World Wildlife Fund, Inc.

Financial Statements and
Independent Auditor's Report
Years Ended June 30, 2013 and 2012

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Contents

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Independent Auditor's Report

To the Board of Directors
World Wildlife Fund, Inc.
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of **World Wildlife Fund, Inc.**, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **World Wildlife Fund, Inc.** as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

October 14, 2013

Financial Statements

World Wildlife Fund, Inc.

Statements of Financial Position

June 30,	**2013**	2012
Assets		
Current assets		
Cash and cash equivalents	**$ 32,316,145**	$ 30,590,800
Short-term investments	**25,445,003**	35,295,210
Accounts receivable	**23,086,576**	28,481,150
Pledges receivable	**23,134,757**	20,254,207
Prepaid assets	**4,037,159**	4,018,970
Other current assets	**2,986,357**	3,111,933
Total current assets	**111,005,997**	121,752,270
Noncurrent assets		
Long-term investments	**211,985,515**	182,882,727
Pledges receivable, net of current, discount, and allowance for uncollectible pledges	**20,410,992**	9,437,221
Long-term trust receivables	**31,291,713**	27,693,805
Bond issuance costs, net of amortization	**1,243,839**	1,346,132
Other noncurrent assets	**13,996,929**	4,807,053
Land, building, and equipment, net	**60,997,467**	64,156,352
Total noncurrent assets	**339,926,455**	290,323,290
Total assets	**450,932,452**	$ 412,075,560
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	**$ 11,728,915**	$ 11,677,987
Grants payable	**27,854,321**	29,591,970
Deferred revenue	**7,143,248**	7,178,583
Current portion of long-term debt	**2,025,000**	1,970,000
Total current liabilities	**48,751,484**	50,418,540
Noncurrent liabilities		
Long-term debt, net of current portion	**61,598,128**	63,631,842
Other long-term liabilities	**8,144,820**	6,838,313
Interest rate swap liability	**13,619,539**	19,492,285
Total noncurrent liabilities	**83,362,487**	89,962,440
Total liabilities	**132,113,971**	140,380,980
Commitments and contingencies		
Net assets		
Unrestricted	**153,183,215**	137,650,664
Temporarily restricted	**122,790,028**	92,738,064
Permanently restricted	**42,845,238**	41,305,852
Total net assets	**318,818,481**	271,694,580
Total liabilities and net assets	**$ 450,932,452**	$ 412,075,560

See accompanying notes to financial statements.

World Wildlife Fund, Inc.

Statements of Activities

Years ended June 30,	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2012
Operating activities								
Revenues								
Contributions	$ 56,158,873	$ 66,019,006	$ -	$ 122,177,879	$ 54,632,896	$ 55,910,215	$ -	$110,543,111
Government grants and contracts	48,219,397	-	-	48,219,397	41,213,760	-	-	41,213,760
WWF network revenues	16,210,347	-	-	16,210,347	14,526,636	-	-	14,526,636
Other revenues including royalties	4,514,446	2,292,325	-	6,806,771	6,375,916	2,501,241	-	8,877,157
In-kind contributions	64,298,791	-	-	64,298,791	53,527,866	-	-	53,527,866
Nonoperating income allocated to operations	20,033,323	1,696,843	-	21,730,166	24,503,439	1,616,622	-	26,120,061
Total revenues	209,435,177	70,008,174	-	279,443,351	194,780,513	60,028,078	-	254,808,591
Net assets released from restrictions	55,698,178	(55,698,178)	-	-	50,053,340	(50,053,340)	-	-
Net revenues	265,133,355	14,309,996	-	279,443,351	244,833,853	9,974,738	-	254,808,591
Commercial building operations								
Revenues	6,682,667	-	-	6,682,667	5,468,835	-	-	5,468,835
Expenses	5,524,453	-	-	5,524,453	5,440,896	-	-	5,440,896
Net income on commercial building operations	1,158,214	-	-	1,158,214	27,939	-	-	27,939
Total revenue and support	266,291,569	14,309,996	-	280,601,565	244,861,792	9,974,738	-	254,836,530
Operating expenses								
Program services								
Conservation field and policy programs	144,381,532	-	-	144,381,532	140,843,178	-	-	140,843,178
Public education	81,737,392	-	-	81,737,392	64,993,835	-	-	64,993,835
Total program services	226,118,924	-	-	226,118,924	205,837,013	-	-	205,837,013
Supporting services								
Finance and administration	12,352,154	-	-	12,352,154	11,839,825	-	-	11,839,825
Fundraising	27,664,528	-	-	27,664,528	27,211,291	-	-	27,211,291
Total supporting services	40,016,682	-	-	40,016,682	39,051,116	-	-	39,051,116
Total operating expenses	266,135,606	-	-	266,135,606	244,888,129	-	-	244,888,129
Revenue and support over operating expenses	155,963	14,309,996	-	14,465,959	(26,337)	9,974,738	-	9,948,401
Nonoperating activities								
Bequests, endowments, and split income gifts	14,967,091	14,115,628	127,570	29,210,289	27,700,072	1,764,671	(405,556)	29,059,187
Income/(loss) on interest rate swaps	5,872,746	-	-	5,872,746	(8,700,685)	-	-	(8,700,685)
Income/(loss) from investments, net	14,689,722	3,323,183	1,411,816	19,424,721	(278,202)	(177,320)	395,370	(60,152)
Loss on foreign currency exchange	(119,648)	-	-	(119,648)	(425,536)	-	-	(425,536)
Total nonoperating activities	35,409,911	17,438,811	1,539,386	54,388,108	18,295,649	1,587,351	(10,186)	19,872,814
Total allocated to operations	(20,033,323)	(1,696,843)	-	(21,730,166)	(24,503,439)	(1,616,622)	-	(26,120,061)
Change in net assets from nonoperating activities	15,376,588	15,741,968	1,539,386	32,657,942	(6,207,790)	(29,271)	(10,186)	(6,247,247)
Change in net assets	15,532,551	30,051,964	1,539,386	47,123,901	(6,234,127)	9,945,467	(10,186)	3,701,154
Net assets at beginning of year	137,650,664	92,738,064	41,305,852	271,694,580	143,884,791	82,792,597	41,316,038	267,993,426
Net assets at end of year	$ 153,183,215	$ 122,790,028	$ 42,845,238	$ 318,818,481	$ 137,650,664	$ 92,738,064	$ 41,305,852	$ 271,694,580

See accompanying notes to financial statements.

World Wildlife Fund, Inc.

