

**World Wildlife Fund Canada - Fonds  
mondial pour la nature Canada and  
World Wildlife Fund Canada  
Foundation - Fondation du fonds  
mondial pour la nature Canada**

Combined Financial Statements  
**June 30, 2010**

September 16, 2010

## **Auditors' Report**

### **To the Members of**

### **World Wildlife Fund Canada - Fonds mondial pour la nature Canada and World Wildlife Fund Canada Foundation - Fondation du fonds mondial pour la nature Canada**

We have audited the combined statement of financial position of **World Wildlife Fund Canada - Fonds mondial pour la nature Canada and World Wildlife Fund Canada Foundation - Fondation du fonds mondial pour la nature Canada** (hereinafter, collectively, WWF-Canada) as at June 30, 2010, the combined statement of operations and changes in fund balances, the combined statement of specific operating funds and changes in fund balances and combined statement of cash flows for the year then ended. These combined financial statements are the responsibility of WWF-Canada's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, WWF-Canada derives a portion of its revenue from fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue, other than Planned Giving, was limited to the amounts recorded in the records of WWF-Canada and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over grants and expenses and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these combined financial statements present fairly, in all material respects, the financial position of WWF-Canada as at June 30, 2010 and the results of its operations and its cash flows and the changes in its fund balances for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles, where applicable, have been applied on a basis consistent with that of the preceding year.



**Chartered Accountants, Licensed Public Accountants**

# WWF-Canada

## Combined Statement of Financial Position

As at June 30, 2010

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	2010 \$	2009 \$
<b>Assets</b>		
<b>Cash and interest earning deposits</b>	5,210,405	6,225,435
<b>Fixed income securities</b> (note 4)	3,410,996	3,426,848
<b>Accounts receivable</b> (note 6(b))	572,550	700,615
<b>Prepaid expenses</b>	171,999	98,384
	<hr/> 9,365,950	<hr/> 10,451,282
<b>Investments</b> (note 7)	9,308,605	9,012,485
<b>Property and equipment</b> - net (note 5)	1,486,173	1,219,402
	<hr/> 20,160,728	<hr/> 20,683,169
<b>Liabilities</b>		
<b>Accounts payable and accrued liabilities</b>	826,593	1,241,899
	<hr/> 19,334,135	<hr/> 19,441,270
<b>Fund Balances</b>		
<b>Operating Funds</b>		
Unrestricted (note 8(a))	1,542,295	2,136,347
Restricted (note 8(b))	5,402,888	5,336,266
	<hr/> 6,945,183	<hr/> 7,472,613
<b>Capital Funds</b>		
In Trust and Other Capital (note 9)	9,484,823	9,330,901
Planned Giving (note 10)	1,417,956	1,418,354
Property and Equipment (note 10)	1,486,173	1,219,402
	<hr/> 12,388,952	<hr/> 11,968,657
	<hr/> 19,334,135	<hr/> 19,441,270

Approved by the Board of Directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# WWF-Canada

