World Wildlife Fund, Inc. and Subsidiaries

Consolidated Financial Statements
and Independent Auditor's Report
Year Ended June 30, 2019

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

World Wildlife Fund, Inc. and Subsidiaries

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8401 Greensboro Drive
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Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of **World Wildlife Fund, Inc. and Subsidiaries (WWF)**, which comprise the consolidated statement of financial position as of June 30, 2019 and the related consolidated statement of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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.

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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Adoption of New Accounting Pronouncements

As discussed in Note 1 to the consolidated financial statements, **World Wildlife Fund, Inc. and Subsidiaries** changed its method for revenue recognition in 2019 as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, and ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* effective July 1, 2018. WWF also changed the presentation and related disclosures of net assets in 2019 as a result of the adoption of the amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, effective June 30, 2019. Our opinion is not modified with respect to these matters.

BDO USA, LLP

January 31, 2020

Consolidated Financial Statements

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Financial Position

June 30,	2019
Assets	
Current assets	
Cash and cash equivalents	$ 40,507,892
Short-term investments	15,922,404
Accounts receivable	3,144,600
Contributions receivable, current portion	23,097,942
Pledges receivable, current portion	40,478,149
Advances to third parties	12,176,560
Prepaid assets	5,598,777
Other current assets	361,832
Total current assets	141,288,156
Noncurrent assets	
Long-term investments	241,366,865
Pledges receivable, net of current portion, discount, and allowance for uncollectible pledges	16,851,358
Contributions receivable, net of current portion and discount	2,314,453
Long-term trust receivables	37,795,410
Other noncurrent assets	3,026,984
Land, building, and equipment, net	65,818,930
Total noncurrent assets	367,174,000
Total assets	$ 508,462,156
Liabilities and net assets	
Current liabilities	
Accounts payable and accrued expenses	$ 23,682,943
Grants payable	26,476,242
Deferred revenue	319,459
Refundable advances	16,085,441
Current portion of long-term debt	3,055,000
Total current liabilities	69,619,085
Noncurrent liabilities	
Long-term debt, net of current portion and debt issuance costs	46,042,310
Other long-term liabilities	8,213,536
Interest rate swap liability	9,550,550
Total noncurrent liabilities	63,806,396
Total liabilities	133,425,481
Net assets	
Without donor restrictions	163,311,531
With donor restrictions	211,725,144
Total net assets	375,036,675
Total liabilities and net assets	$ 508,462,156

See accompanying notes to consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Activities

Year Ended June 30, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Revenue			
Contributions	$ 75,938,323	$ 65,594,634	$ 141,532,957
Government grants and contracts	34,319,811	-	34,319,811
WWF network revenue	2,446,982	27,481,571	29,928,553
Royalties, service contracts and other	9,560,159	-	9,560,159
In-kind contributions	75,127,255	-	75,127,255
Nonoperating income allocated to operations	31,441,345	2,222,827	33,664,172
Total operating revenues	228,833,875	95,299,032	324,132,907
Net assets released from restrictions	78,770,313	(78,770,313)	-
Net operating revenues	307,604,188	16,528,719	324,132,907
Commercial building operations			
Revenues	6,774,559	-	6,774,559
Expenses	6,086,097	-	6,086,097
Income from commercial building operations, net	688,462	-	688,462
Total revenues and other income, net	308,292,650	16,528,719	324,821,369
Operating expenses			
Program services			
Conservation field and policy programs	148,193,066	-	148,193,066
Public education	101,198,913	-	101,198,913
Total program services	249,391,979	-	249,391,979
Supporting services			
Finance and administration	18,354,360	-	18,354,360
Fundraising	40,654,137	-	40,654,137
Total supporting services	59,008,497	-	59,008,497
Total operating expenses	308,400,476	-	308,400,476
Change in net assets before nonoperating activities	(107,826)	16,528,719	16,420,893
Nonoperating activities			
Bequests, endowments, and split income gifts	20,338,359	1,256,241	21,594,600
Loss on interest rate swaps	(1,749,081)	-	(1,749,081)
Income (loss) from investments, net	11,577,229	(2,279,165)	9,298,064
Gain on foreign currency exchange	64,389	-	64,389
Change in donor restriction	58,107	(58,107)	-
Total nonoperating activities	30,289,003	(1,081,031)	29,207,972
Total allocated to operations	(31,441,345)	(2,222,827)	(33,664,172)
Change in net assets from nonoperating activities	(1,152,342)	(3,303,858)	(4,456,200)
Change in net assets	(1,260,168)	13,224,861	11,964,693
Net assets at beginning of year	164,571,699	198,500,283	363,071,982
Net assets at end of year	$ 163,311,531	$ 211,725,144	$ 375,036,675

See the accompanying notes to the consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses

	Conservation Field and Policy Programs											
Year Ended June 30, 2019	U.S. Programs	International Programs	Program Management	Total Conservation Field and Policy Programs	Public Education	Total Program Services	Finance and Administration	Fundraising	Total Supporting Services	2019 Total Operating Expenses	Commercial Building	2019 Total Expenses
Project grants and contracts	$ 1,132,114	$ 55,243,024	$ 324,869	$ 56,700,007	$ 3,001,591	$ 59,701,598	$ 1,001,920	$ 1,246,881	$ 2,248,801	$ 61,950,399	$ -	$ 61,950,399
Salaries and benefits	2,051,118	56,926,497	5,069,703	64,047,318	8,687,607	72,734,925	10,324,580	13,300,143	23,624,723	96,359,648	-	96,359,648
In-kind contributions	-	4,964,087	-	4,964,087	68,885,389	73,849,476	202,548	1,075,233	1,277,781	75,127,257	-	75,127,257
Printing and publications	19,343	625,480	3,050	647,873	5,652,004	6,299,877	2,717	6,780,075	6,782,792	13,082,669	-	13,082,669
Office supplies, postage, and shipping	9,548	1,147,726	13,327	1,170,601	3,814,609	4,985,210	52,812	4,709,601	4,762,413	9,747,623	20	9,747,643
Staff travel and expenses	116,370	5,751,056	209,945	6,077,371	344,400	6,421,771	167,180	671,187	838,367	7,260,138	-	7,260,138
Facilities	95,520	3,534,038	160,430	3,789,988	855,050	4,645,038	480,316	1,047,299	1,527,615	6,172,653	-	6,172,653
Advertising	703	6,101	-	6,804	3,231,919	3,238,723	-	3,302,280	3,302,280	6,541,003	-	6,541,003
Other	3,452	498,535	182,695	684,682	1,553,814	2,238,496	501,641	2,953,102	3,454,743	5,693,239	-	5,693,239
Conferences and meetings	15,244	4,630,262	15,620	4,661,126	127,472	4,788,598	195,610	72,060	267,670	5,056,268	-	5,056,268
Field office rent, vehicles, and equipment	116,181	2,463,713	9,807	2,589,701	6,818	2,596,519	1,859,579	150,550	2,010,129	4,606,648	14,253	4,620,901
Dues, fees and subscriptions	43,517	892,117	3,299	938,933	1,921,310	2,860,243	427,454	1,756,227	2,183,681	5,043,924	-	5,043,924
Professional fees and contracts	3,560	1,099,416	38,028	1,141,004	447,047	1,588,051	1,388,761	885,935	2,274,696	3,862,747	33,867	3,896,614
Premiums	317	12,657	3,520	16,494	1,534,995	1,551,489	2,328	1,570,637	1,572,965	3,124,454	-	3,124,454
Audio visual	-	194,519	16,215	210,734	1,039,497	1,250,231	-	1,075,878	1,075,878	2,326,109	-	2,326,109
IT services	1,180	201,640	4,044	206,864	90,035	296,899	1,639,248	27,120	1,666,368	1,963,267	-	1,963,267
Occupancy costs	-	-	-	-	-	-	-	-	-	-	6,037,957	6,037,957
Telephone	1,676	329,489	8,314	339,479	5,356	344,835	107,666	29,929	137,595	482,430	-	482,430
	$ 3,609,843	$ 138,520,357	$ 6,062,866	$ 148,193,066	$ 101,198,913	$ 249,391,979	$ 18,354,360	$ 40,654,137	$ 59,008,497	$ 308,400,476	$ 6,086,097	$ 314,486,573

