World Wildlife Fund, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended June 30, 2020 and 2019

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Consolidated Financial Statements
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Contents

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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 statements of financial position as of June 30, 2020 and 2019 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

February 25, 2021

Consolidated Financial Statements

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Financial Position

June 30,	**2020**	2019
Assets		
Current assets		
Cash and cash equivalents	**$ 56,703,010**	$ 40,507,892
Short-term investments	**9,175,052**	15,922,404
Accounts receivable	**5,600,579**	3,144,600
Contributions receivable, current portion	**24,135,176**	23,097,942
Pledges receivable, current portion	**33,074,321**	40,478,149
Advances to third parties	**9,683,254**	12,176,560
Prepaid assets	**8,752,609**	5,598,777
Other current assets	**504,627**	361,832
Total current assets	**147,628,628**	141,288,156
Noncurrent assets		
Long-term investments	**221,817,491**	241,366,865
Pledges receivable, net of current	**10,884,080**	16,851,358
Contributions receivable, net of current portion	**6,794,533**	2,314,453
Long-term trust receivables	**39,748,475**	37,795,410
Other noncurrent assets	**2,567,880**	3,026,984
Land, building, and equipment, net	**77,759,297**	65,818,930
Total noncurrent assets	**359,571,756**	367,174,000
Total assets	**$ 507,200,384**	$ 508,462,156
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	**$ 22,897,373**	$ 23,682,943
Grants payable	**18,270,283**	26,476,242
Deferred revenue	**300,000**	319,459
Refundable advances	**11,847,890**	16,085,441
Current portion of long-term debt	**3,215,000**	3,055,000
Total current liabilities	**56,530,546**	69,619,085
Noncurrent liabilities		
Long-term debt, net of current portion	**42,897,584**	46,042,310
Other long-term liabilities	**9,990,207**	8,213,536
Interest rate swap liability	**11,756,776**	9,550,550
Total noncurrent liabilities	**64,644,567**	63,806,396
Total liabilities	**121,175,113**	133,425,481
Net assets		
Without donor restrictions	**156,319,924**	163,311,531
With donor restrictions	**229,705,347**	211,725,144
Total net assets	**386,025,271**	375,036,675
Total liabilities and net assets	**$ 507,200,384**	$ 508,462,156

See accompanying notes to consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statements of Activities

Years Ended June 30,	Without Donor Restriction	With Donor Restriction	Total 2020	Without Donor Restriction	With Donor Restriction	Total 2019
Operating revenues						
Revenue						
Contributions	$ 79,166,358	$ 82,676,153	$ 161,842,511	$ 75,938,323	$ 65,594,634	$ 141,532,957
Government grants and contracts	43,424,233	1,611,406	45,035,639	34,319,811	-	34,319,811
WWF network revenue	-	24,691,892	24,691,892	2,446,982	27,481,571	29,928,553
Royalties, service contracts, and other	11,388,259	-	11,388,259	9,560,159	-	9,560,159
In-kind contributions	84,500,663	-	84,500,663	75,127,255	-	75,127,255
Nonoperating income allocated to operations	34,872,874	2,285,582	37,158,456	31,441,345	2,222,827	33,664,172
Total operating revenues	253,352,387	111,265,033	364,617,420	228,833,875	95,299,032	324,132,907
Net assets released from restrictions	94,655,951	(94,655,951)	-	78,770,313	(78,770,313)	-
Net operating revenues	348,008,338	16,609,082	364,617,420	307,604,188	16,528,719	324,132,907
Commercial building operations						
Revenues	6,086,875	-	6,086,875	6,774,559	-	6,774,559
Expenses	6,515,642	-	6,515,642	6,086,097	-	6,086,097
(Loss) income from commercial building operations, net	(428,767)	-	(428,767)	688,462	-	688,462
Total revenues and other income, net	347,579,571	16,609,082	364,188,653	308,292,650	16,528,719	324,821,369
Operating expenses						
Program services						
Conservation field and policy programs	172,947,786	-	172,947,786	148,193,066	-	148,193,066
Public education	115,422,452	-	115,422,452	101,198,913	-	101,198,913
Total program services	288,370,238	-	288,370,238	249,391,979	-	249,391,979
Supporting services						
Finance and administration	20,075,616	-	20,075,616	18,354,360	-	18,354,360
Fundraising	40,381,048	-	40,381,048	40,654,137	-	40,654,137
Total supporting services	60,456,664	-	60,456,664	59,008,497	-	59,008,497
Total operating expenses	348,826,902	-	348,826,902	308,400,476	-	308,400,476
Change in net assets before nonoperating activities	(1,247,331)	16,609,082	15,361,751	(107,826)	16,528,719	16,420,893
Nonoperating activities						
Bequests, endowments, and split income gifts	28,804,005	6,980,360	35,784,365	20,338,359	1,256,241	21,594,600
Loss on interest rate swaps	(2,206,226)	-	(2,206,226)	(1,749,081)	-	(1,749,081)
(Loss) income from investments, net	(424,473)	(197,597)	(622,070)	11,577,229	(2,279,165)	9,298,064
(Loss) gain on foreign currency exchange	(170,768)	-	(170,768)	64,389	-	64,389
Change in donor restriction	3,126,060	(3,126,060)	-	58,107	(58,107)	-
Total nonoperating activities	29,128,598	3,656,703	32,785,301	30,289,003	(1,081,031)	29,207,972
Total allocated to operations	(34,872,874)	(2,285,582)	(37,158,456)	(31,441,345)	(2,222,827)	(33,664,172)
Change in net assets from nonoperating activities	(5,744,276)	1,371,121	(4,373,155)	(1,152,342)	(3,303,858)	(4,456,200)
Change in net assets	(6,991,607)	17,980,203	10,988,596	(1,260,168)	13,224,861	11,964,693
Net assets at beginning of year	163,311,531	211,725,144	375,036,675	164,571,699	198,500,283	363,071,982
Net assets at end of year	$ 156,319,924	$ 229,705,347	$ 386,025,271	$ 163,311,531	$ 211,725,144	$ 375,036,675

