 30, 2010 and 2011.

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, 2010 and 2011, 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 1 investments.

(e) Concentration of Credit Risk

The Organization maintains interest-bearing deposits in a commercial bank that are in excess of Federal Deposit Insurance Corporation insurance limits at September 30, 2010 and 2011. 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 grants receivable, 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, 2010 and 2011 was $280 and $349, 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 time as the conditions are substantially met. As of September 30, 2011, the Organization had outstanding $36,690 in conditional promises to give. Of the conditional promises to give outstanding, $28,000 was conditioned upon the raising of matching funds and $8,690 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.

The Organization's marketable securities consist of securities held in trust at TIAA-CREF and securities donated to the Organization not yet liquidated.

The Organization pools its investments to manage its cash needs and to maximize returns. These pooled investments 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.

(2) Summary of Significant Accounting Policies, *continued*

(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 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 and leasehold improvements.

The costs of repairs and maintenance and depreciation are charged to expense when incurred. 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 consolidated statements of activities.

Property and equipment are reviewed each year for impairment or 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.

(2) Summary of Significant Accounting Policies, *continued*

(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 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 sets aside an additional Gift Annuity reserve of $2,720 at September 30, 2010 and 2011, respectively, which is included in Investments in Pooled Funds. 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 consolidated statements 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 Accord. Accord (formerly AERDO) serves Christian organizations and churches involved in the shared vision of eliminating poverty, to achieve the highest standards, principles, and effectiveness in relief and development. GIK are valued and recorded

(2) Summary of Significant Accounting Policies, *continued*

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.

Pharmaceutical contributions legally permissible to sell 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 to sell 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.

Nonpharmaceutical 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.

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. 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, 2010 and 2011. 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) Program Services

International Programs – The Organization partners with families and communities to find ways to overcome poverty, helping them obtain sustainable access to basic resources such as clean water, nutritious food, basic healthcare, education, income-generating opportunities, and other services. One of the Organization's primary funding sources for this work is child sponsorship, through which the Organization's staff in impoverished communities seeks to improve children's physical, emotional, and spiritual well-being. Additionally, the Organization responds to natural and man-made disasters to save lives and help restore livelihoods.

Domestic Programs – The Organization works with local churches, teachers, business owners, students, and volunteers throughout the country as they seek to serve distressed communities and neighborhoods in a variety of U.S. locations. This work is carried out in part through the Organization's network of product distribution centers, emergency assistance efforts, and tutoring and youth development programs.

Public Awareness and Education – The Organization seeks to help both the public and government officials to gain awareness and take action on poverty- and justice-related issues, and advocates on behalf of children and the poor to increase understanding, involvement, and prayer.

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(2) Summary of Significant Accounting Policies, *continued*

(u) 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, international programs, and public awareness have been allocated as indicated among the ministry and supporting services benefited.

(v) Reclassifications

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

(3) Fair Value and Investments

In accordance with ASC Subtopic 820-10-55, 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:

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, 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**

In Thousands of Dollars | September 30, 2010 and 2011 World Vision, Inc. and Affiliates

(3) Fair Value and Investments, *continued*

Investments in pooled funds				
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
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**	**$104**	**$ -**

In the consolidated statements 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 assets 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, 2011:

Marketable securities	September 30, 2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Government securities	$104	$ -	$104	$ -
Equity securities	385	230	-	155
Mutual funds:				
Domestic equities	3,738	3,738	-	-
International equities	203	203	-	-
Domestic bonds	5,253	5,253	-	-
Corporate bonds	726	-	726	-
Total marketable securities	**$10,409**	**$9,424**	**$830**	**$155**
Investments in pooled funds				
Cash equivalents	$24,047	$24,047	$ -	$ -
Equity securities	23,313	23,313	-	-
Mutual funds:				
Domestic equities	6,187	6,187	-	-
International equities	1,992	1,992	-	-
Domestic bonds	5,511	5,511	-	-
Real estate investment trusts	1,173	1,173	-	-
Residential mortgage-backed securities	189	-	189	-

continued . . .

World Vision, Inc. and Affiliates In Thousands of Dollars | September 30, 2010 and 2011

(3) Fair Value and Investments, *continued*

Corporate bonds	925	-	925	-
Master limited partnerships	15,335	15,335	-	-
Other assets	2,228	-	-	2,228
Total investments	**$80,900**	**$77,558**	**$1,114**	**$2,228**
Charitable trusts receivable	$10,244	$ -	$ -	$10,244
Assets held in trust				
Cash equivalents	$248	$248	$ -	$ -
Mutual funds:				
Domestic equities	1,941	1,941	-	-
International equities	794	794	-	-
Domestic bonds	6,368	6,368	-	-
Government securities	-	-	-	-
Total assets held in trust	**$9,351**	**$9,351**	**$ -**	**$ -**

In the consolidated statements of financial position, total investments include $5,379 of notes receivable and total assets held in trust include $5,041 of notes receivable in addition to the assets 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 consolidated 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. 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, 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**
New contributions	112	-	906
Net change in value	(117)	-	(2,175)
Balance at September 30, 2011	**$155**	**$2,228**	**$10,244**

(4) 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

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(4) Endowments, *continued*

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 year ended September 30, 2010, the Organization had four donor-restricted endowment funds totaling $5,762 for a variety of purposes. During the year ended September 30, 2011, the Organization had five donor-restricted endowment funds totaling $7,065 and one board-designated endowment fund totaling $117. During the years ended September 30, 2010 and 2011, these endowments had a net investment return of $100 and $738, and appropriated for expenditure $250 and $503, respectively.

