WORLD VISION INTERNATIONAL AND CONSOLIDATED AFFILIATES

Consolidated Financial Statements

September 30, 2012 and 2011

(With Independent Auditors’ Report Thereon)
Independent Auditors’ Report

The Board of Directors
World Vision International:

We have audited the accompanying consolidated statements of financial position of World Vision International and consolidated affiliates (the Organization) as of September 30, 2012 and 2011, and the related consolidated statements of activities 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 International and consolidated affiliates as of September 30, 2012 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
March 27, 2013
WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Consolidated Statements of Financial Position

September 30, 2012 and 2011

(Amounts in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$366,561</td>
<td>378,114</td>
</tr>
<tr>
<td>Investments (note 4)</td>
<td>110,229</td>
<td>102,229</td>
</tr>
<tr>
<td>Due from unconsolidated affiliates (note 5)</td>
<td>90,804</td>
<td>99,922</td>
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<tr>
<td>Accounts receivable</td>
<td>26,340</td>
<td>24,678</td>
</tr>
<tr>
<td>Microfinance loans receivable, net (note 6)</td>
<td>404,991</td>
<td>346,010</td>
</tr>
<tr>
<td>Inventories</td>
<td>116,973</td>
<td>191,353</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>29,968</td>
<td>24,678</td>
</tr>
<tr>
<td>Land, buildings and equipment, net (note 7)</td>
<td>70,092</td>
<td>49,256</td>
</tr>
<tr>
<td>Foreign exchange contracts (note 8)</td>
<td>10,630</td>
<td>10,630</td>
</tr>
<tr>
<td>Other assets</td>
<td>13,523</td>
<td>15,051</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,229,481</td>
<td>1,242,694</td>
</tr>
</tbody>
</table>

**Liabilities and Net Assets**

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$75,624</td>
<td>73,243</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>85,441</td>
<td>77,624</td>
</tr>
<tr>
<td>Due to unconsolidated affiliates (note 5)</td>
<td>17,204</td>
<td>27,930</td>
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<tr>
<td>Notes payable (note 9)</td>
<td>258,650</td>
<td>220,899</td>
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<tr>
<td>Foreign exchange contracts (note 8)</td>
<td>9,650</td>
<td>—</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>35,767</td>
<td>30,773</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>482,336</td>
<td>430,469</td>
</tr>
</tbody>
</table>

Net assets (note 10):

<table>
<thead>
<tr>
<th>Unrestricted:</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noncontrolling financial interest in subsidiaries</td>
<td>4,998</td>
<td>—</td>
</tr>
<tr>
<td>Other unrestricted</td>
<td>222,181</td>
<td>225,909</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>519,966</td>
<td>586,316</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>747,145</td>
<td>812,225</td>
</tr>
</tbody>
</table>

| Total liabilities and net assets | $1,229,481 | 1,242,694 |

See accompanying notes to consolidated financial statements.
### Consolidated Statements of Activities

Year ended September 30, 2012

(Amounts in thousands)

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, gains, and other support from donors (note 12):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$145,437</td>
<td>1,408,246</td>
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<tr>
<td>Gifts-in-kind</td>
<td>—</td>
<td>351,267</td>
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<tr>
<td>Net assets released from restrictions</td>
<td>1,825,863</td>
<td>(1,825,863)</td>
</tr>
<tr>
<td>Total revenues from donors</td>
<td>1,971,300</td>
<td>(66,350)</td>
</tr>
<tr>
<td>Other revenue and gains</td>
<td>171,711</td>
<td>—</td>
</tr>
<tr>
<td>Change in cumulative unrealized gain (loss) on foreign exchange contracts</td>
<td>(20,280)</td>
<td>—</td>
</tr>
<tr>
<td>Total revenues, gains, and other support</td>
<td>2,122,731</td>
<td>(66,350)</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International relief and community development</td>
<td>1,801,783</td>
<td>—</td>
</tr>
<tr>
<td>Microenterprise development</td>
<td>137,301</td>
<td>—</td>
</tr>
<tr>
<td>Program support services</td>
<td>99,733</td>
<td>—</td>
</tr>
<tr>
<td>Total program services</td>
<td>2,038,817</td>
<td>—</td>
</tr>
<tr>
<td>Administrative costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting services</td>
<td>61,284</td>
<td>—</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>27,751</td>
<td>—</td>
</tr>
<tr>
<td>Total administrative costs</td>
<td>89,035</td>
<td>—</td>
</tr>
<tr>
<td>Total expenses</td>
<td>2,127,852</td>
<td>—</td>
</tr>
<tr>
<td>Change in net assets before the pension actuarial gain (loss) and noncontrolling financial interest in subsidiaries</td>
<td>(5,121)</td>
<td>(66,350)</td>
</tr>
<tr>
<td>Pension actuarial gain (loss) (note 13)</td>
<td>1,393</td>
<td>—</td>
</tr>
<tr>
<td>Noncontrolling financial interest in subsidiaries</td>
<td>4,998</td>
<td>—</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>1,270</td>
<td>(66,350)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>225,909</td>
<td>586,316</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$227,179</td>
<td>519,966</td>
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</tbody>
</table>

See accompanying notes to consolidated financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, gains, and other support from donors (note 12):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 134,801</td>
<td>1,379,169</td>
<td>1,513,970</td>
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<tr>
<td>Gifts-in-kind</td>
<td>—</td>
<td>396,086</td>
<td>396,086</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>1,725,803</td>
<td>(1,725,803)</td>
<td>—</td>
</tr>
<tr>
<td>Total revenues from donors</td>
<td>1,860,604</td>
<td>49,452</td>
<td>1,910,056</td>
</tr>
<tr>
<td>Other revenue and gains</td>
<td>147,367</td>
<td>—</td>
<td>147,367</td>
</tr>
<tr>
<td>Change in cumulative unrealized gain (loss) on foreign exchange contracts</td>
<td>32,563</td>
<td>—</td>
<td>32,563</td>
</tr>
<tr>
<td>Total revenues, gains, and other support</td>
<td>2,040,534</td>
<td>49,452</td>
<td>2,089,986</td>
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<tr>
<td>Expenses:</td>
<td></td>
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<tr>
<td>Program services:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>International relief and community development</td>
<td>1,675,044</td>
<td>—</td>
<td>1,675,044</td>
</tr>
<tr>
<td>Microenterprise development</td>
<td>106,582</td>
<td>—</td>
<td>106,582</td>
</tr>
<tr>
<td>Program support services</td>
<td>98,009</td>
<td>—</td>
<td>98,009</td>
</tr>
<tr>
<td>Total program services</td>
<td>1,879,635</td>
<td>—</td>
<td>1,879,635</td>
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<tr>
<td>Administrative costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting services</td>
<td>54,026</td>
<td>—</td>
<td>54,026</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>22,022</td>
<td>—</td>
<td>22,022</td>
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<tr>
<td>Total administrative costs</td>
<td>76,048</td>
<td>—</td>
<td>76,048</td>
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<tr>
<td>Total expenses</td>
<td>1,955,683</td>
<td>—</td>
<td>1,955,683</td>
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<tr>
<td>Change in net assets before the pension actuarial gain (loss) and noncontrolling financial interest in subsidiaries</td>
<td>84,851</td>
<td>49,452</td>
<td>134,303</td>
</tr>
<tr>
<td>Pension actuarial gain (loss) (note 13)</td>
<td>(2,526)</td>
<td>—</td>
<td>(2,526)</td>
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<tr>
<td>Noncontrolling financial interest in subsidiaries</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>82,325</td>
<td>49,452</td>
<td>131,777</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>143,584</td>
<td>536,864</td>
<td>680,448</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$ 225,909</td>
<td>586,316</td>
<td>812,225</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
## WORLD VISION INTERNATIONAL AND CONSOLIDATED AFFILIATES