See the accompanying notes to the consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended June 30,	**2019**
Cash flows from operating activities	
Change in net assets	$ 11,964,693
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	4,221,116
Amortization of leasing commissions	272,980
Amortization of bond premium	(8,713)
Unrealized and realized gain on investments	(7,412,709)
Loss on swaps	1,749,081
Permanently restricted contributions received	(820,000)
Accretion on multi-year pledges	(377,703)
Change in discount on split interest agreements	95,657
Change in discount on contributions receivable	(125,592)
Write-off of uncollectible pledges and accounts receivables	305,814
Gifts of investments	(3,571,484)
Changes in assets and liabilities	
Accounts receivable	30,762,900
Pledges receivable	5,320,419
Advances to third parties	(12,176,560)
Contributions receivable	(25,286,803)
Prepaid assets	(1,898,092)
Other current assets	105,075
Long-term trust receivables	2,002,118
Other noncurrent assets	323,258
Accounts payable and accrued expenses	4,525,312
Grants payable	(18,374,464)
Deferred revenue	(7,449,151)
Refundable advances	16,085,441
Other long-term liabilities	122,910
Net cash provided by operating activities	355,503
Cash flows provided by investing activities	
Purchases of building improvements and equipment	(7,693,231)
Purchases of investments	(59,091,577)
Proceeds from sale of investments	68,908,524
Net cash provided by investing activities	2,123,716
Cash flows used in financing activities	
Permanently restricted contributions received	820,000
Payments on long-term debt	(2,910,000)
Amortization of bonds issuance costs	83,049
Net cash used in financing activities	(2,006,951)
Increase in cash and cash equivalents	472,268
Cash and cash equivalents, beginning of year	40,035,624
Cash and cash equivalents, end of year	$ 40,507,892
Required supplemental disclosure	
Cash payments for interest	$ 2,503,613

See accompanying notes to consolidated financial statements.

1. Summary of Accounting Policies

Organization

World Wildlife Fund, Inc. (WWF), a Delaware nonprofit corporation, has worked since 1961 to protect the future of nature. WWF's mission is to conserve nature and reduce the most pressing threats to the diversity of life on Earth. The WWF Network, of which WWF-US is a part, is one of the world's leading conservation organizations, working in over 100 countries, with the support of millions of members worldwide. WWF is dedicated to delivering science-based solutions to preserve the diversity and abundance of life on Earth, halt the degradation of the environment, and combat climate change

WWF focuses its work in six key areas:

* Conserve the world's most important forests to sustain nature's diversity, benefit our climate, and support human well-being.
* Sustain marine life and functioning ocean ecosystems that support rich biodiversity, food security, and sustainable livelihoods.
* Improve and maintain the health of the world's major freshwater basins.
* Ensure the world's most iconic species, including polar bears, bison, tigers, rhinos, and elephants, are secured and recovering in the wild.
* Driving sustainable food systems to conserve nature and feed humanity.
* Creating a climate-resilient and zero-carbon world powered by renewable energy.

WWF works in partnership with communities, individuals, governments, businesses, and foundations to conserve many of the world's most ecologically important regions. Together we are:

* Safeguarding and restoring species and their habitats with both well proven and innovative technologies, and social and ecological science methods.
* Strengthening local communities' ability to conserve the natural resources they depend upon.
* Transforming specific commodity markets to reduce the impact of their production and consumption on natural systems.
* Mobilizing hundreds of millions of people to support conservation.

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 Washington, 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 Washington, 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 LLC companies, 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.

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"), whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Accounting Pronouncements Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The update also requires additional disclosure to enable readers of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. WWF adopted this update, along with all subsequent amendments (collectively, "ASC 606") in 2019 under the modified retrospective method. Additionally, WWF applied the practical expedient (i) to account for revenues with similar characteristics as a collective group rather than individually, (ii) to not adjust the transaction price for the effects of significant financing components (if any), and (iii) to not disclose the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period when the performance obligations relate to contracts with an expected duration of less than one year. The effect of WWF's adoption of ASC 606 is outlined below.

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*. The standard clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction (i.e., ASC 606). The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. WWF adopted this update on a prospective basis and the effects of the adoption are outlined below.

The effect of ASC 606 and ASU 2018-08 on WWF's consolidated financial statements were examined in conjunction with one another. Certain of WWF's revenue-producing arrangements do not meet the definition of a contract under ASC 606, as the arrangement does not have commercial substance and does not meet the definition of an exchange transaction under the clarified guidance in ASU 2018-08. Prior to the clarifications provided in ASU 2018-08, transactions with customers that benefited the general public were considered to be exchange transactions. Under the clarified guidance, such transactions constitute contributions. WWF reassessed the nature of its revenue-producing arrangements to ensure alignment with the definition of a contract under ASC 606 and an exchange transaction under ASU 2018-08. As a result, certain arrangements that had been classified as exchange transactions in previous years were now concluded to be contributions under ASU 2018-08. The following changes in accounting policies occurred during the year ended June 30, 2019, as a result of the implementation of the ASC 606 and ASU 2018-08.

WWF network revenue and revenue from government grants and contracts were previously accounted for as exchange transactions since the arrangement with the customer benefited the general public, and revenue was recognized as expenses were incurred. Historically, deferred revenue was recorded for cash received in advance of performance of work under these arrangements. Under ASU 2018-08, WWF network revenue and revenue from government grants and contracts are considered contributions because the customer does not receive commensurate value for the consideration received by WWF; rather, the purpose of these arrangements are for the benefit of the general public.

- Network revenue: Using the framework provided by ASU 2018-08, WWF management concluded that the agreements represent unconditional contributions, as entitlement to the funds are not tied to any barriers within the agreements. Under the prospective approach, all network contracts entered into after July 1, 2018 (the effective date), are accounted for as unconditional contributions, with revenue recognized upon execution of the agreement with the WWF global network members. Certain network contracts entered into prior to the effective date were not completed as of July 1, 2018, and had deferred revenue balances. Under the prospective approach, because the network agreements are unconditional contributions, the remaining contract value of all network agreements totaling $13,143,583, as of the effective date, was recognized as revenue during the year ended June 30, 2019. As part of this adjustment, deferred revenue totaling $3,387,553, as of July 1, 2018, related to network revenue was recognized during the year ended, June 30, 2019. In addition, accounts receivable increased by $9,756,030, as of the effective date in accordance with the prospective approach.