Statements of Functional Expenses

Year ended June 30, 2013 (with comparative totals for the year ended June 30, 2012)	U.S. and Developed Countries	International Programs	G&A Program Management	Total Conservation Field and Policy Programs	Public Education	Total Program Expenses	Finance and Administration	Fundraising	Total Supporting Services Expenses	2013 Total Operating Expenses	2012 Total Operating Expenses
Project grants and contracts	$ 391,404	$ 68,984,891	$ 84,664	$ 69,460,959	$ 1,585,549	$ 71,046,508	$ 1,087,650	$ 893,448	$ 1,981,098	$ 73,027,606	$ 70,857,164
Salaries and benefits	1,015,450	45,312,982	2,641,767	48,970,199	5,769,186	54,739,385	7,863,918	8,674,709	16,538,627	71,278,012	64,912,304
In-kind contributions	-	2,826,537	-	2,826,537	61,223,489	64,050,026	225,922	22,843	248,764	64,298,791	53,527,866
Printing and photocopying	6,116	1,699,044	22,795	1,727,955	4,413,678	6,141,633	4,047	6,339,316	6,343,363	12,484,996	12,666,475
Office supplies, postage, and shipping	71,844	929,528	17,063	1,018,435	3,166,995	4,185,430	53,772	4,417,966	4,471,738	8,657,168	8,877,032
Overhead	64,872	5,019,860	-	5,084,732	756,399	5,841,131	-	1,017,393	1,017,393	6,858,524	7,025,770
Staff travel	46,224	4,941,209	150,936	5,138,369	160,392	5,298,761	160,353	381,390	541,743	5,840,505	5,750,454
Other	8,199	384,028	168,627	560,854	2,324,148	2,885,002	765,730	2,841,430	3,607,160	6,492,162	5,549,077
Field office rent, vehicles, and equipment	116,632	2,206,978	-	2,323,610	8,698	2,332,308	1,081,550	21,585	1,103,135	3,435,443	3,162,884
Professional fees and contracts	350	1,248,264	21,249	1,269,863	315,837	1,585,700	515,982	665,868	1,181,850	2,767,550	3,152,562
Audio visual	-	1,206,851	12,244	1,219,095	528,380	1,747,475	179	644,788	644,967	2,392,441	1,297,149
Premiums	-	23,634	529	24,163	730,830	754,993	8,021	934,754	942,775	1,697,768	2,227,723
Conferences and meetings	25,762	2,972,009	6,689	3,004,461	47,958	3,052,418	178,620	103,219	281,839	3,334,258	2,562,015
Telephone	24,307	1,312,118	22,080	1,358,505	38,416	1,396,921	199,970	35,292	235,262	1,632,184	1,174,517
Mailing list rental	-	-	-	-	314,032	314,032	-	395,308	395,308	709,340	1,091,890
Computer services	4,013	386,111	3,672	393,796	353,405	747,201	206,440	275,219	481,659	1,228,860	1,053,247
	$ 1,775,173	$ 139,454,044	$ 3,152,315	$ 144,381,532	$ 81,737,392	$ 226,118,924	$ 12,352,154	$ 27,664,528	$ 40,016,682	$ 266,135,606	$ 244,888,129

See accompanying notes to financial statements.

World Wildlife Fund, Inc.

Statements of Cash Flows

Years ended June 30,	2013	2012
Cash flows from operating activities		
Change in net assets	**$ 47,123,901**	$ 3,701,154
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	**3,594,980**	3,797,862
Amortization of bond premium and costs	**(8,713)**	(8,713)
Unrealized and realized gain on investments	**19,150,705**	2,534,913
(Gain)/loss on interest rate swaps	**(5,872,746)**	8,700,685
Permanently restricted contributions received	**(1,560,464)**	(512,253)
Change in provision for uncollectible pledges	**-**	(199,910)
Accretion on multi-year pledges	**(1,748,141)**	(169,863)
Write-off of uncollectible pledges	**100,000**	-
Gifts of investments	**(5,884,584)**	(2,716,878)
Change in assets and liabilities		
Accounts receivable	**5,394,575**	(1,122,062)
Pledges receivable	**(12,206,179)**	(9,175,358)
Prepaid assets	**(18,189)**	1,891,951
Other current assets	**125,575**	(1,438,529)
Long-term trust receivables	**(3,597,908)**	351,951
Other noncurrent assets	**(9,189,876)**	591,227
Accounts payable and accrued expenses	**50,928**	348,521
Grants payable	**(1,737,649)**	1,208,861
Deferred revenue	**(35,335)**	834,944
Other long-term liabilities	**1,306,507**	(1,284,733)
Net cash provided by operating activities	**34,987,387**	7,333,770
Cash flows used in investing activities		
Purchases of land, building, and equipment	**(436,096)**	(958,822)
Purchases of investments	**(103,284,581)**	(85,008,199)
Proceeds from sale of investments	**70,765,878**	80,875,128
Net cash used in investing activities	**(32,954,799)**	(5,091,893)
Cash flows from financing activities		
Permanently restricted contributions received	**1,560,464**	512,253
Payments on long-term debt	**(1,970,000)**	(1,915,000)
Bond issuance costs	**102,293**	98,857
Net cash used in financing activities	**(307,243)**	(1,303,890)
Increase in cash and cash equivalents	**1,725,345**	937,987
Cash and cash equivalents, beginning of year	**30,590,800**	29,652,813
Cash and cash equivalents, end of year	**$ 32,316,145**	$ 30,590,800
Required supplemental disclosure		
Cash payments for interest	**$ 2,800,274**	$ 2,823,286

See accompanying notes to financial statements.

1. Summary of Accounting Policies

Organization

The mission of World Wildlife Fund, Inc. (WWF), a Delaware nonprofit corporation, is the conservation of nature. Using the best available scientific knowledge and advancing that knowledge where we can, we work to preserve the diversity and abundance of life on earth and the health of ecological systems by:

- Protecting natural areas and wild populations of plants and animals, including endangered species;
- Promoting sustainable approaches to the use of renewable natural resources; and
- Promoting more efficient use of resources and energy and the maximum reduction of pollution.

WWF is committed to reversing the degradation of the planet's natural environment and to building a future in which human needs are met in harmony with nature. WWF recognizes the critical relevance of human numbers, poverty, and consumption patterns to meeting these goals.

WWF is the largest member of an international WWF network with offices in more than 50 countries. The independently incorporated WWF national organizations coordinate their conservation work. WWF-International, a secretariat located near Geneva, Switzerland, provides network services. WWF-US, WWF-International, and the WWF network are not consolidated, due to the lack of control among the entities.

Basis of Accounting

The financial statements of WWF have been prepared on the accrual basis of accounting.

Accounting Pronouncements Adopted

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU No. 2011-04). ASU No. 2011-04 amended Accounting Standards Codification (ASC) No. 820, *Fair Value Measurements and Disclosures*, to provide a consistent definition of fair value and improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRSs. Some of the amendments clarify the application of existing fair value measurement and disclosure requirements, while other amendments change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. The adoption of this standard did not have a material effect on WWF's financial position and results of operations. Additional disclosures required by the standard were included in the financial statements as considered necessary.

In February 2013, FASB issued ASU 2013-03*, Financial Instruments (Topic 825): Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities* (ASU 2013-03). This Update was issued to resolve an internal inconsistency in ASU 2011-04. In that ASU, FASB expressed an intent to exempt nonpublic entities from the requirement to disclose the level of the fair value hierarchy within which the fair value measurements are categorized (Level 1, 2 or 3) for items that are not measured at fair value in the balance sheet, but for which fair value is disclosed in the footnotes. However, the text itself in ASU 2011-04 suggested that nonpublic entities would not qualify for the intended exemption if the entity has total assets greater than $100 million or has one or more derivative instruments. To address this conflict, the amendments in ASU 2013-03 confirm that a nonpublic entity is not required to provide the disclosure mentioned above, regardless of whether its assets exceed $100 million or holds a derivative instrument. The amendment is effective for nonpublic entities for periods beginning after December 15, 2011. The adoption of this standard did not have a material effect on WWF's financial position and results of operations.

