



**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, 2015**

October 31, 2015

Independent Auditor's 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 accompanying combined financial statements 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 (hereafter collectively, WWF-Canada), which comprise the combined statement of financial position as at June 30, 2015, and the combined statement of operations and changes in fund balances, specific operating funds and changes in fund balances and cash flow for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements  
Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of combined 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 combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

PricewaterhouseCoopers LLP  
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October 21, 2015

## **Independent Auditor's Report**

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

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

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North American Centre, 5700 Yonge Street, Suite 1900, North York, Ontario, Canada M2M 4K7  
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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



(in thousands of dollars)

2015	2014
28,898	28,898
12,470	14,788
1,000	1,048
10,388	10,520
1,843	1,702
10,308	11,868
887	1,111
12,470	14,788
343	227
12,783	14,988
28,898	28,898

**Opinion**

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of WWF-Canada as at June 30, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

Assets  
 Accounts receivable (note 5(d))  
 Prepaid expenses and other assets  
 Property and equipment (note 6)  
 Liabilities  
 Current liabilities  
 Accounts payable and accrued liabilities  
 Fund Balances  
 Operating funds  
 Unrestricted  
 Restricted  
 Planned giving  
 Capital funds  
 in trust and other capital (note 7)  
 Property and equipment  
 Commitments (note 11)

Approved by the Board of Directors

Director

*Manjiv Dhillon*

Director

*David G. F.*

The accompanying notes are an integral part of these combined financial statements.

# WWF-Canada

## Combined Statement of Financial Position

As at June 30, 2015

(in thousands of dollars)

	2015 \$	2014 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	10,944	9,348
Investments (note 4)	17,700	16,326
Accounts receivable (note 5(b))	316	485
Prepaid expenses and other assets	508	356
	<u>29,468</u>	<u>26,515</u>
<b>Property and equipment (note 6)</b>	<u>227</u>	<u>343</u>
	<u>29,695</u>	<u>26,858</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	<u>1,702</u>	<u>1,843</u>
<b>Fund Balances</b>		
<b>Operating funds</b>		
Unrestricted	1,646	1,000
Restricted	10,250	9,365
	<u>11,896</u>	<u>10,365</u>
<b>Planned giving</b>	<u>1,111</u>	<u>897</u>
<b>Capital funds</b>		
In trust and other capital (note 7)	14,759	13,410
Property and equipment	227	343
	<u>14,986</u>	<u>13,753</u>
	<u>29,695</u>	<u>26,858</u>
<b>Commitments (note 11)</b>		

Approved by the Board of Directors

Director

Director

The accompanying notes are an integral part of these combined financial statements.

# WWF-Canada

## Combined Statement of Operations and Changes in Fund Balances For the year ended June 30, 2015

(in thousands of dollars)

	2015			2014		
	Operating funds \$	In trust and other capital \$	Planned giving \$	Property and equipment \$	Total \$	Total \$
<b>Revenue</b>						
Donations						
Individual Corporations	10,052	50	2,448	-	12,550	12,804
Foundations	4,112	-	-	-	4,112	4,106
Other non-profit	1,888	-	-	-	1,888	2,862
Government	185	-	-	-	185	240
WWF family (note 5(a))	203	-	-	-	203	262
WWF family (note 5(a))	2,374	-	-	-	2,374	2,808
Earned revenues	1,222	-	-	-	1,222	1,454
Product sales, event promotions and fees	162	366	-	-	528	506
Investment earnings						
	20,198	416	2,448	-	23,062	25,042
<b>Expenses</b>						
Program implementation (note 9)	9,838	-	-	-	9,838	11,154
Research and grants	2,393	-	-	-	2,393	3,527
Raising awareness (note 9)	3,092	-	-	-	3,092	3,400
Lobbying	7	-	-	-	7	120
Fundraising and administration (notes 9 and 10)	15,330	-	-	-	15,330	18,201
Amortization of property and equipment	5,756	64	240	-	6,060	5,976
	-	-	-	138	138	173
	21,086	64	240	138	21,528	24,350
<b>Excess (deficiency) of revenue over expenses before fair value changes on investments</b>	(888)	352	2,208	(138)	1,534	692
<b>Fair value changes on investments</b>	12	1,432	-	-	1,444	1,643
<b>Excess (deficiency) of revenue over expenses for the year</b>	(876)	1,784	2,208	(138)	2,978	2,335
<b>Fund balances - Beginning of year</b>	10,365	13,410	897	343	25,015	22,680
<b>Interfund transfers</b>	2,407	(435)	(1,994)	22	-	-
<b>Fund balances - End of year</b>	11,896	14,759	1,111	227	27,993	25,015

The accompanying notes are an integral part of these combined financial statements.