## Combined Statement of Operations and Changes in Fund Balances For the year ended June 30, 2010

					2010	2009
	Operating Funds \$	In Trust and Other Capital \$	Planned Giving \$	Property and Equipment \$	Total \$	Total \$
<b>Revenue</b>						
Donations						
Individuals	10,133,413	100	2,838,139	-	12,971,652	13,245,895
Corporations	4,107,997	-	-	-	4,107,997	2,016,157
Foundations	1,120,035	-	-	-	1,120,035	3,047,111
Other non-profit	349,281	-	-	-	349,281	426,894
Government	176,512	-	-	-	176,512	1,061,629
WWF family (note 6(a))	241,372	-	-	-	241,372	321,472
Earned revenues						
Product sales, promotions and fees	1,636,923	-	-	-	1,636,923	2,108,016
Investment earnings	145,117	417,958	-	-	563,075	448,047
	17,910,650	418,058	2,838,139	-	21,166,847	22,675,221
<b>Expenses</b>						
Program implementation	10,322,702	-	-	-	10,322,702	11,308,710
Research and grants	990,629	-	-	-	990,629	2,172,535
Raising awareness (note 11)	3,312,902	-	72,783	-	3,385,685	4,502,758
Lobbying	78,566	-	-	-	78,566	65,031
Total conservation expenses	14,704,799	-	72,783	-	14,777,582	18,049,034
Fundraising and administration (notes 11, 12 and 13)	5,966,471	47,016	109,175	-	6,122,662	5,714,125
Amortization	-	-	-	433,959	433,959	332,889
	20,671,270	47,016	181,958	433,959	21,334,203	24,096,048
<b>Excess (deficiency) of revenue over expenses for the year</b>	(2,760,620)	371,042	2,656,181	(433,959)	(167,356)	(1,420,827)
<b>Fund balances - Beginning of year</b>	7,472,613	9,330,901	1,418,354	1,219,402	19,441,270	21,737,712
<b>Current year unrealized gain (losses) on investments</b>	(30,337)	176,534	-	-	146,197	(777,586)
<b>Realized gains previously recorded as unrealized</b>	(14,145)	(71,831)	-	-	(85,976)	(98,029)
<b>Interfund transfers</b> (note 10)	2,277,672	(321,823)	(2,656,579)	700,730	-	-
<b>Fund balances - End of year</b>	6,945,183	9,484,823	1,417,956	1,486,173	19,334,135	19,441,270

# WWF-Canada

## Combined Statement of Specific Operating Funds and Changes in Fund Balances For the year ended June 30, 2010

								2010	2009
	Arctic \$	Climate and energy \$	Oceans \$	Fresh water \$	Footprint reduction \$	Global conservation \$	General \$	Total \$	Total \$
<b>Revenue</b>									
Donations									
Individuals	125,744	23,345	73,260	31,918	-	222,594	9,656,552	10,133,413	10,262,089
Corporations	339,889	1,170,343	390,400	523,320	910,747	-	773,298	4,107,997	2,016,157
Foundations	71,500	176,109	604,385	109,000	-	28,226	130,815	1,120,035	3,047,111
Other non-profit	-	50,000	13,500	150,000	-	-	135,781	349,281	426,894
Government	4,346	24,000	112,000	-	36,166	-	-	176,512	1,061,629
WWF family (note 6(a))	87,874	-	149,044	-	-	-	4,454	241,372	321,472
Earned revenues									
Product sales, promotions and fees	-	409,315	3,900	-	105,459	-	1,118,249	1,636,923	2,108,016
Investment earnings	289	-	4,877	-	-	-	139,951	145,117	211,266
	629,642	1,853,112	1,351,366	814,238	1,052,372	250,820	11,959,100	17,910,650	19,454,634
<b>Expenses</b>									
Program implementation	1,874,244	2,944,461	1,971,525	1,191,312	1,612,845	162,734	565,581	10,322,702	11,308,710
Research and grants	168,179	55,508	391,243	25,937	101,661	27,896	220,205	990,629	2,172,535
Raising awareness (note 8)	-	-	-	-	-	-	3,312,902	3,312,902	4,502,758
Lobbying	547	59,881	3,979	-	-	-	14,159	78,566	65,031
Total conservation expenses	2,042,970	3,059,850	2,366,747	1,217,249	1,714,506	190,630	4,112,847	14,704,799	18,049,034
Fundraising and administration (notes 11, 12 and 13)	-	-	-	-	-	-	5,966,471	5,966,471	5,511,055
	2,042,970	3,059,850	2,366,747	1,217,249	1,714,506	190,630	10,079,318	20,671,270	23,560,089
<b>Excess (deficiency) of revenue over expenses for the year</b>	(1,413,328)	(1,206,738)	(1,015,381)	(403,011)	(662,134)	60,190	1,879,782	(2,760,620)	(4,105,455)
<b>Fund balances - Beginning of year</b>	832,171	685,118	1,616,025	418,259	956,017	158,265	2,806,758	7,472,613	8,152,160
<b>Current year unrealized gain (loss) on investments</b>	-	-	-	-	-	-	(30,337)	(30,337)	89,399
<b>Realized gain previously reported as unrealized</b>	-	-	-	-	-	-	(14,145)	(14,145)	-
<b>Interfund transfers (note 10)</b>									
Operating	1,262,974	1,250,752	1,089,036	899,738	496,712	64,086	(5,061,070)	2,228	143,568
Property and Equipment	-	-	-	-	-	-	(700,730)	(700,730)	(972,347)
Planned Giving	-	-	-	-	-	-	2,654,351	2,654,351	3,837,996
Transfer from the Foundation	-	-	-	-	28,485	-	293,338	321,823	327,292
<b>Fund balances - End of year</b>	681,817	729,132	1,689,680	914,986	819,080	282,541	1,827,947	6,945,183	7,472,613
<b>Unrestricted</b>	-	-	-	-	-	-	1,542,295	1,542,295	2,136,347
<b>Restricted</b>	681,817	729,132	1,689,680	914,986	819,080	282,541	285,652	5,402,888	5,336,266
	681,817	729,132	1,689,680	914,986	819,080	282,541	1,827,947	6,945,183	7,472,613