Basis of Presentation

WWF's net assets have been grouped into the following three classes:

- Permanently restricted net assets—Permanently restricted net assets result from contributions and other inflows of assets whose use by WWF is limited by donor-imposed stipulations that they be restricted to investment in perpetuity. The Russell E. Train Education for Nature Fund is a fund where the principal is to be held in perpetuity. WWF has other endowments that were contributed by donors who stipulated the investments be held in perpetuity.

- Temporarily restricted net assets—Temporarily restricted net assets result from contributions and other inflows of assets whose use is limited by donor-imposed restrictions that expire either with the passage of time or the fulfillment of a specific programmatic purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statements of activities as net assets released from restriction. When the restrictions on contributions are met in the same period that the contribution is received, the contribution is reported in the statements of activities as temporarily restricted revenues and as net assets released from restrictions.

- Unrestricted net assets—Unrestricted net assets result from revenues derived from unrestricted contributions, investment income, and other inflows of assets, the benefits of which are not limited by donor-imposed restrictions. Unrestricted Board-designated reserves result primarily from unrestricted bequests received that are designated for use by the Board of Directors.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash and temporary investments with original maturities of three months or less. WWF maintains cash balances with federally insured institutions as well as in accounts located outside the United States. Accounts at federally insured institutions are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank at June 30, 2013 and 2012. At June 30, 2013 and 2012, WWF held $31,456,899 and $29,813,303, respectively, in uninsured funds. WWF has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at their net realizable value. The allowance method is used to determine the uncollectible amounts. The allowance is based on prior years' experience and management's analysis of subsequent collections. If actual collection experience changes, revisions to the allowance may be required.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at 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 using risk-free rates applicable to the years in which the promises are received. Amortization of the discount is recorded as additional contribution revenue. An allowance is made for uncollectible pledges based upon management's judgment and an analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Prepaid Assets

Prepaid assets, which consist of premiums, are stated at the lower of cost or market, with cost based on the first-in, first-out method. Premiums are miscellaneous items that are given to donors and others.

Investments

The fair value of marketable investments in equity and debt securities (which includes both domestic and foreign issues) and U.S. government obligations are based on the published current market value at June 30, 2013 and 2012. The fair values of WWF's investments in limited partnerships are based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners in the absence of readily ascertainable market values.

Certain limited partnerships and corporate investments have no readily determinable market value and are valued at fair value as estimated by the general partners and corporations. Because of the inherent uncertainty of valuation, it is reasonably possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, certain investments may also have risk associated with concentrations of investments in one geographic region and in certain industries. The limited partnership's ability to liquidate certain of its investments may be inhibited since the issuers may be privately held or the limited partnership may own a relatively large portion of the issuers' equity securities.

Long-term investments represent Board-designated reserves, endowments, charitable gift annuities, and pooled income funds held for long-term investment. Short-term investments consist of investments with a maturity date of 12 months or less.

Financial Instruments and Credit Risk

Financial instruments which potentially subject WWF to a concentration of credit risk consist principally of investments held by creditworthy financial institutions. By policy, these investments are kept within limits designed to prevent risk caused by concentration. Credit risk with respect to pledges receivable is considered limited due to the large WWF donor base. Credit risk with respect to accounts receivable relates to amounts due from the U.S. Government and other entities in the WWF Network and is considered limited due to the large number of other entities.

Bond Issuance Costs

Costs associated with issuance of bonds have been deferred and are amortized over the terms of the bonds. WWF uses the straight-line method, which approximates the effective interest method.

Land, Building, and Equipment

Land, building, and equipment are recorded at cost. WWF capitalizes all expenditures for property and equipment over $5,000. Depreciation for equipment, furniture and software is computed using the straight-line method, with the half-year convention over the estimated useful lives of the assets. Depreciation and amortization for the building, building improvements and tenant improvements is computed using the straight-line method. The estimated useful lives of WWF's assets are as follows:

Office equipment	3 years
Software and applications	3 years
Building and tenant improvements	15 years
Building	40 years

The estimated useful life of office furniture and fixtures is either 5 or 8 years, depending on the expected life of the asset. The estimated useful life of tenant improvements is the lesser of the term of the lease or life of the asset.

Impairment of Long-Lived Assets

WWF reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statements of activities, to its current fair value.

Other Noncurrent Assets

Other noncurrent assets consists of the assets for WWF's 457(b) pension and international plans recorded at fair market value, leasing commissions and deferred rent receivable. Rent revenue is recorded on the straight-line basis.

Split Income Gifts

WWF has been named as beneficiary in several split income gifts that include charitable gift annuities and remainder trusts. The values of all split income gifts have been determined using discount rates that range from 1.2% to 1.5%, based upon rates approved by the Internal Revenue Service (IRS) as of the date of the gift.

As of June 30, 2013 and 2012, $10,956,185 and $11,529,658, respectively, were included as investments in the statements of financial position, and represent split income gifts for which WWF serves as the trustee. These gifts are recorded at the discounted present value of the gifts. WWF recognizes a liability for the portion of the split income gifts that is determined to be payable to beneficiaries under the terms of the agreements where WWF is the trustee. As of June 30, 2013 and 2012, these liabilities totaled $7,424,875 and $6,299,890, respectively, and are recorded as other long-term liabilities in the statements of financial position. Income from these gifts is recorded as investment income and changes in the value are included in bequests, endowments, and split income gifts in the accompanying statements of activities.

For split income gifts, for which WWF does not serve as the trustee, WWF included $12,418,785 and ($351,951) of gain/(loss) of revenue in bequests, endowments, and split income gifts on the accompanying statements of activities for the years ended June 30, 2013 and 2012, respectively. WWF's beneficial interest in these gifts, which amounted to $31,291,713 and $27,693,805 at June 30, 2013 and 2012, respectively, is also recorded at the discounted present value of the gifts and is included in long-term trust receivables in the accompanying statements of financial position.

In addition to these gifts, WWF has been named as the beneficiary in several agreements that are either revocable, or for which a reasonable valuation cannot be calculated, or allow the donor or beneficiary to change WWF's right to receive the assets. Such agreements are therefore not recorded in the accompanying financial statements.

Grants Payable

Grants are primarily made to other conservation organizations and are accrued when WWF makes a legally enforceable pledge to the organization. For grants that are for a period of more than one year, the future years' portion is considered conditional based on specific criteria, such as management review and approval against certain milestones and the receipt of future funding by WWF. The conditional portions of multi-year grants for the years ended June 30, 2013 and 2012, are $4,260,417 and $5,962,843, respectively, and are not recorded as grants payable in the accompanying financial statements.

Deferred Revenue

WWF receives funds from the WWF network and other organizations for specific projects performed at headquarters and various WWF field offices. WWF recognizes these funds as revenue earned to the extent of qualifying expenses incurred. All funds received from network sources in excess of expenses incurred are included in deferred revenue in the accompanying statements of financial position. Unrestricted revenue received from network sources is recorded as revenue when received. Any unrestricted revenue in excess of expenses incurred is included in unrestricted net assets in the accompanying statements of financial position.

Revenue Recognition

Contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, WWF receives promises to give that have certain conditions such as meeting specific milestones or revocable features to the promise to give. Conditional promises to give are recognized when the conditions are substantially met.

Federal grant awards are recognized as revenue earned to the extent of qualifying expenses incurred or as such amounts are accrued.

Total revenue and support for the fiscal years ended June 30, 2013 and 2012 was $313,259,507 and $248,589,283, respectively. This amount is calculated based on the total revenues and support from operating activities and the change in net assets from nonoperating activities presented in the statements of activities.