See accompanying notes to consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses

	Conservation Field and Policy Programs											
Year Ended June 30, 2020	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	2020 Total Operating Expenses	Commercial Building	2020 Total Expenses
Project grants and contracts	$ 1,232,666	$ 82,824,880	$ 468,102	$ 84,525,648	$ 2,263,733	$ 86,789,381	$ 633,529	$ 906,412	$ 1,539,941	$ 88,329,322	$ 19,750	$ 88,349,072
Salaries and benefits	2,255,773	59,313,017	4,646,715	66,215,505	9,773,490	75,988,995	11,247,992	14,443,664	25,691,656	101,680,651	-	101,680,651
In-kind contributions	-	3,785,936	-	3,785,936	79,770,921	83,556,857	630,007	313,799	943,806	84,500,663	-	84,500,663
Printing and publications	7,045	555,549	5,509	568,103	6,243,008	6,811,111	3,610	6,840,377	6,843,987	13,655,098	-	13,655,098
Office supplies, postage, and shipping	10,147	1,311,912	11,515	1,333,574	4,938,643	6,272,217	55,602	4,865,265	4,920,867	11,193,084	-	11,193,084
Staff travel and expenses	89,815	3,638,508	70,384	3,798,707	223,528	4,022,235	109,727	472,966	582,693	4,604,928	-	4,604,928
Facilities	88,940	3,643,104	131,493	3,863,537	814,256	4,677,793	444,124	915,108	1,359,232	6,037,025	-	6,037,025
Other	3,358	198,975	145,288	347,621	1,604,240	1,951,861	671,047	2,853,464	3,524,511	5,476,372	-	5,476,372
Advertising	-	237	-	237	3,480,916	3,481,153	-	3,012,912	3,012,912	6,494,065	-	6,494,065
Conferences and meetings	34,061	3,064,771	30,820	3,129,652	56,305	3,185,957	223,282	81,363	304,645	3,490,602	-	3,490,602
Field office rent, vehicles, and equipment	106,033	1,965,322	10,388	2,081,743	4,387	2,086,130	1,296,096	153,372	1,449,468	3,535,598	-	3,535,598
Dues, fees and subscriptions	61,580	874,233	33,197	969,010	2,815,827	3,784,837	556,719	2,223,688	2,780,407	6,565,244	6,028	6,571,272
Professional fees and contracts	250	1,057,023	183,766	1,241,039	461,184	1,702,223	2,929,098	539,381	3,468,479	5,170,702	32,327	5,203,029
Premiums	701	16,443	3,041	20,185	1,571,404	1,591,589	1,764	1,364,622	1,366,386	2,957,975	-	2,957,975
Audio visual	-	527,720	2,400	530,120	1,329,584	1,859,704	-	1,251,966	1,251,966	3,111,670	-	3,111,670
Information technology services	305	221,181	934	222,420	68,356	290,776	1,181,410	126,334	1,307,744	1,598,520	-	1,598,520
Occupancy costs	-	-	-	-	-	-	-	-	-	-	6,457,537	6,457,537
Telephone	3,498	297,486	13,765	314,749	2,670	317,419	91,609	16,355	107,964	425,383	-	425,383
	$ 3,894,172	$ 163,296,297	$ 5,757,317	$ 172,947,786	$ 115,422,452	$ 288,370,238	$ 20,075,616	$ 40,381,048	$ 60,456,664	$ 348,826,902	$ 6,515,642	$ 355,342,544

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
Information techonology 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,	**2020**	2019
Cash flows from operating activities		
Change in net assets	**$ 10,988,596**	$ 11,964,693
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	**4,119,978**	4,221,116
Amortization of leasing commissions	**239,391**	272,980
Amortization of bond premium	**(8,713)**	(8,713)
Unrealized and realized loss (gain) on investments	**3,017,065**	(7,412,709)
Loss on interest rate swaps	**2,206,226**	1,749,081
Permanently restricted contributions received	**(11,643)**	(820,000)
Accretion on multi-year pledges	**(356,451)**	(377,703)
Change in actuarial value of split interest agreements	**(5,277,704)**	95,657
Change in discount on contributions receivable	**253,960**	(125,592)
Write-off of uncollectible pledges and accounts receivables	**94,515**	305,814
Gifts of investments	**(4,512,559)**	(3,571,484)
Changes in assets and liabilities		
Accounts receivable	**(2,522,672)**	30,762,900
Pledges receivable	**13,699,735**	5,320,419
Advances to third parties	**2,493,306**	(12,176,560)
Contributions receivable	**(5,771,274)**	(25,286,803)
Prepaid assets	**(3,153,832)**	(1,898,092)
Other current assets	**(142,795)**	105,075
Long-term trust receivables	**3,324,639**	2,002,118
Other noncurrent assets	**219,713**	323,258
Accounts payable and accrued expenses	**(785,570)**	4,525,312
Grants payable	**(8,205,959)**	(18,374,464)
Deferred revenue	**(19,459)**	(7,449,151)
Refundable advances	**(4,237,551)**	16,085,441
Other long-term liabilities	**1,776,671**	122,910
Net cash provided by operating activities	**7,427,613**	355,503
Cash flows provided by investing activities		
Purchases of building improvements and equipment	**(16,060,345)**	(7,693,231)
Purchases of investments	**(46,373,936)**	(59,091,577)
Proceeds from sale of investments	**74,166,156**	68,908,524
Net cash provided by investing activities	**11,731,875**	2,123,716
Cash flows used in financing activities		
Permanently restricted contributions received	**11,643**	820,000
Payments on long-term debt	**(3,055,000)**	(2,910,000)
Amortization of bonds issuance costs	**78,987**	83,049
Net cash used in financing activities	**(2,964,370)**	(2,006,951)
Increase in cash and cash equivalents	**16,195,118**	472,268
Cash and cash equivalents, beginning of year	**$ 40,507,892**	40,035,624
Cash and cash equivalents, end of year	**$ 56,703,010**	$ 40,507,892
Required supplemental disclosure		
Cash payments for interest	**$ 2,478,462**	$ 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 24^{th} 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 January 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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. The adoption of this ASU did not have a significant impact on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)* which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 contains 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. The adoption of this ASU did not have a significant impact on the 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. The adoption of this ASU did not have a significant impact on the consolidated financial statements.