## WWF-Canada

### Combined Statement of Cash Flows For the year ended June 30, 2010

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	2010 \$	2009 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenses for the year	(167,356)	(1,420,827)
Non-cash items		
Amortization of property and equipment	433,959	332,889
Donated property and equipment	(365,271)	-
Change in non-cash working capital items		
(Increase) decrease in accounts receivable	128,065	(198,892)
Increase in prepaid expenses	(73,615)	(48,996)
Decrease in accounts payable and accrued liabilities	(415,306)	(532,674)
	<u>(459,524)</u>	<u>(1,868,500)</u>
<b>Investing activities</b>		
Purchase of property and equipment	(335,459)	(972,347)
Purchases of fixed income securities - net	(28,630)	(138,515)
Purchases of investments - net	(191,417)	(622,218)
	<u>(555,506)</u>	<u>(1,733,080)</u>
<b>Decrease in cash and interest earning deposits during the year</b>	(1,015,030)	(3,601,580)
<b>Cash and interest earning deposits - Beginning of year</b>	<u>6,225,435</u>	<u>9,827,015</u>
<b>Cash and interest earning deposits - End of year</b>	<u>5,210,405</u>	<u>6,225,435</u>

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2010

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### 1 Basis of presentation

These combined financial statements represent the combined financial statements of the individual entities, World Wildlife Fund Canada (the Fund) and World Wildlife Fund Canada Foundation (the Foundation), collectively WWF-Canada. The Fund is a national registered charity formed to collect, manage and disburse funds through suitable bodies or individuals for the conservation of fauna, flora, forests, landscape, water, soils and other natural resources in Canada and elsewhere, by research and investigation, education at all levels, information and publicity, coordination of efforts, cooperation with other interested parties and all other appropriate means. The Foundation is a registered Canadian charitable foundation and is the legal body responsible for administering assets donated to be held In Trust and Other Capital Funds designated by the Board of Directors.

Audited financial statements for each of these entities, as at and for the year ended June 30, 2010, are available.

### 2 Conservation goals

The structure and content of WWF-Canada's conservation programs are updated periodically to reflect changing needs, strategies and opportunities. Currently, WWF-Canada's priority conservation goals are the following.

#### Arctic

The world's first and most tangible impact of climate change is the loss of Arctic sea ice. Northern communities and species are already at risk. WWF-Canada aims to secure an international ice refuge that protects high Arctic habitat for ice dependent species and anchors a protected area network that contributes to conserving at least 50% of Arctic ecosystems through innovative governance reforms.

#### Climate and energy

Climate change is the biggest conservation challenge facing the world today. Canada emits high carbon dioxide per capita. WWF-Canada will help design a better future for our planet by working to decrease the country's reliance on carbon fuels and catalyzing a shift to green energy and transportation.

#### Oceans

Canada has three oceans and more coastline than any other country in the world. In the face of increasing demands on natural resources and declines in ocean health, WWF-Canada aims to catalyze a transition to sustainable seafood, smart oceans management, and sustainable ocean economies to ensure all three of Canada's oceans remain ecologically rich and economically prosperous.