Included in WWF network revenues on the statements of activities for the years ended June 30, 2013 and 2012, are revenues from WWF-Netherlands of $4,498,171 and $5,774,214, respectively.

In-Kind Contributions

Radio and television stations and certain publications have contributed advertising time and space to WWF at no charge. The estimated fair values of the advertisements are based on independent third-party valuations and reported as in-kind contribution revenue and program expense in the period in which the advertisements are run. Certain other in-kind contributions have also been received and recorded at fair-market value in the period in which each contribution was made.

Non-Operating Income Allocated to Operations

Contributions, except for bequests and endowments, are reported as operating increases in the appropriate category of net assets. The Board of Directors has designated that bequests and endowments are not generally available for use in operations; therefore, these contributions are recognized as non-operating activities in the appropriate category of net assets. Investment income, including realized and unrealized gains and losses, in excess of amounts utilized in operations, is accounted for as an increase or decrease in non-operating activities. It is classified as unrestricted unless its use is restricted by explicit donor stipulations or by law.

Allocation of Joint Costs

FASB ASC 958-720 (formerly American Institute of Certified Public Accountants Statement of Position 98-2), *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities that Include Fund-Raising*, requires entities to report the costs of all materials and activities that include a fundraising appeal as fundraising costs unless certain specific conditions are met, in which case the joint costs may be allocated between fundraising, program, and general and administrative expenses. WWF evaluates all programs that include fundraising to determine which programs would meet the requirements for allocation of costs.

In fiscal years 2013 and 2012, WWF incurred joint costs of $30,240,552 and $30,778,669, respectively, for informational materials and activities that included a fundraising appeal. Of those costs, $16,585,744 and $17,519,327 were allocated to fundraising expenses, and $13,654,808 and $13,259,342 were allocated to program expense, in fiscal years 2013 and 2012, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Endowments

In 2008, the FASB issued FASB Staff Position No. 117-1 (FSP No. 117-1), *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (now codified as ASC 958-205). FSP No. 117-1 provides guidance on the net asset classification of donor-restricted endowment funds under the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). This FSP also requires enhanced disclosures by all not-for-profit organizations that have endowments (whether donor restricted or not). These disclosure requirements apply regardless of whether the organization is currently subject to UPMIFA, a model act that has not yet been adopted by all states. Effective July 1, 2008, WWF adopted FSP No. 117-1.

Interpretation of Relevant Law

The Board of Directors has determined that an enacted version of UPMIFA applies to WWF's endowment funds. When a donor expresses intent clearly in a written gift instrument, WWF follows the donor's instructions. When a donor's intent is not so expressed, WWF shall spend an amount from the fund that is prudent, consistent with the purposes of the fund, relevant economic factors, and the donor's intent that the fund continue in perpetuity. As a result of the determination that an enacted version of UPMIFA applies in accounting for endowment funds WWF follows ASC 958-205.

Investment Policy Statement

As careful stewards of our donors' contributions, and respectful of their intent to support and further WWF's conservation efforts, WWF seeks in managing the investment pool to maximize funding for conservation while prudently managing risk. Careful management of the assets is designed to ensure a total return (income plus capital change) necessary to preserve and enhance (in real dollar terms) the principal of the fund and at the same time, provide a dependable source of support for current operations and programs. The investment pool includes those assets of donor-restricted funds that WWF must hold in perpetuity or for donor-specified period(s) as well as board-designated funds. The primary investment objective of the pool is to attain a net average annual real total return of 5% over rolling ten-year periods. Actual returns in any given period may vary from this amount but should be attainable over a series of ten-year periods.

2. Accounts Receivable

WWF had $23,086,576 and $28,481,150 recorded in accounts receivable at June 30, 2013 and 2012, respectively. Management believes these amounts to be fully collectible based on historical collection experience and other factors and, therefore, has not recorded an allowance against the receivables as of June 30, 2013 and 2012. Accounts receivable is composed of the following at June 30:

	2013	2012
U.S. Government	**$ 14,998,079**	$ 17,706,753
WWF Network	**4,223,580**	4,066,673
Other	**3,864,917**	6,707,724
	$ 23,086,576	$ 28,481,150

3. Pledges Receivable

Unconditional promises to give consisted of the following at June 30:

	2013	2012
Less than a year	$ 23,134,757	$ 20,254,207
One to five years	22,853,718	10,131,806
Subtotal	45,988,475	30,386,013
Less: discount to present value	(2,192,726)	(444,585)
Less: allowance for uncollectible pledges	(250,000)	(250,000)
Subtotal	43,545,749	29,691,428
Less: current portion of pledges receivable	(23,134,757)	(20,254,207)
Non-current portion of pledges receivable	$ 20,410,992	$ 9,437,221

The interest rates used to discount the amounts expected to be collected in future years range from 2.53% to 3.66% as of June 30, 2013. During the years ended June 30, 2013 and 2012, WWF determined that $100,000 and $15,199, respectively, of pledges receivable were uncollectible based on collection history and are included as a cost of fundraising on the accompanying statements of activities.

4. Investments

Unrestricted investments consisted of the following at June 30:

	2013	2012
Money market funds	$ 26,097,288	$ 36,300,150
Partnership investments	124,456,611	104,195,217
Debt and equity mutual funds	58,708,305	50,453,038
Common collective trusts	8,907,377	9,095,510
Debt securities	14,760,069	13,633,654
U.S. government obligations	5,000,868	5,000,368
Subtotal: investments before allowance	237,930,518	218,677,937
Less: allowance for alternative investments	(500,000)	(500,000)
Subtotal	237,430,518	218,177,937
Less: short-term investments	(25,445,003)	(35,295,210)
Long-term investments	$ 211,985,515	$ 182,882,727

Investment activity consisted of the following for the years ended June 30:

	2013	2012
Dividends and interest income	**$ 1,855,477**	$ 2,663,727
Realized and unrealized gains (losses), net	**19,150,705**	(2,534,913)
Less: investment expenses	**(1,581,461)**	(188,966)
Income (loss) from investments, net	**$ 19,424,721**	$ (60,152)

WWF received donated securities with a fair value of $5,884,584 and $2,716,878 during the years ended June 30, 2013 and 2012, respectively, to be used for unrestricted activities.

5. Land, Building, and Equipment

Land, building, and equipment consisted of the following at June 30:

	2013	2012
Land	**$ 17,436,974**	$ 17,436,974
Building	**46,007,955**	46,007,955
Furniture and equipment	**12,239,237**	11,877,873
Building and tenant improvements	**20,088,010**	20,013,279
	95,772,176	95,336,081
Less: accumulated depreciation and amortization	**(34,774,709)**	(31,179,729)
Land, building, and equipment, net	**$ 60,997,467**	$ 64,156,352

WWF has allocated the building operating costs and interest expense between non-commercial and commercial building operations expense based on occupancy percentages. The non-commercial portion of these costs is allocated to program expense and supporting services expense by using the Modified Total Direct Cost (MTDC) method of indirect cost allocation as defined in OMB Circular A-122, *Cost Principles for Non-Profit Organizations.* The MTDC method applies indirect costs using total salaries, benefits, and other expenses (less equipment, vehicles, and other purchases) as the base of distribution and is considered to be in agreement with generally accepted accounting principles.