### Consolidated Statements of Cash Flows

**Years ended September 30, 2012 and 2011**

(Amounts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(65,080)</td>
<td>131,777</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts-in-kind, net</td>
<td>74,380</td>
<td>(55,400)</td>
</tr>
<tr>
<td>Unrealized and realized (gain) loss on investments</td>
<td>(1,180)</td>
<td>33</td>
</tr>
<tr>
<td>Change in cumulative unrealized (gain) loss on foreign exchange contracts</td>
<td>20,280</td>
<td>(32,563)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>8,055</td>
<td>6,565</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>6,634</td>
<td>11,963</td>
</tr>
<tr>
<td>Loss on disposal of equipment</td>
<td>126</td>
<td>349</td>
</tr>
<tr>
<td>Proceeds from sale of noncontrolling interest in subsidiary</td>
<td>(4,422)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(1,662)</td>
<td>(6,819)</td>
</tr>
<tr>
<td>Due from/to unconsolidated affiliates</td>
<td>(1,608)</td>
<td>(10,667)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(4,517)</td>
<td>(8,620)</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,528</td>
<td>(1,563)</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>10,198</td>
<td>18,093</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,994</td>
<td>5,490</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>47,726</td>
<td>58,638</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(158,466)</td>
<td>(143,914)</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>151,646</td>
<td>128,532</td>
</tr>
<tr>
<td>Proceeds from repayment of microfinance loans</td>
<td>567,822</td>
<td>441,991</td>
</tr>
<tr>
<td>Issuance of microfinance loans</td>
<td>(633,437)</td>
<td>(484,869)</td>
</tr>
<tr>
<td>Purchase of land, buildings, and equipment</td>
<td>(29,229)</td>
<td>(12,391)</td>
</tr>
<tr>
<td>Proceeds from sale of equipment</td>
<td>212</td>
<td>157</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(101,452)</td>
<td>(70,494)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments on notes payable</td>
<td>(103,181)</td>
<td>(102,626)</td>
</tr>
<tr>
<td>Proceeds received on notes payable</td>
<td>140,932</td>
<td>106,306</td>
</tr>
<tr>
<td>Proceeds from sale of noncontrolling interest in subsidiary</td>
<td>4,422</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>42,173</td>
<td>3,680</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>(11,553)</td>
<td>(8,176)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, beginning of year</strong></td>
<td>378,114</td>
<td>386,290</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of year</strong></td>
<td>$ 366,561</td>
<td>378,114</td>
</tr>
</tbody>
</table>

**Supplemental cash flow disclosures:**
- Cash paid during the year for interest $ 20,718 18,565
- Cash paid during the year for taxes 2,257 2,012

See accompanying notes to consolidated financial statements.
WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES
Notes to Consolidated Financial Statements
September 30, 2012 and 2011
(Amounts in thousands)

(1) Organization

World Vision International (WVI) and its consolidated affiliates (collectively, the Organization) is a network of international not-for-profit organizations whose mission is to follow our Lord and Savior Jesus Christ in working with the poor and oppressed to promote human transformation, seek justice, and bear witness to the good news of the Kingdom of God. It pursues this mission through integrated, holistic commitment to:

Transformational Development – that is community-based and sustainable, focused especially on the needs of children.

Emergency Relief – that assists people afflicted by conflict or disaster.

Promotion of Justice – that seeks to change unjust structures affecting the poor.

Partnerships with Churches – to contribute to spiritual and social transformation.

Public Awareness – that leads to informed understanding, giving, involvement, and prayer.

Witness to Jesus Christ – by life, deed, word, and sign that encourages people to respond to the Gospel.

WVI follows the vision statement below:

“Our vision for every child, life in all its fullness;

Our prayer for every heart, the will to make it so.”

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

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

Major functions in the Partnership include:

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

Ministry Offices – Primarily carry out the relief aid and community development work in their respective countries. Some Ministry Offices also raise local funds for relief aid and community development.
Regional and International Offices – Carry out the regional and global functions of WVI.

Support Offices – Primary function is to raise funds to support WVI’s programs outside of their home country. Some also have relief or development programs within their own country.

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

Microfinance Institutions (MFIs) – The MFIs’ primary purpose is making small loans to individuals who lack access to normal banking facilities. These loans are used to set up small businesses from which individuals can earn a living for themselves and their families.

There are four types of entities in the Partnership:

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

Ministry Offices
Afghanistan
Angola
Armenia
Azerbaijan
Bangladesh
Bosnia-Herzegovina
Burundi
Cambodia
Chad
Chile
China
Colombia
Congo – Democratic Republic of
Cyprus
Dominican Republic
East Timor
Ethiopia
Georgia
Haiti
Jordan
Kosovo
Laos
Lebanon
Lesotho
Mali
Mauritania
Mongolia
Mozambique
Myanmar
Nepal
Niger
North Korea
Pakistan
Russia – Moscow
Rwanda
Senegal
Sierra Leone
Somalia
South Sudan
Sudan (Northern Sudan)
Uzbekistan
Vietnam
Zimbabwe
WORLD VISION INTERNATIONAL AND CONSOLIDATED AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2012 and 2011

(Amounts in thousands)

Regional Offices
East Africa
East Asia
Latin America
Middle East & East Europe

International Offices
Dubai
Gibraltar
Johannesburg
Kuala Lumpur
London

Support Offices
Singapore

Microfinance Programs
Name
World Vision Myanmar Micro Enterprise Development Program
Daraja
Senegal Micro Finance
World Vision Vietnam Micro Enterprise Development Program

Country
Myanmar
Niger
Senegal
Vietnam

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

Ministry Offices
Albania
Bolivia
Costa Rica
Ecuador

Country
Ghana
Jerusalem West Bank Gaza
Malawi
Pacific Development Group

International Offices
Geneva

Support Offices
Spain

VisionFund International (VFI)
### Microfinance Institutions (consolidated by VFI)

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>VisionFund Albania LLC</td>
<td>Albania</td>
</tr>
<tr>
<td>SEF International Universal Credit Organization LLC</td>
<td>Armenia</td>
</tr>
<tr>
<td>VisionFund Azercredit LLC</td>
<td>Azerbaijan</td>
</tr>
<tr>
<td>VisionFund Cambodia</td>
<td>Cambodia</td>
</tr>
<tr>
<td>VisionFund Credo Foundation</td>
<td>Georgia</td>
</tr>
<tr>
<td>VisionFund Caucasus LLC</td>
<td>Georgia</td>
</tr>
<tr>
<td>Microfinance Organization Credo LLC</td>
<td>Georgia</td>
</tr>
<tr>
<td>VisionFund Mexico</td>
<td>Mexico</td>
</tr>
<tr>
<td>VisionFund AgroInvest LLC</td>
<td>Montenegro</td>
</tr>
<tr>
<td>AgroInvest VFI LLC</td>
<td>Montenegro</td>
</tr>
<tr>
<td>AgroInvest Foundation Montenegro</td>
<td>Montenegro</td>
</tr>
<tr>
<td>VisionFund Netherlands I B.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>VisionFund Netherlands II B.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>EDPYME Credivision</td>
<td>Peru</td>
</tr>
<tr>
<td>AgroInvest Fond LLC</td>
<td>Serbia</td>
</tr>
<tr>
<td>AgroInvest Foundation Serbia</td>
<td>Serbia</td>
</tr>
<tr>
<td>VisionFund Zambia LLC</td>
<td>Zambia</td>
</tr>
</tbody>
</table>
## Microfinance Institutions (not consolidated by VFI)