#### Fresh water

Canada ranks among the world's top nations in terms of renewable water supply. Water is in increasing demand, and our uses increasingly conflict with nature's needs. WWF-Canada is committed to protecting and

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2010

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restoring natural flow and water quality to secure healthy waters in ten important and iconic Canadian rivers, using its accomplishments to catalyze lasting change in water policy globally.

### **Footprint reduction**

WWF-Canada is committed to mobilizing Canadians' desire for change by offering solutions and actions that we all can take - as individuals and as businesses, at home and at work. In this way we will ensure a living planet, for people and nature. What we do - as individuals and together - matters to all other species and to the planet.

### **Global conservation**

Like many Canadians, WWF-Canada is part of a family that reaches around the world. Integrated with WWF-Canada's work in Canada, WWF-Canada will provide Canadian leadership and support for global programs and initiatives important to Canada and Canadians.

### **General**

The general operating fund includes unrestricted contributions and also restricted expenditures for programs that have been completed, are being wound up and projects that do not fit under priority programs.

## **3 Summary of significant accounting policies**

These combined financial statements have been prepared by WWF-Canada's management in accordance with Canadian generally accepted accounting principles.

### **Revenue recognition**

WWF-Canada follows the restricted fund method of accounting for contributions. Restricted contributions relating to capital funds are recognized as revenue of the restricted fund to which they relate, when received. Restricted contributions specifically earmarked for conservation projects are allocated to the appropriate fund, when received. Investment income is recognized as revenue in the appropriate fund when earned. Unrestricted revenues are recognized as revenue of the General Fund when received. Interest from fixed income securities is recognized using the effective interest rate method.

### **Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and WWF-Canada's designation of such instruments.



# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2010

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WWF-Canada classifies its financial instruments as follows:

<b>Assets/liabilities</b>	<b>Category</b>	<b>Measurement</b>
Cash and interest earning deposits	available-for-sale	fair value
Fixed income securities	available-for-sale	fair value
Accounts receivable	loans and receivables	amortized cost
Investments	available-for-sale	fair value
Accounts payable and accrued liabilities	other financial liabilities	amortized cost

The carrying value of accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

For fixed income securities and investments classified as available-for-sale, the annual change in fair value is recorded as an adjustment to the respective fund balance. Realized gains and losses on disposition of these investments, and any investment income earned thereon, are recorded in operations as investment earnings.

Transaction costs and investment management fees associated with the acquisition and disposal of these fixed income securities and investments are expensed as incurred. The purchase and sale of fixed income securities and investments are accounted for using trade-date accounting.

WWF-Canada is subject to interest rate risk and currency risk with respect to its fixed income securities and investments.

### **Property and equipment**

Amounts required for the purchase of property and equipment are transferred from the General Fund to the Property and Equipment Fund.

Property and equipment acquired for specific international projects are expensed immediately. Artwork is capitalized but not amortized as its value appreciates. Donated property and equipment are recorded at their estimated fair value. If a fair value cannot be reasonably determined, the donated asset is recorded at nominal value.

Property and equipment held for regular operations are capitalized and amortized as follows:

Furniture and fixtures	straight-line over 3 - 8 years
Leasehold improvements	straight-line over the term of the lease
Computer software	straight-line over 2 years
Computer hardware	straight-line over 3 years
Office equipment	straight-line over 3 years

### **Donated materials and services**

Donated materials and services (donations in-kind other than donated property and equipment) are not recognized in the combined statement of operations. Donations of media space and television time are disclosed in the notes to the combined financial statements at an approximation of fair value. Donations of time by

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2010

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volunteers to assist WWF-Canada in carrying out its programs are not reflected in the notes because there is no objective basis to determine the fair value of these services.

### Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rates of exchange in effect at the combined statement of financial position date. Investments are translated at the rate prevailing at the date of purchase. Revenue and expenses are translated at the rates prevailing at the time of the respective transaction.