Depreciation and amortization expense consisted of the following for the years ended June 30:

	2013	2012
Depreciation, commercial building operations	**$ 1,321,311**	$ 1,320,124
Depreciation, all other building and equipment	**2,273,669**	2,477,738
Amortization (recovery) of bond premium and issuance costs	**102,292**	(8,713)
Total depreciation and amortization	**$ 3,697,272**	$ 3,789,149

The commercial building operations and related capital expenditures, net of non-cash items, provided (used) cash flows of $1,998,900 and $771,563 for fiscal years ended June 30, 2013 and 2012, respectively.

6. Long-Term Debt

Long-term debt was as follows at June 30:

	2013	2012
District of Columbia Variable Rate Refunding Revenue Bonds, Series 2010	**$ 30,585,000**	$ 31,820,000
WWF Taxable Variable Rate Bonds, Series 2008B	**32,890,000**	33,625,000
Subtotal	**63,475,000**	65,445,000
Unamortized original issue premium	**148,128**	156,842
Long-term debt	**63,623,128**	65,601,842
Less: current portion	**(2,025,000)**	(1,970,000)
Long-term debt, net of current portion	**$ 61,598,128**	$ 63,631,842

On October 3, 2000, WWF entered into a purchase and sale agreement with a third-party seller to acquire the building in which WWF had previously leased its headquarters office space. To finance the building acquisition and additional improvements, WWF issued $42,010,000 in District of Columbia Revenue Bonds (World Wildlife Fund, Inc. Issue) Series 2000 Bonds (Series 2000A) (due July 1, 2030), which are tax-exempt, and $41,355,000 in World Wildlife Fund, Inc. Taxable Variable Rate Bonds Series 2000 (Series 2000B)(due July 1, 2030).

Precipitated by credit rating downgrades of WWF's bond insurer, on November 6, 2008, WWF refinanced the $35,600,000 outstanding taxable Series B bonds at Libor + 100 basis points, with a direct-pay bank letter of credit to provide credit enhancement. Given WWF's strong credit profile, the bank did not require a fully funded debt service reserve fund. The existing $4,135,000 reserve fund from the original Series B issue was applied to the issuance costs, swap termination costs, and the balance used to reduce the level of debt required under the refinancing. The refinanced bonds were reissued as World Wildlife Fund, Inc. Taxable Variable Rate Bonds Series 2008B (Series 2008B).

On July 1, 2010, WWF refinanced the $35,700,000 outstanding non-taxable Series 2000A bonds with a direct-pay bank letter of credit to provide credit enhancement. Given WWF's continued strong credit profile, the bank did not require a debt service reserve fund. The existing $3,147,400 reserve fund for the original Series 2000A issue was used to reduce the level of debt required under the refinancing. The refinanced bonds were reissued as District of Columbia Variable Rate Refunding Revenue Bonds (World Wildlife Fund, Inc. Issue) Series 2010 (Series 2010A).

Interest on the principal balance of the Series 2010A bonds range from 3.00% to 4.00% and range from 3.30% to 6.00% on the Series 2008B bond. Payment for interest on Series 2010A and Series 2008B bonds is due monthly until the maturity date of July 1, 2030. Principal payments on the bonds are due annually.

As of June 30, 2013, WWF has three interest-rate swap agreements (the Series 2008B swaps) covering the entire $34,835,000 value of the Series 2008B variable rate bonds to fix rates between 3.30% and 5.63%. The Series 2008B swaps are used to minimize cash flow fluctuations of interest payments caused by the volatility of Libor, which is the index rate upon which interest payments under the Series 2008B bonds are calculated. The interest on the unpaid principal balance of Series 2008B bonds is due monthly at the variable interest rate until maturity of the bonds and the interest on the Series 2008B swaps is due quarterly. The weighted-average interest rate of the Series 2008B swaps was 5.29% and 5.24% for the fiscal years ended June 30, 2013 and 2012, respectively.

As of June 30, 2013, WWF also has two interest-rate swap agreements (the Series 2010A swaps) covering the entire $33,015,000 value of the Series 2010A tax-exempt bond. The weighted average interest rate of the Series 2010A swaps was 3.52% for the fiscal years ended June 30, 2013 and 2012, respectively.

The swaps are recognized on the statements of financial position at fair value and are recorded as interest rate swap liability. Changes in the fair value of the swaps are recorded in income (loss) on interest-rate swaps in the statements of activities. During the years ended June 30, 2013 and 2012, WWF recorded $5,872,746 and ($8,700,685) in fair-market value adjustments to the liability of the swaps, respectively. Cumulative losses on the swaps from inception totaled $13,619,539 as of June 30, 2013.

WWF incurred total interest expense on the bonds of $2,800,274 and $2,823,286 for the years ended June 30, 2013 and 2012, respectively. Series 2008B interest expense for the years ended June 30, 2013 and 2012, was $1,724,821 and $1,704,023, respectively, and is included in the building operations expense. Series 2010A interest expense for the years ended June 30, 2013 and

2012, was $1,075,452 and $1,119,263, respectively, and has been allocated among WWF expenses based on the percentage of direct costs on the accompanying statements of activities. WWF is subject to liquidity and debt services coverage ratio requirements and certain restrictions and limitations with respect to the incurrence of indebtedness, consolidation, and merger and transfer of assets. As of June 30, 2013 and 2012, WWF was in compliance with these covenants.

Maturities of debt are as follows:

2014	$ 2,025,000
2015	2,075,000
2016	2,140,000
2017	2,195,000
2018	2,760,000
Thereafter	52,280,000
	63,475,000
Plus unamortized original issue premium	148,128
	$ 63,623,128

7. Commitments and Contingencies

Litigation

In the course of business, WWF is from time to time a party to various claims and lawsuits. If management determines, based on the underlying facts and circumstances, that it is probable a loss will result from a litigation contingency and the amount of the loss can be reasonably estimated, the estimated loss is accrued for. Management does not expect any adverse financial impact from open litigation matters occurring in the normal course of business as of June 30, 2013.

Commitments

Certain alternative investments, which include private equity investments, have rolling lockups ranging from one to three years. WWF is obligated under certain limited partnership agreements to fund certain partnership investments periodically up to a specified level. At June 30, 2013, WWF had unfunded commitments of $2,854,784. Such commitments are generally called over periods of up to seven years and contain fixed expiration dates or other termination clauses.

Operating Leases

WWF leases field office facilities under operating leases that expire on various dates through September 2035. It is expected that WWF will renew leases as necessary in the normal course of its activities. During the years ended June 30, 2013 and 2012, WWF recorded $798,255 and $739,120, respectively, in rental expense.

The following is a schedule of the future minimum lease payments as of June 30, 2013:

2014	$ 453,702
2015	206,046
2016	79,520
2017	16,422
2018	1,069
Thereafter	29,639
Total minimum lease payments	$ 786,398

Tenant Income

As part of the building acquisition, WWF assumed existing tenant lease agreements and has entered into new lease agreements with additional tenants. The minimum future lease rental income is as follows:

2014	$ 5,802,566
2015	5,947,526
2016	5,603,692
2017	4,662,782
2018	4,775,068
Thereafter	9,048,513
Total	$ 35,840,147

Additionally, WWF has letters of credit from several banks, which list the tenants as the applicants and WWF as the beneficiary. Letters of credit in favor of WWF as of June 30, 2013 and 2012 were $788,306 and $860,276, respectively. At June 30, 2013 and 2012, no amounts had been drawn against the letters of credit.