- Government grants and contracts: Under ASU 2018-08, these arrangements constitute contributions since the customer does not receive commensurate value for the consideration received by WWF; rather, the purpose of an arrangement is for the benefit of the general public. Therefore, WWF management concluded that the agreements are conditional due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Because the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition remained consistent with previous years. Therefore, under the prospective approach, there was no material change in the revenue recognition for government grants and contracts. Under ASU 2018-08, a refundable advance is recorded when WWF receives assets (i.e. cash) in advance of the satisfaction of the conditions within these arrangements. As of June 30, 2018, there was $4,081,057 in deferred revenue recorded related to government grants and contracts. In accordance with the prospective transition approach in ASU 2018-08, the deferred revenue balances were reclassified to refundable advances on July 1, 2018.

Contribution revenue and trusts and bequests were accounted for under ASC Topic 958-605, *Not-for-Profit Entities, Revenue Recognition*, before the implementation of the new standards. With the clarifications outlined in ASU 2018-08, WWF management reviewed existing agreements as of the effective date, as well as new agreements for 2019, and concluded that there are no material changes in revenue related to contributions, trusts and bequests.

Royalties and service contracts fall under ASC 606. There were no material changes in WWF's pattern of recognition for these arrangements as further described in Note 2.

In addition, WWF elected the net asset release policy option for contributions with donor restrictions that were initially conditional contributions. As part of this election, WWF reports contributions restricted by donors (that were conditional in nature) as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. WWF has not changed its policy for unconditional contributions such that WWF reports contributions restricted by donors (that were unconditional in nature) as increases in net assets with donor restrictions. When the donor restriction expires on an unconditional contribution, the release is reported as net assets released from donor restrictions in the consolidated statement of activities.

As part of ASU 2018-08, WWF elected to early-adopt the standards for "contributions made" using the prospective approach to adoption. For awards made to other organizations prior to the effective date (July 1, 2018) that were considered to be unconditional in nature, WWF continues to report these contributions made as "grants payable" in the consolidated statement of financial position. As payments are made to the recipients of those grants, the grants payable balance is reduced. Awards made to other organizations that are conditional in nature are not recorded as expenses until the condition has been satisfied. Payments made in advance to other organizations for which conditions have not yet been satisfied are classified as "third party advances" in the consolidated statement of financial position. As the conditions are satisfied, expenses are recorded in the consolidated statement of activities and the third-party advances are reduced. The third-party advances balance was determined as of June 30, 2019, for ongoing awards as well as for any new awards to other organizations made during 2019.

WWF adopted FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* during the year ended June 30, 2019. The ASU amends the current reporting model for nonprofit organizations and enhances the required disclosures. The major changes in the ASU address the net asset classification, presentation of underwater endowments and related disclosures, use of the placed in service approach to recognize expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, presentation of an analysis of expenses by both function and nature, presentation of net investment return and additional disclosures to improve the usefulness of nonprofit financial statements. The ASU has been applied to all periods presented. As a result of the analysis performed to determine the amounts included in "with donor restrictions" and "without donor restrictions", WWF reclassified certain net assets that were historically classified as "temporarily restricted net assets" within the donor-restricted endowment, but for which no restrictions existed. Therefore, these net assets were reclassified to "without donor restrictions." These net assets were designated by the board of directors, not by donors, and were therefore reclassified as "without donor restrictions" as disclosed in Note 15. There was no change in WWF's total net assets and the change in net assets was not impacted as a result of the adoption of this guidance.

Accounting Pronouncements to be Adopted

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 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 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 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 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 described as restricted cash and restricted cash equivalents. Thus, amounts 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 August 2017, the FASB issued ASU 2017-02, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.* These amendments refine and expand hedge accounting for both financial (e.g., interest rate) and commodity risks. Its provisions create more transparency around how economic results are presented, both on the face of the financial statements and in the footnotes. It also makes certain targeted improvements to simplify the application of hedge accounting guidance. The ASU is effective for WWF's consolidated financial statements for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, Fair Value Measurement. The ASU is effective for WWF's consolidated financial statements for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In October 2018, the FASB issued ASU 2018-16, *Derivatives and Hedging (Topic 815) Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting.* In the United States, eligible benchmark interest rates under Topic 815 are interest rates on direct Treasury obligations of the U.S. government (UST), the London Interbank Offered Rate (LIBOR) swap rate, and the Overnight Index Swap (OIS) Rate based on the Fed Funds Effective Rate. When the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, in August 2017, it introduced the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Rate as the fourth permissible U.S. benchmark rate. The new ASU adds the OIS rate based on SOFR as a U.S. benchmark interest rate to facilitate the LIBOR to SOFR transition and provide sufficient lead time for entities to prepare for changes to interest rate risk hedging strategies for both risk management and hedge accounting purposes. The ASU is effective for WWF's consolidated financial statements for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction Between Topic 808 and Topic 606.* A collaborative arrangement is a contractual arrangement under which two or more parties actively participate in a joint operating activity and are exposed to significant risks and rewards that depend on the activity's commercial success. The ASU provides guidance on how to assess whether certain transactions between collaborative arrangement participants should be accounted for within the revenue recognition standard. The ASU also provides more comparability in the presentation of revenue for certain transactions between collaborative arrangement participants. It accomplishes this by allowing organizations to only present units of account in collaborative arrangements that are within the scope of the revenue recognition standard together with revenue accounted for under the revenue recognition standard. The parts of the collaborative arrangement that are not in the scope of the revenue recognition standard should be presented separately from revenue accounted for under the revenue recognition standard. The ASU is effective for WWF's consolidated financial statements for fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In November 2018, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses.* These amendments clarify that receivables arising from operating leases are not within the scope of the credit losses standard, but rather, should be accounted for in accordance with the leases standard. This ASU is effective for fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In December 2018, the FASB issued ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*. These amendments address the following issues facing lessors when applying the leases standard: (a) sales taxes and other similar taxes collected from lessees; (2) certain lessor costs paid directly by lessees; and (c) recognition of variable payments for contracts with lease and non-lease components. The ASU is effective for WWF's consolidated financial statements for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842): Codification Improvements*. These amendments align the guidance for fair value of the underlying asset by lessors that are not manufacturers or dealers in Topic 842 with that of existing guidance. As a result, the fair value of the underlying asset at lease commencement is its cost, reflecting any volume or trade discounts that may apply. However, if there has been a significant lapse of time between when the underlying asset is acquired and when the lease commences, the definition of fair value (in Topic 820, Fair Value Measurement) should be applied. The ASU also requires lessors within the scope of Topic 942, *Financial Services—Depository and Lending*, to present all "principal payments received under leases" within investing activities. Finally, the ASU exempts both lessees and lessors from having to provide certain interim disclosures in the fiscal year in which a company adopts the new leases standard. The ASU is effective for WWF's consolidated financial statements for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In April 2019, the FASB issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. These amendments clarify and improve areas of guidance related to the recently issued standards on credit losses, hedging, and recognition and measurement. The topics included in this ASU are:

- Topic 1: Codification Improvements Resulting from the June 11, 2018 and November 1, 2018 Credit Losses Transition Resource Group (TRG) Meetings;
- Topic 2: Codification Improvements to ASU No. 2016-13;
- Topic 3: Codification Improvements to ASU No. 2017-12 and Other Hedging Items;
- Topic 4: Codification Improvements to ASU No. 2016-01; and
- Topic 5: Codification Improvements Resulting from the November 1, 2018 Credit Losses TRG Meeting.

