

**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, 2009**

October 2, 2009

## **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, 2009, 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, 2009 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.

*PricewaterhouseCoopers LLP*  
**Chartered Accountants, Licensed Public Accountants**

# WWF-Canada

## Combined Statement of Financial Position

As at June 30, 2009

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	2009 \$	2008 \$
<b>Assets</b>		
<b>Cash and interest earning deposits</b>	6,225,435	9,827,015
<b>Fixed income securities</b> (note 3)	3,426,848	3,198,934
<b>Accounts receivable</b> (note 5(b))	700,615	501,723
<b>Prepaid expenses</b>	98,384	49,388
	<hr/> 10,451,282	<hr/> 13,577,060
<b>Investments</b> (note 6)	9,012,485	9,355,281
<b>Property and equipment</b> - net (note 4)	1,219,402	579,944
	<hr/> 20,683,169	<hr/> 23,512,285
<b>Liabilities</b>		
<b>Accounts payable and accrued liabilities</b>	1,241,899	1,774,573
	<hr/> 19,441,270	<hr/> 21,737,712
<b>Fund Balances</b>		
<b>Operating Funds</b>		
Unrestricted (note 7(a))	2,136,347	2,536,285
Restricted (note 7(b))	5,336,266	5,615,875
	<hr/> 7,472,613	<hr/> 8,152,160
<b>Capital Funds</b>		
In Trust and Other Capital (note 8)	9,330,901	10,319,795
Planned Giving (note 9)	1,418,354	2,685,813
Property and Equipment (note 9)	1,219,402	579,944
	<hr/> 11,968,657	<hr/> 13,585,552
	<hr/> 19,441,270	<hr/> 21,737,712

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, 2009

					2009	2008
	Operating Funds \$	In Trust and Other Capital \$	Planned Giving \$	Property and Equipment \$	Total \$	Total \$
<b>Revenue</b>						
Donations						
Individuals	10,262,089	110,000	2,873,806	-	13,245,895	17,606,340
Corporations	2,016,157	-	-	-	2,016,157	1,927,219
Foundations	3,047,111	-	-	-	3,047,111	3,304,225
Other non-profit	426,894	-	-	-	426,894	290,765
Government	1,061,629	-	-	-	1,061,629	780,476
WWF family (note 5(a))	321,472	-	-	-	321,472	450,810
Earned revenues						
Product sales, promotions, fees	2,108,016	-	-	-	2,108,016	1,488,528
Investment earnings	211,266	236,781	-	-	448,047	896,945
	19,454,634	346,781	2,873,806	-	22,675,221	26,745,308
<b>Grants and expenses</b>						
Program implementation	10,298,386	-	-	-	10,298,386	8,339,123
Research and grants	2,172,535	-	-	-	2,172,535	2,514,286
Conservation awareness (note 10)	5,513,082	-	-	-	5,513,082	5,336,445
Lobbying	65,031	-	-	-	65,031	53,677
Total conservation expenditure	18,049,034	-	-	-	18,049,034	16,243,531
Fundraising and administration (notes 10 and 11)	5,511,055	43,369	159,701	-	5,714,125	5,655,065
Amortization	-	-	-	332,889	332,889	335,447
	23,560,089	43,369	159,701	332,889	24,096,048	22,234,043
<b>Excess (deficiency) of revenue over grants and expenses</b>	(4,105,455)	303,412	2,714,105	(332,889)	(1,420,827)	4,511,265
<b>Fund balances - Beginning of year</b>	8,152,160	10,319,795	2,685,813	579,944	21,737,712	17,902,476
<b>Current year realized losses on investments</b>	-	(98,029)	-	-	(98,029)	-
<b>Current year unrealized gain (losses) on investments</b>	89,399	(866,985)	-	-	(777,586)	(676,029)
<b>Interfund transfers (note 9)</b>	3,336,509	(327,292)	(3,981,564)	972,347	-	-
<b>Fund balances - End of year</b>	7,472,613	9,330,901	1,418,354	1,219,402	19,441,270	21,737,712