# WWF-Canada

## Combined Statement of Specific Operating Funds and Changes in Fund Balances For the year ended June 30, 2015

(in thousands of dollars)

	2015					2014		
	Arctic	Oceans	Fresh water	Community engagement	Global conservation and other	Restricted \$	Unrestricted \$	Total \$
<b>Revenue</b>								
Donations								
Individuals	399	67	15	15	68		9,488	10,376
Corporations	1,423	380	478	1,126	39		666	4,106
Foundations	216	953	234	25	257		203	1,888
Other non-profit	-	-	-	-	-		185	240
Government	19	211	13	-	(40)		-	262
WWF family (note 5(a))	2,369	5	-	-	-		-	2,808
Product sales, event promotions and fees	-	-	50	-	-		1,172	1,454
Investment earnings	-	13	3	-	-		146	171
	4,426	1,629	793	1,166	324		11,860	20,198
<b>Expenses</b>								
Conservation								
Program implementation	3,186	2,882	1,425	958	1,028		359	9,838
Research and grants	1,550	120	382	4	299		38	2,393
Raising awareness	-	7	-	-	-		3,092	3,400
Lobbying	-	-	-	-	-		-	120
Fundraising and administration (notes 9 and 10)	4,736	3,009	1,807	962	1,327		3,489	18,201
	-	-	-	-	-		5,756	5,750
	4,736	3,009	1,807	962	1,327		9,245	21,086
<b>Excess (deficiency) of revenue over expenses before fair value changes on investments</b>	(310)	(1,380)	(1,014)	204	(1,003)		2,615	(888)
<b>Fair value changes on investments</b>	-	-	-	-	-		12	5
<b>Excess (deficiency) of revenue over expenses for the year</b>	(310)	(1,380)	(1,014)	204	(1,003)		2,627	(1,667)
<b>Fund balances - Beginning of year</b>	3,820	1,889	1,603	1,040	1,014		999	10,365
<b>Interfund transfers (note 3)</b>								
Operating	1,315	1,186	365	409	775		(4,050)	-
Property and equipment	-	(2)	(20)	-	-		(22)	(171)
Planned giving	-	110	60	-	55		1,769	1,994
Transfer from the Foundation	-	-	40	36	38		321	435
<b>Fund balances - End of year</b>	4,825	1,803	1,054	1,689	879		1,646	11,896
<b>Unrestricted</b>	-	-	-	-	-		1,646	1,000
<b>Restricted</b>	4,825	1,803	1,054	1,689	879		-	10,250
	4,825	1,803	1,054	1,689	879		1,646	11,896

The accompanying notes are an integral part of these combined financial statements.

# WWF-Canada

## Combined Statement of Cash Flows

For the year ended June 30, 2015

WWF-Canada  
Notes to Combined Financial Statements  
June 30, 2015

(in thousands of dollars)

(in thousands of dollars)

	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	2,978	2,335
Non-cash items		
Amortization of property and equipment	138	173
Fair value changes on investments	(1,444)	(1,643)
Net change in non-cash working capital items		
Accounts receivable	169	(40)
Prepaid expenses and other assets	(152)	(19)
Accounts payable and accrued liabilities	(141)	285
	<u>1,548</u>	<u>1,091</u>
<b>Investing activities</b>		
Purchase of property and equipment	(22)	(171)
Disposition (purchase) of investments - net	70	(389)
	<u>48</u>	<u>(560)</u>
<b>Increase in cash and cash equivalents during the year</b>	<b>1,596</b>	<b>531</b>
<b>Cash and cash equivalents - Beginning of year</b>	<b>9,348</b>	<b>8,817</b>
<b>Cash and cash equivalents - End of year</b>	<b>10,944</b>	<b>9,348</b>

The accompanying notes are an integral part of these combined financial statements.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

(in thousands of dollars)

### 1 Basis of presentation

These combined financial statements represent the combined financial statements of the individual entities, World Wildlife Fund Canada - Fonds mondial pour la nature Canada (the Fund) and World Wildlife Fund Canada Foundation - Fondation du fonds mondial pour la nature Canada (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. The Fund and the Foundation were incorporated on May 16, 1967 and August 17, 1982, respectively, by letters patent issued under Part 2 of the Canada Corporations Act, without share capital, and were continued under the Canada Not-for-profit Corporations Act on July 22, 2013. Both organizations are registered charities under the Income Tax Act (Canada) and, accordingly, are exempt from income taxes.