This ASU is effective for fiscal years beginning after December 15, 2020. Early adoption may be selected for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In May 2019, the FASB issued ASU 2019-05, *Financial Instruments – Credit Losses (Topic 326)*. The amendments in this Update provide entities that have certain instruments within the scope of

Subtopic 326-20, *Financial Instruments—Credit Losses—Measured at Amortized Cost*, with an option to irrevocably elect the fair value option in Subtopic 825-10, *Financial Instruments—Overall*, applied on an instrument-by-instrument basis for eligible instruments, upon adoption of Topic 326. The fair value option election does not apply to held-to-maturity debt securities. An entity that elects the fair value option should subsequently apply the guidance in Subtopics 820-10, *Fair Value Measurement Overall*, and 825-10. This ASU is effective for fiscal years beginning after December 15, 2020. Early adoption may be selected for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

Basis of Presentation

The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) and with the provisions of the FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – net assets without donor restrictions are the net assets that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations. Board-designated net assets are unrestricted net assets designated by the Board of Directors. Board-designated reserves result primarily from bequests received that are designated for use in operations by the Board of Directors.

- *Net assets with donor restrictions* - Net assets with donor restrictions are the net assets that are contributions and endowment investment earnings subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature that either expire by the passage of time or can be fulfilled and removed by action of WWF pursuant to these stipulations. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

WWF reports unconditional contributions restricted by donors as increases in net assets with donor restrictions in the reporting period in which the revenue is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. WWF reports conditional contributions with restrictions by donors as increases in net assets without donor restrictions in the reporting period in which the condition has been satisfied and revenue has been recognized, and when the time restriction ends, or purpose restriction is accomplished.

Cash and Cash Equivalents

Cash and cash equivalents are 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. Included in cash and cash equivalents is $3,055,000 in cash that is restricted to satisfy the principal and interest obligations on WWF's bonds payable.

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, 2019. At June 30, 2019 WWF held $40,002,955 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.

WWF has operations in many countries around the world, many of which have politically and economically volatile environments and whose governments are still in developing stages. As a result, WWF may have financial risks associated with these operations including, but not limited to, such matters as the assessment of additional local taxes and foreign currency risk.

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 contributions 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.

Funds Maintained in Foreign Accounts

Certain items reflected in the consolidated statement of financial position, including cash and cash equivalents of $4,726,474 in local currencies and $6,761,548 in U.S. dollars at June 30, 2019, 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 statement of financial position.

Advances to Third Parties

Advances to third parties consist primarily of advances to WWF's subgrantees for future program implementation for those awards considered to be conditional contributions made to subgrantees. Advances to third parties totaled $12,176,560 as of June 30, 2019.

Accounts Receivable

Accounts receivable are stated at their net realizable value. Accounts receivable consist primarily of noninterest-bearing amounts due for royalty, service and other contracts. 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.

Contributions Receivable

Conditional contributions consist primarily of awards from contracts with the U.S. federal government, as well as bilateral and multilateral awards. Contributions receivable related to these awards are not recorded until the conditions within the arrangements have been satisfied by WWF.

These receivables are expected to be collected within one year, and are recorded at their net realizable value.

Contributions from the WWF network are also included in contributions receivable. These receivables arise from unconditional awards from WWF network members. Network receivables that are expected to be collected within one year are recorded at net realizable value. Network receivables 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 an average treasury bond corporate rate based on the number of years until the contract arrangements expire. Amortization of the discount is recorded as additional network revenue.

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, 2019. 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 possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, certain investments may also have risk associated with concentrations of investments in one geographic region and in certain industries. The limited partnership's ability to liquidate certain of its investments may be inhibited since the issuers may be privately held or the limited partnership may own a relatively large portion of the issuers' equity securities.

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

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 year ended June 30, 2019, and accumulated amortization related to the bond issuance costs totaled $3,617,509 as of June 30, 2019.

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 statement of activities, to its carrying value.

Other Noncurrent Assets

Other noncurrent assets consist 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 2.8% to 3.1%, based upon rates approved by the Internal Revenue Service (IRS) as of the date of the gift.

Charitable Trusts - WWF acts as trustee for various revocable and irrevocable trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets to WWF, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. If a trust is revocable, or if the maker of the trust reserves the right to replace WWF as the beneficiary of the trust, WWF records the assets placed in trust at fair value, with an equal and offsetting liability until such time that WWF receives distributions from the trust in accordance with its terms. If the trust is irrevocable, the trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. At that time, net assets with donor-imposed time or purpose restrictions are released to net assets without restrictions, and net assets with donor restrictions that are perpetual in nature are transferred to the endowment. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the trust, the remaining liability is removed and recognized as income.

Charitable Gift Annuities - Under charitable gift annuity contracts, WWF receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution without donor restrictions. In subsequent years, the liability for future payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

As of June 30, 2019, $10,087,250 was included as long-term investments in the consolidated statement 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, 2019, these liabilities totaled $6,044,514, and are recorded within other long-term liabilities in the consolidated statement 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 statement of activities.

Beneficial Interests in Charitable Trusts Held by Others – WWF has been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, WWF has neither possession nor control over the assets of the trusts. At the date WWF receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statement of activities, and a beneficial interest in charitable trusts held by others is recorded in the statement of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the statement of financial position, with changes in fair value recognized in the statement of activities. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released.

For split income gifts, for which WWF does not serve as the trustee, WWF included a loss of $(95,657) in bequests, endowments, and split income gifts on the accompanying consolidated statement of activities for the years ended June 30, 2019.

WWF's beneficial interest in these gifts, which amounted to $37,795,410 at June 30, 2019, is also recorded at the discounted present value of the gifts and is included in long-term trust receivables in the accompanying consolidated statement 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 unconditional pledge to the organization. For grants that are for a period of more than one year, the future payments are discounted and recorded as the present value of their estimated future cash flows, which approximates their fair value. The discounts on those amounts are computed using treasury bond corporate rates applicable to the years in which the promises were made.

Deferred Revenue

Funds received in advance of satisfying contractual performance obligations are recorded as deferred revenue in the consolidated statement of financial position. As of July 1, 2018, the date of implementation of ASU 2018-08 and ASC 606, deferred revenue of $4,081,057 was reclassified to refundable advances related to government grants and contracts, since these amounts relate to conditional contributions. Also, as a result of the implementation of ASU 2018-08 and ASC 606, $3,387,553 in deferred revenue related to network agreements was recorded as revenue in 2019. As of June 30, 2018, WWF had $300,000 in deferred revenue related to royalties and service contracts that was recognized in revenue in 2019. Other changes in deferred revenue resulted from timing differences between payments received and the completion of the performance obligations within the contract.

Refundable Donor Advances

A transfer of assets (i.e. cash received) that is related to a conditional contribution is accounted for as a refundable donor advance in the accompanying consolidated statement of financial position until the conditions have been substantially met or explicitly waived by the donor. As a result of the prospective application of ASU 2018-08, certain government grants and contracts balances totaling $4,081,057 were reclassified from deferred revenue to refundable donor advances as of the effective date of the new standard (July 1, 2018). Of this amount, $3,238,297 was recognized as revenue during 2019. Other changes in refundable donor advances result from timing differences between payments received from donors and the satisfaction of the conditions within the contracts and grant agreements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities and are further described in Note 13. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 year 2019, WWF incurred joint costs of $45,236,626 for informational materials and activities that included a fundraising appeal. Of those costs, $22,731,983 were allocated to fundraising expenses, and $22,504,643 were allocated to program expenses.

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 continues 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.

2. Revenue Recognition

WWF's significant revenue recognition policies are outlined below.