# WWF-Canada

## Combined Statement of Specific Operating Funds and Changes in Fund Balances For the year ended June 30, 2009

								2009	2008	
	Climate Change \$	Greater Antilles \$	Mackenzie River Basin \$	North West Atlantic \$	Pacific	Conservation Science, Policy & Planning \$	Species at Risk \$	General \$	Total \$	Total \$
<b>Revenue</b>										
Donations										
Individuals	-	21,313	32,030	52,500	11,800	61,250	129,078	9,954,118	10,262,089	10,516,749
Corporations	302,261	70,000	-	52,540	250,039	654,155	76,225	610,937	2,016,157	1,927,219
Foundations	374,156	216,400	240,199	50,000	959,416	1,002,510	19,500	184,930	3,047,111	3,304,225
Other non-profit	150,000	6,750	125,000	-	20,664	10,000	-	114,480	426,894	290,765
Government	41,209	74,272	121,520	97,000	65,040	-	626,588	36,000	1,061,629	780,476
WWF family (note 5(a))	-	-	52,357	145,697	-	78,608	44,810	-	321,472	450,810
Earned revenues										
Product sales, promotions and fees	-	-	16,202	1,310	-	18,000	108,132	1,964,372	2,108,016	1,488,528
Investment earnings	158	181	-	-	3,447	21,251	420	185,809	211,266	353,910
	867,784	388,916	587,308	399,047	1,310,406	1,845,774	1,004,753	13,050,646	19,454,634	19,112,682
<b>Grants and expenses</b>										
Program implementation	1,082,709	1,162,540	1,564,887	1,323,998	1,924,390	2,570,255	668,427	1,180	10,298,386	8,339,123
Research and grants	13,000	232,067	159,964	-	147,801	346,666	1,154,855	118,182	2,172,535	2,514,286
Conservation awareness (note 10)	-	-	-	-	-	-	-	5,513,082	5,513,082	5,336,445
Lobbying	41,714	-	768	6,265	-	14,078	2,206	-	65,031	53,677
Total conservation expenditure	1,137,423	1,394,607	1,725,619	1,330,263	2,072,191	2,930,999	1,825,488	5,632,444	18,049,034	16,243,531
Fundraising and administration (notes 10 and 11)	-	-	-	-	-	-	-	5,511,055	5,511,055	5,394,910
	1,137,423	1,394,607	1,725,619	1,330,263	2,072,191	2,930,999	1,825,488	11,143,499	23,560,089	21,638,441
<b>Excess (deficiency) of revenue over grants and expenses</b>	(269,639)	(1,005,691)	(1,138,311)	(931,216)	(761,785)	(1,085,225)	(820,735)	1,907,147	(4,105,455)	(2,525,759)
<b>Fund balances - Beginning of year</b>	341,378	348,151	634,254	485,375	662,002	1,693,255	1,070,355	2,917,390	8,152,160	6,955,198
<b>Current year unrealized gain on investments</b>	-	-	-	-	-	-	-	89,399	89,399	-
<b>Interfund transfers (note 9)</b>										
Operating	661,217	794,763	905,977	735,274	948,941	1,152,196	414,716	(5,469,516)	143,568	183,185
Property and Equipment	-	-	-	-	-	(57,497)	-	(914,850)	(972,347)	(320,546)
Planned Giving	-	-	-	-	-	-	-	3,837,996	3,837,996	3,402,898
Transfer from WWF Foundation	-	-	-	-	-	-	41,202	286,090	327,292	457,184
<b>Fund balances - End of year</b>	732,956	137,223	401,920	289,433	849,158	1,702,729	705,538	2,653,656	7,472,613	8,152,160
<b>Unrestricted</b>	-	-	-	-	-	-	-	2,136,347	2,136,347	2,536,285
<b>Restricted</b>	732,956	137,223	401,920	289,433	849,158	1,702,729	705,538	517,309	5,336,266	5,615,875
	732,956	137,223	401,920	289,433	849,158	1,702,729	705,538	2,653,656	7,472,613	8,152,160

# WWF-Canada

## Combined Statement of Cash Flows

For the year ended June 30, 2009

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	<b>2009</b>	<b>2008</b>
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over grants and expenses	(1,420,827)	4,511,265
Non-cash item		
Amortization of property and equipment	332,889	335,447
Change in non-cash working capital items		
(Increase) decrease in accounts receivable	(198,892)	111,449
(Increase) decrease in prepaid expenses	(48,996)	23,121
Increase (decrease) in accounts payable and accrued liabilities	(532,674)	581,621
	<u>(1,868,500)</u>	<u>5,562,903</u>
<b>Investing activities</b>		
Purchases of property and equipment - net	(972,347)	(320,546)
Purchases of fixed income securities - net	(138,515)	(155,285)
Purchases of investments - net	(622,218)	(1,066,959)
	<u>(1,733,080)</u>	<u>(1,542,790)</u>
<b>Increase (decrease) in cash and interest earning deposits during the year</b>	(3,601,580)	4,020,113
<b>Cash and interest earning deposits - Beginning of year</b>	<u>9,827,015</u>	<u>5,806,902</u>
<b>Cash and interest earning deposits - End of year</b>	<u>6,225,435</u>	<u>9,827,015</u>

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

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### 1 Basis of presentation

These 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 interest 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, 2009, are available.