In August 2018, FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contrac*t. The ASU requires a customer in a hosting arrangement that is a service contract to apply the guidance on internal-use software to determine which implementation costs to recognize as an asset and which costs to expense. Costs to develop or obtain internal-use software that cannot be capitalized under Subtopic 350-40, such as training costs and certain data conversion costs, also cannot be capitalized for a hosting arrangement that is a service contract. The amendments require a customer in a hosting arrangement that is a service contract to determine whether an implementation activity relates to the preliminary project stage, the application development stage, or the post-implementation stage. Costs for implementation activities in the application development stage will be capitalized depending on the nature of the costs, while costs incurred during the preliminary project and post-implementation stages will be expensed immediately. The amendments also provide guidance on how to assess capitalized costs for impairment and appropriate presentation of capitalized costs and related amortization. The ASU is effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. For all other entities, the amendment is effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted, including adoption in any interim period, for all entities. WWF early adopted this ASU and has recorded $14,952,333 of implementation costs as of June 30, 2020.

Accounting Pronouncements to be Adopted

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. In June 2020. FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which allowed not-for-profit entities that have not issued its financial statements as of June 3, 2020, to extend the effectivity of these standards by one year. WWF management is currently evaluating the impact of ASU 2016-02 on the 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 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 the 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 the 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 the 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 the 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 the consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes*. This ASU removes specific exceptions to the general principals in Topic 740 and eliminates the need for an organization to analyze whether it applied certain provisions in a given period. This ASU is effective for WWF's fiscal year ending June 30, 2022. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides temporary optional guidance to ease the potential burden in accounting for reference rate reform. This ASU is available to be adopted by WWF from March 12, 2020 through December 31, 2022. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets and requires additional disclosures related to contributed nonfinancial assets. This ASU must be applied on a retrospective basis and is effective for WWF's fiscal year ending June 30, 2022.

Basis of Presentation

The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). Based on the existence or absence of donor-imposed restrictions, WWF classifies resources 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 cash held as part of the investment portfolio.

Financial Risks

WWF maintains cash balances with federally insured institutions as well as in accounts located outside the United States. Accounts at federally insured institutions are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank at June 30, 2020 and 2019. At June 30, 2020 and 2019, WWF held $53,868,700 and $40,002,955 in uninsured accounts, respectively. 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 statements of financial position, including cash and cash equivalents of $3,051,974 and $4,726,474 in local currencies and $10,187,073 and $6,761,548 in U.S. dollars at June 30, 2020 and 2019, respectively, are maintained at financial institutions in foreign countries. For financial reporting purposes, the year-end foreign currency balances are translated into U.S. dollars using current exchange rates in effect at the date of the consolidated statements of financial position.

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 $9,683,254 and $12,176,560 as of June 30, 2020 and 2019, respectively.

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. Uncollectible accounts are written off when all efforts to collect these receivables have been exhausted.

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 bond 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 include amounts paid in advance in the normal course of business, premiums which are miscellaneous items provided to donors and others, and other miscellaneous assets of WWF.

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, 2020 and 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. Bond issuance costs totaled $4,311,047 for the years ended June 30, 2020 and 2019, and accumulated amortization related to the bond issuance costs totaled $3,696,496 and $3,617,509 as of June 30, 2020 and 2019, respectively.

Land, Building, and Equipment

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

The estimated useful lives of WWF's assets are as follows:

Office equipment	3 years
Office furniture and fixtures	5 – 8 years
Software and applications	3 - 10 years
Building and tenant improvements	15 years
Building	40 years

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 consolidated statements of activities, to it's 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.

Split Income Gifts

WWF has been named as beneficiary in various split income gifts that include charitable gift annuities and remainder trusts. The values of all split income gifts have been determined using discount rates that range from 1.2% to 2.8%, 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 beneficiary is reduced by payments made to the beneficiary 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, 2020 and 2019, $10,109,077 and $10,087,250, respectively, was included as long-term investments in the consolidated statements of financial position and represent split income gifts for which WWF serves as the trustee. These gifts are recorded at the discounted present value of the gifts based on 2000CM mortality tables for split income gifts received prior to January 1, 2015, and the 2012 Individual Annuity Reserving (IAR) mortality tables for split income gifts received after January 1, 2015. WWF recognizes a liability for the portion of the split income gifts that is determined to be payable to beneficiaries under the terms of the agreements where WWF is the trustee. As of June 30, 2020 and 2019, these liabilities totaled $7,504,604 and $6,044,514, respectively, and are recorded within other long-term liabilities in the consolidated statements of financial position.