Federal and State Programs

Amounts received and expended by WWF under various federal and state programs are subject to audit by government agencies. Management believes that adjustments, if any, which might result from such audits would not have a material impact on the financial position of WWF.

Indirect Cost Reimbursement

The reimbursement of indirect costs reflected in the accompanying financial statements as federal grants revenue is subject to final approval by federal grantors and could be adjusted upon the results of these reviews. Management believes that the results of any such adjustment will not be material to WWF's financial position or change in net assets.

8. Employee Benefits

WWF has a tax-deferred defined contribution plan under Section 403(b) of the Internal Revenue Code (IRC) for its employees. WWF's contributions under the plan are based on years of service and range from 3% to 9% of an eligible employee's annual salary. The expenses recorded by WWF for the plan were $2,444,592 and $2,886,432 for the years ended June 30, 2013 and 2012, respectively.

In fiscal year 2003, WWF adopted a Deferred Compensation Plan (the Plan) in accordance with Section 457(b) of the IRC. The purpose of the Plan is to offer certain eligible employees of WWF the opportunity to defer specified amounts of compensation on a pretax basis. The assets and liabilities associated with the Plan were $719,944 and $538,423 for the years ended June 30, 2013 and 2012, respectively. The assets for the 457(b) plan are included in other noncurrent assets and the liabilities are included in other long-term liabilities as presented in the statements of financial position.

During fiscal year 2004, WWF implemented a self-funded health insurance benefit plan under guidelines issued by the U.S. Department of Labor in accordance with the Employee Retirement Income Security Act (ERISA). Under this plan, WWF pays employee health insurance claims directly rather than using a third-party administrative service. To limit potential risk and exposure to higher than estimated claims, WWF has also purchased stop-loss insurance protecting WWF from claims over $75,000 for individual employees and 125% of the actuarially determined yearly cost for the aggregated claims. The anticipated claims incurred but not reported were $0 and $0 as of June 30, 2013 and 2012, respectively, and are included in accounts payable and accrued expenses in the accompanying statements of financial position.

9. Income Taxes

WWF has received a determination letter from the IRS that grants an exemption from income taxes under Section 501(c)(3) of the IRC except for any income that may be a result of unrelated business transactions. Additionally, the IRS has classified WWF as an organization other than a private foundation.

WWF adopted the provisions of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* (now codified as ASC 740-10), on July 1, 2007. Under FIN 48, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The implementation of FIN 48 had no impact on the WWF's financial statements. WWF does not believe there are any material uncertain tax positions and accordingly it will not recognize any liability for unrecognized tax benefits. WWF has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, WWF has filed Internal Revenue Service Form 990 and Form 990-T tax returns as required and all other applicable returns in those jurisdictions where it is required. WWF believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for year before 2008. For the year ended June 30, 2013 and 2012, there were no interest or penalties recorded or included in the statements of activities.

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for the following purposes as of June 30:

	2013	2012
Purpose restricted		
Conservation and other programs	**$ 31,575,841**	$ 27,066,804
Time restricted	**54,134,450**	38,523,541
Purpose and time restricted	**37,079,737**	27,147,719
	$122,790,028	$ 92,738,064

11. Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable, to support the following at June 30:

	2013	2012
U.S. and developed countries	**$ 301,618**	$ 301,618
International programs	**18,224,604**	18,598,243
General	**17,702,101**	17,025,011
Other programs	**6,616,915**	5,380,980
	$ 42,845,238	$ 41,305,852

During the year ended June 30, 2013, certain transfers were made between unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Board-approved spending policy for fiscal year 2013 and 2012 was 50% of the trailing three-year average of available bequests, 5% of the trailing three-year average of Board-designated reserves, payout on endowments as directed by donors, other payouts approved by the Board of Directors, and payout balances available from prior years. In establishing this policy, WWF considered the long-term expected return of the investment portfolio and it is consistent with WWF's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The amounts authorized under this policy are reported as non-operating income on the accompanying statements of activities. Non-operating income allocated to operations for the years ended June 30, 2013 and 2012 was $21,730,166 and $26,120,061, respectively.

Changes in endowment net assets for the year ended June 30, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Totals
Endowment net assets, beginning of year	**$ 141,994,778**	**$ 11,903,647**	**$ 41,305,852**	**$ 195,204,277**
Investment return				
Investment income	**(343,371)**	**(51,709)**	**(67,616)**	**(462,696)**
Net appreciation, realized	**3,240,481**	**493,306**	**680,233**	**4,414,020**
Net appreciation (depreciation), unrealized	**10,337,982**	**2,907,616**	**799,199**	**14,044,797**
Total investment return	**13,235,092**	**3,349,213**	**1,411,816**	**17,996,121**
Contributions	**18,074,610**	**-**	**1,560,464**	**19,635,074**
Appropriation of assets for expenditure	**(22,153,634)**	**(1,350,000)**	**(1,432,894)**	**(24,936,528)**
Endowment net assets, end of year	**$ 151,150,846**	**$ 13,902,860**	**$ 42,845,238**	**$ 207,898,944**

Appropriation of assets for expenditure pertains to income from interest and dividends received on endowment assets which may be used by WWF for operations or specific donor-specific designations in accordance to the endowment agreements.

Changes in endowment net assets for the year ended June 30, 2012 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Totals
Endowment net assets, beginning of year	$ 133,765,946	$ 12,830,967	$ 41,316,038	$ 187,912,951
Investment return				
Investment income	1,233,229	1,339,415	1,048,568	3,621,212
Net appreciation (depreciation), realized	1,357,110	(894,254)	(486,769)	(23,913)
Net appreciation (depreciation), unrealized	(1,740,632)	(622,481)	(166,429)	(2,529,542)
Total investment return	849,707	(177,320)	395,370	1,067,757
Contributions	30,283,234	500,000	512,253	31,295,487
Appropriation of assets for expenditure	(22,445,999)	(1,250,000)	(1,375,919)	(25,071,918)
Other changes				
Change in restriction	(458,110)	-	458,110	-
Endowment net assets, end of year	$ 141,994,778	$ 11,903,647	$ 41,305,852	$ 195,204,277

The distribution of endowment net assets between donor restricted and board-designated for the year ended June 30, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Totals
Donor restricted	**$ 11,250,010**	**$ 13,902,860**	**$ 42,845,238**	**$ 67,998,108**
Board-designated	**139,900,836**	**-**	**-**	**139,900,836**
Total endowment net assets	**$ 151,150,846**	**$ 13,902,860**	**$ 42,845,238**	**$ 207,898,944**

The distribution of endowment net assets between donor restricted and board-designated for the year ended June 30, 2012 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Totals
Donor restricted	$ 10,917,573	$ 11,903,647	$ 41,305,852	$ 64,127,072
Board-designated	131,077,205	-	-	131,077,205
Total endowment net assets	$ 141,994,778	$ 11,903,647	$ 41,305,852	$ 195,204,277

13. Fair Value of Financial Instruments

ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as WWF would use in pricing WWF's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of WWF are traded. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include equity securities and publicly traded mutual funds that are actively traded on a major exchange or over-the-counter market.

Level 2 – Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly, such as municipal bonds. The fair value of municipal bonds is estimated using recently executed transactions, bid/asked prices and pricing models that factor in, where applicable, interest rates, bond spreads and volatility.

