World Wildlife Fund, Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditor’s Report
Years Ended June 30, 2018 and 2017
World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statements and Independent Auditor’s Report
Years Ended June 30, 2018 and 2017
## Contents

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Independent Auditor’s Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of World Wildlife Fund, Inc. and Subsidiaries (WWF), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

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

Auditor’s Responsibility

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Report on Summarized Comparative Information

We have previously audited World Wildlife Fund, Inc. and Subsidiaries’ 2017 consolidated financial statements, and our report dated November 15, 2017, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information on the consolidated statement of functional expenses presented herein for the year ended June 30, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of World Wildlife Fund, Inc. and Subsidiaries as of June 30, 2018 and 2017, and the changes in its net assets 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

November 20, 2018
### World Wildlife Fund, Inc. and Subsidiaries

#### Consolidated Statements of Financial Position

**June 30,**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 40,035,624</td>
<td>$ 39,673,597</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>18,377,944</td>
<td>15,967,716</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>34,107,500</td>
<td>36,504,861</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>37,161,737</td>
<td>27,334,056</td>
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<tr>
<td>Prepaid assets</td>
<td>3,700,685</td>
<td>3,667,003</td>
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<tr>
<td>Other current assets</td>
<td>466,907</td>
<td>609,924</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$133,850,397</td>
<td>$123,757,157</td>
</tr>
<tr>
<td><strong>Noncurrent assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term investments, net of allowance for alternative investments</td>
<td>237,744,079</td>
<td>233,743,567</td>
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<tr>
<td>Pledges receivable, net of current, discount, and allowance for uncollectible pledges</td>
<td>25,216,300</td>
<td>18,295,231</td>
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<tr>
<td>Long-term trust receivables</td>
<td>39,893,185</td>
<td>42,133,790</td>
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<tr>
<td>Other noncurrent assets</td>
<td>3,623,222</td>
<td>4,193,617</td>
</tr>
<tr>
<td>Land, building, and equipment, net</td>
<td>62,346,815</td>
<td>65,584,639</td>
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<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$368,823,601</td>
<td>$363,950,844</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$502,673,998</td>
<td>$487,708,001</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities and net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 19,157,631</td>
<td>$ 18,947,481</td>
</tr>
<tr>
<td>Grants payable</td>
<td>44,850,706</td>
<td>39,711,754</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>7,768,610</td>
<td>5,891,149</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>2,910,000</td>
<td>2,760,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$74,686,947</td>
<td>$67,310,384</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt, net of current portion and debt issuance costs</td>
<td>49,022,974</td>
<td>51,854,859</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>8,090,626</td>
<td>8,998,451</td>
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<tr>
<td>Interest rate swap liability</td>
<td>7,801,469</td>
<td>11,375,555</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>$64,915,069</td>
<td>$72,228,865</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$139,602,016</td>
<td>$139,539,249</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>164,571,699</td>
<td>157,840,538</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>153,937,568</td>
<td>147,344,526</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>44,562,715</td>
<td>42,983,688</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$363,071,982</td>
<td>$348,168,752</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$502,673,998</td>
<td>$487,708,001</td>
</tr>
</tbody>
</table>

*See accompanying notes to consolidated financial statements.*
## World Wildlife Fund, Inc. and Subsidiaries

### Consolidated Statements of Activities

<table>
<thead>
<tr>
<th>Years Ended June 30,</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 69,641,437</td>
<td>$ 83,782,174</td>
<td>$ -</td>
<td>$ 153,423,611</td>
<td>$ 62,750,000</td>
<td>$ 59,229,180</td>
<td>$ -</td>
<td>$ 121,979,180</td>
</tr>
<tr>
<td>Government grants and contracts</td>
<td>46,811,542</td>
<td>-</td>
<td>-</td>
<td>46,811,542</td>
<td>57,929,779</td>
<td>-</td>
<td>-</td>
<td>57,929,779</td>
</tr>
<tr>
<td>WWF network revenue</td>
<td>18,904,606</td>
<td>-</td>
<td>-</td>
<td>18,904,606</td>
<td>15,971,694</td>
<td>-</td>
<td>-</td>
<td>15,971,694</td>
</tr>
<tr>
<td>Other revenues including royalties</td>
<td>4,180,921</td>
<td>3,046,025</td>
<td>-</td>
<td>7,226,946</td>
<td>3,655,809</td>
<td>1,979,975</td>
<td>-</td>
<td>5,635,784</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>81,349,723</td>
<td>-</td>
<td>-</td>
<td>81,349,723</td>
<td>75,607,851</td>
<td>-</td>
<td>-</td>
<td>75,607,851</td>
</tr>
<tr>
<td>Nonoperating income allocated to operations</td>
<td>29,465,714</td>
<td>1,955,083</td>
<td>-</td>
<td>31,420,797</td>
<td>28,847,018</td>
<td>1,897,599</td>
<td>-</td>
<td>30,744,617</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>250,353,943</td>
<td>88,783,282</td>
<td>-</td>
<td>339,137,225</td>
<td>321,465,310</td>
<td>(13,596,405)</td>
<td>-</td>
<td>307,868,905</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>84,796,908</td>
<td>(84,796,908)</td>
<td>-</td>
<td>-</td>
<td>76,703,159</td>
<td>(76,703,159)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net operating revenues</strong></td>
<td>335,150,851</td>
<td>3,986,374</td>
<td>-</td>
<td>339,137,225</td>
<td>321,465,310</td>
<td>(13,596,405)</td>
<td>-</td>
<td>307,868,905</td>
</tr>
<tr>
<td><strong>Commercial building operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>6,358,167</td>
<td>-</td>
<td>-</td>
<td>6,358,167</td>
<td>6,056,081</td>
<td>-</td>
<td>-</td>
<td>6,056,081</td>
</tr>
<tr>
<td>Expenses</td>
<td>5,941,783</td>
<td>-</td>
<td>-</td>
<td>5,941,783</td>
<td>6,951,988</td>
<td>-</td>
<td>-</td>
<td>6,951,988</td>
</tr>
<tr>
<td><strong>Total commercial building operations</strong></td>
<td>281,578,112</td>
<td>-</td>
<td>-</td>
<td>281,578,112</td>
<td>93,400,728</td>
<td>-</td>
<td>-</td>
<td>93,400,728</td>
</tr>
<tr>
<td><strong>Supporting services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and administration</td>
<td>17,607,286</td>
<td>-</td>
<td>-</td>
<td>17,607,286</td>
<td>14,400,292</td>
<td>-</td>
<td>-</td>
<td>14,400,292</td>
</tr>
<tr>
<td>Fundraising</td>
<td>36,999,476</td>
<td>-</td>
<td>-</td>
<td>36,999,476</td>
<td>35,115,104</td>
<td>-</td>
<td>-</td>
<td>35,115,104</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>54,606,762</td>
<td>-</td>
<td>-</td>
<td>54,606,762</td>
<td>49,515,396</td>
<td>-</td>
<td>-</td>
<td>49,515,396</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>336,184,874</td>
<td>-</td>
<td>-</td>
<td>336,184,874</td>
<td>320,272,805</td>
<td>-</td>
<td>-</td>
<td>320,272,805</td>
</tr>
<tr>
<td><strong>Change in net assets before nonoperating activities</strong></td>
<td>(617,639)</td>
<td>3,986,374</td>
<td>-</td>
<td>3,368,735</td>
<td>296,598</td>
<td>(13,596,405)</td>
<td>-</td>
<td>(13,299,807)</td>
</tr>
<tr>
<td><strong>Nonoperating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bequests, endowments, and split income gifts</td>
<td>21,766,060</td>
<td>1,727,965</td>
<td>71,944</td>
<td>23,565,969</td>
<td>19,043,795</td>
<td>521,577</td>
<td>(1,607,107)</td>
<td>17,958,265</td>
</tr>
<tr>
<td>Gain on interest rate swaps</td>
<td>3,574,086</td>
<td>-</td>
<td>-</td>
<td>3,574,086</td>
<td>5,393,969</td>
<td>-</td>
<td>-</td>
<td>5,393,969</td>
</tr>
<tr>
<td>Income from investments, net</td>
<td>11,525,440</td>
<td>3,276,282</td>
<td>1,507,083</td>
<td>16,308,805</td>
<td>23,644,079</td>
<td>6,389,858</td>
<td>2,380,360</td>
<td>32,414,297</td>
</tr>
<tr>
<td>Loss on foreign currency exchange</td>
<td>(493,568)</td>
<td>-</td>
<td>-</td>
<td>(493,568)</td>
<td>(110,281)</td>
<td>-</td>
<td>-</td>
<td>(110,281)</td>
</tr>
<tr>
<td>Change in donor restriction</td>
<td>442,496</td>
<td>(442,496)</td>
<td>-</td>
<td>225,423</td>
<td>(225,423)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total nonoperating activities</strong></td>
<td>36,814,514</td>
<td>4,561,751</td>
<td>1,579,027</td>
<td>42,955,292</td>
<td>48,196,985</td>
<td>6,686,012</td>
<td>773,253</td>
<td>55,656,250</td>
</tr>
<tr>
<td><strong>Total allocated to operations</strong></td>
<td>(29,465,714)</td>
<td>(1,955,083)</td>
<td>-</td>
<td>(31,420,797)</td>
<td>(28,847,018)</td>
<td>(1,897,599)</td>
<td>-</td>
<td>(30,744,617)</td>
</tr>
<tr>
<td><strong>Change in net assets from nonoperating activities</strong></td>
<td>7,348,800</td>
<td>2,606,686</td>
<td>1,579,027</td>
<td>11,534,495</td>
<td>49,196,985</td>
<td>6,686,012</td>
<td>773,253</td>
<td>24,911,633</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$ 164,571,699</td>
<td>$ 153,937,568</td>
<td>$ 44,562,715</td>
<td>$ 363,071,982</td>
<td>$ 157,840,538</td>
<td>$ 147,344,526</td>
<td>$ 42,983,688</td>
<td>$ 348,168,752</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
### World Wildlife Fund, Inc. and Subsidiaries