Income from these gifts is recorded as investment income and changes in the value are included in bequests, endowments, and split income gifts in the accompanying consolidated statements of activities.

Beneficial Interests in Charitable Trusts Held by Others – WWF has been named as an irrevocable beneficiary of various 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 consolidated statements of activities, and a beneficial interest in charitable trusts held by others is recorded in the consolidated statements 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 consolidated statements of financial position, with changes in fair value recognized in the consolidated statements 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 gain (loss) of $5,277,705 and $(95,657) in bequests, endowments, and split income gifts on the accompanying consolidated statements of activities for the years ended June 30, 2020 and 2019, respectively.

WWF's beneficial interest in these gifts, which amounted to $39,748,475 and $37,795,410 at June 30, 2020 and 2019, respectively, is also recorded at the discounted present value of the gifts and is included in long-term trust receivables in the accompanying consolidated statements of financial position.

In addition to these gifts, WWF has been named as the beneficiary in various 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 other 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 statements of financial position. As of June 30, 2020 and 2019, WWF had $300,000 and $319,459, respectively, in deferred revenue related to royalties and service contracts included in consolidated statements of financial position.

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 statements of financial position until the donor conditions have been substantially met or explicitly waived by the donor. As of June 30, 2020 and 2019, refundable donor advances amounted to $11,847,890 and $16,085,441, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities and are further described in Note 13. The consolidated 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 years 2020 and 2019, WWF incurred joint costs of $47,120,036 and 45,236,626, respectively, for informational materials and activities that included a fundraising appeal. The joint costs incurred, $21,659,962 and $22,731,983 were allocated to fundraising expenses, and $25,460,074 and $22,504,643 were allocated to program expenses, in fiscal year 2020 and 2019, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interpretation of Relevant Law

The Board of Directors has determined that an enacted version of the District of Colombia's 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.

Reclassifications

Certain prior year amounts have been reclassified in the consolidated financial statements and accompanying notes to the conform to the current year presentation.

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, service contracts and other revenue consists of the following:

- *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 totaled $7,151,571 and $6,192,009 is for the year ended June 30, 2020 and 2019, respectively.

- *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 years ended June 30, 2020 and 2019, related to these milestone-based service contracts was $964,477 and $182,017, respectively.

  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 $3,018,594 and $2,680,085 for the years ended June 30, 2020 and 2019, respectively.

Revenue Accounted for in Accordance with ASU 2018-08

Government Grants and Contracts

Within the consolidated statements 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 $17,553,569 and $14,049,728 for the years ended June 30, 2020 and 2019, respectively.

- *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. Certain contributions from foreign governments may be unconditional contributions and are recorded as revenue at the time the agreement is executed. Bilateral contributions totaled $12,039,651 and $11,293,142 for the years ended June 30, 2020 and 2019, respectively.

- *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 executed for unconditional contributions, or as conditions are satisfied for conditional contributions. Multilateral contributions totaled $15,442,418 and $8,976,941 for the years ended June 30, 2020 and 2019, respectively.

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 years ended June 30, 2020 and 2019 are revenues from WWF-Netherlands of $2,136,688 and $7,771,997, respectively. 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, 2020 and 2019. Accounts receivable is comprised of the following at June 30:

	2020	2019
Service contracts	**$ 3,075,639**	$ 1,289,138
Others	**2,524,940**	1,813,541
Royalty contracts	**-**	41,921
	$ 5,600,579	$ 3,144,600

During the years ended June 30, 2020 and 2019, WWF determined that $66,693 and $200,000, respectively, 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, 2020 and 2019. Contributions receivable is comprised of the following at June 30:

	2020	2019
WWF Network, net of discount	**$ 14,325,825**	$ 10,863,180
Government grants and contracts	**14,388,204**	13,587,737
Others	**2,215,680**	961,478
	$ 30,929,709	$ 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 0.60% to 3.71% and 2.37% to 3.71% for the years ended June 30, 2020 and 2019, respectively.

	2020	2019
Less than a year	**$ 24,135,176**	$ 23,097,942
One-to-five years	**7,174,085**	2,440,045
Subtotal	**31,309,261**	25,537,987
Less: discount to present value	**(379,552)**	(125,592)
Subtotal	**30,929,709**	25,412,395
Less: current portion of contributions receivable	**(24,135,176)**	(23,097,942)
Non-current portion of contributions receivable	**$ 6,794,533**	$ 2,314,453

5. Pledges Receivable

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

	2020	2019
Less than a year	**$ 33,074,321**	$ 40,478,149
One-to-five years	**8,952,985**	15,383,572
More than five years	**2,694,001**	2,857,143
Subtotal	**44,991,307**	58,718,864
Less: discount to present value	**(782,906)**	(1,139,357)
Less: allowance for uncollectible pledges	**(250,000)**	(250,000)
Subtotal	**43,958,401**	57,329,507
Less: current portion of pledges receivable	**(33,074,321)**	(40,478,149)
Non-current portion of pledges receivable	**$ 10,884,080**	$ 16,851,358

The interest rates used to discount the amounts expected to be collected in future years range from 0.49% to 3.71% and 2.21% to 3.71% as of June 30, 2020 and 2019, respectively. During the years ended June 30, 2020 and 2019 WWF, determined that $27,822 and $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:

	2020	2019
Money market funds	$ 244,227	$ 373,733
Partnership investments	146,555,108	160,908,279
Mutual funds	55,304,152	65,856,040
Common collective trusts	8,797,177	8,806,442
Debt and equity securities	20,091,879	21,340,775
Total investments	230,992,543	257,289,269
Less: short-term investments	(9,175,052)	(15,922,404)
Long-term investments	$ 221,817,491	$ 241,366,865

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

	2020	2019
Dividends and interest income	$ 4,161,769	$ 4,119,176
Realized and unrealized losses, net	(3,017,065)	7,412,709
Less: investment expenses	(1,766,774)	(2,233,821)
(Loss) income from investments, net	$ (622,070)	$ 9,298,064

WWF received donated securities with a fair value of $4,512,559 and $3,571,484 during the years ended June 30, 2020 and 2019, respectively, to be used for unrestricted activities.

In January 2014, WWF entered into a 'stranded assets' total return swap. WWF pays the total return from an index of coal and tar sands companies and receives the total return on the S&P 500 Index which settles quarterly. The swap is designed to hedge against portfolio risk specifically attributed to coal and tar sand business sectors. The fair market value of the swaps was a net receivable position of $33,808 and $161,042 as of June 30,2020 and 2019, respectively, and is included in accounts receivable in the consolidated statements of financial position.

7. Land, Building, and Equipment

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

	2020	2019
Land	**$ 17,436,974**	$ 17,436,974
Building	**45,982,829**	45,982,829
Furniture and equipment	**29,166,263**	29,999,435
New enterprise resource management system implementation project in process	**14,952,333**	4,437,273
Building and tenant improvements	**31,652,830**	25,274,373
	139,191,229	123,130,884
Less: accumulated depreciation and amortization	**(61,431,932)**	(57,311,954)
Land, building, and equipment, net	**$ 77,759,297**	$ 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:

	2020	2019
Depreciation, commercial building operations	**$ 1,156,070**	$ 1,156,070
Depreciation, all other building and equipment	**2,963,908**	3,065,046
Amortization of bond premium and issuance costs	**70,274**	74,336
Total depreciation and amortization	**$ 4,190,252**	$ 4,295,452

The commercial building operations net cash (outflow) inflow was $(1,755,028) and $222,126 for the fiscal years ended June 30, 2020 and 2019, respectively.

8. Long-Term Debt

Long-term debt was as follows at June 30:

	2020	2019
WWF Taxable Variable Rate Bonds, Series 2015	**$ 46,640,000**	$ 49,695,000
Unamortized original issue premium	**87,134**	95,848
Less: unamortized bond issuance costs, net	**(614,550)**	(693,538)
Long-term debt	**46,112,584**	49,097,310
Less: current portion	**(3,215,000)**	(3,055,000)
Long-term debt, net of current portion	**$ 42,897,584**	$ 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), the Series 2015 bonds have a maturity date of July 1, 2030 and are subject to variable interest rates. 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 remaining bond premium issuance costs of the Series 2000B and Series 2010 totaling $4,311,047 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, 2020 and 2019, WWF has three interest-rate swap agreements covering $46,315,000 and $49,370,000 of outstanding bonds to synthetically fix rates between 3.5% and 5.87% to 3.01% and 5.87%. The weighted average interest rate of the swaps was 5.52% and 5.21% for the fiscal years ended June 30, 2020 and 2019 respectively.

The swaps are recognized within the consolidated statements of financial position at fair value and are recorded as interest rate swap liability. Changes in the fair value of the swaps are recorded in loss on interest-rate swaps in the consolidated statements of activities. During the year ended June 30, 2020 and 2019, WWF recorded a loss of $2,206,226 and $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 $11,756,776 and $9,550,550 as of June 30, 2020 and 2019, respectively.

Maturities of debt are as follows:

2021	$ 3,215,000
2022	3,375,000
2023	3,555,000
2024	3,735,000
2025	3,935,000
Thereafter	28,825,000
Less: unamortized bond issuance costs, net	(614,550)
Plus: unamortized original issue premium	87,134
	$ 46,112,584

WWF incurred aggregate interest expense on the outstanding bonds and swaps of $2,478,463 and $2,503,613 for the years ended June 30, 2020 and 2019, respectively, 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, 2020, WWF was in compliance with these covenants, limitations and restrictions.

9. Commitments and Contingencies

Litigation

In the normal 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, 2020.

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, 2020 and 2019, WWF had unfunded commitments of $2,400,145 and $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 non-headquarters office facilities in the U.S. and internationally under operating leases that expire on various dates through August 2023. Such costs are included within facilities in the consolidated statements of functional expenses. It is expected that WWF will renew leases as necessary in the normal course of its activities. During the years ended June 30, 2020 and 2019, WWF recorded $984,475 and $1,348,495 in rental expense, respectively.

The following is a schedule of the future minimum lease payments as of June 30, 2020:

Years ending June 30,		
2021	$	409,810
2022		300,066
2023		158,288
2024		18,897
Total minimum lease payments	$	887,061

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,		
2021	$	1,061,541
2022		701,576
2023		713,698
2024		731,544
2025		613,023
Thereafter		107,030
Total	$	3,928,412

Additionally, WWF has letters of credit from various banks, which list the tenants as the applicants and WWF as the beneficiary. Letters of credit in favor of WWF as of June 30, 2020 and 2019, total $608,674 and $938,130. At June 30, 2020, 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 $4,715,109 and $4,392,255 for the years ended June 30, 2020 and 2019, respectively.