Level 3 – Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value. Examples include limited partnerships and private equity investments.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Mutual funds: WWF's holdings in publicly traded mutual funds consist principally of debt and equity securities carried at their aggregate market value that is determined by quoted market prices. Each of these investments can be liquidated daily. Valuation is based on Level 1 inputs within the hierarchy used in measuring fair value.

Common collective trusts: Common collective trusts are non-registered pooled investment funds. The fair values of the investments have been estimated using the net asset value per share of the fund. Common collective trust fund shares may be redeemed at net asset value on a daily or monthly basis, depending on the fund.

Long-term trust receivables: Long-term trust receivables consist of charitable remainder trust receivables. The fair value of trust receivables is based on the present value of future expected earnings. Given the fact that these long-term receivables do not have quoted market prices and are not actively traded, their valuation is based on Level 3 inputs within the hierarchy used in measuring fair value.

Partnership investments: Partnership investments consist of alternative investments made in limited partnerships, offshore limited liability companies and private equity concerns, all of which are valued based on Level 3 inputs within the investment hierarchy used in measuring fair value. Given the absence of market quotations, the fair value is estimated using information provided to WWF by the investment managers or general partners. The values are based on estimates that require varying degrees of judgment and, for fund of funds investments, are primarily based on financial data supplied by the investment managers of the underlying funds. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly traded securities, and other investment vehicles. The investments may indirectly expose WWF to the effects of securities lending, short sales of securities, and trading in futures and forward contracts, options, swap contracts, and other derivative products. While these financial instruments contain varying degrees of risk, WWF's exposure with respect to each such investment is limited to its carrying amount (fair value as described above) in each investment. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. WWF does not directly invest in the underlying securities of the investment funds and due to restrictions on transferability and timing of withdrawals from the limited partnerships, the amounts ultimately realized upon liquidation could differ from reported values that are based on current conditions.

Interest rate swap liability: The estimate of fair value of the interest rate swap liability at year end approximates its carrying amount, which represents the amount WWF would pay to exit the swap agreement taking into account current interest rates. Given that the swaps do not have quoted market prices and are not actively traded, their valuation is based on Level 3 inputs within the hierarchy used in measuring fair value.

Financial assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2013 are as follows:

	Level 1	Level 2	Level 3	Totals
Investments				
Money market funds	$ 25,659,380	$ 437,908	$ -	$ 26,097,288
Partnership investments:				
Fixed income	-	-	16,542,078	16,542,078
Equity & other	-	-	18,089,615	18,089,615
International	-	-	58,286,635	58,286,635
Specialty	-	-	14,628,460	14,628,460
Other tangible assets	-	-	16,909,823	16,909,823
Mutual funds:				
Large Cap	31,887,430	-	-	31,887,430
Small & mid Cap	2,407,039	-	-	2,407,039
International	23,889,326	-	-	23,889,326
Specialty	524,510	-	-	524,510
Common collective trusts:				
Fixed income	-	3,109,907	-	3,109,907
Large Cap	-	2,186,794	-	2,186,794
Small & mid Cap	-	1,068,195	-	1,068,195
International	-	2,364,464	-	2,364,464
Specialty	-	178,017	-	178,017
Debt securities	14,760,069	-	-	14,760,069
U.S. Government securities	5,000,868	-	-	5,000,868
Total investments	104,128,622	9,345,285	124,456,610	237,930,518
Long-term trust receivables				
Cash & money market	-	-	825,074	825,074
Mutual funds	-	-	2,262,164	2,262,164
Equity & other	-	-	3,560,462	3,560,462
Large-Cap	-	-	256,534	256,534
Mid-Cap	-	-	51,751	51,751
Small-Cap	-	-	33,302	33,302
International	-	-	13,568,211	13,568,211
Fixed income	-	-	1,752,631	1,752,631
Bonds & notes	-	-	2,056,905	2,056,905
Specialty	-	-	5,919,288	5,919,288
Other tangible assets	-	-	1,005,391	1,005,391
Total long-term trust receivables	-	-	31,291,713	31,291,713
Total assets, at fair value	$ 104,128,622	$ 9,345,285	$ 155,748,323	$ 269,222,231
Interest rate swap liability	$ -	$ -	$ (13,619,539)	$ (13,619,539)

Financial assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2012 are as follows:

	Level 1	Level 2	Level 3	Totals
Investments				
Money market funds	$ 36,024,307	$ 275,843	$ -	$ 36,300,150
Partnership investments:				
Fixed income	-	-	17,677,700	17,677,700
Equity & other	-	-	16,615,795	16,615,795
International	-	-	38,074,575	38,074,575
Specialty	-	-	18,330,533	18,330,533
Other tangible assets	-	-	13,496,614	13,496,614
Mutual funds:				
Large Cap	28,667,351	-	-	28,667,351
Small & mid Cap	2,032,154	-	-	2,032,154
International	16,986,837	-	-	16,986,837
Specialty	2,766,696	-	-	2,766,696
Common collective trusts:				
Fixed income	-	3,015,406	-	3,015,406
Large Cap	-	2,928,670	-	2,928,670
Small & mid Cap	-	1,398,225	-	1,398,225
International	-	1,501,888	-	1,501,888
Specialty	-	251,321	-	251,321
Debt securities	13,633,654	-	-	13,633,654
U.S. Government securities	5,000,368	-	-	5,000,368
Total investments	105,111,367	9,371,353	104,195,217	218,677,937
Long-term trust receivables				
Cash & money market	-	-	2,261,735	2,261,735
Mutual funds	-	-	363,129	363,129
Equity & other	-	-	1,372,344	1,372,344
Large-Cap	-	-	175,724	175,724
Mid-Cap	-	-	43,763	43,763
Small-Cap	-	-	28,231	28,231
International	-	-	10,544,005	10,544,005
Fixed income	-	-	1,525,668	1,525,668
Bonds & notes	-	-	1,083,831	1,083,831
Specialty	-	-	3,601,073	3,601,073
Other tangible assets	-	-	6,694,302	6,694,302
Total long-term trust receivables	-	-	27,693,805	27,693,805
Total assets, at fair value	$ 105,111,367	$ 9,371,353	$ 131,889,022	$ 246,371,742
Interest rate swap liability	$ -	$ -	$ (19,492,285)	$ (19,492,285)

The following table presents WWF's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC 820 for the years ended June 30:

	2013	2012
Beginning balance	**$ 131,889,022**	$ 135,423,696
Total gains or (losses) (realized/unrealized) included in changes in net assets	**13,162,830**	(1,346,762)
Purchases, issuances, and settlements	**10,696,471**	(2,187,912)
Ending balance	**$ 155,748,323**	$ 131,889,022

The following table presents WWF's activity for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC 820 for the years ended June 30:

	2013	2012
Beginning balance	**$ (19,492,285)**	$ (10,791,600)
Total gains or (losses) (realized/unrealized) included in changes in net assets	**5,872,746**	(8,700,685)
Ending balance	**$ (13,619,539)**	$ (19,492,285)

Quantitative Information

Quantitative information as of June 30, 2013, with respect to assets and liabilities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows:

Description	**Fair Value**	**Principal Valuation Techniques**	**Unobservable Inputs**	**Weighted Average**
Long-term trust receivables	$ 31,291,713	Income Approach	Discount rates Life expectancies Trust payouts Allocation percentages	N/A

Quantitative unobservable inputs are not developed by WWF in the valuation of its investments or swap liabilities. WWF uses the values reported by each fund manager as the basis for valuation noting that the valuation techniques and unobservable inputs vary widely among its fund managers. The swap liabilities are non-complex instruments and are valued using standard yield curves adjusted to mid-market values as deemed appropriate by the counterparties.