Contracts with Customers Accounted for in Accordance with ASC 606

WWF recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration WWF expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, WWF combines it with other performance obligations until a distinct bundle of goods or services exists. For the following items, disaggregated by type, performance obligations are satisfied over time and the related revenue is recognized as services are rendered. WWF management expects that the period between when WWF transfers goods and services to their customers and when the customers pay for those goods and services will be one year or less. Therefore, WWF has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component. Invoices resulting from WWF's contracts with customers are generally due within 30 days of the invoice date.

- *Royalties* – WWF grants customers a license to access WWF's trademark in exchange for royalty payments. The trademark represents symbolic intellectual property which does not have significant stand-alone functionality as the utility of the trademark to the customer is serviced from its association with WWF's on-going business activities to support and maintain the value of the trademark. The right to access the intellectual property is satisfied over time as WWF fulfills its promise to grant the customer the right to use the trademark and as WWF supports and maintains the intellectual property. Certain of WWF's royalty contracts contain variable elements based on usage or sales. This variable element of consideration is recognized when the sale or usage occurs. Royalty revenue of $6,192,009 is included in Royalties, service contracts, and other in the statement of activities.

- *Service Contracts* – From time to time, WWF enters into arrangements with customers to provide services that ultimately further the conservation of nature yet provide reciprocal value to the customer. Services range from providing customers assistance with corporate environmental policies, procuring appropriate organizations to perform work on behalf of the customer, and providing WWF's international entity's with various administrative services.

Certain of these arrangements require WWF to complete milestones in order to be entitled to payment. WWF, therefore, recognizes revenue over time using the output method as those milestones are achieved. There are no variable consideration elements to these milestone-based contracts. Total revenue recognized for the year ended June 30, 2019, related to these milestone-based service contracts was $182,017 and is included in Royalties, service contracts, and other in the statement of activities.

For other service arrangements, WWF has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of WWF's performance completed to date. Therefore, WWF recognizes revenues in the amount to which WWF has the right to invoice. WWF elected not to disclose information about unsatisfied performance obligations because of WWF's right to invoice. Revenue related to these service arrangements totaled $2,680,085 for the year ended June 30, 2019, and are included in Royalties, service contracts, and other in the statement of activities.

Revenue Accounted for in Accordance with ASU 2018-08

Government Grants and Contracts

Within the statement of activities, government grants and contracts revenue consist of the following:

- *U.S. Federal Grants* - Grants awarded by federal agencies or passed through to WWF from another donor that received funding from the U.S. federal government are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met. U.S. Federal Grant revenue totaled $14,049,728 for the year ended June 30, 2019.

- *Bilateral Contributions* - Bilateral contributions include support received from foreign governments that are generally considered to be nonreciprocal transactions. These arrangements are governed by various stipulations that are related to the purpose of the agreement and regulations of the foreign government providing the support. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met. Bilateral contributions totaled $11,293,142 for the year ended June 30, 2019.

- *Multilateral Contributions* - Multilateral contributions include support received from institutions created by a group of countries to provide financing for the purpose of development such as the Global Environmental Facility, World Bank, United Nations (UN) and others. Contributions from these donors may be either conditional or unconditional transactions. Depending on the type of agreement, WWF may record revenue at the time the agreement is received for unconditional contributions, or as conditions are satisfied for conditional contributions. Multilateral contributions totaled $8,976,941 for the year ended June 30, 2019.

Network Revenue

WWF global network offices contribute support to WWF for its country programs. Contributions from network offices are recognized as unconditional contributions upon execution of the agreement with the WWF global network offices.

Included in WWF network revenues on the consolidated statements of activities for the year ended June 30, 2019 are revenues from WWF-Netherlands of $7,771,997. WWF network revenues are recognized as unconditional contributions and revenue is recognized when the agreements are received and executed.

Contribution Revenue

WWF receives support from individuals, foundations, corporations, and other NGO's in support of WWF's mission. 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 performance-related barriers or limit the discretion on WWF's use of the funds. Other contributions may have revocable features to the promise to give. Conditional promises to give are recognized when the conditions are substantially met.

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.

Trusts and Bequests

Split interest (trust) contributions are only recorded when the agreement becomes irrevocable. WWF's remainder value is revalued every year. Bequest contributions are recorded only after probate and the legal process has been completed.

3. 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, 2019. Accounts receivable is comprised of the following at June 30:

		2019
Royalty Contracts	$	41,921
Service Contracts		1,289,138
Other		1,813,541
	$	3,144,600

During the year ended June 30, 2019 WWF determined that $200,000 of accounts receivable were uncollectible based on review of outstanding amounts and are included as part of fundraising expenses on the accompanying consolidated statements of activities.

4. Contributions Receivable

Management believes amounts recorded in contributions 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, 2019. Contributions receivable is comprised of the following at June 30:

		2019
Government Grants and Contracts	$	13,587,737
WWF Network, net of discount		10,863,180
Others		961,478
	$	25,412,395

Of total contributions receivable, network receivables have amounts that are expected to be due in future years. These amounts were estimated based on the remaining contract value and numbers of years left on the award. The interest rates used to discount the amounts expected to be collected in future years range from 2.37% to 3.71% for the year ended June 30, 2019.

		2019
Less than a year	$	23,097,942
One to five years		2,440,045
Subtotal		25,537,987
Less: discount to present value		(125,592)
Subtotal		25,412,395
Less: current portion of contributions receivable		(23,097,942)
Non-current portion of contributions receivable	$	2,314,453

5. Pledges Receivable

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

		2019
Less than a year	$	40,478,149
One to five years		15,383,572
More than five years		2,857,143
Subtotal		58,718,864
Less: discount to present value		(1,139,357)
Less: allowance for uncollectible pledges		(250,000)
Subtotal		57,329,507
Less: current portion of pledges receivable		(40,478,149)
Non-current portion of pledges receivable	$	16,851,358

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, 2019. During the year ended June 30, 2019 WWF determined that $105,814 of pledges receivable were uncollectible based on collection history and were written off. These costs are included as fundraising expenses in the consolidated statements of activities.

6. Investments

Investments consisted of the following at June 30:

		2019
Money market funds	$	373,733
Partnership investments		160,908,279
Debt and equity mutual funds		65,856,040
Common collective trusts		8,806,442
Debt and equity securities		21,340,775
Total investments		257,289,269
Less: short-term investments		(15,922,404)
Long-term investments	$	241,366,865

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

		2019
Dividends and interest income	$	4,119,176
Realized and unrealized gains, net		7,412,709
Less: investment expenses		(2,233,821)
Income from investments, net	$	9,298,064

WWF received donated securities with a fair value of $3,571,484 during the year ended June 30, 2019, 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 receivable position of $161,042 as of June 30, 2019, and is included in accounts receivable in the consolidated statement of financial position.

7. Land, Building, and Equipment

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

		2019
Land	$	17,436,974
Building		45,982,829
Furniture and equipment		34,436,708
Building and tenant improvements		25,274,373
		123,130,884
Less: accumulated depreciation and amortization		(57,311,954)
Land, building, and equipment, net	$	65,818,930

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:

		2019
Depreciation, commercial building operations	$	1,156,070
Depreciation, all other building and equipment		3,065,046
Amortization of bond premium and issuance costs		74,336
Total depreciation and amortization	$	4,295,452

The commercial building operations net cash flows were $222,126 for the fiscal year ended June 30, 2019.