WWF has adopted two Deferred Compensation Plans (the Plan) in accordance with Section 457(b) and Section 457(f) of the IRC. The purpose of the 457(b) Plan is to offer certain eligible employees additional deferred compensation and/or the opportunity to defer specified amounts of compensation, on a pretax basis. The assets and liabilities associated with the 457(b) Plan were $2,153,353 and $1,836,773 for the years ended June 30, 2020 and 2019, respectively. The assets for the 457(b) Plan are included in other noncurrent assets and the liabilities are included in other long-term liabilities as presented in the consolidated statements of financial position. The purpose of the 457(f) Plan is the retention and recruitment of talent at the executive level. The expenses associated with the 457(f) Plan were $0 and $2,758 for the years ended June 30, 2020 and 2019, respectively. The 457(f) Plan deferrals, which are reflected in other long-term liabilities, amounted to $332,250 for the years ended June 30, 2020 and 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 $277,000 and $260,000 as of June 30, 2020 and 2019, respectively, and are included in accounts payable and accrued expenses in the accompanying consolidated statements 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 2017. For the years ended June 30, 2020 and 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:

	2020	2019
Contributions	**$ 161,842,511**	$ 141,532,957
Network revenue	**24,691,892**	29,928,553
Government grants and contracts:		
U.S. federal grants	**17,553,569**	14,049,728
Bilateral contracts	**12,039,651**	11,293,142
Multilateral contracts	**15,442,419**	8,976,941
Subtotal: government grants and contracts	**45,035,639**	34,319,811
Royalties, service contracts and other:		
Royalties	**7,151,571**	6,192,009
Service contracts	**3,983,071**	2,862,102
Other	**253,617**	506,048
Subtotal: royalties, service contracts and other	**11,388,259**	9,560,159
In-kind contributions	**84,500,663**	75,127,255
Nonoperating income allocated to operations	**37,158,456**	33,664,172
Total operating revenues	**$ 364,617,420**	$ 324,132,907
Commercial building revenue	**$ 6,086,875**	$ 6,774,559
Bequests, endowments, and split income gifts	**$ 35,784,365**	$ 21,594,600

Contracts with Customers - Remaining Performance Obligations

WWF's royalty contracts at June 30, 2020, 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, 2020 and 2019, approximately $1,148,676 and $1,522,222, respectively, 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 in future years is approximately $159,100 and $1,145,314, as of June 30, 2020 and 2019, respectively.

Conditional Contributions

At June 30, 2020 and 2019, WWF had received notification of outstanding conditional promises to give of approximately $79,000 and $12,504,505, respectively. 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, 2020 and 2019, WWF had remaining available award balances on U.S. government, bilateral, and multilateral grants and contracts for sponsored projects of $148,437,051 and $116,484,731, respectively. 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 $74,287,890 and $51,016,840 as of June 30, 2020 and 2019, respectively.

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. programs – 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:

	2020	2019
Board Designated for:		
Board Designated Reserves	**$ 113,013,731**	$ 105,798,790
Programmatic Activities	**16,361,053**	21,139,999
1001 Nature Trust	**14,937,076**	15,740,532
Building Improvements	**-**	3,515,890
Financial Systems	**-**	3,121,915
Total Board Designated Quasi-Endowment	**144,311,860**	149,317,126
Undesignated	**12,008,064**	13,994,405
Total net assets without donor restrictions	**$ 156,319,924**	$ 163,311,531

Board designated reserves - Board designated reserves consist 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.

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.

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 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, 2020, WWF had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	2020 Totals
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 49,180,160	$ 49,180,160
Accumulated investment gains	-	16,380,025	16,380,025
Total donor restricted endowment funds	-	65,560,185	65,560,185
Total board-designated quasi-endowment funds	144,311,860	-	144,311,860
Total endowment net assets	$ 144,311,860	$ 65,560,185	$ 209,872,045

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, 2020 and 2019, there were no endowment funds that ere 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 2020 and 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 statements 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, 2020 was $37,158,456. Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	2020 Totals
Endowment net assets, beginning of year	$ 149,317,126	$ 68,031,721	$ 217,348,847
Investment return			
Investment income, net	1,511,431	669,940	2,181,371
Net appreciation, realized	2,542,383	1,126,909	3,669,292
Net depreciation, unrealized	(4,499,606)	(1,994,446)	(6,494,052)
Total investment return	(445,792)	(197,597)	(643,389)
Contributions	33,812,082	11,643	33,823,725
Appropriation of endowment assets pursuant to spending policy	(38,371,556)	-	(38,371,556)
Other changes:			
Distribution from board-designated quasi-endowment pursuant to spending policy	-	(2,285,582)	(2,285,582)
Endowment net assets, end of year	$ 144,311,860	$ 65,560,185	$ 209,872,045

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	7,610,894
Net depreciation, unrealized	(900,428)	(399,111)	(1,299,539)
Total investment return	5,581,628	2,474,052	8,055,680
Contributions	23,155,755	820,000	23,975,755
Appropriation of endowment assets pursuant to spending policy	-	(2,239,630)	(2,239,630)
Other changes:			
Distribution from board-designated quasi-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:

	2020	2019
Subject to expenditure for a specified purpose:		
Forests, Oceans, Wildlife, Freshwater Conservation	**$ 29,464,807**	$ 22,926,844
Markets and Food	**12,553,156**	9,919,562
Public Affairs	**12,164,388**	7,762,934
International Country Offices	**30,127,608**	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	**23,847,783**	17,958,784
Markets and Food	**8,077,670**	14,648,161
Public Affairs	**4,915,893**	7,548,325
International Country Offices	**3,215,382**	2,634,582
Total subject to expenditure for a specified purpose:	**124,366,687**	105,848,013
Subject to the passage of time:		
Beneficial interests in charitable trusts held by others	**39,748,475**	37,795,410
Promises to give that are not restricted for a purpose by donors, but which are unavailable for expenditure until due	**30,000**	50,000
Total subject to the passage of time:	**39,778,475**	37,845,410
Endowments:		
Original donor-restricted endowment gift and amounts required to be retained by the donor:		
U.S. programs	**301,618**	301,618
International programs	**5,052,000**	5,699,192
Education for Nature	**18,598,720**	18,598,720
General support	**18,739,975**	18,888,002
Other programs	**6,487,847**	6,311,326
Total original donor-restricted endowment gifts and amounts required to be retained by the donor	**49,180,160**	49,798,858
Accumulated investment gains on endowment funds		
U.S. programs	**420,107**	434,038
International programs	**844,232**	930,587
Education for Nature	**4,102,992**	5,293,365
General support	**11,012,694**	11,574,873
Total accumulated investment gains on endowment funds	**16,380,025**	18,232,863
Total endowments:	**65,560,185**	68,031,721
Total net assets with donor restrictions	**$ 229,705,347**	$ 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 individual 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 WWF 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 years ended June 30, 2020 and 2019.

	2020	2019
Expiration of time restrictions	**$ 24,065**	$ 181,817
Satisfaction of purpose restrictions		
Forests, Oceans, Wildlife, Freshwater Conservation	**29,621,341**	21,870,213
Markets and Food	**14,802,673**	16,905,998
Public Affairs	**17,971,993**	10,129,130
International Country Offices	**29,950,297**	27,443,525
Total releases related to time and purposes restrictions	**92,370,369**	76,530,683
Endowment releases based on spending policy		
U.S. programs	**36,794**	4,500
International programs	**275,334**	300,565
Education for Nature	**1,156,902**	1,073,755
General support	**621,632**	412,804
Other programs	**194,920**	448,006
Total endowment releases	**2,285,582**	2,239,630
Total net assets released from donor restrictions	**$ 94,655,951**	$ 78,770,313

17. Liquidity and Availability

The following reflects WWF's financial assets as of the consolidated statements 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 statements of financial position date.

June 30,	**2020**	2019
Total consolidated assets	**$ 507,200,384**	$ 508,462,156
Less: nonfinancial assets:		
Land, building, and equipment, net	**(77,759,297)**	(65,818,930)
Prepaid assets	**(8,752,609)**	(5,598,777)
Advances to third parties	**(9,683,254)**	(12,176,560)
Other current and non-current assets	**(3,072,507)**	(3,388,816)
Long-term trust receivables	**(39,748,475)**	(37,795,410)
Financial assets	**368,184,242**	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	**(124,396,687)**	(105,898,013)
Restricted by donors in perpetuity	**(49,180,160)**	(49,798,858)
Restricted accumulated investment gains on assets held in perpetuity	**(16,380,025)**	(18,232,863)
Pledges receivable due after one year	**(10,884,080)**	(16,851,358)
Contributions receivable due after one year	**(6,794,533)**	(2,314,453)
Charitable gift annuity investments	**(7,504,604)**	(6,044,514)
Restricted cash for debt payment	**(3,215,000)**	(3,055,000)
Board designations:		
For financial systems	**-**	(3,121,915)
For building improvements	**-**	(3,515,890)
For programmatic activities	**(16,361,053)**	(21,139,999)
For the 1001 Nature Trust	**(14,937,076)**	(15,740,532)
Board designated reserves	**(113,013,731)**	(105,798,790)
Add: board approved spending in 2021 and 2020, respectively, from board designated quasi-endowment		
5% spending policy	**7,456,908**	7,226,263
Bequest revenue spending policy	**23,386,776**	20,851,393
Financial assets available to meet cash needs for general expenditures within one year	**$ 36,400,977**	$ 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. Common collective trust fund shares may be redeemed at net asset value on a daily or monthly basis, depending on the fund, and are included in Level 2 of the fair value hierarchy.

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. Certain partnership investments in equities are valued using quoted prices in active markets. When market quotations are not available, 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. Management measures certain partnership investments at net asset value when the criteria for the use of the practical expedient are met.

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, 2020 are as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 244,227	$ -	$ -	$ 244,227
Partnership investments:				
Fixed income	-	-	5,128,830	5,128,830
Equity and other	21,737,223	-	462,113	22,199,336
International	-	-	15,114,617	15,114,617
Specialty	-	-	981,230	981,230
Other tangible assets	-	-	369,445	369,445
Mutual funds:				
Large-Cap	25,415,606	-	-	25,415,606
International	29,888,546	-	-	29,888,546
Common collective trusts:				
Fixed income	-	2,287,100	-	2,287,100
Large-Cap	-	2,505,370	-	2,505,370
Small and Mid-Cap	-	737,622	-	737,622
International	-	2,103,197	-	2,103,197
Specialty	-	1,163,888	-	1,163,888
Debt and equity securities	19,290,532	801,347	-	20,091,879
Investments reported at net asset value (NAV)*	-	-	-	102,761,650
Total investments	96,576,134	9,598,524	22,056,235	230,992,543
Long-term trust receivables:				
Cash and money market	-	-	2,428,815	2,428,815
Mutual funds	-	-	1,450,410	1,450,410
Equity and other	-	-	8,469,098	8,469,098
Large-Cap	-	-	519,354	519,354
Mid-Cap	-	-	103,358	103,358
Small-Cap	-	-	47,752	47,752
International	-	-	6,440,338	6,440,338
Fixed income	-	-	2,007,389	2,007,389
Bonds and notes	-	-	3,252,848	3,252,848
Specialty	-	-	4,442,870	4,442,870
Other tangible assets	-	-	10,586,243	10,586,243
Total long-term trust receivables	-	-	39,748,475	39,748,475
Total assets, at fair value	$ 96,576,134	$ 9,598,524	$ 61,804,710	$ 270,741,219
Interest rate swap liability	$ -	$ -	$ (11,756,776)	$ (11,756,776)