**Consolidated Statement of Functional Expenses for the year ended June 30, 2018**

(with summarized comparative totals for the year ended June 30, 2017)

<table>
<thead>
<tr>
<th>Year Ended June 30, 2018</th>
<th>U.S. and Developed Countries</th>
<th>International Programs</th>
<th>Program Management</th>
<th>Total Conservation Field and Policy Programs</th>
<th>Public Education</th>
<th>Total Program Service Expenses</th>
<th>Finance and Administration</th>
<th>Total Supporting Services Expenses</th>
<th>2018 Total Operating Expenses</th>
<th>2017 Total Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project grants and contracts</td>
<td>908,125</td>
<td>$ 89,757,555</td>
<td>$ 172,793</td>
<td>$ 90,838,473</td>
<td>$ 2,223,579</td>
<td>$ 93,062,052</td>
<td>$ 1,273,035</td>
<td>$ 1,070,494</td>
<td>$ 2,343,529</td>
<td>$ 95,405,581</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>1,849,569</td>
<td>53,351,990</td>
<td>5,343,757</td>
<td>60,545,316</td>
<td>7,729,566</td>
<td>68,274,882</td>
<td>10,214,999</td>
<td>12,515,887</td>
<td>22,730,886</td>
<td>91,005,768</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>7,936</td>
<td>736,742</td>
<td>1,410</td>
<td>746,088</td>
<td>4,362,860</td>
<td>5,108,948</td>
<td>3,188</td>
<td>6,292,326</td>
<td>6,295,514</td>
<td>11,404,462</td>
</tr>
<tr>
<td>Office supplies, postage, and shipping</td>
<td>8,708</td>
<td>1,384,380</td>
<td>9,371</td>
<td>1,402,459</td>
<td>3,487,091</td>
<td>4,889,550</td>
<td>41,653</td>
<td>4,811,385</td>
<td>4,853,038</td>
<td>9,742,588</td>
</tr>
<tr>
<td>Staff travel and expenses</td>
<td>200,263</td>
<td>5,842,283</td>
<td>141,495</td>
<td>6,184,041</td>
<td>309,195</td>
<td>6,493,236</td>
<td>153,910</td>
<td>677,522</td>
<td>831,432</td>
<td>7,324,668</td>
</tr>
<tr>
<td>Overhead</td>
<td>90,322</td>
<td>4,534,560</td>
<td>-</td>
<td>4,624,882</td>
<td>730,530</td>
<td>5,355,412</td>
<td>-</td>
<td>988,564</td>
<td>988,564</td>
<td>6,343,976</td>
</tr>
<tr>
<td>Advertising</td>
<td>10,871</td>
<td>8,400</td>
<td>-</td>
<td>19,271</td>
<td>2,844,766</td>
<td>2,864,037</td>
<td>-</td>
<td>3,445,096</td>
<td>3,445,096</td>
<td>6,309,133</td>
</tr>
<tr>
<td>Other</td>
<td>13,180</td>
<td>478,051</td>
<td>194,513</td>
<td>685,744</td>
<td>1,248,150</td>
<td>1,933,894</td>
<td>757,205</td>
<td>2,598,150</td>
<td>3,355,355</td>
<td>5,289,249</td>
</tr>
<tr>
<td>Conferences and meetings</td>
<td>23,115</td>
<td>4,074,481</td>
<td>9,385</td>
<td>4,106,981</td>
<td>70,346</td>
<td>4,177,327</td>
<td>219,032</td>
<td>79,056</td>
<td>298,088</td>
<td>4,475,415</td>
</tr>
<tr>
<td>Field office rent, vehicles, and equipment</td>
<td>136,962</td>
<td>2,151,142</td>
<td>8</td>
<td>2,288,112</td>
<td>11,655</td>
<td>2,299,767</td>
<td>1,407,941</td>
<td>137,952</td>
<td>1,545,893</td>
<td>3,845,660</td>
</tr>
<tr>
<td>Dues, fees and subscriptions</td>
<td>37,377</td>
<td>744,828</td>
<td>3,760</td>
<td>785,965</td>
<td>993,283</td>
<td>1,779,248</td>
<td>417,448</td>
<td>764,017</td>
<td>1,181,465</td>
<td>2,960,713</td>
</tr>
<tr>
<td>Professional fees and contracts</td>
<td>10,752</td>
<td>1,023,409</td>
<td>-</td>
<td>1,034,161</td>
<td>366,629</td>
<td>1,400,790</td>
<td>679,208</td>
<td>697,966</td>
<td>1,377,174</td>
<td>2,777,964</td>
</tr>
<tr>
<td>Premiums</td>
<td>788</td>
<td>16,512</td>
<td>3,330</td>
<td>20,630</td>
<td>1,194,607</td>
<td>1,215,237</td>
<td>9,165</td>
<td>1,436,936</td>
<td>1,446,101</td>
<td>2,661,338</td>
</tr>
<tr>
<td>Audio visual</td>
<td>-</td>
<td>422,174</td>
<td>20,078</td>
<td>442,252</td>
<td>703,158</td>
<td>1,145,410</td>
<td>-</td>
<td>869,228</td>
<td>869,228</td>
<td>2,014,638</td>
</tr>
<tr>
<td>Computer services</td>
<td>99</td>
<td>321,032</td>
<td>125</td>
<td>321,256</td>
<td>451,675</td>
<td>451,675</td>
<td>-</td>
<td>547,376</td>
<td>547,376</td>
<td>999,051</td>
</tr>
<tr>
<td>Mailing list rental</td>
<td>2,428</td>
<td>500,454</td>
<td>16,763</td>
<td>519,645</td>
<td>10,008</td>
<td>529,653</td>
<td>132,652</td>
<td>32,366</td>
<td>165,018</td>
<td>694,671</td>
</tr>
</tbody>
</table>