### Allocation of expenses

WWF-Canada manages its operations along departmental lines to achieve the greatest effectiveness and productivity. Departments contribute to, and produce output of, more than one function and support functions provide services to all departments. When presenting the financial results, various allocations are made on an appropriate and consistent basis to reflect the estimated actual cost of activities contributing to WWF-Canada's goals and results.

Costs are allocated on the following bases:

- Marketing and fundraising expenses

The marketing and fundraising departments support multiple purposes, including education, raising conservation, awareness, footprint reduction and fundraising. Based on the content and the intent of the communication, a portion is allocated to raising conservation awareness.

- Communication expenses

The communications department is primarily focused on promoting conservation program goals and strategies, messaging and issues. Costs are allocated based on an estimate of time spent.

- General support expenses

Human resources costs - based on staff headcount.

Finance and administration and information technology costs - based on an estimate of the level of services rendered to support conservation and fundraising.

Facilities and infrastructure costs - based on an estimate of the square footage used by each function.

General management costs - based on an estimate of time spent.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2010

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### Use of estimates

The preparation of combined financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities as at the combined statement of financial position date and certain revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Changes in accounting policies

Effective July 1, 2009, WWF-Canada adopted CICA Handbook Section 4470, Disclosure of Allocated Expenses By Not-for-Profit Organizations, which requires an organization to disclose its allocation policy if it classifies expenses by function and allocates some of its fundraising and general support costs to another function (note 13). This standard impacts WWF-Canada's disclosures but does not affect WWF-Canada's results, accounting policies or combined financial position.

## 4 Fixed income securities

Fixed income securities consist of bonds and money market instruments. As at June 30, 2010, the maturity dates of these securities ranged between September 2010 and December 2014, with interest rates varying between 2.75% and 3.75%.

## 5 Property and equipment

	<b>2010</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Furniture and fixtures	804,840	462,883	341,957
Leasehold improvements	1,363,978	980,111	383,867
Computer software	203,988	167,475	36,513
Computer hardware	1,473,850	789,666	684,184
Office equipment	123,802	97,609	26,193
Artwork	13,459	-	13,459
	<b>3,983,917</b>	<b>2,497,744</b>	<b>1,486,173</b>

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2010

	<b>2009</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Furniture and fixtures	805,201	408,336	396,865
Leasehold improvements	1,229,837	840,864	388,973
Computer software	367,395	318,182	49,213
Computer hardware	1,449,187	1,089,608	359,579
Office equipment	229,078	217,765	11,313
Artwork	13,459	-	13,459
	<u>4,094,157</u>	<u>2,874,755</u>	<u>1,219,402</u>

During the year, the Fund received donated computer hardware in the amount of \$365,271, which has been recorded at fair value as at the date of acquisition.

### 6 Related party transactions

- a) WWF-Canada received funding for various projects from WWF family members, as shown below. The related disbursements are recorded as grants or program implementation expenses.

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
International	53,182	10,028
Netherlands	149,044	159,799
United States	34,692	76,718
Denmark	4,454	-
United Kingdom	-	52,357
European Policy programme office	-	22,570
	<u>241,372</u>	<u>321,472</u>

As a result of the National Organization Agreement between WWF-Canada and World Wide Fund for Nature International (WWF International) dated June 6, 1995, a fee is paid by WWF-Canada to WWF International, headquartered in Gland, Switzerland, for services and benefits primarily related to conservation program implementation and awareness. The fee amounted to \$2,291,267 (2009 - \$1,961,152).

- b) At June 30, 2010, WWF-Canada had amounts owing from various WWF family members for project funding and reimbursable expenses amounting to \$45,887 (2009 - \$144,080). These amounts are included in accounts receivable.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2010

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### 7 Investments

	2010 \$	2009 \$
Fixed income securities	3,709,948	3,695,390
Equity shares	4,342,260	4,218,098
Equity pooled funds	1,256,397	1,098,997
	<u>9,308,605</u>	<u>9,012,485</u>

- a) Fixed income securities consist of bonds and money market instruments. As at June 30, 2010, the maturity dates of these securities ranged between May 2011 and June 2067, with interest rates varying between 3.1% and 8.5%.
- b) Included in investments are amounts that are subject to currency risk, which will be settled in US dollars (CA\$2,796,497 (2009 - CA\$2,490,674)) at year-end.