Level 3 Valuation Process

Absent a solid, reliable quantitative model to assess the reasonableness of investment manager reported valuations, WWF management applies qualitative measures which consist of various informational analyses including:

- Comparisons of reported performance to benchmark performances, with particular interest in fund performance in excess of 5% above or below appropriate benchmarks.
- Reviews of external audit reports of each fund.
- Reviews of SSAE16 reports of each fund where available.
- Monitoring and evaluations of relevant news in the financial press.
- Participation in conference calls, presentations, or investor meetings conducted by investment managers.
- Consideration and review of non-public information available through subscription financial information services and/or communications from individual fund managers.
- Consideration of fund managers' delivery of quality and timely fund performance information, risk analysis, market outlook analysis and overall responsiveness to investor queries and requests for information.

WWF's investment advisor also performs on-going due diligence of the funds which includes evaluation of each fund manager's investment process, organizational changes, compliance with applicable rules and regulations, review of fees and charges, and analysis of performance, leverage, return patterns, volatility over time, drawdowns and recovery periods, gross and net exposures, and other factors as determined to be appropriate. WWF's investment advisor also has regular calls with management of the funds and meets periodically with WWF's investment committee and reports the performance of the funds. There were no changes in valuation techniques noted for these funds for 2013 and 2012.

For long-term trust receivables, WWF gathers as much information as possible for each instrument, including the initial and current trust value, the amount allocated to WWF, the date of birth of any other beneficiaries and payout amounts. WWF uses a standard charitable gift calculation model using these inputs and a standard discount rate reset each year based on current IRS discount rates. For any input not readily available, management develops a best estimate for use in the calculation. There were no changes in valuation techniques for these receivables for 2013 and 2012.

For swap liabilities, WWF tracks quoted values for each instrument monthly to assess the reasonableness of reported values. Management also ensures that there have not been any changes in the underlying terms of each swap during the year. There were no changes in valuation techniques for the swaps for 2013 and 2012.

Level 3 Sensitivity of Fair Value Measurements and Changes in Significant Observable Inputs

The significant unobservable inputs used in the fair value measurement of WWF's long-term trust receivables and alternative investments are subject to market risks resulting from changes in the market value of their underlying investments. The significant unobservable inputs used in the fair value measurement of WWF's swap liabilities are subject to market risks resulting from changes in the mid-market consensus for similar instruments.

The estimated fair values of WWF's financial instruments that are not measured at fair value on a recurring basis as of the year ended June 30, 2013 are as follows:

	Carrying Amount	Fair Value
Pledges receivable	**$ 43,545,749**	**$ 43,795,749**
Long-term debt	**$ 61,598,128**	**$ 63,475,000**
Other long-term liabilities	**$ 8,144,820**	**$ 7,408,271**

The estimated fair values of WWF's financial instruments that are not measured at fair value on a recurring basis as of the year ended June 30, 2012 are as follows:

	Carrying Amount	Fair Value
Pledges receivable	$ 29,691,428	$ 29,791,429
Long-term debt	$ 65,601,842	$ 65,613,859
Other long-term liabilities	$ 6,838,313	$ 7,720,186

The carrying amount is the amount at which the financial instrument is recorded on the books of WWF. The fair value is the estimated amount at which the financial instrument could be exchanged in a current transaction between willing parties.

Pledges receivable: Fair value is estimated based on the present value of pledges receivable using estimated future payments and current IRS discount rates.

Long-term debt: Fair value is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to WWF for debt of the same remaining maturities. As WWF debt is backed by a variable rate letter of credit, it trades and is valued at par.

Other long-term liabilities: Fair value is estimated based on the present value of outstanding liabilities using current IRS discount rates.

14. Net Asset Value (NAV) Per Share

In accordance with ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820) – Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent),* WWF expanded disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value per share or its equivalent for which fair value is not readily determinable. For WWF, such assets include the partnership investments.

The following table summarizes WWF's investments with a reported NAV as of June 30, 2013:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Fund Partnerships -				
Equity	$ 4,545,676	$ -	Annually	60
Equity	4,620,653	-	Every 36 months	90
Equity	3,335,784	1,815,444	No immediate liquidity*	n/a
Equity	13,163,661	-	Semi-Annually	45
Equity	5,354,198	-	No immediate liquidity*	n/a
Fixed Income	6,693,773	-	Every 24 months	90
Fixed Income	9,848,305	-	Quarterly	60
International	10,130,859	-	Monthly	6
International	10,017,189	-	No immediate liquidity*	n/a
International	6,547,994	-	Quarterly	30
Specialty	603,684	-	Annually	45
Specialty	1,360,700	6,176	No immediate liquidity*	n/a
Specialty	4,817,798	-	Every 36 months	91
Specialty	6,479,612	-	Annually	60
Specialty	1,366,666	-	Daily	1
Tangible Assets	2,673,434	957,965	No immediate liquidity*	n/a
Tangible Assets	1,072,728	-	No immediate liquidity*	n/a
Global Private Equity	10,833,130	75,199	No immediate liquidity*	n/a
Mutual Funds -				
Equity & other	20,990,767	-	No immediate liquidity*	n/a
	$ 124,456,611	$ 2,854,784		

** Non-marketable alternative assets (NMAA), or alternative investments, included above have varying withdrawal restrictions. The typical NMAA fund cycle provides for an initial investment period of 1-5 years, a growth management phase of 2-7 years, and realization/distribution of investment returns over years 7-10.*

The following table summarizes WWF's investments with a reported NAV as of June 30, 2012:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Fund Partnerships -				
Equity	$ 3,971,346	$ -	Annually	60
Equity	3,916,560	-	Every 36 months	90
Equity	3,682,977	555,950	No immediate liquidity*	n/a
Equity	9,824,382	-	Semi-Annually	45
Equity	4,918,796	-	No immediate liquidity*	n/a
Fixed Income	6,679,650	-	Every 24 months	90
Fixed Income	10,998,050	-	Quarterly	60
International	8,001,162	-	Monthly	6
International	8,213,886	-	No immediate liquidity*	n/a
International	5,551,932	-	Quarterly	30
Specialty	786,172	-	Annually	45
Specialty	2,021,315	6,773	No immediate liquidity*	n/a
Specialty	4,246,207	-	Every 36 months	91
Specialty	9,556,073	-	Annually	60
Specialty	1,720,766	173,720	Daily	1
Tangible Assets	2,583,706	1,395,235	No immediate liquidity*	n/a
Tangible Assets	1,088,526	-	No immediate liquidity*	n/a
Global Private Equity	11,388,799	1,144,248	No immediate liquidity*	n/a
Mutual Funds -				
Equity & other	5,044,912	-	No immediate liquidity*	n/a
	$ 104,195,217	$ 3,275,926		

** Non-marketable alternative assets (NMAA), or alternative investments, included above have varying withdrawal restrictions. The typical NMAA fund cycle provides for an initial investment period of 1-5 years, a growth management phase of 2-7 years, and realization/distribution of investment returns over years 7-10.*

15. Subsequent Events

WWF evaluated subsequent events through October 14, 2013 which is the date the financial statements were issued. No subsequent events were noted that required disclosure in the financial statements.