$ 3,300,495 | $ 171,135,040 | $ 5,916,788 | $ 180,352,323 | $ 101,225,789 | $ 281,578,112 | $ 17,607,286 | $ 36,999,476 | $ 54,606,762 | $ 336,184,874 | $ 320,272,805

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

**Year Ended June 30,**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</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>$ 14,903,230</td>
<td>$ 11,611,826</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile change in net assets to net cash used in operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,530,102</td>
<td>4,033,366</td>
</tr>
<tr>
<td>Amortization of leasing commissions</td>
<td>269,407</td>
<td>294,799</td>
</tr>
<tr>
<td>Amortization of bond premium</td>
<td>(8,714)</td>
<td>(8,713)</td>
</tr>
<tr>
<td>Unrealized and realized gain on investments</td>
<td>(16,432,359)</td>
<td>(32,084,011)</td>
</tr>
<tr>
<td>Gain on swaps</td>
<td>(3,574,086)</td>
<td>(5,393,969)</td>
</tr>
<tr>
<td>Permanently restricted contributions received</td>
<td>(1,716,681)</td>
<td>-</td>
</tr>
<tr>
<td>Accretion on multi-year pledges</td>
<td>314,634</td>
<td>263,104</td>
</tr>
<tr>
<td>Change in discount on split interest agreements</td>
<td>227,119</td>
<td>1,082,068</td>
</tr>
<tr>
<td>Write-off of uncollectible pledges and accounts receivables</td>
<td>95,222</td>
<td>20,947</td>
</tr>
<tr>
<td>Gifts of investments</td>
<td>(4,519,544)</td>
<td>(3,477,097)</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,374,010</td>
<td>241,491</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>(17,135,255)</td>
<td>(661,502)</td>
</tr>
<tr>
<td>Prepaid assets</td>
<td>(33,682)</td>
<td>(28,512)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>143,017</td>
<td>380,251</td>
</tr>
<tr>
<td>Long-term trust receivables</td>
<td>2,013,486</td>
<td>2,368,954</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>300,988</td>
<td>(292,954)</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>210,150</td>
<td>1,994,821</td>
</tr>
<tr>
<td>Grants payable</td>
<td>5,138,952</td>
<td>2,058,249</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,877,461</td>
<td>(1,270,441)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>(907,825)</td>
<td>64,018</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(11,930,368)</td>
<td>(18,803,305)</td>
</tr>
<tr>
<td><strong>Cash flows provided by investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of building improvements and equipment</td>
<td>(1,292,278)</td>
<td>(4,916,211)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(48,890,744)</td>
<td>(26,744,299)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>63,431,907</td>
<td>50,931,987</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>13,248,885</td>
<td>19,271,477</td>
</tr>
<tr>
<td><strong>Cash flows used in financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanently restricted contributions received</td>
<td>1,716,681</td>
<td>-</td>
</tr>
<tr>
<td>Payments on long-term debt</td>
<td>(2,760,000)</td>
<td>(2,195,000)</td>
</tr>
<tr>
<td>Amortization of bonds issuance costs</td>
<td>86,829</td>
<td>90,360</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(956,490)</td>
<td>(2,104,640)</td>
</tr>
<tr>
<td>Increase (decrease) in cash and cash equivalents</td>
<td>362,027</td>
<td>(1,636,468)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, beginning of year</strong></td>
<td>39,673,597</td>
<td>41,310,065</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of year</strong></td>
<td>$ 40,035,624</td>
<td>$ 39,673,597</td>
</tr>
<tr>
<td><strong>Required supplemental disclosure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash payments for interest</td>
<td>$ 2,603,717</td>
<td>$ 2,716,146</td>
</tr>
</tbody>
</table>

*See accompanying notes to consolidated financial statements.*
1. Summary of Accounting Policies

Organization

The mission of World Wildlife Fund, Inc. (WWF - Parent), 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 which has 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.

1250 24 Street LLC (“1250 24 Street”) is a District of Columbia limited liability company incorporated on January 26, 2017 to: (a) have and exercise all powers conferred by the laws of the District of Columbia on limited liability companies, and (b) do any and all things necessary, convenient or incidental for the achievement of the foregoing. Currently, 1250 24 Street leases and operates the building owned by WWF at 1250 24th Street, Northwest D.C. WWF has 100% membership interest in 1250 24 Street LLC.

1250 24 LLC (“1250 24”) is a District of Columbia limited liability company incorporated on November 15, 2016 to: (a) have and exercise all powers conferred by the laws of the District of Columbia on limited liability companies, and (b) do any and all things necessary, convenient or incidental for the achievement of the foregoing. Currently, 1250 24 leases and operates a portion of the building owned by WWF at 1250 24th Street, Northwest D.C. WWF has 100% membership interest in 1250 24 LLC.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of WWF, 1250 24 Street and 1250 24 (collectively as “WWF”). All significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements include the accounts of WWF and its members worldwide, collectively referred to hereafter as WWF, where WWF has control in the form of majority voting interest in the Board of Directors, management of the leadership position or a majority source of funding. All significant intercompany balances and transactions have been eliminated in consolidation.
Basis of Accounting

The consolidated financial statements of WWF have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Accounting Pronouncements to be Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date for WWF until annual periods beginning after December 15, 2017. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of ASU 2014-09 on their consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. ASU 2016-02 applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. ASU 2016-02 is effective for WWF’s fiscal years beginning after December 15, 2018 with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on their consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for the WWF’s financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of ASU 2016-14 must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of ASU 2016-14 on their consolidated financial statements.
In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)* which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments are intended to reduce diversity in practice. ASU 2016-15 contains additional guidance clarifying when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance. ASU 2016-15 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact of ASU 2016-15 on their consolidated financial statements.

In November 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash (Topic 230)*, to address the classification and presentation of changes in restricted cash on the statement of cash flows. The ASU requires that a statement of cash flows explain the change in the total cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. Thus, amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for the WWF’s consolidated financial statements for fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied on a retrospective transition method to each period presented. Management is currently evaluating the impact of ASU 2016-18 on their consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*. The update affects the accounting for equity investments and financial liabilities, and the presentation and disclosure requirements for financial instruments. ASU 2016-01 is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied on a retrospective transition method to each period presented. Management is currently evaluating the impact of ASU 2016-01 on their consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. ASU 2016-13 is effective for fiscal years beginning after December 15, 2020. Early adoption may be selected for fiscal years beginning after December 15, 2018. WWF must apply the amendments in ASU 2016-13 through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective except for certain exclusions.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. The standard provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. ASU 2018-08 will assist in the determination of the nature
of the transaction which will then govern the revenue and expense recognition methodology and timing of the transaction. ASU 2018-08 is effective for transactions in which the entity serves as the resource recipient to annual periods beginning after December 15, 2018. ASU 2018-08 is effective for transactions in which WWF serves as a resource provider to annual periods beginning after December 15, 2019.

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 consolidated 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 in operations by the Board of Directors.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash and limited period investments with original maturities of three months or less, except for those investment funds held as part of the investment portfolio.

Financial Risks

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, 2018 and 2017. At June 30, 2018 and 2017, WWF held $39,535,624 and $29,595,926, respectively, in uninsured accounts. 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.
Funds Maintained in Foreign Accounts

Certain items reflected in consolidated statements of financial position, including cash and cash equivalents of $3,605,973 and $2,743,792 in local currencies at June 30, 2018 and 2017, respectively, and $7,731,734 and $10,440,563 in U.S. dollars, or Euros at June 30, 2018 and 2017, respectively are maintained at financial institutions in foreign countries. For financial reporting purposes, the year-end foreign currency balances are translated into U.S. dollars using current exchange rates in effect at the date of the consolidated statements of financial position.