### 8 Operating Funds

The Board of Directors has determined that WWF-Canada should maintain certain levels of working capital for continuing operations in both unrestricted and restricted Operating Funds to ensure the stability of operations and maintain momentum in the conservation programs. The Board has further determined that, in seeking a return on capital, such funds shall be invested with the objective of avoiding loss of capital.

#### a) Unrestricted Operating Funds

These funds are used to support ongoing operations. WWF-Canada seeks to have funds on hand to cover on average the next three months of unrestricted operating expenses.

#### b) Restricted Operating Funds

Certain conservation programs are not undertaken until an appropriate level of specific funds or pledges has been received. WWF-Canada plans on the basis that specific funds on hand or pledges secured must exceed the related expenditure planned for the next six months. Normally, funds received are expended within twelve months, but sometimes funds received relate to multi-year programs and commitments and are held for more than twelve months.

As at the beginning of the last year, the conservation programs were refocused and reorganized, which has affected the way fund balances are presented. The following Restricted Fund balances for the fiscal year beginning July 1, 2009 were realigned from the previous headings shown below for 2009. These balances are now presented under the program headings shown below for 2010.

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## Notes to Combined Financial Statements

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Details of these restricted Operating Funds are as follows:

	<b>2010</b>
	<b>\$</b>
Arctic	681,817
Climate and energy	729,132
Oceans	1,689,680
Fresh water	914,986
Footprint reduction	819,080
Global conservation	282,541
General	285,652
	<hr/>
	5,402,888
	<hr/>
	<b>2009</b>
	<b>\$</b>
Climate change	732,956
Greater Antilles	137,223
Mackenzie River Basin	401,920
North West Atlantic	289,433
Pacific	849,158
Policy, planning and partnerships	1,702,729
Species at risk	705,538
General - education and other	517,309
	<hr/>
	5,336,266
	<hr/>

## 9 In Trust and Other Capital Funds

Details of the In Trust and Other Capital Funds are as follows:

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Signatures Fund	343,685	338,291
Canadian Conservation Trust	3,415,418	3,362,871
200 Canadians Trust	1,740,258	1,717,246
"1001" Nature Trust	2,070,015	2,032,914
Beryl Ivey Fund	913,500	893,228
Brocklehurst-Jourard Education Fund	844,520	831,386
The Kenneth M. Molson Fund for Endangered Birds	157,427	154,965
	<hr/>	<hr/>
	9,484,823	9,330,901
	<hr/>	<hr/>

The funds are invested to produce income and preserve capital. Each year a pay-out based on a percentage of the average fair value of the investments for each of the funds for the previous two years is transferred to the Operating Funds. In 2010 and 2009, the percentage of 3.5% was paid out.

# **WWF-Canada**

## Notes to Combined Financial Statements

**June 30, 2010**

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### **Signatures Fund**

This fund represents money received from WWF International to be made available for building a larger membership base. Income is available to help offset administrative costs. The capital can be used for special fundraising activities at the discretion of the Board.

### **Canadian Conservation Trust**

This fund was started with funds received for a Rainforest Campaign and has been supplemented over the years with unrestricted bequests and capital contributions. The Trust also includes allocations, as determined annually by the Board, of the monies received from bequests to the Planned Giving program, net of the Planned Giving expenses. Income is available to help offset conservation program costs. The capital can be used for special projects at the discretion of the Board.

### **200 Canadians Trust**

This permanent endowment represents the contribution from individuals concerned about conserving Canada's natural heritage. Income is available to help offset the administration costs. Individuals may join only when there are openings and by contributing \$5,000 to the Trust.

### **“1001” Nature Trust**

This permanent endowment originated as a WWF International program to further the cause of conservation. Individuals may join by making a one-time contribution of US\$25,000 of which 50% is forwarded to WWF International. The balance is invested in the Trust to provide income to help offset administrative expenses. Subsequent donations are added to the Trust and income thereon is also available to help offset administrative expenses.