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundación Boliviana para el Desarrollo</td>
<td>Bolivia</td>
</tr>
<tr>
<td>Micro Credit Organization ‘EKI’ Sarajevo</td>
<td>Bosnia</td>
</tr>
<tr>
<td>Agencia Nacional de Desenvolvimento Microempresarial</td>
<td>Brazil</td>
</tr>
<tr>
<td>Kazoza Vision Finance</td>
<td>Burundi</td>
</tr>
<tr>
<td>Fundación Producir</td>
<td>Colombia</td>
</tr>
<tr>
<td>Fondo de Inversiones para el Desarrollo de la Microempresa</td>
<td>Dominican Republic</td>
</tr>
<tr>
<td>Fundación Fondo de Desarrollo Microempresarial</td>
<td>Ecuador</td>
</tr>
<tr>
<td>Fundación Salvadoreña para El Desarrollo</td>
<td>El Salvador</td>
</tr>
<tr>
<td>Wisdom Micro Financing Institution (S.C.)</td>
<td>Ethiopia</td>
</tr>
<tr>
<td>Association of Productive Entrepreneurship Development</td>
<td>Ghana</td>
</tr>
<tr>
<td>Asociación Gutemalteca para del Desarrollo</td>
<td>Guatemala</td>
</tr>
<tr>
<td>Fundación para el Desarrollo de Honduras</td>
<td>Honduras</td>
</tr>
<tr>
<td>Innovative Microfinance for Poverty Alleviation and Community</td>
<td>India</td>
</tr>
<tr>
<td>Transformation</td>
<td></td>
</tr>
<tr>
<td>Mitra Masyarakat Sejahtera Foundation</td>
<td>Indonesia</td>
</tr>
<tr>
<td>PT. VisionFund Indonesia</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Kenya Agency for Development of Enterprises and Technology</td>
<td>Kenya</td>
</tr>
<tr>
<td>KosInvest</td>
<td>Kosovo</td>
</tr>
<tr>
<td>Finance Trust for the Self Employed</td>
<td>Malawi</td>
</tr>
<tr>
<td>Reseau de Micro Institutions de Croissance de Revenu</td>
<td>Mali</td>
</tr>
<tr>
<td>Fundación Realidad, A.C.</td>
<td>Mexico</td>
</tr>
<tr>
<td>Vision Fund Mongolia LLC</td>
<td>Mongolia</td>
</tr>
<tr>
<td>AgroInvest NVO Podgorica</td>
<td>Montenegro</td>
</tr>
<tr>
<td>Foundation 4i 2000</td>
<td>Nicaragua</td>
</tr>
<tr>
<td>Entidad de Desarrollo de la Pequeña y Micro Empresa Credivison</td>
<td>Peru</td>
</tr>
<tr>
<td>Community Economic Ventures, Inc.</td>
<td>Philippines</td>
</tr>
<tr>
<td>Vision Finance Company S.A.</td>
<td>Rwanda</td>
</tr>
<tr>
<td>World Vision International Serbia I Crane Gora Beograd</td>
<td>Serbia</td>
</tr>
<tr>
<td>VisionFund Lanka (Gte.) Ltd.</td>
<td>Sri Lanka</td>
</tr>
<tr>
<td>Small Enterprise Development Agency</td>
<td>Tanzania</td>
</tr>
<tr>
<td>World Vision Foundation of Thailand</td>
<td>Thailand</td>
</tr>
<tr>
<td>Micro Enterprises Development Network Limited</td>
<td>Uganda</td>
</tr>
<tr>
<td>Harmos Micro Enterprise Development Ltd.</td>
<td>Zambia</td>
</tr>
<tr>
<td>Pundutso Micro Finance (Private) Ltd.</td>
<td>Zimbabwe</td>
</tr>
</tbody>
</table>
Affiliates WVI elects to consolidate – separate affiliated entities which are not for legal or accounting purposes owned or controlled by WVI. WVI has elected to include these affiliated entities as a permissive discretionary consolidation allowed under U.S. GAAP where WVI has a level of control and economic interest in these entities and consolidation is considered meaningful to WVI’s financial statements:

Ministry Offices
Brazil
El Salvador
Guatemala
Honduras
India
Indonesia
Kenya
Mexico
Peru
Philippines
Romania
South Africa
Sri Lanka
Swaziland
Tanzania
Thailand
Uganda
Zambia

Affiliates which are not consolidated – members of the Partnership which are not owned or controlled by WVI and are not consolidated:

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

(2) Significant Accounting Policies
(a) Basis of Presentation
The consolidated financial statements of the Organization are prepared on the accrual basis of accounting in accordance with U.S. GAAP.

(b) Consolidation
All intercompany accounts and transactions among the consolidated entities have been eliminated in the accompanying consolidated financial statements.
(c) **Financial Instruments**

Financial instruments include cash and cash equivalents, accounts and microfinance loans receivable, accounts due from/to unconsolidated affiliates, accounts payable, accrued expenses, and notes payable, and are stated at carrying cost at year-end, which approximates fair value. Other financial instruments held at year-end are investments and forward exchange contracts, which are stated at fair value.

(d) **Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposit accounts, certificates of deposit, and money market accounts with original maturities of 90 days or less at the date of acquisition.

(e) **Investments**

Investments are recorded at fair value and consist of time deposits with financial institutions as well as debt and equity securities. Current investment policy is to purchase investments with a credit rating of A+ or better. Gains and losses on investments are recorded to other revenue and gains in the consolidated statement of activities.

(f) **Accounts and Microfinance Loans Receivable**

Accounts and microfinance loans receivable are carried at the outstanding receivable amount, less an estimate made for uncollectible receivables. Management determines the allowance for uncollectible accounts and microfinance loans receivable by identifying troubled accounts, considering the debtor’s financial condition, current economic conditions, and using historical experience applied to an aging of the accounts and microfinance loans receivable. Recoveries of receivables previously written off are recorded when received.

Microfinance loans receivable primarily consist of amounts loaned to the entrepreneurial poor who lack access to normal banking facilities. Microfinance loans receivable represent the unpaid principal balance of loans, less an allowance for uncollectible loans. Interest is accrued based on the rate stated in the note and accrued on microfinance loans receivable unless the receivables are deemed uncollectible. Management determines the allowance for doubtful accounts by identifying troubled accounts, considering the debtor’s financial condition and current economic conditions. If a loan becomes over 180 days past due, and is deemed uncollectible, it is written off. The ultimate recovery of all loans is susceptible to future market factors beyond the Organization’s control. These factors may result in losses or recoveries differing significantly from those provided for in the consolidated financial statements.

(g) **Inventories**

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

(h) Land, Buildings and Equipment, Net

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

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

(i) 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. Actual results could differ from those estimates.