**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 statements of financial position.*

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	-	844,792	30,706,807
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)*	-	-	-	107,187,348
Total investments	116,456,744	9,786,261	23,858,916	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	$ 61,654,326	$ 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 statements of financial position.*

Level 3 gains and losses

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

	2020	2019
Beginning balance	**$ 61,654,326**	$ 77,744,924
Transfer out of Level 3 and to Level 1	**-**	(5,219,223)
Total realized/unrealized losses, net	**2,423,946**	(562,093)
Purchases	**8,000**	43,722
Settlements	**(2,281,562)**	(10,353,004)
Ending balance	**$ 61,804,710**	$ 61,654,326

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:

	2020	2019
Beginning balance	**$ (9,550,550)**	$ (7,801,469)
Total loss on interest rate swap included in changes in net assets	**(2,206,226)**	(1,749,081)
Ending balance	**$ (11,756,776)**	$ (9,550,550)

Quantitative Information

Quantitative information as of June 30, 2020, 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	**$39,748,475**	Income Approach	Discount rates Life expectancies Trust payouts Allocation percentages	N/A
Partnership investments	**$22,056,235**	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 2020.

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 2020.

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 2020.

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, 2020 are as follows:

	Level in Fair Value Hierarchy	**Carrying Amount**	**Fair Value**
Pledges receivable	**2**	**$ 43,958,401**	**$ 44,163,264**
Contributions receivable	**2**	**30,852,401**	**31,115,411**
Debt	**2**	**46,640,000**	**46,640,000**
Other long-term liabilities	**2**	**9,990,207**	**9,990,207**

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, 2020:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Fund Partnerships -				
Equity	$ 5,827,593	$ -	Every 36 Months	90
Equity	14,871,924	-	25% Monthly	5
Equity	6,214,185	-	Quarterly	65
Equity	3,077,171	-	Quarterly	45
Equity	4,753,240	-	25% Quarterly	90
Equity	2,318,071	-	Weekly	3
International	13,290,020	-	Monthly	10
International	5,224,025	-	Monthly	3
International	23,969,435	-	Quarterly	30
International	12,317,913	-	Monthly	16
International	5,271,195	-	Quarterly	90
Specialty	5,626,878	-	25% Quarterly	95
	$ 102,761,650	$ -		

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

The following table summarizes WWF's investments with a reported NAV as of June 30, 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
Equity	5,181,339	-	Quarterly	65
Equity	4,067,292	-	Quarterly	45
Equity	4,844,912	-	25% Quarterly	90
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
	$ 107,187,348	$ -		

** 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 years ended June 30, 2020 and 2019, WWF received donations totaling $1,435,938 and $1,884,148, respectively, from members of the Board of Director and related committees.

21. Risks and Uncertainties – COVID-19 Outbreak

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

In an effort to ensure the health and well-being of WWF's global staff and sustain their important work and mission, the staff moved to a mandatory telework status for all of its global offices by March 16, 2020. Office visits for certain staff require pre-approval by management, and cleaning and sanitization protocols have been implemented in all offices. All domestic and international travel and in-person meetings were cancelled. WWF did not experience a decrease in donor funding as a result of the pandemic during fiscal year 2020. There were no employee lay-offs or reductions in pay during the fiscal year. WWF's investment portfolio experienced a loss during fiscal year 2020 as a result of the market turmoil caused by the pandemic. Since the end of the year, WWF's investments have had positive returns. WWF has formed a COVID-19 committee that is closely monitoring the Centers for Disease Control and Prevention (CDC) and other national authority guidelines for all of the localities of its offices to determine the timing of reopening the offices. Monthly meetings are held with all non-US offices to monitor their status.

The extent of the impact of the COVID-19 outbreak on the operational and financial performance of WWF will depend upon certain developments, including the duration and spread of the outbreak.

WWF's operations are dependent on donations from individuals, foundations, corporations, U.S. governmental agencies, the WWF network, and foreign governments and donors. The outbreak may have a material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This potential slowdown could lead to a decline in future contributions or collections of existing receivable balances. However, WWF has not seen an adverse financial effect of the outbreak as of December 2020. Depending on the severity and length of the outbreak, this pandemic could present material uncertainty and risk with respect to WWF's investments, including performance and liquidity. The fluidity of this situation precludes any prediction as to the ultimate impact of COVID-19. Nevertheless, COVID-19 presents potential uncertainty and risk with respect to WWF, its performance, and its financial results.

On March 27, 2020, the President of the United States signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions related to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. WWF elected not to utilize the provisions enacted by the CARES Act. Should circumstances change or additional stimulus acts be signed into law, WWF will continue to evaluate the ongoing needs of the organization.

22. Subsequent Events

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the Act) was passed which includes $900 billion in stimulus relief as a result of the COVID-19 pandemic. WWF is currently evaluating the impact of the Act, if any.

WWF evaluated subsequent events through February 25, 2021, which is the date the consolidated financial statements were issued. No subsequent events were noted that required disclosure in the consolidated financial statements.