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 which approximates their fair value. The discounts on those amounts are computed using treasury bonds corporate 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, 2018 and 2017. 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.

WWF recognizes an allowance for alternative investments in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of the result of alternative investment’s performance and expected future write-offs of unrecoverable investments. The expense associated with the allowance for alternative investments is recognized as finance and administrative expense in the consolidated statements of activities.

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 at 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 entities in the WWF Network. Credit risk is considered limited due to the large number of entities from which amounts are due.

**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. The bond issuance costs are presented as direct deduction from the face amount of the related liability, consistent with the presentation of debt discounts, in accordance with ASU 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. Bond issuance costs totaled $4,311,047 for the years ended June 30, 2018 and 2017, and accumulated amortization related to the bond issuance costs totaled $3,534,460 and $3,447,631 as of June 30, 2018 and 2017, respectively.

**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 - 10 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 long-lived asset is reduced, by a charge to the statements of activities, to its carrying 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 3.4% to 3.7%, based upon rates approved by the Internal Revenue Service (IRS) as of the date of the gift.

As of June 30, 2018 and 2017, $10,294,686 and $10,305,175, respectively, were included as long-term investments in the consolidated 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 based on 2000CM mortality tables for split income gifts received prior to January 1, 2015, and the 2012 Individual Annuity Reserving (IAR) mortality tables for split income gifts received after January 1, 2015. 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, 2018 and 2017, these liabilities totaled $5,652,073 and $6,070,117, respectively, and are recorded as other long-term liabilities in the consolidated 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 consolidated statements of activities.

For split income gifts, for which WWF does not serve as the trustee, WWF included a loss of $(227,119) and $(1,082,068) in bequests, endowments, and split income gifts on the accompanying consolidated statements of activities for the years ended June 30, 2018 and 2017, respectively.
WWF’s beneficial interest in these gifts, which amounted to $39,893,185 and $42,133,790 at June 30, 2018 and 2017, respectively, is also recorded at the discounted present value of the gifts and is included in long-term trust receivables in the accompanying consolidated 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 consolidated financial statements.

**Grants Payable**

Grants are primarily made to other conservation organizations. The grants 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, 2018 and 2017, are $8,522,139 and $11,036,431, respectively, and are not recorded as grants payable in the accompanying consolidated 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 consolidated 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 consolidated 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 considered exchange transactions, and are recognized as revenue earned to the extent of qualifying expenses incurred or as such amounts are accrued.

Total operating revenue for the fiscal years ended June 30, 2018 and 2017 was $348,301,321 and $326,600,944, 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 consolidated statements of activities, excluding gain on interest rate swaps and loss on foreign currency exchange.

Included in WWF network revenues on the consolidated statements of activities for the years ended June 30, 2018 and 2017, are revenues from WWF-Netherlands of $4,724,728 and $2,729,993, respectively. WWF network revenues are recognized as revenue earned to the extent of expenses incurred or as such amounts are accrued.
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 revenue from operating activities 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 nonoperating activities in the appropriate category of net assets.

Investment income, including realized and unrealized gains and losses, in excess of amounts utilized in operations based on the organization’s spending policy, 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

WWF reports 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 and program expenses. WWF evaluates all programs that include fundraising to determine which programs would meet the requirements for allocation of costs. WWF allocates joint costs based on the relative direct cost method whereby costs are allocated to each of the components on the basis of their respective direct costs (i.e. costs incurred in connection with the multipurpose materials or activity that are specifically identifiable to each program or function).

In fiscal years 2018 and 2017, WWF incurred joint costs of $37,167,231 and $34,983,772, respectively, for informational materials and activities that included a fundraising appeal. Of those costs, $20,191,123 and $18,878,698 were allocated to fundraising expenses, and $16,976,108 and $16,105,074 were allocated to program expense, in fiscal years 2018 and 2017, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP 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.

Interpretation of Relevant Law

The Board of Directors has determined that an enacted version of Uniform Prudent Management of Institutional Funds Act (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.
**Investment Policy Statement**

As careful stewards of our donors' contributions, and to be respectful of their intent to support and further WWF’s conservation efforts, WWF seeks to manage the investment portfolio 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 portfolio includes 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 total real 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.

**Reclassifications**

Certain balances in the consolidated statement of financial position and consolidated statement of activities at June 30, 2017 have been reclassified, with no effect on the change in net assets, to be consistent with the classification at June 30, 2018.

2. **Accounts Receivable**

Management believes amounts recorded in accounts receivable to be collectible based on historical collection experience, write-offs and other factors and, therefore, has not recorded an allowance against the accounts receivable as of June 30, 2018 and 2017. Accounts receivable is composed of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government</td>
<td>$14,875,758</td>
<td>$14,257,855</td>
</tr>
<tr>
<td>Private Sector</td>
<td>5,531,968</td>
<td>3,734,556</td>
</tr>
<tr>
<td>WWF Network</td>
<td>12,389,545</td>
<td>16,249,200</td>
</tr>
<tr>
<td>Others</td>
<td>1,310,229</td>
<td>2,263,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$34,107,500</strong></td>
<td><strong>$36,504,861</strong></td>
</tr>
</tbody>
</table>

During the years ended June 30, 2018 and 2017, WWF determined that $23,351 and $20,947, respectively, of accounts receivable were uncollectible based on review of outstanding amounts and are included as a cost of fundraising on the accompanying consolidated statements of activities.
3. Pledges Receivable

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
<td>$37,161,737</td>
<td>$27,334,056</td>
</tr>
<tr>
<td>One to five years</td>
<td>26,385,360</td>
<td>19,082,657</td>
</tr>
<tr>
<td>More than five years</td>
<td>598,000</td>
<td>665,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>64,145,097</strong></td>
<td><strong>47,081,713</strong></td>
</tr>
<tr>
<td>Less: discount to present value</td>
<td>(1,517,060)</td>
<td>(1,202,426)</td>
</tr>
<tr>
<td>Less: allowance for uncollectible pledges</td>
<td>(250,000)</td>
<td>(250,000)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>62,378,037</strong></td>
<td><strong>45,629,287</strong></td>
</tr>
<tr>
<td>Less: current portion of pledges receivable</td>
<td>(37,161,737)</td>
<td>(27,334,056)</td>
</tr>
<tr>
<td><strong>Non-current portion of pledges receivable</strong></td>
<td><strong>$25,216,300</strong></td>
<td><strong>$18,295,231</strong></td>
</tr>
</tbody>
</table>

The interest rates used to discount the amounts expected to be collected in future years range from 2.21% to 3.71% as of June 30, 2018. During the years ended June 30, 2018 and 2017, WWF determined that $71,871 and $17, respectively, of pledges receivable were uncollectible based on collection history and are included as part of operating expenses in the consolidated statements of activities.

4. Investments

Investments consisted of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$18,646,894</td>
<td>$18,997,796</td>
</tr>
<tr>
<td>Partnership investments</td>
<td>138,518,297</td>
<td>127,003,997</td>
</tr>
<tr>
<td>Debt and equity mutual funds</td>
<td>63,451,024</td>
<td>75,013,085</td>
</tr>
<tr>
<td>Common collective trusts</td>
<td>9,083,808</td>
<td>9,319,890</td>
</tr>
<tr>
<td>Debt and equity securities</td>
<td>26,422,000</td>
<td>19,876,515</td>
</tr>
<tr>
<td><strong>Subtotal: investments before allowance</strong></td>
<td><strong>256,122,023</strong></td>
<td><strong>250,211,283</strong></td>
</tr>
<tr>
<td>Less: allowance for alternative investments</td>
<td>-</td>
<td>(500,000)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>256,122,023</strong></td>
<td><strong>249,711,283</strong></td>
</tr>
<tr>
<td>Less: short-term investments</td>
<td>(18,377,944)</td>
<td>(15,967,716)</td>
</tr>
<tr>
<td><strong>Long-term investments</strong></td>
<td><strong>$237,744,079</strong></td>
<td><strong>$233,743,567</strong></td>
</tr>
</tbody>
</table>
Investment return consisted of the following for the years ended June 30:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends and interest income</td>
<td>$2,141,136</td>
<td>$2,068,002</td>
</tr>
<tr>
<td>Realized and unrealized gains, net</td>
<td>16,432,359</td>
<td>32,084,011</td>
</tr>
<tr>
<td>Less: investment expenses</td>
<td>(2,264,690)</td>
<td>(1,737,716)</td>
</tr>
<tr>
<td><strong>Income from investments, net</strong></td>
<td><strong>$16,308,805</strong></td>
<td><strong>$32,414,297</strong></td>
</tr>
</tbody>
</table>

WWF received donated securities with a fair value of $4,519,544 and $3,477,097 during the years ended June 30, 2018 and 2017, respectively, to be used for unrestricted activities.