Audited financial statements for each of these entities, as at June 30, 2015 and 2014 and for the years ended June 30, 2015 and 2014, are available.

### 2 Conservation programs

WWF-Canada's priority programs are as follows:

#### 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 works 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. The organization also works to change the policies and practices in the Arctic from exploitation to stewardship by enabling resilience-based ecosystem management, establishing best practices for shipping, fishing and hydrocarbon development, and promoting sound governance.

#### 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 works to catalyze a transition to sustainable seafood, smart ocean 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 Canada's uses increasingly conflict with nature's needs. Yet, the health of Canada's water at a national level remains an unknown. WWF-Canada works to protect and restore natural flow and water quality to secure healthy waters in Canada's rivers. Using the first Canada-wide health water assessments of the



# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

(in thousands of dollars)

country's watersheds, WWF-Canada can begin to catalyze lasting change in water policy globally. WWF also works with and supports the efforts of water stewards across the country, as well as engages communities in dialogues to shape a vision to protect their waters and help recommend the right laws, rules and citizen action needed to protect a healthy water future in Canada.

### Community engagement

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, the organization will bring people closer to nature and ensure a living planet for people and nature to live and thrive in harmony together.

### Global conservation and other

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

This category also includes restricted balances, which are not part of the priority programs.

During the year, WWF-Canada developed a new 5 Year Plan that represents the next generation of conservation achievement, which will be implemented in 2016 and beyond.

By linking healthy habitats with the economic well-being of communities, WWF-Canada is seeking to build long-lasting, science-based solutions. When critical habitat is threatened, WWF-Canada will stand with nature and science to protect nature for future generations.

WWF-Canada will demonstrate the possible in six iconic regions and five economic sectors where nature and economy interactions put Canada's true wealth - nature - at risk.

During the year, the organization implemented a change in the grouping of these programs within the restricted category of the non-combined financial statements in order to more accurately reflect the nature of WWF-Canada's ongoing projects. These changes are reflected in the non-combined statement of specific operating funds and changes in net balances and can be summarized as follows:

- The program previously titled 'Footprint Reduction' was renamed 'Community engagement'.
- The Climate and Energy program was merged with the Community engagement and Global conservation and other programs, resulting in differences in the opening balances for 2015.

### 3 Summary of significant accounting policies

The combined financial statements of WWF-Canada have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accrual basis of accounting is used for reporting all revenue and expenses.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

(in thousands of dollars)

### Revenue recognition

WWF-Canada follows the restricted fund method of accounting for contributions:

- Restricted contributions specifically earmarked for conservation projects are allocated to the appropriate fund when received, or deferred and recognized in the unrestricted fund if they relate to a conservation project that does not fit under existing programs.
- Unrestricted contributions are recognized as revenue of the unrestricted fund when received.
- Investment income is recognized as revenue when earned. Other revenue (including product sales, event promotions and fees) is recognized when the service is provided or the goods are sold.

### Funds

- Operating funds

The operating funds include both restricted and unrestricted amounts.

- The restricted fund represents the organization's priority conservation programs, as well as other contributions for conservation projects that do not fit under a priority program.

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 three to five months. Normally, funds received are expended within 12 months, but sometimes funds received relate to multi-year programs and commitments and are held for more than 12 months.

- The unrestricted general fund represents unspent unrestricted revenues. To the extent they are not required to support general operations, discretionary revenues are transferred as required to fund a variety of projects within each conservation program.
- Planned giving fund
  - The planned giving fund represents amounts received from bequests through the planned giving program, which have not been used to fund ongoing conservation programs.
  - All bequests received through this program are initially recorded in the planned giving fund. Funds restricted by donors for specific programs are transferred to the restricted operating fund for the respective program. Each year, the directors determine the amount to be allocated to the unrestricted fund. The remaining amounts are considered to be internally restricted by the Board of Directors for future use.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

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(in thousands of dollars)

- Capital funds

- In trust and other capital funds

The in trust and other capital funds represent assets donated to be held in trust and other capital funds designated by the Board of Directors (note 7).

- Property and equipment fund

The property and equipment fund represents the net investment in WWF-Canada's property and equipment as described in note 6. Amounts required for the purchase of property and equipment or representing donated property and equipment are transferred from the unrestricted fund to the property and equipment fund and are considered to be internally restricted.