8. Long-Term Debt

Long-term debt was as follows at June 30:

		2019
WWF Taxable Variable Rate Bonds, Series 2015	$	49,695,000
Unamortized original issue premium		95,848
Less: unamortized bond issuance costs, net		(693,538)
Long-term debt		49,097,310
Less: current portion		(3,055,000)
Long-term debt, net of current portion	$	46,042,310

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

On November 6, 2008, WWF refinanced the 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 (Series 2008B). On July 1, 2010, WWF refinanced the outstanding 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 (Series 2010).

On May 20, 2015, WWF's letter of credit provider, paid the entire balance of the Series 2010 and Series 2008B bonds and issued the $59,700,000 World Wildlife Fund, Inc. Taxable Variable Rate Bonds Series 2015 (Series 2015) with substantially the same financial terms and conditions as the Series 2010 and Series 2008B bonds. The Series 2015 bonds have a maturity date of July 1, 2030 and are subject to variable interest rates, substantially similar to the Series 2010 and Series 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. No bonds shall bear interest at an interest rate higher than the maximum rate which is 12%.

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

WWF evaluated the application of 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 Series 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, 2019, WWF has three interest-rate swap agreements covering $49,370,000 of outstanding bonds to synthetically fix rates between 3.01% and 5.87%. The weighted average interest rate of the swaps was 5.21% for the fiscal year ended June 30, 2019.

The swaps are recognized within the consolidated statement 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 loss on interest-rate swaps in the consolidated statement of activities. During the year ended June 30, 2019 WWF recorded a loss of $1,749,081 in fair-market value adjustments to the liability of the swaps. The fair market value of the interest rate swap liabilities was $9,550,550 as of June 30, 2019.

Maturities of debt are as follows:	
2020	$ 3,055,000
2021	3,215,000
2022	3,375,000
2023	3,555,000
2024	3,735,000
Thereafter	32,760,000
Less: unamortized bond issuance costs, net	(693,538)
Plus: unamortized original issue premium	95,848
	$ 49,097,310

WWF incurred aggregate interest expense on the outstanding bonds and swaps of $2,503,613 for the year ended June 30, 2019, which is allocated among the expenses, including building operations expense, based on internal allocation methods. WWF is subject to liquidity and debt service coverage ratio requirements as well as certain restrictions and limitations with respect to the incurrence of indebtedness, consolidation, and merger and transfer of assets. As of June 30, 2019, WWF was in compliance with these covenants, limitations and restrictions.

9. 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, 2019.

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, 2019, WWF had unfunded commitments of $2,447,133. 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 January 2023. Such costs are included within facilities in the consolidated statement of functional expenses. It is expected that WWF will renew leases as necessary in the normal course of its activities. During the year ended June 30, 2019 WWF recorded $1,348,495 in rental expense.

The following is a schedule of the future minimum lease payments as of June 30, 2019:

Years ending June 30,		
2020	$	740,005
2021		140,391
2022		83,521
2023		7,583
Total minimum lease payments	$	971,500

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:

Years ending June 30,		
2020	$	5,291,717
2021		1,235,618
2022		749,618
2023		199,182
2024		204,161
Thereafter		316,295
Total	$	7,996,591

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, 2019, total $938,130. At June 30, 2019, 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.

10. 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 403(b) 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 403(b) plan were $4,392,255 for the year ended June 30, 2019.

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 the 457(b) Plan were $1,836,773 for the year ended June 30, 2019. The assets for the 457(b) plans 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

$2,758 for the year ended June 30, 2019. The 457(f) deferrals, which are reflected in other long-term liabilities, were $0 for the year ended June 30, 2019.

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 $100,000 for individual employees and 125% of the actuarially determined yearly cost for the aggregated claims. The anticipated claims incurred but not reported were $260,000 as of June 30, 2019 and are included in accounts payable and accrued expenses in the accompanying consolidated statement of financial position.

11. 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, 2019 there were no interest or penalties recorded or included in the consolidated statements of activities related to uncertain tax positions.

12. Revenues

The following table shows WWF's revenues disaggregated by type for the year ended June 30, 2019:

	2019
Contributions	$ 141,532,957
Network revenue	29,928,553
Government grants and contracts:	
U.S. federal grants	14,049,728
Bilateral contracts	11,293,142
Multilateral contracts	8,976,941
Subtotal: government grants and contracts	34,319,811
Royalties, service contracts and other:	
Royalties	6,192,009
Service contracts	2,862,102
Other	506,048
Subtotal: royalties, service contracts and other	9,560,159
In-kind contributions	75,127,255
Nonoperating income allocated to operations	33,664,172
Total operating revenues	$ 324,132,907
Commercial building revenue	$ 6,774,559
Bequests, endowments, and split income gifts	$ 21,594,600

Contracts with Customers - Remaining Performance Obligations

WWF's royalty contracts at June 30, 2019, have a duration greater than one year and contain both fixed and variable elements. Under the practical expedients for performance obligations, variable consideration for future periods need not be disclosed for sales-based or usage-based royalties in exchange for a license of intellectual property. Regarding the royalty fixed payments, as of June 30, 2019, approximately $1,522,222 is expected to be recognized from the remaining performance obligations in future years.

WWF's service contracts require WWF to complete milestones in order to be entitled to payment. The expected future contract value to be earned as a result of the completion of the milestones is approximately $1,145,314 in future years.

Conditional Contributions

At June 30, 2019, WWF had received notification of outstanding conditional promises to give of approximately $12,504,505. These intentions and conditional promises are not recognized as assets and, if received, will generally be restricted for specific purposes stipulated by the donors, primarily to support our work around six key areas: forests, marine, freshwater, wildlife, food and climate.

At June 30, 2019, WWF had remaining available award balances on U.S. government, bilateral, and multilateral grants and contracts for sponsored projects of $116,484,731. These award balances are not recognized as assets and will be recognized as revenue as the projects progress and conditions are met, generally as expenses are incurred. WWF has awarded conditional grants to subrecipients related to performance of these sponsored projects, which have outstanding commitments of up to $51,016,841 as of June 30, 2019.

13. Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. WWF determines functional expense classification based on the departments to which time and expenses are charged. WWF departments reflect the nature and purpose of each expense that is incurred. Overhead expenses, which include occupancy, depreciation, and amortization, as well as salaries and wages, benefits, payroll taxes, and office expenses of the facilities staff, are allocated based on total expenses excluding in-kind and other unallowable costs to each of the functional categories. Financial and administration consist of accounting, finance, human resources, general information technology and legal service expenses. The following provides a description of each of the program expense categories presented in the consolidated statement of functional expenses:

U.S. program – non-headquarters departments located within the U.S. that are implementing programmatic work around our six key areas of conservation: forests, marine, freshwater, wildlife, food and climate.

International programs – departments implementing programmatic work outside the U.S. around our six key areas of conservation, as well as our international country offices.

Program management – departments that provide support directly to programmatic activities including program operations, legal support and information technology support.

Public education – WWF shares information with the American public on nature’s value and the importance of conservation through a variety of channels, from our Wild Classrooms educational curriculum, our signature publication World Wildlife Magazine, our public service announcements, our website, and annual international events such as Earth Hour.

14. Net Assets Without Donor Restrictions

Net assets without donor restrictions include undesignated and Board Designated amounts for the following purposes as of June 30:

		2019
Board Designated for:		
Financial Systems	$	3,121,915
Building Improvements		3,515,890
Programmatic Activities		21,139,999
Board Designated Reserves		105,798,790
1001 Nature Trust		15,740,532
Total Board Designated Quasi-Endowment		149,317,126
Undesignated		13,994,405
Total net assets without donor restrictions	**$**	**163,311,531**

Board designated for financial systems - In 2019, the WWF Board of Directors designated $5.5 million from the board designated reserves to upgrade its enterprise resource planning (ERP) system. The new systems will replace old outdated systems with cloud based functionality. The remaining unused designated amounts are disclosed in the table above.