In January, 2014, WWF entered into a ‘stranded assets’ total return swap. WWF pays the total return from an index of coal and tar sands companies, and receives the total return on the S&P 500 index which settles quarterly. The swap is designed to hedge against portfolio risk specifically attributed to coal and tar sand business sectors. The fair market value of the swaps was a net payable position of $247,139 and net receivable position of $214,113 as of June 30, 2018 and 2017, respectively, and is included in accounts payable and accrued expenses and accounts receivable, respectively, in the consolidated statements of financial position.

5. **Land, Building, and Equipment**

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$17,436,974</td>
<td>$17,436,974</td>
</tr>
<tr>
<td>Building</td>
<td>45,982,829</td>
<td>45,982,829</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>28,563,050</td>
<td>28,142,472</td>
</tr>
<tr>
<td>Building and tenant improvements</td>
<td>23,454,800</td>
<td>22,583,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>115,437,653</strong></td>
<td><strong>114,145,375</strong></td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(53,090,838)</td>
<td>(48,560,736)</td>
</tr>
<tr>
<td><strong>Land, building, and equipment, net</strong></td>
<td><strong>$62,346,815</strong></td>
<td><strong>$65,584,639</strong></td>
</tr>
</tbody>
</table>

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 Uniform Guidance, *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 U.S. GAAP.
Depreciation and amortization expense consisted of the following for the years ended June 30:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation, commercial building operations</td>
<td>$1,156,070</td>
<td>$1,130,837</td>
</tr>
<tr>
<td>Depreciation, all other building and equipment</td>
<td>3,374,032</td>
<td>2,902,529</td>
</tr>
<tr>
<td>Amortization of bond premium and issuance costs</td>
<td>78,115</td>
<td>81,646</td>
</tr>
<tr>
<td><strong>Total depreciation and amortization</strong></td>
<td><strong>$4,608,217</strong></td>
<td><strong>$4,115,012</strong></td>
</tr>
</tbody>
</table>

The commercial building operations net cash flows were $1,010,279 and $222,234 for fiscal years ended June 30, 2018 and 2017, respectively.

6. **Long-Term Debt**

Long-term debt was as follows at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>WWF Taxable Variable Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds, Series 2015</td>
<td>$52,605,000</td>
<td>$55,365,000</td>
</tr>
<tr>
<td>Unamortized original issue premium</td>
<td>104,561</td>
<td>113,275</td>
</tr>
<tr>
<td>Less: unamortized bond issuance costs, net</td>
<td>(776,587)</td>
<td>(863,416)</td>
</tr>
<tr>
<td><strong>Long-term debt</strong></td>
<td><strong>51,932,974</strong></td>
<td><strong>54,614,859</strong></td>
</tr>
<tr>
<td>Less: current portion</td>
<td>(2,910,000)</td>
<td>(2,760,000)</td>
</tr>
<tr>
<td><strong>Long-term debt, net of current portion</strong></td>
<td><strong>$49,022,974</strong></td>
<td><strong>$51,854,859</strong></td>
</tr>
</tbody>
</table>

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 2000A, which are tax-exempt, and $41,355,000 in World Wildlife Fund, Inc. Taxable Variable Rate Bonds, Series 2000B.

On November 6, 2008, WWF refinanced the outstanding taxable Series 2000B bonds with a direct-pay bank letter of credit and issued $35,600,000 World Wildlife Fund, Inc. Taxable Variable Rate Bonds, Series 2008B. On July 1, 2010, WWF refinanced the outstanding tax-exempt Series 2000A bonds with a direct-pay bank letter of credit to provide credit enhancement. The refinanced bonds were reissued as $33,015,000 District of Columbia Variable Rate Refunding Revenue Bonds (World Wildlife Fund, Inc. Issue) Series 2010.

On May 20, 2015, WWF’s letter of credit provider, paid the entire balance of the series 2010 and 2008B bonds and issued the $59,700,000 World Wildlife Fund, Inc. Taxable Variable Rate Bonds Series 2015 (“Series 2015 Bonds”) with substantially the same financial terms and conditions as the 2010 and 2008B bonds. The series 2015 bonds also has a maturity date of July 1, 2030 and is subject to variable interest rates, substantially similar to the series 2010 and 2008B bonds. The interest rate per annum is determined by the remarketing agent on the applicable rate determination date.
as the lowest average interest rate which, in the opinion of the remarketing agent, under then-existing market conditions, would result in the sale of such bonds (in the daily rate period or weekly rate period, as applicable) at a price equal to the principal amount of such bonds on the rate determination date, plus interest, if any, accrued through the rate determination date.

On the same date, WWF entered into a reimbursement agreement with JP Morgan Chase for the latter to provide letter-of-credit covering the entire balance of the series 2015 bonds.

WWF evaluated the application of Accounting Standards Codification (ASC) 470-50, *Modifications and Extinguishments* and concluded that the refinancing constituted a debt modification. Under ASC 470-50, the existing bond premium issuance costs of the Series 2000B and 2010 will be amortized over the remaining term of the new Series 2015 bonds.

Upon issuance of the Series 2015 Bonds, WWF did not change the existing interest rate swaps. The swaps are used to minimize cash flow fluctuations of interest payments caused by the variable nature of the interest rates on the Series 2015 bonds. The interest on the outstanding principal balance is due monthly at the variable interest rate until maturity of the bonds and the interest on the swaps is due quarterly.

As of June 30, 2018, WWF has three interest-rate swap agreements covering $52,280,000 of outstanding bonds to synthetically fix rates between 3.01% and 5.87%. The weighted average interest rate of the swaps was 4.89% and 4.80% for the fiscal years ended June 30, 2018 and 2017, respectively.

The swaps are recognized on the consolidated 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 gain on interest-rate swaps in the consolidated statements of activities. During the years ended June 30, 2018 and 2017, WWF recorded a gain of $3,574,086 and $5,393,969 in fair-market value adjustments to the liability of the swaps, respectively. Cumulative losses on the swaps from inception totaled $7,801,469 as of June 30, 2018. The fair market value of the interest rate swap liabilities was $7,801,469 and $11,375,555 as of June 30, 2018 and 2017, respectively.

**Maturities of debt are as follows:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$2,910,000</td>
</tr>
<tr>
<td>2020</td>
<td>3,055,000</td>
</tr>
<tr>
<td>2021</td>
<td>3,215,000</td>
</tr>
<tr>
<td>2022</td>
<td>3,375,000</td>
</tr>
<tr>
<td>2023</td>
<td>3,555,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>36,495,000</td>
</tr>
<tr>
<td></td>
<td>52,605,000</td>
</tr>
</tbody>
</table>

Less: unamortized bond issuance costs, net | (776,587)  
Plus: unamortized original issue premium | 104,561  

$ 51,932,974

WWF incurred total interest expense on the bonds and swaps of $2,603,717 and $2,716,146 for the years ended June 30, 2018 and 2017, respectively, which is allocated among the expenses, including building operations expense, based on internal allocation methods. 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, 2018 and 2017, WWF was in compliance with these covenants.