### 2 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 classifies its financial instruments as follows:

Assets/liabilities	Category	Measurement
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.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

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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.

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.

WWF-Canada has chosen to continue to apply Section 3861, Financial Instruments - Disclosure and Presentation, of The Canadian Institute of Chartered Accountants (CICA) Handbook in place of Sections 3862, Financial Instruments - Disclosures, and 3863, Financial Instruments - Presentation.

### 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) 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 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.



# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

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### 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.

### 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 may differ from those estimates.

### Change in accounting policy

In December 2006, the CICA issued a new Handbook standard on capital disclosures, Section 1535, which requires disclosure of an entity's objectives, policies and processes for managing capital, information about what is considered capital and whether an entity has complied with any capital requirements and the consequences of non-compliance with such capital requirements (note 14). WWF-Canada adopted the standard for the year ended June 30, 2009.

## 3 Fixed income securities

Fixed income securities consist of bonds and money market instruments. As at June 30, 2009, the maturity dates of these securities ranged between March 2010 and March 2014, with interest rates varying between 3.55% and 4.25%.

## 4 Property and equipment

	<b>2009</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</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>

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

	<b>2008</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	\$	amortization	\$
		\$	\$
Furniture and fixtures	521,757	372,008	149,749
Leasehold improvements	862,319	758,193	104,126
Computer software	343,093	259,801	83,292
Computer hardware	1,168,709	938,281	230,428
Office equipment	219,148	213,583	5,565
Artwork	6,784	-	6,784
	<u>3,121,810</u>	<u>2,541,866</u>	<u>579,944</u>

### 5 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>2009</b>	<b>2008</b>
	\$	\$
International	10,028	149,032
Netherlands	159,799	188,192
United Kingdom	52,357	34,982
United States	76,718	66,304
European Policy programme office	22,570	-
Norway	-	12,300
	<u>321,472</u>	<u>450,810</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 \$1,961,152 (2008 - \$1,465,706).

- b) At June 30, 2009, WWF-Canada had amounts owing from various WWF family members for project funding and reimbursable expenses amounting to \$144,080 (2008 - \$nil). These amounts are included in accounts receivable.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

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### 6 Investments

	2009 \$	2008 \$
Fixed income securities	3,695,390	3,420,958
Equity shares	4,218,098	4,528,975
Equity pooled funds	1,098,997	1,405,348
	<hr/> 9,012,485	<hr/> 9,355,281

- a) Fixed income securities consist of bonds and money market instruments. As at June 30, 2009, the maturity dates of these securities ranged between January 2010 and June 2067, with interest rates varying between 4.0% and 8.5%.
- b) Included in investments are amounts that are subject to currency risk and which will be settled in US dollars - CA\$2,490,674 (2008 - CA\$2,650,254) at year-end.

### 7 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.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

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### 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. Details of these restricted Operating Funds are as follows:

	2009 \$	2008 \$
Climate Change	732,956	341,378
Greater Antilles	137,223	348,151
Mackenzie River Basin	401,920	634,254
North West Atlantic	289,433	485,375
Pacific	849,158	662,002
Conservation Science, Policy & Planning	1,702,728	1,693,255
Species at Risk	705,538	1,070,355
General - Education and other	517,310	381,105
	<hr/> 5,336,266	<hr/> 5,615,875

#### Climate Change

Represents designated resources used in working with government, corporations and individuals to decrease greenhouse gas emissions and ensure the effects of climate change are as minimal as possible by improving energy efficiency (e.g., of buildings and major appliances), encouraging demand for clean, renewable power and increasing clean and “green” energy supply by promoting proactive companies that offer energy alternatives, and in developing ecoregional management plans for adaptation to the impacts that climate change is likely to have on habitat and species.

#### Greater Antilles

Represents designated resources used to develop and promote plans and measures to create marine protected areas in Cuba, advance sustainable fisheries and tourism through community initiatives, and to protect priority species within the region on behalf of the WWF Network.

#### Mackenzie River Basin

Represents designated resources used to safeguard ecosystems in this northern region through partnerships with government agencies, industry and Aboriginal communities. The focus for much of this work is participation in the Mackenzie Valley Pipeline hearings process, to ensure conservation principles are embedded in the pipeline project, and in the implementation of the NWT Protected Areas Strategy through support of local communities in their land use planning.

# **WWF-Canada**

Notes to Combined Financial Statements

**June 30, 2009**

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## **North West Atlantic**

Represents designated resources used in the Atlantic region to work with government, industry, fishers, scientists and local communities to protect priority habitats and species, reduce pollution in the marine environment, strengthen relevant government policies and programs, and advance sustainable use of ocean resources. The focus of the work is the establishment of a network of marine protected areas in Atlantic Canada, the long-term restoration and protection of the Grand Banks, and reduction of cod, coral and right whale bycatch in fishing gear.