### **Beryl Ivey Fund**

The Beryl Ivey Fund was established as a permanent endowment in 2008, with a gift from the estate of long-time WWF-Canada supporter and former Board member, Beryl Ivey. Income from the fund is to be directed to the support of conservation projects in the Carolinian Zone of southwestern Ontario.

### **Brocklehurst-Jourard Education Fund**

This fund represents a donation from the estate of Marilyn Anne Brocklehurst-Jourard set up as a permanent endowment, which provides income to be contributed to the Education program. This program is for children aged four to fourteen, and concentrates on protection and preservation of wildlife and wildlife habitat.

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### The Kenneth M. Molson Fund for Endangered Birds

This permanent endowment was established in 1997 and received annual contributions for five years through to 2001. Further monies were contributed through a 50% match from the Fund. Income is available for endangered bird projects.

## 10 Funds and interfund transfers

### Operating Funds

Discretionary revenues remaining in the General Operating Fund are available for the purposes of a variety of projects within each conservation program and are transferred as required.

### Planned Giving Fund

All bequests received from the Planned Giving program are initially recorded in the Planned Giving Fund. Funds restricted by donors for specific programs are transferred to the respective restricted operating fund. Each year the directors determine the amount of monies to be allocated to the General Operating Fund. Any monies not allocated to the General Operating Fund are transferred to the Canadian Conservation Trust Fund in the Foundation.

### Property and Equipment Fund

The Property and Equipment Fund represents the net investment in WWF-Canada's property and equipment as described in note 5. Amounts required for the purchase of property and equipment are transferred from the General Operating Fund to the Property and Equipment Fund.

## 11 Donations in-kind

WWF-Canada received donations of media space and television time in support of its conservation programs. The approximate fair values of these donations, which are not recorded in the combined statement of operating funds, are as follows:

	2010	2009
	\$	\$
Raising awareness		
Climate change	1,869,468	1,350,146
Fundraising and administration		
Operating	405,846	479,454

## 12 Allocation of expenses

When presenting the financial results, various allocations are made on an appropriate and consistent basis to reflect the estimated actual cost of activities contributing to the WWF-Canada's goals and results (see note 3 for allocation bases).



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The fundraising and administration expenses reported in the statement of operations of \$6,075,646 (2009 - \$5,670,756) are reported after allocation of \$3,385,686 (2009 - \$4,502,758) of costs incurred in marketing, fundraising and communication departments to raising awareness and \$1,631,590 (2009 - \$1,423,505) of general support costs to program implementation.

### 13 Fundraising and administration

Fundraising and administration expenses are comprised of fundraising of \$4,973,005 (2009 - \$4,594,913) and administration of \$1,149,657 (2009 - \$1,119,212).

### 14 Lease commitments

WWF-Canada leases office equipment and premises under the terms of various lease agreements. Future annual payments under agreements presently in force are as follows:

	\$
2011	933,289
2012	759,611
2013	587,420
2014	190,077
2015	33,617
	<u>2,504,014</u>

### 15 Directors' remuneration

The directors of the Fund and the Foundation receive no remuneration in their roles as directors.

### 16 Capital management

WWF-Canada views its capital as the combination of its Operating Funds and the Capital Funds, which includes both restricted and unrestricted funds. Restricted Operating Funds are designated by donors for specific conservation projects. The restrictions for In Trust and Other Capital Funds are set out in note 9. Management believes it is in compliance with the restrictions of these funds. WWF-Canada's objective in managing its capital is to safeguard its ability to continue as a going concern and fulfill its mandate (note 1).

In order to meet these objectives, WWF-Canada has determined it should maintain a certain level of working capital for continuing operations, as detailed in note 8, in both its restricted and unrestricted Operating Funds to ensure the stability of its operations.

WWF-Canada's In Trust and Other Capital Funds are managed by investing the funds in a diversified portfolio of fixed income and equity securities, which is designed to earn an investment return, while still attempting to preserve the accumulated contributed capital.

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WWF-Canada's capital funds include the funds representing Property and Equipment and Planned Giving bequests, which have been received in the Planned Giving Capital Fund in the current year but which are not being released until the subsequent year.