### Financial assets and liabilities

WWF-Canada initially measures cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities at fair value and subsequently at amortized cost.

WWF-Canada initially measures its investments on the combined statement of financial position at fair value. WWF-Canada has elected to subsequently measure its investments at fair value, with changes in fair value recorded in the combined statements of operations and changes in fund balances and specific operating funds and changes in fund balances. Transaction costs associated with the acquisition and disposal of the investments are expensed as incurred. Since these investments are available for liquidation within one year from the combined statement of financial position date, they have been classified as a current asset.

Financial assets, other than those measured at fair value, are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

### Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with initial maturities of three months or less.

### Property and equipment

Amounts required for the purchase of property and equipment are transferred from the unrestricted 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 at the date of acquisition. If a fair value cannot be reasonably determined, the donated asset is recorded at nominal value.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

(in thousands of dollars)

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

Furniture and fixtures	straight-line over 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

WWF-Canada reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to WWF-Canada, the excess of net carrying value is recognized as an expense in the non-combined statement of operations and changes in fund balances.

### Leases, rent expense and deferred lease inducements

Leases are accounted for as operating leases wherein rental payments are initially recorded in rent expense and are adjusted to a straight-line basis over the term of the related lease. The difference between the straight-line rent expense and the rental payments, as stipulated under the lease agreement, is included in accounts payable and accrued liabilities.

Deferred lease inducements represent cash benefits WWF-Canada has received from landlords pursuant to lease agreements. Lease inducements received are amortized over the term of the related lease agreement. The unamortized portion of lease inducements is included in accounts payable and accrued liabilities.

### 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 and changes in fund balances. Donations of media space, television time and legal services are disclosed in the notes to the combined financial statements at an amount based on the information provided by the respective service providers. WWF-Canada also benefits from substantial services in the form of volunteer time. As the value of these services cannot be readily determined, they are not recorded in these combined financial statements.

### Foreign currency

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

### 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 cost of activities contributing to WWF-Canada's goals and results.

**WWF-Canada**  
**Notes to Combined Financial Statements**  
**June 30, 2015**

(in thousands of dollars)

Actual 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 are based on staff headcount.

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

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

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

**Use of estimates**

The preparation of combined financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the combined financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**4 Investments**

	2015 \$	2014 \$
Fixed income securities (i)	8,045	7,419
Equity shares	8,998	8,284
Equity pooled funds	657	623
	17,700	16,326

- i) Fixed income securities consist of bonds and money market instruments. As at June 30, 2015, the maturity dates of these securities ranged between September 2015 and December 2108 (2014 - September 2014 and December 2108), with interest rates varying between 1.20% - 7.4% (2014 - 1.31% - 7.40%).

As at June 30, 2015, there are CA\$4,793 (2014 - CA\$4,368) included in investments, which will have to be settled in US dollars.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

(in thousands of dollars)

### 5 Related party transactions

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- a) The WWF family is related as they are under common significant influence through their relationship with World Wide Fund for Nature International (WWF International).

During the year, 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.

	2015 \$	2014 \$
International	913	308
United Kingdom	652	564
United States	233	572
Belgium	224	61
Netherlands	195	868
Sweden	157	378
Other	-	57
	2,374	2,808

As a result of the National Organization Agreement between WWF-Canada and WWF International dated June 6, 1995, a fee is paid by the organization to WWF International, headquartered in Gland, Switzerland, for services and benefits primarily related to conservation program implementation and awareness. The fee amounted to \$1,594 (2014 - \$1,530) and is included in conservation program implementation and fundraising and administration.

- b) As at June 30, 2015, WWF-Canada had amounts owing from various WWF family members for project funding and reimbursable expenses amounting to \$7 (2014 - \$203). These amounts are included in accounts receivable.

### 6 Property and equipment

	2015		2014	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and fixtures	466	366	100	152
Leasehold improvements	1,368	1,341	27	32
Computer software	164	164	-	1
Computer hardware	774	709	65	135
Office equipment	162	144	18	6
Artwork	17	-	17	17
	2,951	2,724	227	343

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

(in thousands of dollars)

During the year, fully amortized assets no longer in use with an original cost of \$nil (2014 - \$638) were written off.