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, 2018.

Commitments

Certain alternative investments, which include private equity investments, have rolling lockup periods 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, 2018, WWF had unfunded commitments of $2,096,759. 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 October 2020. It is expected that WWF will renew leases as necessary in the normal course of its activities. During the years ended June 30, 2018 and 2017, WWF recorded $1,039,035 and $950,759, respectively, in rental expense.

The following is a schedule of the future minimum lease payments as of June 30, 2018:

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$806,348</td>
</tr>
<tr>
<td>2020</td>
<td>$277,320</td>
</tr>
<tr>
<td>2021</td>
<td>$116,653</td>
</tr>
<tr>
<td>2022</td>
<td>$265,639</td>
</tr>
<tr>
<td>2023</td>
<td>$72,668</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>$1,538,628</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$5,833,010</td>
</tr>
<tr>
<td>2020</td>
<td>5,264,987</td>
</tr>
<tr>
<td>2021</td>
<td>1,235,618</td>
</tr>
<tr>
<td>2022</td>
<td>749,618</td>
</tr>
<tr>
<td>2023</td>
<td>215,408</td>
</tr>
<tr>
<td>Thereafter</td>
<td>520,457</td>
</tr>
<tr>
<td>Total</td>
<td>$13,819,098</td>
</tr>
</tbody>
</table>

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, 2018 and 2017 were $479,701 and $457,444, respectively. At June 30, 2018 and 2017, 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 consolidated 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 $4,040,451 and $4,568,944 for the years ended June 30, 2018 and 2017, respectively.

WWF has adopted two Deferred Compensation Plans (the Plan) in accordance with Section 457(b) and Section 457(f) of the IRC. The purpose of the 457(b) Plan is to offer certain eligible employees additional deferred compensation and/or the opportunity to defer specified amounts of compensation, on a pretax basis. The assets and liabilities associated with this Plan were $1,686,816 and $1,561,605 for the years ended June 30, 2018 and 2017, 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 consolidated statements of financial position. The purpose of the
457(f) Plan is the retention and recruitment of talent at the executive level. The expenses associated with the 457(f) Plan were $115,056 and $506,677 for the years ended June 30, 2018 and 2017, respectively. The 457(f) deferrals, which are reflected in other long-term liabilities, were $419,487 and $1,188,615 for the years ended June 30, 2018 and 2017, respectively.

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 $80,000 for individual employees and 125% of the actuarially determined yearly cost for the aggregated claims. The anticipated claims incurred but not reported were $210,000 and $158,000 as of June 30, 2018 and 2017, respectively, and are included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

9. **Income Taxes**

WWF has received a determination letter from the Internal Revenue Service (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 as a Section 509(a)(1) organization as referred to in Section 170(b)(1)(A)(vi).

Under ASC 740-10, *Income Taxes*, 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. 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 IRS 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 years before 2015. For the year ended June 30, 2018 and 2017, there were no interest or penalties recorded or included in the consolidated statements of activities related to uncertain tax positions.

10. **Temporarily Restricted Net Assets**

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

<table>
<thead>
<tr>
<th>Purpose restricted Conservation and other programs</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time restricted</td>
<td>$40,001,787</td>
<td>$65,803,665</td>
</tr>
<tr>
<td>Purpose and time restricted</td>
<td>$47,704,181</td>
<td>$35,269,719</td>
</tr>
</tbody>
</table>

$153,937,568 $147,344,526

25
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:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. and developed countries</td>
<td>$ 301,618</td>
<td>$ 301,618</td>
</tr>
<tr>
<td>International programs</td>
<td>18,766,317</td>
<td>17,461,946</td>
</tr>
<tr>
<td>Unrestricted support</td>
<td>18,105,463</td>
<td>18,014,336</td>
</tr>
<tr>
<td>Other programs</td>
<td>7,389,317</td>
<td>7,205,788</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 44,562,715</strong></td>
<td><strong>$ 42,983,688</strong></td>
</tr>
</tbody>
</table>

During the year ended June 30, 2018, certain transfers were made between unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The transfer are in accordance to the spending policy below.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Board-approved spending policy for fiscal year 2018 and 2017 is 100% 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 consolidated statements of activities. Non-operating income allocated to operations represents the appropriations that are expended during the year.
The amounts expended for the years ended June 30, 2018 and 2017 were $31,127,163 and $30,744,617, respectively. Changes in endowment net assets for the year ended June 30, 2018 are as follows:

<table>
<thead>
<tr>
<th>Endowment net assets,</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2018 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>beginning of year</td>
<td>$144,542,088</td>
<td>$23,742,816</td>
<td>$42,983,688</td>
<td>$211,268,592</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment loss</td>
<td>(69,549)</td>
<td>(13,917)</td>
<td>(18,380)</td>
<td>(101,846)</td>
</tr>
<tr>
<td>Net appreciation, realized</td>
<td>3,498,150</td>
<td>680,321</td>
<td>849,802</td>
<td>5,028,273</td>
</tr>
<tr>
<td>Net appreciation, unrealized</td>
<td>7,724,824</td>
<td>2,609,878</td>
<td>675,661</td>
<td>11,010,363</td>
</tr>
<tr>
<td>Total investment return</td>
<td>11,153,425</td>
<td>3,276,282</td>
<td>1,507,083</td>
<td>15,936,790</td>
</tr>
<tr>
<td>Contributions</td>
<td>24,072,841</td>
<td></td>
<td>1,716,681</td>
<td>25,789,522</td>
</tr>
<tr>
<td>Appropriation of assets for expenditure</td>
<td>(33,267,502)</td>
<td>-</td>
<td>(1,644,737)</td>
<td>(34,912,239)</td>
</tr>
<tr>
<td>Endowment net assets,</td>
<td>$146,500,852</td>
<td>$27,019,098</td>
<td>$44,562,715</td>
<td>$218,082,665</td>
</tr>
<tr>
<td>end of year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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, 2017 are as follows:

<table>
<thead>
<tr>
<th>Endowment net assets,</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2017 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>beginning of year</td>
<td>$138,193,973</td>
<td>$17,352,958</td>
<td>$42,210,435</td>
<td>$197,757,366</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>201,402</td>
<td>35,184</td>
<td>44,868</td>
<td>281,454</td>
</tr>
<tr>
<td>Net appreciation, realized</td>
<td>3,816,310</td>
<td>685,802</td>
<td>857,700</td>
<td>5,359,812</td>
</tr>
<tr>
<td>Net appreciation, unrealized</td>
<td>17,739,898</td>
<td>5,668,872</td>
<td>1,477,792</td>
<td>24,886,562</td>
</tr>
<tr>
<td>Total investment return</td>
<td>21,757,610</td>
<td>6,389,858</td>
<td>2,380,360</td>
<td>30,527,828</td>
</tr>
<tr>
<td>Contributions</td>
<td>19,370,730</td>
<td></td>
<td></td>
<td>19,370,730</td>
</tr>
<tr>
<td>Appropriation of assets for expenditure</td>
<td>(36,331,718)</td>
<td>-</td>
<td>(1,607,107)</td>
<td>(37,938,825)</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>1,551,493</td>
<td></td>
<td></td>
<td>1,551,493</td>
</tr>
<tr>
<td>Endowment net assets,</td>
<td>$144,542,088</td>
<td>$23,742,816</td>
<td>$42,983,688</td>
<td>$211,268,592</td>
</tr>
<tr>
<td>end of year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The distribution of endowment net assets between donor restricted and board-designated for the year ended June 30, 2018 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2018 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor restricted</td>
<td>$ 11,292,963</td>
<td>$ 27,019,098</td>
<td>$ 44,562,715</td>
<td>$ 82,874,776</td>
</tr>
<tr>
<td>Board-designated</td>
<td>135,207,889</td>
<td>-</td>
<td>-</td>
<td>135,207,889</td>
</tr>
<tr>
<td><strong>Total endowment net assets</strong></td>
<td><strong>$146,500,852</strong></td>
<td><strong>$ 27,019,098</strong></td>
<td><strong>$ 44,562,715</strong></td>
<td><strong>$ 218,082,665</strong></td>
</tr>
</tbody>
</table>