(j) Contribution Revenue Recognition

WVI receives unconditional promises to give funds from unconsolidated national support entities. Unconditional promises to give are recorded as revenue in the year the promises are made. All unconditional promises to give that were not yet fulfilled as of September 30, 2012 and 2011 are recorded in due from unconsolidated affiliates and detailed in note 5. WVI also receives cash donations from affiliated entities and unaffiliated donors. Revenue is recognized on these donations at the time of the donation.

(k) Gifts-in-Kind

Gifts-in-kind are included in revenue at estimated fair value on the date the donation was received. Donations consist primarily of clothing, pharmaceuticals, commodities, and agricultural seeds. These goods are recorded in accordance with U.S. GAAP and industry standards. Gifts-in-kind expense is recorded when the goods are distributed to program beneficiaries.

(l) Other Revenue and Gains

Other revenue and gains consists primarily of interest on microfinance loans and investment income.
(m) **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 have been allocated proportionately among program and administrative costs primarily based upon direct costs.

(n) **Administrative Costs**

Administrative costs are categorized into supporting services and fund-raising activities. Supporting services are activities that are not identifiable with a single program or fund-raising activity but that are indispensable to the conduct of those activities and to the Organization’s existence. They include oversight, business management, general record-keeping, budgeting, financing, and all general management and administration activities. Fund-raising activities are those activities that encourage potential donors to contribute money, securities, services, materials, facilities, and other assets or time.

(o) **Foreign Currency Translation Adjustments**

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

(p) **Use of Estimates**

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

(3) **Other Disclosures**

(a) **Concentration of Credit Risk**

The Organization maintains certain cash accounts at various financial institutions in the United States and foreign countries. The total deposits at institutions in the United States at times exceed the amount covered by bank deposit insurance. Many of the deposits held at institutions outside of the United States are not covered by local depository insurance. In the event of nonperformance by the other parties to investment transactions, the Organization is exposed to loss for the amount of cash in excess of the insurance coverage. To date, the Organization has not sustained a loss due to nonperformance of a financial institution.
(b) **Net Assets**

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

*Unrestricted net assets* – Unrestricted net assets represent those resources of the Organization that are not subject to donor-imposed restrictions or law. The only limits on unrestricted net assets are broad limits resulting from the nature of the Organization and the purposes specified in its articles of incorporation or bylaws, and limitations resulting from contractual agreements, if any.

*Temporarily restricted net assets* – Temporarily restricted net assets represent contributions and other inflows of assets that are subject to donor-imposed restrictions or law, which can be fulfilled by actions of the Organization pursuant to those stipulations or by the passage of time.

Expenses are reported as decreases in unrestricted net assets. Expiration of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another is reported as reclassifications between the applicable classes of net assets. Temporarily restricted contributions are recorded as restricted revenue when received and when the restriction expires, the net assets are shown as released from restriction on the consolidated statements of activities.

(c) **Tax Status**

WVI is a not-for-profit organization exempt from federal income and California state franchise taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 23701d of the California Revenue and Taxation Code. However, WVI remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements as a whole. Accounting Standards Codification (ASC) Topic 740 (ASC 740), *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, disclosure, and transition. Management believes there are no such uncertain tax positions for the Organization for the years ended September 30, 2012 and 2011.

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

MFIs are subject to their respective local tax laws, pursuant to which some are taxable and some are not taxable (or tax-exempt). Taxes totaling $3,940 and $3,169 for the years ended September 30, 2012 and 2011, respectively, are recorded in program services expense in the accompanying
consolidated statements of activities and consist entirely of non-U.S. taxes related to the operations of the foreign consolidated entities.

(4) **Fair Value**

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

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

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

**Level 3** – Inputs that are unobservable, including the Organization’s own assumptions in determining the fair value of assets or liabilities.

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.
The following table presents assets that are measured at fair value on a recurring basis at September 30, 2012:

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Quoted prices in active markets for identical assets (Level 1)</th>
<th>Significant other observable inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>(Level 1)</td>
</tr>
<tr>
<td><strong>Investments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$71,379</td>
<td>—</td>
</tr>
<tr>
<td>Domestic government securities</td>
<td>14,178</td>
<td>—</td>
</tr>
<tr>
<td>Foreign government securities</td>
<td>2,905</td>
<td>2,905</td>
</tr>
<tr>
<td>Foreign corporate stocks</td>
<td>5,823</td>
<td>5,823</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,710</td>
<td>1,710</td>
</tr>
<tr>
<td>Domestic corporate debt</td>
<td>14,234</td>
<td>—</td>
</tr>
<tr>
<td>Total investments</td>
<td>$110,229</td>
<td>10,438</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange currency contracts</td>
<td>$9,650</td>
<td>—</td>
</tr>
</tbody>
</table>
The following table presents assets that are measured at fair value on a recurring basis at September 30, 2011:

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Quoted prices in active markets for identical assets (Level 1)</th>
<th>Significant other observable inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>(Level 1)</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$ 61,428</td>
<td>—</td>
</tr>
<tr>
<td>Domestic government securities</td>
<td>18,550</td>
<td>—</td>
</tr>
<tr>
<td>Foreign government securities</td>
<td>5,196</td>
<td>2,537</td>
</tr>
<tr>
<td>Foreign corporate stocks</td>
<td>1,369</td>
<td>1,369</td>
</tr>
<tr>
<td>Other investments</td>
<td>5,351</td>
<td>2,284</td>
</tr>
<tr>
<td>Domestic corporate debt</td>
<td>10,335</td>
<td>—</td>
</tr>
<tr>
<td>Total investments</td>
<td>$102,229</td>
<td>6,190</td>
</tr>
<tr>
<td>Foreign exchange currency contracts</td>
<td>$ 10,630</td>
<td>—</td>
</tr>
</tbody>
</table>

Level 2 investments primarily consist of certificates of deposit held at the National Offices’ local banks. Level 2 investments also include time deposits held with the National Offices’ local government. The fair value of these investments is determined through the use of other significant observable inputs (including quoted prices for similar investments, interest rates, etc.).

(5) **Due from/to Unconsolidated Affiliates**

Amounts due from/to unconsolidated affiliates represent short-term transactions relating to project commitments and investments held for unconsolidated affiliates. Amounts due from/to unconsolidated affiliates at September 30, 2012 and 2011 are as follows:

<table>
<thead>
<tr>
<th>Due from unconsolidated affiliates:</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Vision United States</td>
<td>$ 80,851</td>
<td>76,867</td>
</tr>
<tr>
<td>World Vision Korea</td>
<td>5,347</td>
<td>16,742</td>
</tr>
<tr>
<td>World Vision Germany</td>
<td>2,360</td>
<td>5,797</td>
</tr>
<tr>
<td>World Vision Taiwan</td>
<td>2,095</td>
<td>—</td>
</tr>
<tr>
<td>World Vision Austria</td>
<td>138</td>
<td>265</td>
</tr>
<tr>
<td>World Vision Switzerland</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>World Vision Netherlands</td>
<td>—</td>
<td>225</td>
</tr>
<tr>
<td>Total due from unconsolidated affiliates</td>
<td>$90,804</td>
<td>99,922</td>
</tr>
</tbody>
</table>
Due to unconsolidated affiliates:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Vision Japan</td>
<td>$ 11,473</td>
<td>22,441</td>
</tr>
<tr>
<td>World Vision Canada</td>
<td>5,215</td>
<td>4,958</td>
</tr>
<tr>
<td>World Vision Germany</td>
<td>515</td>
<td>495</td>
</tr>
<tr>
<td>World Vision Italy</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>World Vision Spain</td>
<td>—</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total due to unconsolidated affiliates</strong></td>
<td>$ 17,204</td>
<td>27,930</td>
</tr>
</tbody>
</table>

(6) **Microfinance Loans Receivable**

The Organization adopted ASU No. 2010-20, *Disclosure about the Credit Quality of Financing Receivables and the Allowance for Credit Losses* (Topic 310), effective September 30, 2012. This ASU is intended to provide financial statement users with greater transparency about an entity’s allowance for credit losses and the credit quality of its financial receivables. This ASU amends existing disclosures and provides additional disclosures about its financing receivables on a disaggregated basis.