(5) Inventory

Inventory, which comprises 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:

	2010	2011
GIK inventory	$67,741	$57,454
Food held for monetization	5,851	445
Food received for distribution	5,317	-
	78,909	57,899
Provision for GIK obsolescence	(557)	(479)
Inventory, net	**$78,352**	**$57,420**

(6) Fixed Assets

Fixed assets consisted of the following at September 30:

	2010	2011
Land	$6,830	$6,830
Buildings and leasehold improvements	50,169	50,575
Equipment	29,840	24,487
Computer software	35,454	39,491
	122,293	121,383
Less accumulated depreciation and amortization	(59,888)	(60,404)
	$62,405	**$60,979**

Depreciation and amortization expense for the years ended September 30, 2010 and 2011 was $7,947 and $8,664, respectively.

(7) Notes Payable

Notes payable consisted of the following at September 30:

	2010	2011
7.50% note, interest and principal due quarterly, due 2012	$254	$66
7.07% note, interest only, due 2013	5,041	5,041
	$5,295	**$5,107**

Debt maturity	
2012	$66
2013	5,041
	$5,107

(8) Obligations Under Operating Leases

The Organization has commitments related to operating leases for building facilities and equipment at September 30, 2010 and 2011. All operating leases are noncancelable and expire on various dates by 2021.

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Future minimum lease payments under noncancelable operating leases with initial or remaining terms of one year or more at September 30, 2011 are as follows:

Year ending September 30	Operating leases
2012	$1,901
2013	1,412
2014	1,215
2015	936
2016	920
Thereafter	2,057
	$8,441

Lease and rent expenses for the years ended September 30, 2010 and 2011 were $3,362 and $3,283, respectively.

(9) 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 commensurate with the risks involved, which have ranged between 2.9% and 7.0%. The amounts held belong to various investment funds held in trust by the Organization and were as follows at September 30:

	2010	2011
Exchange portion of charitable lead trusts, charitable remainder trusts, and life estates	$10,100	$10,128
Refundable advances of revocable trusts and missions agreements	148	141
	$10,248	$10,269

(10) Net Assets

Unrestricted net assets comprise the following at September 30:

	2010	2011
Working capital and net fixed assets	$28,770	$15,072
Donor advised funds and designated funds	20,655	18,912
Charitable gift annuities	1,438	1,477
Undistributed GIK contributions	26,704	26,432
Underfunded status of pension plan	(9,610)	(13,070)
	$67,957	$48,823

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

	2010	2011
Child sponsorship and childcare ministries	$3,724	$10,832
Relief and rehabilitation, community development, and Christian impact and leadership projects	37,078	35,976
Domestic programs	2,356	434
Term endowments, the income from which is expendable to support World Vision programs	1,211	1,103
Split-interest agreements, the income from which is unrestricted upon the expiration of certain time restrictions	14,116	12,061
Designated funds	1,863	1,932
Undistributed GIK contributions	40,480	30,543
	$100,828	$92,881

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

	2010	2011
Endowments invested in perpetuity, the income from which is expendable to support World Vision programs	$4,765	$5,728
Perpetual trusts	852	1,117
	$5,617	$6,845

(11) 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 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:

Cash grants	2010	2011
Cash awards from USAID	$120,923	$104,916
Cash awards from other agencies	9,818	15,982
Total cash grants	130,741	120,898
Food monetization grants		
Cash and freight awards from USAID	11,916	8,480
Cash and freight awards from other agencies	1,694	43
Total food monetization grants	13,610	8,523
Food distribution grants		
Food commodities from USAID	26,081	18,136
Food commodities from World Food Program	41,626	36,725
Cash freight awards from USAID	25,435	6,708
Cash freight awards from World Food Program	3,457	7,664
Total food distribution grants	96,599	69,233
TOTAL CASH & FOOD COMMODITY GRANTS	$240,950	$198,654

(12) Gift-in-Kind Revenue

GIK revenue has been allocated for use as follows:

	2010	2011
World Vision programs	$161,700	$202,545
Other nonprofit organizations	89,479	88,354
	$251,179	$290,899

(13) Program Services

Program services have been funded by the following resources:

	2010			2011		
	International Programs	Domestic Programs	Public Awareness and Education	International Programs	Domestic Programs	Public Awareness and Education
Cash	$464,871	$23,951	$6,950	$528,700	$22,186	$6,310
Gifts-in-kind	162,290	88,128	-	231,328	70,219	-
Food commodities	104,979	-	-	68,410	-	-
TOTAL PROGRAM SERVICES	$732,140	$112,079	$6,950	$828,438	$92,405	$6,310

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(14) 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 international programs, public awareness, fundraising, or management and general. These expenses were allocated by their functional classification as follows at September 30:

	2010	2011
Management and general	$1,123	$980
Fundraising	5,761	4,659
Public awareness and education	1,102	979
International programs	838	1,455
	$8,824	**$8,073**

(15) 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.