The distribution of endowment net assets between donor restricted and board-designated for the year ended June 30, 2017 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2017 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor restricted</td>
<td>$ 11,536,228</td>
<td>$ 23,742,816</td>
<td>$ 42,983,688</td>
<td>$ 78,262,732</td>
</tr>
<tr>
<td>Board-designated</td>
<td>133,005,860</td>
<td>-</td>
<td>-</td>
<td>133,005,860</td>
</tr>
<tr>
<td><strong>Total endowment net assets</strong></td>
<td><strong>$ 144,542,088</strong></td>
<td><strong>$ 23,742,816</strong></td>
<td><strong>$ 42,983,688</strong></td>
<td><strong>$ 211,268,592</strong></td>
</tr>
</tbody>
</table>

12. **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described 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 methodology inputs may include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Examples include the fair value of municipal bonds which are estimated using recently executed transactions, bid/asked prices, and pricing models that factor in, where applicable, interest rates, bond spreads, and volatility.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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.

Some of WWF’s investments may be illiquid and WWF may not be able to vary the portfolio in response to changes in economic and other conditions. Some of the investments that are purchased and sold are traded in private, unregistered transactions and are therefore subject to restrictions on resale or otherwise have no established trading market. In addition, if WWF is required to liquidate all or a portion of its portfolio quickly, WWF may realize significantly less than the value at which it previously recorded those investments.

Investments valued at Net Asset Value (NAV) - WWF reports certain investments using NAV per share as determined by investment managers under the so called “practical expedient”. The practical expedient allows NAV per share to represent fair value for reporting purposes when the criteria for using this method are met. These investment funds are held as units or interest in institutional funds or limited partnerships, which are stated at the NAV or its equivalent. WWF uses the NAV as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different then NAV. Pursuant to FASB ASU 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or Its Equivalent), WWF has not categorized these investments in levels within the fair value hierarchy table.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although WWF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.
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.

**Money market funds:** Money market funds consist of short-term, or less than one-year, securities representing high-quality, liquid debt and monetary instruments.

**Debt and equity securities:** Debt and equity securities consist of investments in U.S. government debt and credit securities, U.S. and non-U.S. equity securities, and funds holding similar securities.

**Common collective trusts:** Common collective trusts are non-registered pooled investment funds. The fair values of the investments have been estimated using the NAV 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) and any unfunded commitments 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 agreements 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, 2018 are as follows:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$18,646,894</td>
<td>$</td>
<td>$</td>
<td>$18,646,894</td>
</tr>
<tr>
<td>Partnership investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>-</td>
<td>5,237,745</td>
<td>-</td>
<td>5,237,745</td>
</tr>
<tr>
<td>Equity and other</td>
<td>-</td>
<td>6,250,740</td>
<td>-</td>
<td>6,250,740</td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td>16,394,853</td>
<td>-</td>
<td>16,394,853</td>
</tr>
<tr>
<td>Specialty</td>
<td>-</td>
<td>8,781,940</td>
<td>-</td>
<td>8,781,940</td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>-</td>
<td>1,186,461</td>
<td>-</td>
<td>1,186,461</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap</td>
<td>29,783,314</td>
<td>-</td>
<td>-</td>
<td>29,783,314</td>
</tr>
<tr>
<td>International</td>
<td>33,667,710</td>
<td>-</td>
<td>-</td>
<td>33,667,710</td>
</tr>
<tr>
<td>Common collective trusts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>-</td>
<td>2,324,454</td>
<td>-</td>
<td>2,324,454</td>
</tr>
<tr>
<td>Large-Cap</td>
<td>-</td>
<td>2,484,031</td>
<td>-</td>
<td>2,484,031</td>
</tr>
<tr>
<td>Small and Mid-Cap</td>
<td>-</td>
<td>876,894</td>
<td>-</td>
<td>876,894</td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td>2,437,434</td>
<td>-</td>
<td>2,437,434</td>
</tr>
<tr>
<td>Specialty</td>
<td>-</td>
<td>960,995</td>
<td>-</td>
<td>960,995</td>
</tr>
<tr>
<td>Debt and equity securities</td>
<td>25,620,025</td>
<td>801,975</td>
<td>-</td>
<td>26,422,000</td>
</tr>
<tr>
<td>Investments reported at Net asset value (NAV)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,666,558</td>
</tr>
<tr>
<td>Total investments</td>
<td>107,717,943</td>
<td>9,885,783</td>
<td>37,851,739</td>
<td>256,122,023</td>
</tr>
<tr>
<td>Long-term trust receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and money market</td>
<td>-</td>
<td>1,280,365</td>
<td>-</td>
<td>1,280,365</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>-</td>
<td>756,598</td>
<td>-</td>
<td>756,598</td>
</tr>
<tr>
<td>Equity and other</td>
<td>-</td>
<td>8,095,804</td>
<td>-</td>
<td>8,095,804</td>
</tr>
<tr>
<td>Large-Cap</td>
<td>-</td>
<td>386,849</td>
<td>-</td>
<td>386,849</td>
</tr>
<tr>
<td>Mid-Cap</td>
<td>-</td>
<td>70,405</td>
<td>-</td>
<td>70,405</td>
</tr>
<tr>
<td>Small-Cap</td>
<td>-</td>
<td>48,938</td>
<td>-</td>
<td>48,938</td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td>8,229,260</td>
<td>-</td>
<td>8,229,260</td>
</tr>
<tr>
<td>Fixed income</td>
<td>-</td>
<td>1,838,458</td>
<td>-</td>
<td>1,838,458</td>
</tr>
<tr>
<td>Bonds and notes</td>
<td>-</td>
<td>2,573,553</td>
<td>-</td>
<td>2,573,553</td>
</tr>
<tr>
<td>Specialty</td>
<td>-</td>
<td>2,000,344</td>
<td>-</td>
<td>2,000,344</td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>-</td>
<td>14,612,611</td>
<td>-</td>
<td>14,612,611</td>
</tr>
<tr>
<td>Total long-term trust receivables</td>
<td>-</td>
<td>-</td>
<td>39,893,185</td>
<td>39,893,185</td>
</tr>
<tr>
<td>Total assets, at fair value</td>
<td>$107,717,943</td>
<td>$9,885,783</td>
<td>$77,744,924</td>
<td>$296,015,208</td>
</tr>
<tr>
<td>Interest rate swap liability</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>$(7,801,469)</td>
</tr>
</tbody>
</table>