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

Microfinance loans receivable, net at September 30, 2012 and 2011, consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microfinance loans receivable, gross</td>
<td>$415,014</td>
<td>358,098</td>
</tr>
<tr>
<td>Less loan loss allowance</td>
<td>(10,023)</td>
<td>(12,088)</td>
</tr>
<tr>
<td><strong>Microfinance loans receivable, net</strong></td>
<td>$404,991</td>
<td>346,010</td>
</tr>
</tbody>
</table>

The average loan amount varies by country from less than three hundred dollars to four thousand six hundred dollars. The average loan terms commonly range from 5 to 45 months with a weighted average maturity of approximately 18 months.

Interest rates on the outstanding loans vary by country due to varying inflation rates and operating environments. For the years ending September 2012 and 2011, the weighted average annual interest rates charged were 32% and 31%, respectively.

The Organization’s weighted average interest rate is within the normal range for the microfinance industry. According to data compiled by the Microfinance Information Exchange, in 2011, the industry weighted
average yield on loan portfolio was 32% for MFIs with loan portfolios of less than $80,000. In 2012, the average loan portfolio for the Organization’s consolidated MFIs was $10,641, with the largest consolidated MFI loan portfolio being $75,432.

Loans to MFI clients were concentrated in the following regions as of September 30, 2012 and 2011:

<table>
<thead>
<tr>
<th>Region of operations</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>$41,367</td>
<td>28,596</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>77,668</td>
<td>66,459</td>
</tr>
<tr>
<td>Middle East/Eastern Europe</td>
<td>229,997</td>
<td>205,525</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>65,982</td>
<td>57,518</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$415,014</td>
<td>358,098</td>
</tr>
</tbody>
</table>

Changes in the allowance for loan losses for the years ended September 30, 2012 and 2011 are as follows:

<table>
<thead>
<tr>
<th>Allowance for loan loss</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$12,088</td>
<td>18,778</td>
</tr>
<tr>
<td>Loans written off</td>
<td>(7,625)</td>
<td>(14,872)</td>
</tr>
<tr>
<td>Provision for loan loss</td>
<td>6,634</td>
<td>11,963</td>
</tr>
<tr>
<td>Currency valuation change</td>
<td>(1,074)</td>
<td>(3,781)</td>
</tr>
<tr>
<td><strong>End of year</strong></td>
<td>$10,023</td>
<td>12,088</td>
</tr>
</tbody>
</table>

In the years ending September 30, 2012 and 2011, funds recovered from loans written off totaled $4,709 and $4,706, respectively. These amounts are included within other revenue and gains on the accompanying consolidated statements of activities.
(7) **Land, Buildings and Equipment, Net**

Land, buildings and equipment, net at September 30, 2012 and 2011, consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$13,629</td>
<td>$11,022</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>34,754</td>
<td>25,965</td>
</tr>
<tr>
<td>Computers and software</td>
<td>35,831</td>
<td>23,229</td>
</tr>
<tr>
<td>Vehicles</td>
<td>8,794</td>
<td>7,668</td>
</tr>
<tr>
<td>Furniture and other equipment</td>
<td>12,823</td>
<td>11,176</td>
</tr>
<tr>
<td><strong>Total land, buildings and equipment</strong></td>
<td><strong>105,831</strong></td>
<td><strong>79,060</strong></td>
</tr>
<tr>
<td><strong>Less accumulated depreciation</strong></td>
<td><strong>(35,739)</strong></td>
<td><strong>(29,804)</strong></td>
</tr>
<tr>
<td><strong>Total land, buildings and equipment, net</strong></td>
<td><strong>$70,092</strong></td>
<td><strong>49,256</strong></td>
</tr>
</tbody>
</table>

(8) **Foreign Exchange Contracts**

The Organization receives most of its funds from unconsolidated national support entities throughout the world (as discussed in note 12, Contributions and Gift-in-kind Revenues). Planned fundings are made annually by these entities in the local currency of the respective countries. In order to protect against adverse fluctuations in such currencies, the Organization may enter into foreign currency forward (FOREX) contracts, which provide for the future exchange of funds at agreed-upon rates. These agreements are recorded at fair value at September 30, 2012 and 2011. Any unrealized gains or losses as of September 30, 2012 and 2011 are recognized in the consolidated statements of activities. Any realized gains or losses as of September 30, 2012 and 2011 are recognized in contributions revenue in the consolidated statements of activities. It is the Organization’s general policy and practice to hold such contracts until maturity.

For the years ended September 30, 2012 and 2011, the Organization recorded a change in cumulative unrealized (losses) gains of $(20,280) and $32,563, respectively, on FOREX contracts held.

At September 30, 2012 and 2011, the Organization had in place foreign currency contracts for purchases of U.S. dollars with notional amounts totaling $640,074 and $506,176, respectively, and sales of U.S. dollars for foreign currencies with notional amounts totaling $344,577 and $324,917, respectively.
(9) Notes Payable

Notes payable represent amounts received from various foundations, individuals, unconsolidated national support entities, and banking organizations, which extended loans to the Organization to provide funding for its activities. At September 30, 2012 and 2011, a total of $258,650 and $220,899, respectively, in loans was outstanding. All of these loans were issued in relation to World Vision’s microfinance activities. Interest rates generally range from 2% to 13%. These loans are scheduled for repayment as follows:

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$96,065</td>
</tr>
<tr>
<td>2014</td>
<td>81,441</td>
</tr>
<tr>
<td>2015</td>
<td>57,426</td>
</tr>
<tr>
<td>2016</td>
<td>6,467</td>
</tr>
<tr>
<td>2017</td>
<td>3,955</td>
</tr>
<tr>
<td>2018 and thereafter</td>
<td>13,296</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$258,650</strong></td>
</tr>
</tbody>
</table>

Notes payable are unsecured with the exception of aggregate loans of $14,505 and $15,382 at September 30, 2012 and 2011, respectively, in loans that have been guaranteed by the assets of microfinance institutions. Each of these collateral agreements represents a first priority guarantee on the assets of a particular microfinance institution. Interest expense totaling $20,151 and $21,606 for the years ended September 30, 2012 and 2011, respectively, is recorded in the consolidated statements of activities as Microenterprise development program services expense.
(10) **Net Assets**

Consolidated net assets at September 30, 2012 are restricted or designated for the following purposes:

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions received designated for future program services</td>
<td>$ 191,197</td>
<td>—</td>
<td>191,197</td>
</tr>
<tr>
<td>Contributions of gifts-in-kind restricted for international programs</td>
<td>—</td>
<td>116,973</td>
<td>116,973</td>
</tr>
<tr>
<td>Contributions received restricted for international relief and community development</td>
<td>—</td>
<td>402,993</td>
<td>402,993</td>
</tr>
<tr>
<td>Other designated amounts:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christian endowment</td>
<td>13,057</td>
<td>—</td>
<td>13,057</td>
</tr>
<tr>
<td>Undesignated deficit</td>
<td>(52,855)</td>
<td>—</td>
<td>(52,855)</td>
</tr>
<tr>
<td>Represented by noncontrolling financial interest in subsidiaries</td>
<td>4,998</td>
<td>—</td>
<td>4,998</td>
</tr>
<tr>
<td>Represented by fixed assets and investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, buildings, and equipment, net</td>
<td>70,092</td>
<td>—</td>
<td>70,092</td>
</tr>
<tr>
<td>Investment in captive insurance company</td>
<td>690</td>
<td>—</td>
<td>690</td>
</tr>
<tr>
<td></td>
<td><strong>$ 227,179</strong></td>
<td><strong>519,966</strong></td>
<td><strong>747,145</strong></td>
</tr>
</tbody>
</table>
WORLD VISION INTERNATIONAL 
AND CONSOLIDATED AFFILIATES 

Notes to Consolidated Financial Statements 

September 30, 2012 and 2011 

(Amounts in thousands) 

Consolidated net assets at September 30, 2011 are restricted or designated for the following purposes: 

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions received designated for future program services</td>
<td>$189,192</td>
<td>—</td>
<td>189,192</td>
</tr>
<tr>
<td>Contributions of gifts-in-kind restricted for international programs</td>
<td>—</td>
<td>191,353</td>
<td>191,353</td>
</tr>
<tr>
<td>Contributions received restricted for international relief and community development</td>
<td>—</td>
<td>394,963</td>
<td>394,963</td>
</tr>
<tr>
<td>Other designated amounts:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christian endowment</td>
<td>12,798</td>
<td>—</td>
<td>12,798</td>
</tr>
<tr>
<td>Undesignated deficit</td>
<td>(26,027)</td>
<td>—</td>
<td>(26,027)</td>
</tr>
<tr>
<td>Represented by fixed assets and investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, buildings, and equipment, net</td>
<td>49,256</td>
<td>—</td>
<td>49,256</td>
</tr>
<tr>
<td>Investment in captive insurance company</td>
<td>690</td>
<td>—</td>
<td>690</td>
</tr>
</tbody>
</table>

| Total                                                                 | $225,909     | $586,316               | $812,225|

(11) Endowments 

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, September 30, 2010</td>
<td>$12,688</td>
</tr>
<tr>
<td>Net investment return</td>
<td>148</td>
</tr>
<tr>
<td>Appropriated expenditures</td>
<td>(38)</td>
</tr>
<tr>
<td>Balance, September 30, 2011</td>
<td>12,798</td>
</tr>
<tr>
<td>Net investment return</td>
<td>460</td>
</tr>
<tr>
<td>Appropriated expenditures</td>
<td>(201)</td>
</tr>
<tr>
<td>Balance, September 30, 2012</td>
<td>$13,057</td>
</tr>
</tbody>
</table>
(12) Contributions and Gift-in-Kind Revenues

Contributions and gift-in-kind revenues for the year ended September 30, 2012 are as follows:

<table>
<thead>
<tr>
<th>Contributions:</th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Vision United States</td>
<td>$59,297</td>
<td>453,247</td>
<td>512,544</td>
</tr>
<tr>
<td>World Vision Canada</td>
<td>22,002</td>
<td>193,805</td>
<td>215,807</td>
</tr>
<tr>
<td>World Vision Australia</td>
<td>18,821</td>
<td>190,831</td>
<td>209,652</td>
</tr>
<tr>
<td>World Vision Korea</td>
<td>4,409</td>
<td>89,277</td>
<td>93,686</td>
</tr>
<tr>
<td>World Vision Germany</td>
<td>1,580</td>
<td>84,640</td>
<td>86,220</td>
</tr>
<tr>
<td>World Vision Hong Kong</td>
<td>6,015</td>
<td>75,527</td>
<td>81,542</td>
</tr>
<tr>
<td>World Vision United Kingdom</td>
<td>9,971</td>
<td>63,809</td>
<td>73,780</td>
</tr>
<tr>
<td>World Vision Taiwan</td>
<td>4,236</td>
<td>45,307</td>
<td>49,543</td>
</tr>
<tr>
<td>World Vision Switzerland</td>
<td>3,176</td>
<td>33,390</td>
<td>36,566</td>
</tr>
<tr>
<td>World Vision Japan</td>
<td>2,216</td>
<td>31,662</td>
<td>33,878</td>
</tr>
<tr>
<td>World Vision New Zealand</td>
<td>2,774</td>
<td>26,646</td>
<td>29,420</td>
</tr>
<tr>
<td>World Vision Malaysia</td>
<td>163</td>
<td>8,806</td>
<td>8,969</td>
</tr>
<tr>
<td>World Vision Finland</td>
<td>280</td>
<td>7,091</td>
<td>7,371</td>
</tr>
<tr>
<td>World Vision Netherlands</td>
<td>261</td>
<td>6,513</td>
<td>6,774</td>
</tr>
<tr>
<td>World Vision Ireland</td>
<td>388</td>
<td>6,078</td>
<td>6,466</td>
</tr>
<tr>
<td>World Vision Austria</td>
<td>8</td>
<td>6,434</td>
<td>6,442</td>
</tr>
<tr>
<td>World Vision France</td>
<td>—</td>
<td>5,037</td>
<td>5,037</td>
</tr>
<tr>
<td>World Vision Italy</td>
<td>—</td>
<td>310</td>
<td>310</td>
</tr>
<tr>
<td>Nonaffiliated sources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Vision Singapore</td>
<td>—</td>
<td>10,528</td>
<td>10,528</td>
</tr>
<tr>
<td>World Vision Spain</td>
<td>—</td>
<td>5,844</td>
<td>5,844</td>
</tr>
<tr>
<td>Other Subsidiaries</td>
<td>9,840</td>
<td>63,464</td>
<td>73,304</td>
</tr>
<tr>
<td>Subtotal</td>
<td>145,437</td>
<td>1,408,246</td>
<td>1,553,683</td>
</tr>
</tbody>
</table>

Gifts-in-kind:

<table>
<thead>
<tr>
<th>Gifts-in-kind:</th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Vision United States</td>
<td>—</td>
<td>203,010</td>
<td>203,010</td>
</tr>
<tr>
<td>World Vision Canada</td>
<td>—</td>
<td>90,787</td>
<td>90,787</td>
</tr>
<tr>
<td>World Vision Australia</td>
<td>—</td>
<td>21,236</td>
<td>21,236</td>
</tr>
<tr>
<td>World Vision Taiwan</td>
<td>—</td>
<td>9,970</td>
<td>9,970</td>
</tr>
<tr>
<td>World Vision Hong Kong</td>
<td>—</td>
<td>4,585</td>
<td>4,585</td>
</tr>
<tr>
<td>World Vision Germany</td>
<td>—</td>
<td>3,610</td>
<td>3,610</td>
</tr>
<tr>
<td>World Vision Switzerland</td>
<td>—</td>
<td>3,485</td>
<td>3,485</td>
</tr>
<tr>
<td>World Vision United Kingdom</td>
<td>—</td>
<td>3,347</td>
<td>3,347</td>
</tr>
<tr>
<td>World Vision New Zealand</td>
<td>—</td>
<td>3,161</td>
<td>3,161</td>
</tr>
<tr>
<td>World Vision Korea</td>
<td>—</td>
<td>2,054</td>
<td>2,054</td>
</tr>
</tbody>
</table>
### Contributions and gift-in-kind revenues for the year ended September 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contributions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Vision United States</td>
<td>$56,743</td>
<td>442,266</td>
<td>499,009</td>
</tr>
<tr>
<td>World Vision Canada</td>
<td>20,223</td>
<td>186,146</td>
<td>206,369</td>
</tr>
<tr>
<td>World Vision Austria</td>
<td>17,771</td>
<td>185,191</td>
<td>202,962</td>
</tr>
<tr>
<td>World Vision Germany</td>
<td>1,400</td>
<td>89,254</td>
<td>90,654</td>
</tr>
<tr>
<td>World Vision Hong Kong</td>
<td>5,666</td>
<td>81,326</td>
<td>86,992</td>
</tr>
<tr>
<td>World Vision Korea</td>
<td>4,164</td>
<td>76,458</td>
<td>80,622</td>
</tr>
<tr>
<td>World Vision Japan</td>
<td>8,116</td>
<td>60,196</td>
<td>68,312</td>
</tr>
<tr>
<td>World Vision United Kingdom</td>
<td>4,002</td>
<td>54,254</td>
<td>58,256</td>
</tr>
<tr>
<td>World Vision Switzerland</td>
<td>2,996</td>
<td>35,024</td>
<td>38,020</td>
</tr>
<tr>
<td>World Vision Japan</td>
<td>2,093</td>
<td>34,212</td>
<td>36,305</td>
</tr>
<tr>
<td>World Vision New Zealand</td>
<td>2,618</td>
<td>21,466</td>
<td>24,084</td>
</tr>
<tr>
<td>World Vision Malaysia</td>
<td>108</td>
<td>8,390</td>
<td>8,498</td>
</tr>
<tr>
<td>World Vision Austria</td>
<td>309</td>
<td>8,155</td>
<td>8,464</td>
</tr>
<tr>
<td>World Vision Finland</td>
<td>273</td>
<td>7,380</td>
<td>7,653</td>
</tr>
<tr>
<td>World Vision Ireland</td>
<td>375</td>
<td>6,842</td>
<td>7,217</td>
</tr>
<tr>
<td>World Vision Netherlands</td>
<td>287</td>
<td>6,764</td>
<td>7,051</td>
</tr>
<tr>
<td>World Vision France</td>
<td>—</td>
<td>4,602</td>
<td>4,602</td>
</tr>
<tr>
<td>World Vision Spain</td>
<td>—</td>
<td>2,953</td>
<td>2,953</td>
</tr>
<tr>
<td>World Vision Italy</td>
<td>—</td>
<td>716</td>
<td>716</td>
</tr>
<tr>
<td><strong>Nonaffiliated sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Vision Singapore</td>
<td>441</td>
<td>6,848</td>
<td>7,289</td>
</tr>
<tr>
<td>Other Subsidiaries</td>
<td>7,216</td>
<td>60,723</td>
<td>67,939</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>134,801</td>
<td>1,379,169</td>
<td>1,513,970</td>
</tr>
</tbody>
</table>
## Temporary Unrestricted and Consolidated Affiliates

### Notes to Consolidated Financial Statements

September 30, 2012 and 2011

(Amounts in thousands)

<table>
<thead>
<tr>
<th>Gifts-in-kind:</th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Vision United States</td>
<td>$ —</td>
<td>231,894</td>
<td>231,894</td>
</tr>
<tr>
<td>World Vision Canada</td>
<td>—</td>
<td>91,823</td>
<td>91,823</td>
</tr>
<tr>
<td>World Vision Australia</td>
<td>—</td>
<td>21,133</td>
<td>21,133</td>
</tr>
<tr>
<td>World Vision Switzerland</td>
<td>—</td>
<td>8,609</td>
<td>8,609</td>
</tr>
<tr>
<td>World Vision United Kingdom</td>
<td>—</td>
<td>7,021</td>
<td>7,021</td>
</tr>
<tr>
<td>World Vision Hong Kong</td>
<td>—</td>
<td>6,032</td>
<td>6,032</td>
</tr>
<tr>
<td>World Vision Germany</td>
<td>—</td>
<td>4,307</td>
<td>4,307</td>
</tr>
<tr>
<td>World Vision Japan</td>
<td>—</td>
<td>3,393</td>
<td>3,393</td>
</tr>
<tr>
<td>World Vision New Zealand</td>
<td>—</td>
<td>3,214</td>
<td>3,214</td>
</tr>
<tr>
<td>World Vision Taiwan</td>
<td>—</td>
<td>3,091</td>
<td>3,091</td>
</tr>
<tr>
<td>World Vision Korea</td>
<td>—</td>
<td>2,078</td>
<td>2,078</td>
</tr>
<tr>
<td>World Vision Austria</td>
<td>—</td>
<td>1,243</td>
<td>1,243</td>
</tr>
<tr>
<td>World Vision Ireland</td>
<td>—</td>
<td>205</td>
<td>205</td>
</tr>
</tbody>
</table>

Nonaffiliated sources:

| World Vision Singapore            | —            | —                      | —      |
| Other Subsidiaries                | —            | 12,043                 | 12,043 |
| **Subtotal**                      | —            | **396,086**            | **396,086** |

**Total**                               | **$134,801** | **1,775,255**          | **1,910,056** |

### Retirement Plans

The Organization has an international defined contribution plan covering substantially all non-U.S. citizens, nonresident expatriate and contract employees who are not included in the noncontributory Cash Balance Retirement Plan referred to below. Total contributions to this plan by the Organization for the years ended September 30, 2012 and 2011 were $2,229 and $2,060, respectively.

WVI participates jointly with World Vision, Inc. (also known as World Vision United States), an unconsolidated affiliate, in a noncontributory Cash Balance Retirement Plan (the Plan) covering substantially all U.S.-based employees of WVI. The assets of the Plan are held in trust and WVI and World Vision, Inc. act as trustees of the Plan. Under the Plan, an annual pay credit and interest credit are added 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.
The following table sets forth the actuarial assumptions related to the Plan. Assumptions as of September 30, 2012 and 2011 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>3.05%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Expected return on Plan assets</td>
<td>7.00</td>
<td>7.00</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>4.00</td>
<td>4.00</td>
</tr>
</tbody>
</table>

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

The following tables provide a reconciliation of benefit obligations, Plan assets, and funded status of the Plan for the years ended September 30, 2012 and 2011:

<table>
<thead>
<tr>
<th>Change in benefit obligations:</th>
<th>WVI</th>
<th>Total Plan</th>
<th>WVI</th>
<th>Total Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected benefit obligations</td>
<td>$30,082</td>
<td>99,841</td>
<td>$28,030</td>
<td>91,931</td>
</tr>
<tr>
<td>at beginning of year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>1,903</td>
<td>6,186</td>
<td>1,712</td>
<td>5,640</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1,230</td>
<td>3,632</td>
<td>1,394</td>
<td>3,769</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>3,951</td>
<td>7,590</td>
<td>1,104</td>
<td>3,448</td>
</tr>
<tr>
<td>Actuarial loss</td>
<td>715</td>
<td>2,315</td>
<td>(245)</td>
<td>(811)</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(2,553)</td>
<td>(5,231)</td>
<td>(1,860)</td>
<td>(3,961)</td>
</tr>
<tr>
<td>Expenses paid</td>
<td>(49)</td>
<td>(161)</td>
<td>(53)</td>
<td>(175)</td>
</tr>
<tr>
<td>Projected benefit obligations at end of year</td>
<td>$35,279</td>
<td>114,172</td>
<td>$30,082</td>
<td>99,841</td>
</tr>
</tbody>
</table>