### 7 In trust and other capital fund balances

At year-end the fund balances were as follows:

	2015 \$	2014 \$
Internally restricted		
Canadian Conservation Trust	5,042	4,561
Externally restricted		
Signatures Fund	505	461
Endowments		
200 Canadians Trust	2,545	2,325
"1001" Nature Trust	3,093	2,817
Beryl Ivey Fund	1,411	1,271
Brocklehurst-Jourard Education Fund	1,238	1,131
The Kenneth M. Molson Fund for Endangered Birds	231	211
The Sobey Fund for Oceans	694	633
	<u>14,759</u>	<u>13,410</u>

The funds are invested to produce income and preserve capital. Each year, a payout 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 2015, the amount of \$435 (2014 - \$385) approximating to 3.6% (2014 - 3.5%) was paid out.

Details of the funds are as follows:

**Internally restricted** - comprise amounts that have been internally restricted by the Board of Directors for future use. Contributions recorded in this fund are unrestricted in nature.

- **Canadian Conservation Trust**

This fund was started 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 from bequests to the planned giving program of WWF-Canada, 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.

**Externally restricted** - this fund comprises amounts that are to be used for specific purposes as specified by the donors, or as stipulated in any related fundraising appeal.

- **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 the administrative costs of WWF-Canada. The capital can be used for special fundraising activities at the discretion of the Board.

# WWF-Canada

## Notes to Combined Financial Statements

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(in thousands of dollars)

**Endowments** - this fund comprises internally and externally restricted amounts where the endowment principal is to be maintained intact.

- **200 Canadians Trust**

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

- **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 WWF-Canada Education program. This program is for children aged four to 14, 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.

- **The Sobey Fund for Oceans**

The Sobey Fund for Oceans was established as a permanent endowment in 2011, with a donation from the Donald R. Sobey Foundation. Income from this fund will be used to support the Oceans Program, Atlantic Region of WWF-Canada and focuses on harnessing leadership and innovation for the sustainable use of our oceans. Specifically, the income will provide opportunities for students to gain work experience at WWF-Canada, and in collaboration with Dalhousie University, ocean conservation scholarships.



**WWF-Canada**  
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**8 Donations in-kind**

WWF-Canada received donations of media space and television time in support of its conservation programs as well as donations of legal services throughout the year. The approximate value of these donations, based on the information provided by the respective service providers, which is not recorded in the combined statements of operations and changes in fund balances and specific operating funds and changes in fund balances, is as follows:

	2015 \$	2014 \$
Raising awareness		
Climate change	-	1,328
Fundraising and administration		
Operating	2,555	1,218

During the year, donations for legal services provided amounted to \$68 (2014 - \$56).

**9 Allocation of expenses**

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

The fundraising and administration expenses reported in the combined statement of operations and changes in fund balances are reported after the following allocations:

	2015 \$	2014 \$
Marketing, fundraising and communication costs allocated to raising awareness	3,092	3,400
General support costs allocated to program implementation	1,037	1,018

**10 Fundraising and administration**

Fundraising and administration expenses are comprised of fundraising of \$5,149 (2014 - \$5,070) and administration of \$911 (2014 - \$906).

(in thousands of dollars)

**11 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:

	\$
2016	430
2017	355
2018	279
2019	275
2020	277
Thereafter	<u>741</u>
	<u>2,357</u>

**12 Transactions with Board members**

The directors of WWF-Canada receive no remuneration from WWF-Canada as a result of their roles as Board members.

In addition, WWF-Canada has not made any payment for products or services to Board members or companies in which a Board member is an owner or partner. Payments for products of \$18 (2014 - \$nil) were made to a public company in which a Board member is a senior manager.

**13 Financial risks**

**Investment risk management**

WWF-Canada invests in fixed income securities and equity shares. The investment managers of WWF-Canada must adhere to the investment policies governing these investments, which are monitored by the Audit, Finance and Investment Committee. WWF-Canada's investing activities expose it to a variety of risks: market risk (including currency risk, interest rate risk and other price risk); credit risk; and liquidity risk.

**Market risk**

WWF-Canada's investments are susceptible to market risk, which is defined as the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

# WWF-Canada

## Notes to Combined Financial Statements

June 30, 2015

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(in thousands of dollars)

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

WWF-Canada manages its market risk by monitoring the performance of the individual investments and compliance of the investment managers with the set investment policies.

### **Credit risk**

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation and arises from WWF-Canada's cash and cash equivalents and accounts receivable. WWF-Canada views the risk in this area to be insignificant given the counterparties involved.

### **Liquidity risk**

Liquidity risk is the risk WWF-Canada may be unable to meet obligations in a timely manner. This risk is managed through WWF-Canada's ongoing monitoring of cash flow requirements and by ensuring the investment managers are able to close out market positions in order to meet the liquidity requirements of WWF-Canada.