The following table sets forth the actuarial assumptions related to the Plan. Assumptions as of September 30, 2010 and 2011 are as follows:

	2010	2011
Discount rate	4.50%	4.00%
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, 2010 and 2011:

	2010		2011	
Change in projected benefit obligations	World Vision, Inc.	Total Plan	World Vision, Inc.	Total Plan
Projected benefit obligations at beginning of year	$58,894	$82,531	$63,901	$91,931
Service cost	3,868	5,392	3,928	5,640
Interest cost	2,487	3,917	2,375	3,769
Changes in assumptions	1,837	4,673	2,344	3,448
Actuarial loss	(171)	(246)	(566)	(811)
Benefits paid	(2,915)	(4,194)	(2,101)	(3,961)
Expenses paid	(99)	(142)	(122)	(175)
Projected benefit obligations at end of year	$63,901	$91,931	$69,759	$99,841
Accumulated benefit obligations at end of year	$56,489	$81,268	$62,524	$89,487

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(15) Retirement Plans, *continued*

	2010		2011	
Change in Plan assets	World Vision, Inc.	Total Plan	World Vision, Inc.	Total Plan
Plan assets at fair value at beginning of year	$43,492	$60,947	$54,291	$78,105
Actual return on Plan assets	8,997	12,944	(758)	(1,084)
Employer contributions	5,700	8,550	5,500	8,250
Benefits paid	(2,915)	(4,194)	(2,101)	(3,961)
Expenses paid	(99)	(142)	(122)	(175)
Changes in assumptions	(884)	-	(121)	-
Plan assets at fair value at end of year	**54,291**	**78,105**	**56,689**	**81,135**
Funded status	**$(9,610)**	**$(13,826)**	**$(13,070)**	**$(18,706)**
Amounts recognized in the Statement of Financial Position consist of:				
Funded status liability	$(9,610)	$(13,826)	$(13,070)	$(18,706)
Total amount recognized	**$(9,610)**	**$(13,826)**	**$(13,070)**	**$(18,706)**
Amounts recognized in the change in unrestricted net assets under ASC715 consists of:				
Pension actuarial (gain)/loss	$(5,222)	$(6,588)	$5,145	$7,671

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

	2010		2011	
	World Vision, Inc.	Total Plan	World Vision, Inc.	Total Plan
Service cost	$3,868	$5,392	$3,928	$5,640
Interest cost	2,487	3,917	2,375	3,769
Expected return on Plan assets	(2,542)	(4,002)	(3,267)	(5,184)
Amortization of net loss	1,316	2,072	779	1,234
Net periodic benefit cost	**$5,129**	**$7,379**	**$3,815**	**$5,459**

World Vision 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 Board policy from investing in derivative financial instruments.

In Thousands of Dollars | September 30, 2010 and 2011

(15) Retirement Plans, *continued*

(a) Fair Value of Plan Assets

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	38,658	33,658	-	-
International	13,369	13,369	-	-
Bond	11,747	11,747	-	-
Equity securities	9,656	9,615	41	-
Real estate investment trusts	608	608	-	-
Corporate bonds	2,061	-	2,061	-
Master limited partnerships	5,884	5,884	-	-
Other assets	916	916	-	-
Total Plan assets	**$78,105**	**$76,003**	**$2,102**	**$ -**

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2011:

	September 30, 2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents	$197	$197	$ -	$ -
Mutual funds:				
Domestic	37,638	37,638	-	-
International	10,656	10,656	-	-
Bond	10,957	10,957	-	-
Equity securities	11,174	11,129	45	-
Real estate investment trusts	915	915	-	-
Corporate bonds	1,878	-	1,878	-
Master limited partnerships	7,018	7,018	-	-
Other assets	702	702	-	-
Total Plan assets	**$81,135**	**$79,212**	**$1,923**	**$ -**

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.

In Thousands of Dollars | September 30, 2010 and 2011

(15) Retirement Plans, *continued*

(b) Estimated Future Payments

The Plan contribution for the year ending September 30, 2012 is expected to be $5,500 and $8,250 for World Vision, Inc. and the total Plan, respectively. 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, including expected future service:

	World Vision, Inc.	Total Plan
2011-2012	$11,991	$17,987
2012-2013	6,217	9,326
2013-2014	6,154	9,231
2014-2015	6,399	9,599
2015-2016	5,878	8,816
Thereafter	30,151	45,227
	$66,790	**$100,186**

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 2011, the Organization contributed an amount ranging from 50% to 100%. The Organization contributed $1,043 and $1,289 for the , respectively.

(16) 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 2010, 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.

(17) Subsequent Events

Subsequent events have been evaluated through December 12, 2011, which is the date the consolidated financial statements were available to be issued.

World Vision®

Building a better world for children

34834 Weyerhaeuser Way S.
P.O. Box 9716
Federal Way, WA 98063-9716

1.800.423.4200
www.worldvision.org

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.