Accumulated benefit obligations at end of year $31,329 $101,388 $26,963 $89,487
WORLD VISION INTERNATIONAL
AND CONSOLIDATED AFFILIATES

Notes to Consolidated Financial Statements
September 30, 2012 and 2011
(Amounts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WVI</td>
<td>Total Plan</td>
<td>WVI</td>
<td>Total Plan</td>
</tr>
<tr>
<td>Change in Plan assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan assets at fair value at beginning of year</td>
<td>$24,446</td>
<td>81,135</td>
<td>23,814</td>
<td>78,105</td>
</tr>
<tr>
<td>Actual return on Plan assets</td>
<td>5,826</td>
<td>18,854</td>
<td>(326)</td>
<td>(1,084)</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>2,750</td>
<td>8,250</td>
<td>2,750</td>
<td>8,250</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(2,553)</td>
<td>(5,231)</td>
<td>(1,860)</td>
<td>(3,961)</td>
</tr>
<tr>
<td>Expenses paid</td>
<td>(49)</td>
<td>(161)</td>
<td>(53)</td>
<td>(175)</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>1,360</td>
<td>—</td>
<td>121</td>
<td>—</td>
</tr>
<tr>
<td>Plan assets at fair value at end of year</td>
<td>$31,780</td>
<td>102,847</td>
<td>24,446</td>
<td>81,135</td>
</tr>
</tbody>
</table>

Funded status

WVI | Total Plan | WVI | Total Plan |
---|------------|---|------------|
$ (3,499) | (11,325) | $ (5,636) | (18,706) |

2012 | 2011 |
---|---|
WVI | Total Plan | WVI | Total Plan |
---|------------|---|------------|
Funded status liability | $ (3,499) | (11,325) | $ (5,636) | (18,706) |
Total amount recognized | $ (3,499) | (11,325) | $ (5,636) | (18,706) |

Amounts recognized in unrestricted net assets consist of:

Pension actuarial loss (gain) | $ (1,393) | (5,624) | $ 2,526 | 7,671 |
Net periodic benefit cost for the Plan includes the following components for the years ended September 30:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WVI</td>
<td>Total Plan</td>
</tr>
<tr>
<td>Service cost</td>
<td>$1,903</td>
<td>6,186</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1,230</td>
<td>3,632</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(1,807)</td>
<td>(5,335)</td>
</tr>
<tr>
<td>Amortization of net loss</td>
<td>680</td>
<td>2,010</td>
</tr>
<tr>
<td><strong>Net periodic benefit cost</strong></td>
<td>$2,006</td>
<td>6,493</td>
</tr>
</tbody>
</table>

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.

(a) **Fair Value of Plan Assets**

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2012:

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2012</th>
<th>Quoted prices in active markets for identical assets (Level 1)</th>
<th>Significant other observable inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents</td>
<td>$228</td>
<td>228</td>
<td>—</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>44,477</td>
<td>44,477</td>
<td>—</td>
</tr>
<tr>
<td>International</td>
<td>13,003</td>
<td>13,003</td>
<td>—</td>
</tr>
<tr>
<td>Bond</td>
<td>20,439</td>
<td>20,439</td>
<td>—</td>
</tr>
<tr>
<td>Equity securities</td>
<td>13,285</td>
<td>13,153</td>
<td>132</td>
</tr>
<tr>
<td>Real estate investment trusts</td>
<td>1,225</td>
<td>1,225</td>
<td>—</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1,179</td>
<td>—</td>
<td>1,179</td>
</tr>
<tr>
<td>Master limited partnerships</td>
<td>8,412</td>
<td>8,412</td>
<td>—</td>
</tr>
<tr>
<td>Other assets</td>
<td>599</td>
<td>599</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Plan assets</strong></td>
<td>$102,847</td>
<td>101,536</td>
<td>1,311</td>
</tr>
</tbody>
</table>
The following table presents assets that are measured at fair value on a recurring basis at September 30, 2011:

<table>
<thead>
<tr>
<th>September 30, 2011</th>
<th>Quoted prices in active markets for identical assets (Level 1)</th>
<th>Significant other observable inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash equivalents</td>
<td>$ 197</td>
<td>197</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>$37,638</td>
<td>37,638</td>
</tr>
<tr>
<td>International</td>
<td>$10,656</td>
<td>10,656</td>
</tr>
<tr>
<td>Bond</td>
<td>$10,957</td>
<td>10,957</td>
</tr>
<tr>
<td>Equity securities</td>
<td>$11,174</td>
<td>11,129</td>
</tr>
<tr>
<td>Real estate investment trusts</td>
<td>$915</td>
<td>915</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>$1,878</td>
<td>—</td>
</tr>
<tr>
<td>Master limited partnerships</td>
<td>$7,018</td>
<td>7,018</td>
</tr>
<tr>
<td>Other assets</td>
<td>$702</td>
<td>702</td>
</tr>
<tr>
<td>Total Plan assets</td>
<td>$81,135</td>
<td>79,212</td>
</tr>
</tbody>
</table>

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.

(b) Estimated Future Payments

The Plan contribution for the year ending September 30, 2013 is expected to be $2,750 and $8,250 for WVI 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:

<table>
<thead>
<tr>
<th></th>
<th>WVI</th>
<th>Total plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>$6,317</td>
<td>18,952</td>
</tr>
<tr>
<td>2013-14</td>
<td>3,286</td>
<td>9,858</td>
</tr>
<tr>
<td>2014-15</td>
<td>3,548</td>
<td>10,646</td>
</tr>
<tr>
<td>2015-16</td>
<td>3,722</td>
<td>11,165</td>
</tr>
<tr>
<td>2016-17</td>
<td>2,937</td>
<td>8,811</td>
</tr>
<tr>
<td>Thereafter</td>
<td>16,370</td>
<td>49,108</td>
</tr>
<tr>
<td></td>
<td>$36,180</td>
<td>108,540</td>
</tr>
</tbody>
</table>
(14) Leases

The Organization has commitments related to operating leases for building facilities, equipment, and land at September 30, 2012 and 2011.

Future minimum lease payments for the organization with remaining terms of one year or more at September 30, 2012 are as follows:

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$9,512</td>
</tr>
<tr>
<td>2014</td>
<td>7,524</td>
</tr>
<tr>
<td>2015</td>
<td>2,367</td>
</tr>
<tr>
<td>2016</td>
<td>1,220</td>
</tr>
<tr>
<td>2017</td>
<td>765</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,791</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$23,179</td>
</tr>
</tbody>
</table>

Lease and rent expense for the years ended September 30, 2012 and 2011 was $10,124 and $10,368, respectively.

(15) Commitments and Contingencies

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

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

(16) Subsequent Events

The Organization has evaluated subsequent events from September 30, 2012 through March 27, 2013, the date on which the consolidated financial statements were available for issuance.

On November 19, 2012, the Organization established a $20,000 line of credit. This line of credit is intended to offset seasonal fluctuations in cash flow, and allows rapid relief response to sudden onset natural disasters. This line has not been drawn upon as of the date of these financial statements.