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.
Financial assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2017 are as follows:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$16,975,001</td>
<td>$-</td>
<td>$-</td>
<td>$16,975,001</td>
</tr>
<tr>
<td>Partnership investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>-</td>
<td>-</td>
<td>4,973,173</td>
<td>4,973,173</td>
</tr>
<tr>
<td>Equity and other</td>
<td>-</td>
<td>-</td>
<td>1,498,482</td>
<td>1,498,482</td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td>-</td>
<td>15,429,513</td>
<td>15,429,513</td>
</tr>
<tr>
<td>Specialty</td>
<td>-</td>
<td>-</td>
<td>9,061,346</td>
<td>9,061,346</td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>-</td>
<td>-</td>
<td>1,438,436</td>
<td>1,438,436</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap</td>
<td>35,978,162</td>
<td>-</td>
<td>-</td>
<td>35,978,162</td>
</tr>
<tr>
<td>International</td>
<td>39,034,923</td>
<td>-</td>
<td>-</td>
<td>39,034,923</td>
</tr>
<tr>
<td>Common collective trusts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>-</td>
<td>2,433,409</td>
<td>-</td>
<td>2,433,409</td>
</tr>
<tr>
<td>Large-Cap</td>
<td>-</td>
<td>2,342,065</td>
<td>-</td>
<td>2,342,065</td>
</tr>
<tr>
<td>Small and Mid-Cap</td>
<td>-</td>
<td>913,263</td>
<td>-</td>
<td>913,263</td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td>2,719,251</td>
<td>-</td>
<td>2,719,251</td>
</tr>
<tr>
<td>Specialty</td>
<td>-</td>
<td>911,902</td>
<td>-</td>
<td>911,902</td>
</tr>
<tr>
<td>Debt and equity securities</td>
<td>25,684,708</td>
<td>582,267</td>
<td>-</td>
<td>26,266,975</td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common collective trusts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large-Cap</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-Cap</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small-Cap</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt and equity securities</td>
<td>25,684,708</td>
<td></td>
<td></td>
<td>26,266,975</td>
</tr>
<tr>
<td>Investments reported at net asset value (NAV)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total investments</td>
<td>117,672,794</td>
<td>9,902,157</td>
<td>32,400,950</td>
<td>248,188,488</td>
</tr>
</tbody>
</table>

Interest rate swap liability: $ - $ - $ (11,375,555) $ (11,375,555)

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the consolidated statements of financial position.
Level 3 gains and losses

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$74,534,740</td>
<td>$78,030,575</td>
</tr>
<tr>
<td>Total realized/unrealized gains included in changes in net assets</td>
<td>1,217,899</td>
<td>175,422</td>
</tr>
<tr>
<td>Purchases</td>
<td>5,777,473</td>
<td>173,987</td>
</tr>
<tr>
<td>Settlements</td>
<td>(3,785,188)</td>
<td>(3,845,244)</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$77,744,924</td>
<td>$74,534,740</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$(11,375,555)</td>
<td>$(16,769,524)</td>
</tr>
<tr>
<td>Total realized/unrealized gains included in changes in net assets</td>
<td>3,574,086</td>
<td>5,393,969</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$(7,801,469)</td>
<td>$(11,375,555)</td>
</tr>
</tbody>
</table>

Quantitative Information

Quantitative information as of June 30, 2018, 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair Value</th>
<th>Principal Valuation Techniques</th>
<th>Unobservable Inputs</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term trust receivables</td>
<td>$39,893,185</td>
<td>Income Approach</td>
<td>Discount rates, Life expectancies, Trust payouts, Allocation percentages</td>
<td>N/A</td>
</tr>
<tr>
<td>Partnership investments</td>
<td>$37,851,739</td>
<td></td>
<td>Each of the Fund Manager’s principal valuation techniques is to discount future cash flows Unobservable inputs for each underlying funds’ investment are less than any liabilities of the fund discount rate and liquidity discounts</td>
<td>N/A</td>
</tr>
</tbody>
</table>
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 Service Organization Controls (SOC) 1 reports of each fund where available.
- Monitoring and evaluation 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, conducting regular calls with management of the funds and meeting periodically with WWF’s investment committee to report the performance of the funds. There were no changes in valuation techniques noted for these funds for 2018 and 2017.

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 the long-term trust receivables for 2018 and 2017.

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 swap liabilities for 2018 and 2017.
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. There were no transfers in and out of level 3.

Fair value on a nonrecurring basis

The fair value of WWF's cash and cash equivalents, accounts receivable, prepaid assets, other current assets, accounts payable and accrued expenses, and grants payable approximate their carrying amounts due to the short maturity of these 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, 2018 are as follows:

<table>
<thead>
<tr>
<th>Level in Fair Value Hierarchy</th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges receivable</td>
<td>$62,378,037</td>
<td>$62,141,646</td>
</tr>
<tr>
<td>Debt</td>
<td>$52,709,561</td>
<td>$52,605,000</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>$8,090,626</td>
<td>$8,090,626</td>
</tr>
</tbody>
</table>

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, 2017 are as follows:

<table>
<thead>
<tr>
<th>Level in Fair Value Hierarchy</th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges receivable</td>
<td>$45,629,287</td>
<td>$45,879,287</td>
</tr>
<tr>
<td>Debt</td>
<td>$54,478,275</td>
<td>$55,365,000</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>$8,998,451</td>
<td>$8,998,451</td>
</tr>
</tbody>
</table>

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.
13. **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, 2018:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency</th>
<th>Notice Period (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Partnerships -</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>$ 4,883,999</td>
<td>$ -</td>
<td>Every 36 months</td>
<td>90</td>
</tr>
<tr>
<td>Equity</td>
<td>3,508</td>
<td>-</td>
<td>As available</td>
<td>n/a</td>
</tr>
<tr>
<td>Equity</td>
<td>11,571,393</td>
<td>-</td>
<td>25% Monthly</td>
<td>5</td>
</tr>
<tr>
<td>International</td>
<td>14,435,995</td>
<td>-</td>
<td>Monthly</td>
<td>16</td>
</tr>
<tr>
<td>International</td>
<td>5,444,859</td>
<td>-</td>
<td>Quarterly</td>
<td>90</td>
</tr>
<tr>
<td>International</td>
<td>6,586,440</td>
<td>-</td>
<td>Daily</td>
<td>3</td>
</tr>
<tr>
<td>International</td>
<td>5,395,558</td>
<td>-</td>
<td>Monthly</td>
<td>3</td>
</tr>
<tr>
<td>International</td>
<td>15,266,596</td>
<td>-</td>
<td>Monthly</td>
<td>10</td>
</tr>
<tr>
<td>International</td>
<td>20,760,764</td>
<td>-</td>
<td>Quarterly</td>
<td>30</td>
</tr>
<tr>
<td>Specialty</td>
<td>6,337,067</td>
<td>-</td>
<td>25% Quarterly</td>
<td>95</td>
</tr>
<tr>
<td>Specialty</td>
<td>4,725,611</td>
<td>-</td>
<td>Annually</td>
<td>44</td>
</tr>
<tr>
<td>Specialty</td>
<td>5,254,768</td>
<td>-</td>
<td>Quarterly</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$100,666,558</td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 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, 2017:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency</th>
<th>Notice Period (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Partnerships -</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>$ 6,217,594</td>
<td>$ -</td>
<td>Every 36 months</td>
<td>90</td>
</tr>
<tr>
<td>Equity</td>
<td>34,756</td>
<td>-</td>
<td>Semi-Annually</td>
<td>45</td>
</tr>
<tr>
<td>Equity</td>
<td>4,418,244</td>
<td>-</td>
<td>Quarterly</td>
<td>60</td>
</tr>
<tr>
<td>International</td>
<td>14,362,475</td>
<td>-</td>
<td>Monthly</td>
<td>6</td>
</tr>
<tr>
<td>International</td>
<td>36,231,669</td>
<td>-</td>
<td>liquidity*</td>
<td>n/a</td>
</tr>
<tr>
<td>International</td>
<td>6,172,119</td>
<td>-</td>
<td>Daily</td>
<td>3</td>
</tr>
<tr>
<td>International</td>
<td>5,056,202</td>
<td>-</td>
<td>Monthly</td>
<td>3</td>
</tr>
<tr>
<td>Specialty</td>
<td>5,790,605</td>
<td>-</td>
<td>Quarterly</td>
<td>95</td>
</tr>
<tr>
<td>Specialty</td>
<td>4,562,642</td>
<td>-</td>
<td>Annually</td>
<td>44</td>
</tr>
<tr>
<td>Specialty</td>
<td>5,366,281</td>
<td>-</td>
<td>Quarterly</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 88,212,587</td>
<td>$ -</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 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.
14. Subsequent Events

WWF evaluated subsequent events through November 20, 2018 which is the date the consolidated financial statements were issued. No subsequent events were noted that required disclosure in the consolidated financial statements.