## **Pacific**

Represents designated resources used in the Pacific region in working with conservation groups, First Nations, scientists, governments, industry and local communities to identify and promote establishment of a network of marine protected areas on the Pacific Coast, advance ecosystem based management in the Pacific North Coast region, identify and protect species at risk and work with selected forest sector companies to improve the sustainability of their operations.

## **Conservation Science, Policy & Planning**

Represents designated resources primarily used to help regional programs deliver on goals by developing WWF Network alliances and other partnerships to address threats and opportunities that require action at national or international levels (e.g., global industries). This includes work with forest sector companies to advance sustainable forest management through the Forest Stewardship Council (FSC) certification in Canada's commercial forest estate and increase market support for FSC wood products. It also includes resources used to advance implementation of progressive oceans policies and provide momentum to support implementation of regional marine conservation work. Resources are also used to monitor, report and evaluate conservation program performance as well as address issues of emerging importance to WWF, such as conservation of freshwater ecosystems.

## **Species at Risk**

Represents designated resources applied through the Endangered Species Recovery Fund to fund high-quality research and advocacy projects for the recovery of wildlife at risk, led by universities and conservation groups across Canada.

## **General - education and other**

Represents designated resources used to support WWF-Canada's Schools for Wildlife program, which promotes conservation action by Canadian youth.

## **Reorganization of programs at the end of the year**

As at the end of the year, the conservation programs have been refocused and reorganized, which will affect the way fund balances will be presented next year. The existing opening restricted fund balances for the fiscal year ending June 30, 2010 will be aligned under these new program headings, which are:

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

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Climate Change (including Arctic, Tar Sands and Transportation), Water (including Freshwater and Ocean), People (including Business Mobilization and Public Mobilization) and Other (including Greater Antilles; Mackenzie River Basin; Pacific; Conservation Policy, Planning and Partnerships; and Species at Risk).

### 8 In Trust and Other Capital Funds

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

	2009	2008
	\$	\$
Signatures Fund	338,291	378,377
Canadian Conservation Trust	3,362,871	3,752,831
200 Canadians Trust	1,717,246	1,917,744
“1001” Nature Trust	2,032,914	2,154,669
Beryl Ivey Conservation Fund	893,228	1,013,904
Brocklehurst-Jourard Education Fund	831,386	929,010
The Kenneth M. Molson Fund for Endangered Birds	154,965	173,260
	<hr/>	<hr/>
	9,330,901	10,319,795

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 2009, the percentage of 3.5% was paid out, whereas in prior years, the percentage had been 5%.

#### 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.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2009

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### **“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 Conservation Fund**

The Beryl Ivey Conservation 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.

### **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.

## **9 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 4. Amounts required for the purchase of property and equipment are transferred from the General Operating Fund to the Property and Equipment Fund.

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## Notes to Combined Financial Statements

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### 10 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:

	2009 \$	2008 \$
Conservation awareness		
Climate Change	1,350,146	3,924,194
Fundraising and administration		
Operating	479,454	423,912

### 11 Fundraising and administration

Fundraising and administration expenses are comprised of fundraising of \$4,594,913 (2008 - \$4,556,271) and administration of \$1,119,212 (2008 - \$1,098,794).

### 12 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:

	\$
2010	867,540
2011	845,578
2012	691,619
2013	523,808
2014	130,952
	<u>3,059,497</u>

### 13 Directors' remuneration

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

### 14 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 8. Management believes that it is in compliance with the restrictions of these funds. WWF-Canada's objective in managing the capital is to safeguard its ability to continue as a going concern and fulfill its mandate (note 1).



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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 7, 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.

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.

### 15 Recent accounting pronouncements issued and not yet adopted

Recent amendments to the CICA Section 4400, Financial Statement Presentation by Not-For-Profit Organizations, will modify the requirements with respect to various elements of financial statement presentation. The amendments relevant to WWF-Canada are:

- Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations, requires that when a not-for-profit organization classifies its expenses by function and allocates some of its fundraising and general support cost to another function, it is required to disclose the policy adopted for expenses and amounts allocated from each of these two functions to other functions;
- the elimination of the requirement to treat assets invested in capital assets as a separate component of net assets; and
- the requirement to assess capital assets periodically for impairment.

The new standards apply to financial statements relating to fiscal years beginning on or after January 1, 2009, specifically July 1, 2009 for WWF-Canada. This standard will impact WWF-Canada's disclosures, but will not affect its results of operations or financial position.