Board designated for building improvements - In 2019, the WWF Board of Directors designated $5.25 million for building renovation projects including the building lobby, elevator cabs, lift and fitness center upgrades. The remaining unused designated amounts are disclosed in the table above.

Board designated for programmatic activities - The WWF Board of Directors has designated reserves to support special programmatic initiatives as determined by WWF management and authorizes special payouts from these reserves.

Board designated reserves - Board designated reserves consists of funds designated by the Board of Directors to function as endowments and to be used for general operations per board payout policies. The board has established a spending policy for such funds as described in Note 15.

1001 Nature Trust - In 1971 His Royal Highness the Prince of the Netherlands and President of the World Wildlife Fund launched “1001: A Nature Trust” to which he personally invited 1,000 men and women to join him in contributing funds to WWF for use in WWF’s basic operations. This fund was held by WWF-International in Switzerland, separate from WWF-US. WWF-US established its own fund in parallel with WWF International so that invited members living in the United States would be able to contribute to this fund to support operations in the U.S. The Board designated these funds to be used for general operations. The spending policy outlined in Note 15 is followed for the 1001 Nature Trust since it is considered to be a quasi-endowment.

15. Endowments

The endowment consists of approximately 28 individual funds established by donors to provide annual funding for specific activities and general operations. The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors. As of June 30, 2019, WWF had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	2019 Totals
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 49,798,858	$ 49,798,858
Accumulated investment gains	-	18,232,863	18,232,863
Total donor restricted endowment funds	-	68,031,721	68,031,721
Total board-designated quasi-endowment funds	149,317,126	-	149,317,126
Total endowment net assets	$ 149,317,126	$ 68,031,721	$ 217,348,847

WWF has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, WWF retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by WWF in a manner consistent with the standard of prudence prescribed by UPMIFA. WWF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of the organization and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the organization, and the investment policies of WWF.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2019, there were no endowment funds that were underwater.

Investment and Spending Policies

WWF has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. WWF's investment policy statement is included in Note 1.

The Board-approved spending policy for fiscal year 2019 is as follows:

Donor restricted endowment net assets: payouts on donor restricted endowment net assets are based on specific events or instructions as provided by donors. When specific donor instructions do not exist regarding the payout, the Board approved a payout based on 5% of the average endowment fair market value of the prior three years at December 31.

Board designated quasi-endowment net assets: payouts from the board designated quasi-endowment net assets are based on 100% of the trailing three-year average of available bequests, 5% of the trailing three-year average of Board-designated reserves, 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 statement of activities. Non-operating income allocated to operations represents the appropriations that are expended during the year.

The amount expended for the year ended June 30, 2019 was $33,664,172. Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	2019 Totals
Endowment net assets, beginning of year	$ 146,500,852	$ 71,581,813	$ 218,082,665
Investment return			
Investment income, net	1,208,610	535,715	1,744,325
Net appreciation, realized	5,273,446	2,337,448	7,610,895
Net depreciation, unrealized	(900,428)	(399,111)	(1,299,539)
Total investment return	5,581,628	2,474,052	8,055,681
Contributions	23,155,755	820,000	23,975,755
Appropriation of endowment assets pursuant to spending policy	-	(2,239,630)	(2,239,631)
Other changes:			
Distribution from board-designated endowment pursuant to spending policy	(30,525,623)	-	(30,525,623)
Adjustment for change in donor intent	4,604,514	(4,604,514)	-
Endowment net assets, end of year	$ 149,317,126	$ 68,031,721	$ 217,348,847

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.

16. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2019:

	2019
Subject to expenditure for a specified purpose:	
Forests, Oceans, Wildlife, Freshwater Conservation	$ 22,926,844
Markets and Food	9,919,562
Public Affairs	7,762,934
International Country Offices	22,448,821
Promises to give for which time restrictions have not lapsed and, the proceeds from which have been restricted by donors for:	
Forests, Oceans, Wildlife and Freshwater Conservation	17,958,784
Markets and Food	14,648,161
Public Affairs	7,548,325
International Country Offices	2,634,582
Total subject to expenditure for a specified purpose:	105,848,013
Subject to the passage of time:	
Beneficial interests in charitable trusts held by others	37,795,410
Promises to give that are not restricted for a purpose by donors, but which are unavailable for expenditure until due	50,000
Total subject to the passage of time:	37,845,410
Endowments:	
Original donor-restricted endowment gift and amounts required to be retained by the donor:	
U.S. programs	301,618
International programs	5,699,192
Education for Nature	18,598,720
General support	18,888,002
Other programs	6,311,326
Total original donor-restricted endowment gifts and amounts required to be retained by the donor	49,798,858
Accumulated investment gains on endowment funds	
U.S. programs	434,038
International programs	930,587
Education for Nature	5,293,365
General support	11,574,873
Total accumulated investment gains on endowment funds	18,232,863
Total endowments:	68,031,721
Total net assets with donor restrictions	**$ 211,725,144**

WWF has summarized donor-restricted net assets that are subject to purpose restrictions into the following categories based upon donor wishes:

Forests, Oceans, Wildlife, Freshwater Conservation - WWF partners with local communities and other groups to find actions to take to protect freshwater resources from contamination and depletion, reduce overfishing to endure reliable food sources, reduce conflicts between local people and wildlife, employ energy solutions that generate fewer greenhouse gas emissions than the current energy production system, and enact forest management approaches that regenerate or restore critical habitats for wildlife and a range of forest-based products for people.

Markets and Food - WWF partners with corporations, government agencies, local communities, NGO's, universities and research institutes to reduce the impact of the production and trade of commodities that most affect our conservation priorities. WWF's goal is to measurably reduce the most significant impacts of induvial actors as well as entire industries.

Public Affairs - WWF believes in fostering a safer, healthier, and more resilient future for people and nature. WWF helps individual citizens and some of the world's largest companies rethink the way they produce and consume energy, food, and water. WWF provides decision makers with the results of field studies describing the biological richness of some of the world's most productive regions, research into the loss or degradation of key ecological systems such as the arctic, tropical rainforest, fisheries, coral reefs, river systems and wetlands and solutions based on technology applications, policy incentives and actions that individual citizens can take to protect the planet.

International Country Offices - From Peru's rainforests and the mountains of Bhutan, to Namibia's communal conservancies, the WWF Network brings its science-based and results oriented approach to environmental challenges in 100 countries. WWF supports the creation of resources-based economic opportunities and livelihoods for communities in the world's most remote locations.

Within donor restricted endowment funds, there are certain categories of restrictions on the endowed assets. The categories are described below:

U.S. programs – non-headquarters departments located within the U.S. that are performing programmatic work around our six key areas of conservation: forests, marine, freshwater, wildlife, food and climate.

International programs – departments implementing programmatic work outside the U.S. around our six key areas of conservation: forests, marine, freshwater, wildlife, food and climate.

Education for Nature (EFN) - EFN seeks to build the capacity of conservationists in Africa, Asia, and Latin America. To achieve this goal, it provides financial support to individuals and organizations working in conservation from select countries. EFN Scholarships provide funding to individuals at pre-selected institutions for diploma-level study.

General support – the payouts for certain endowments are not restricted for a specific programmatic purpose, and are available for general operations of WWF.

Other programs – these endowments are used to support our science and other cross-cutting initiatives. WWF constantly looks for new opportunities to improve the effectiveness and efficiency of our conservation work. Sharing that newfound knowledge with scientists across the globe is critical to protecting critical species and places. The members of this team reach out and work with individuals across the organization and WWF Network to share data for valid scientific, conservation and educational purposes.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2019.

	2019
Expiration of time restrictions	$ 181,817
Satisfaction of purpose restrictions	
Forests, Oceans, Wildlife, Freshwater Conservation	21,870,213
Markets and Food	16,905,998
Public Affairs	10,129,130
International Country Offices	27,443,525
Total releases related to time and purposes restrictions	76,348,866
Endowment releases based on spending policy	
U.S. programs	4,500
International programs	300,565
Education for Nature	1,073,755
General support	412,804
Other programs	448,006
Total endowment releases	2,239,630
Total net assets released from donor restrictions	**$ 78,770,313**

17. Liquidity and Availability

The following reflects WWF's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date.

June 30,	**2019**
Total consolidated assets	**$ 508,462,156**
Less: Nonfinancial assets:	
Land, building, and equipment, net	**(65,818,930)**
Prepaid assets	**(5,598,777)**
Advances to third parties	**(12,176,560)**
Other current and non-current assets	**(3,388,816)**
Long-term trust receivables	**(37,795,410)**
Financial assets	**383,683,663**
Less: financial assets unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	**(105,898,013)**
Restricted by donors in perpetuity	**(49,798,858)**
Restricted accumulated investment gains on assets held in perpetuity	**(18,232,863)**
Pledges receivable due after one year	**(16,851,358)**
Contributions receivable due after one year	**(2,314,453)**
Charitable gift annuity investments	**(6,044,514)**
Restricted cash for debt payment	**(3,055,000)**
Board designations:	
For financial systems	**(3,121,915)**
For building improvements	**(3,515,890)**
For programmatic activities	**(21,139,999)**
For the 1001 Nature Trust	**(15,740,532)**
Board designated reserves	**(105,798,790)**
Add: board approved spending in 2020 from board designated quasi-endowment	
5% spending policy	**7,226,263**
Bequest revenue spending policy	**20,851,393**
Financial assets available to meet cash needs for general expenditures within one year	**$ 60,249,134**

WWF's goal is to maintain financial assets to meet operating expenses in support of WWF's mission. Excess cash is invested in savings accounts and readily marketable equities in accordance with approved investment guidelines. Liquidity excludes board designated amounts held per board policy, but those resources could be deployed to support operating activities with board approval.

A substantial portion of support to WWF is restricted contributions that require resources to be spent in accordance with donor restrictions. WWF must maintain sufficient resources to meet these requirements, making these assets unavailable for use to meet operating costs.

18. 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, *Fair Value*, 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 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, 2019 are as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 377,733	$ -	$ -	$ 377,733
Partnership investments:				
Fixed income	-	-	5,437,435	5,437,435
Equity and other	29,862,015	-	14,938,335	44,800,350
International	-	-	15,403,428	15,403,428
Specialty	-	-	1,376,712	1,376,712
Other tangible assets	-	-	796,549	796,549
Mutual funds:				
Large-Cap	30,710,562	-	-	30,710,562
International	35,145,478	-	-	35,145,478
Common collective trusts:				
Fixed income	-	2,532,931	-	2,532,931
Large-Cap	-	2,279,092	-	2,279,092
Small and Mid Cap	-	806,293	-	806,293
International	-	2,184,131	-	2,184,131
Specialty	-	1,003,995	-	1,003,995
Debt and equity securities	20,360,956	979,819	-	21,340,775
Investments reported at net asset value (NAV)*	-	-	-	93,093,805
Total investments	116,456,744	9,786,261	37,952,459	257,289,269
Long-term trust receivables:				
Cash and money market	-	-	476,666	476,666
Mutual funds	-	-	750,808	750,808
Equity and other	-	-	9,412,377	9,412,377
Large-Cap	-	-	451,970	451,970
Mid-Cap	-	-	85,609	85,609
Small-Cap	-	-	60,546	60,546
International	-	-	7,839,605	7,839,605
Fixed income	-	-	2,249,321	2,249,321
Bonds and notes	-	-	1,908,196	1,908,196
Specialty	-	-	2,011,394	2,011,394
Other tangible assets	-	-	12,548,918	12,548,918
Total long-term trust receivables	-	-	37,795,410	37,795,410
Total assets, at fair value	$ 116,456,744	$ 9,786,261	$ 75,747,869	$ 295,084,679
Interest rate swap liability	$ -	$ -	$ (9,550,550)	$ (9,550,550)

**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 the consolidated statement 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 year ended June 30:

	2019
Beginning balance	$ 77,744,924
Transfer out of Level 3 and to Level 1	(5,219,223)
Total realized/unrealized gains, net	31,450
Purchases	13,543,722
Settlements	(10,353,004)
Ending balance	$ 75,747,869

The following table presents WWF's activity for the interest rate swap liability measured at fair value on a recurring basis using significant unobservable inputs as defined in ASC 820 for the year ended June 30:

	2019
Beginning balance	$ (7,801,469)
Total loss on interest rate swap included in changes in net assets	(1,749,081)
Ending balance	$ (9,550,550)

Quantitative Information

Quantitative information as of June 30, 2019, with respect to assets and liabilities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows:

Description	Fair Value	Principal Valuation Techniques	Unobservable Inputs	Weighted Average
Long-term trust receivables	$ 37,795,410	Income Approach	Discount rates Life expectancies Trust payouts Allocation percentages	N/A
Partnership investments	$ 37,952,459	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	N/A

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

Level 3 Valuation Process

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

- Comparisons of reported performance to benchmark performances, with particular interest in fund performance in excess of 5% above or below appropriate benchmarks.
- Reviews of external audit reports of each fund.
- Reviews of 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 2019.

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 2019.

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 2019.

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.

Fair value on a nonrecurring basis

The fair value of WWF's cash and cash equivalents, accounts receivable, prepaid assets, other current assets, subgrantee advances, grants payable, accounts payable and accrued expenses 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, 2019 are as follows:

	Level in Fair Value Hierarchy	Carrying Amount	Fair Value
Pledges receivable	2	$ 57,329,507	$ 57,429,865
Contributions receivable	2	25,412,395	25,441,487
Debt	2	49,790,848	49,695,000
Other long-term liabilities	2	8,213,536	8,213,536

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.

***Contributions receivable*:** Fair value is estimated based on the present value of contributions 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.

19. 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, 2019:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Fund Partnerships -				
Equity	$ 4,291,742	$ -	Every 36 Months	90
Equity	13,361,695	-	25% Monthly	5
International	14,833,757	-	Monthly	10
International	5,521,167	-	Monthly	3
International	23,406,572	-	Quarterly	30
International	15,287,290	-	Monthly	16
International	5,295,103	-	Quarterly	90
Specialty	6,648,615	-	25% Quarterly	95
Specialty	4,447,864	-	Annually	44
	$ 93,093,805	$ -		

** 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.*

20. Related Party Transactions

During the year ended June 30, 2019, WWF received donations totaling $1,884,148 from members of the Board of Director and related committees.

21. Subsequent Events

WWF evaluated subsequent events through January 31, 2020, which is the date the consolidated financial statements were issued. No subsequent events were noted that required disclosure in the consolidated financial statements.