

**World Wildlife Fund, Inc. and
Subsidiaries**

Consolidated Financial Statements
Year Ended June 30, 2022

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Financial Statements
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World Wildlife Fund, Inc. and Subsidiaries

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

We have audited the consolidated financial statements of World Wildlife Fund, Inc. and Subsidiaries (the "Entity"), which comprise the consolidated statement of financial position of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for one year after the date the financial statements are issued or available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Arlington, Virginia
December 15, 2022

Consolidated Financial Statements

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Financial Position

<i>June 30,</i>	2022
Assets	
Current assets	
Cash and cash equivalents	\$ 70,920,925
Short-term investments	124,350,382
Accounts receivable	2,981,756
Contributions receivable, current portion	62,226,924
Pledges receivable, current portion	44,583,477
Advances to third parties	8,063,401
Prepaid assets	11,484,475
Other current assets	1,433,713
Total current assets	326,045,053
Noncurrent assets	
Long-term investments	231,977,945
Investments at cost	1,734,161
Pledges receivable, net of current	29,025,184
Contributions receivable, net of current portion	11,369,626
Long-term trust receivables	25,704,093
Other noncurrent assets	5,620,071
Land, building, and equipment, net	72,971,200
Total noncurrent assets	378,402,280
Total assets	\$ 704,447,333
Liabilities and net assets	
Current liabilities	
Accounts payable and accrued expenses	\$ 27,733,114
Grants payable	32,171,366
Refundable advances	15,496,496
Short-term operating lease liability	485,626
Current portion of long-term debt	5,196,000
Total current liabilities	81,082,602
Noncurrent liabilities	
Long-term debt, net of current portion	38,820,563
Long-term operating lease liability	390,434
Long-term refundable advances	1,384,100
Other long-term liabilities	9,519,468
Total noncurrent liabilities	50,114,565
Total liabilities	131,197,167
Net assets	
Without donor restrictions	184,762,534
With donor restrictions	388,487,632
Total net assets	573,250,166
Total liabilities and net assets	\$ 704,447,333

See accompanying notes to consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Activities

<i>Year Ended June 30,</i>	Without Donor Restriction	With Donor Restriction	Total 2022
Operating revenues			
Revenue			
Contributions of cash and other financial assets	\$ 107,260,223	\$ 131,866,268	\$ 239,126,491
Government grants and contracts	47,530,175	20,837,578	68,367,753
WWF network revenue	-	32,035,345	32,035,345
Royalties, service contracts, and other	10,185,167	-	10,185,167
Contributed nonfinancial assets	91,402,565	-	91,402,565
Allocation of quasi-endowment spending to operations	33,151,316	2,850,648	36,001,964
Total operating revenues	289,529,446	187,589,839	477,119,285
Net assets released from restrictions	119,408,446	(119,408,446)	-
Net operating revenues	408,937,892	68,181,393	477,119,285
Commercial building operations			
Revenues	2,048,487	-	2,048,487
Expenses	4,969,536	-	4,969,536
Loss from commercial building operations, net	(2,921,049)	-	(2,921,049)
Total revenues and other income, net	406,016,843	68,181,393	474,198,236
Operating expenses			
Program services			
Conservation field and policy programs	200,245,209	-	200,245,209
Public education	132,653,349	-	132,653,349
Total program services	332,898,558	-	332,898,558
Supporting services			
Finance and administration	22,919,569	-	22,919,569
Fundraising	50,198,716	-	50,198,716
Total supporting services	73,118,285	-	73,118,285
Total operating expenses	406,016,843	-	406,016,843
Cash flows provided by financing activities	-	68,181,393	68,181,393
Nonoperating activities			
Bequests, endowments, and split income gifts	29,430,854	(15,111,345)	14,319,509
Loss from investments, net	(33,472,565)	(14,194,890)	(47,667,455)
(Loss) gain on foreign currency exchange	(6,157)	183	(5,974)
Net assets released from restrictions	3,419	(3,419)	-
Total nonoperating activities	(4,044,449)	(29,309,471)	(33,353,920)
Total Allocation of quasi-endowment spending to operations	(33,151,316)	(2,850,648)	(36,001,964)
Change in net assets from nonoperating activities	(37,195,765)	(32,160,119)	(69,355,884)
Change in net assets	(37,195,765)	36,021,274	(1,174,491)
Net assets at beginning of year	221,958,299	352,466,358	574,424,657
Net assets at end of year	\$ 184,762,534	\$ 388,487,632	\$ 573,250,166

See accompanying notes to consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses

Year Ended June 30, 2022	Conservation Field and Policy Programs										2022 Total Operating Expenses	Commercial Building	2022 Total Expenses
	Global Conservation	Markets and Policy	Country Offices	Program Management	Total Conservation Field and Policy Programs	Public Education	Total Program Services	Finance and Administration	Fundraising	Total Supporting Services			
Project grants & contracts	\$ 64,821,051	\$ 11,186,328	\$ 31,554,749	\$ 199,373	\$ 107,761,501	\$ 2,335,443	\$ 110,096,944	\$ 1,052,120	\$ 1,322,762	\$ 2,374,882	\$ 112,471,826	\$ -	\$ 112,471,826
Salaries and benefits	31,474,898	15,657,579	19,366,354	6,402,134	72,900,965	10,816,880	83,717,845	14,547,475	15,559,911	30,107,386	113,825,231	-	113,825,231
In-kind expense	1,815,469	63,561	25,283	-	1,904,313	88,263,288	90,167,601	336,726	898,238	1,234,964	91,402,565	-	91,402,565
Printing and photocopying	30,785	46,998	324,627	2,191	404,601	6,792,857	7,197,458	1,864	7,701,391	7,703,255	14,900,713	-	14,900,713
Office supplies, postage and shipping	93,417	333,542	1,871,505	3,556	2,302,020	5,198,872	7,500,892	38,944	5,313,063	5,352,007	12,852,899	-	12,852,899
Staff travel and expenses	648,864	375,471	1,157,100	113,271	2,294,706	43,417	2,338,123	75,812	212,180	287,992	2,626,115	-	2,626,115
Facilities	1,852,673	542,980	1,109,065	166,701	3,671,419	821,689	4,493,108	418,023	912,584	1,330,607	5,823,715	-	5,823,715
Depreciation and other expenses	110,974	182,812	88,356	1,238,642	1,620,784	1,183,184	2,803,968	1,385,655	2,495,481	3,881,136	6,685,104	13,585	6,698,689
Advertising	28	-	427	-	455	4,526,802	4,527,257	-	4,086,269	4,086,269	8,613,526	-	8,613,526
Conferences and meetings	313,322	102,560	1,620,929	2,868	2,039,679	29,523	2,069,202	116,703	28,502	145,205	2,214,407	-	2,214,407
Field office rent, vehicles and equipment	110,663	109,930	1,246,673	649	1,467,915	151,082	1,618,997	1,307,037	252,582	1,559,619	3,178,616	-	3,178,616
Fees, dues & subscriptions	791,854	157,070	185,416	588,133	1,722,473	2,442,658	4,165,131	1,906,194	1,883,756	3,789,950	7,955,081	-	7,955,081
Professional fees and contracts	221,455	109,302	308,144	241,909	880,810	855,127	1,735,937	1,038,683	999,258	2,037,941	3,773,878	2,208	3,776,086
Premiums	1,095	1,371	3,554	332	6,352	2,051,904	2,058,256	4,129	1,896,866	1,900,995	3,959,251	-	3,959,251
Audio visual	5,730	5,500	638,189	5,910	655,329	6,577,472	7,232,801	-	6,124,642	6,124,642	13,357,443	-	13,357,443
Computer services	54,198	21,370	257,007	12,915	345,490	57,483	402,973	602,293	37,018	639,311	1,042,284	-	1,042,284
Mailing List Rental	-	-	-	-	-	503,077	503,077	-	460,156	460,156	963,233	-	963,233
Telephone	40,867	15,566	182,862	27,102	266,397	2,591	268,988	87,911	14,057	101,968	370,956	-	370,956
Building Costs	-	-	-	-	-	-	-	-	-	-	-	4,953,743	4,953,743
	\$ 102,387,343	\$ 28,911,940	\$ 59,940,240	\$ 9,005,686	\$ 200,245,209	\$ 132,653,349	\$ 332,898,558	\$ 22,919,569	\$ 50,198,716	\$ 73,118,285	\$ 406,016,843	\$ 4,969,536	\$ 410,986,379

See the accompanying notes to the consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended June 30,	2022
Cash flows from operating activities	
Change in net assets	\$ (1,174,491)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	6,099,084
Amortization of leasing commissions	100,425
Amortization of loan issuance costs	29,180
Write-off of bond premium and issuance costs	461,449
Unrealized and realized loss on investments	52,027,919
Contributions restricted in perpetuity	(200,000)
Accretion on multi-year pledges	1,406,116
Change in actuarial value of split interest agreements	15,526,343
Change in discount on contributions receivable	200,995
Write-off of uncollectible pledges and accounts receivables	39,503
Changes in assets and liabilities	
Accounts receivable	3,837,195
Pledges receivable	(31,661,874)
Advances to third parties	2,593,071
Contributions receivable	(33,328,996)
Prepaid assets	(2,714,415)
Other current assets	(738,967)
Long-term trust receivables	1,787,671
Other noncurrent assets	(504,918)
Accounts payable and accrued expenses	(2,338,958)
Grants payable	6,033,489
Deferred revenue	(318,712)
Refundable advances	3,662,152
Lease liability	(258,222)
Other long-term liabilities	(1,138,784)
Net cash provided by operating activities	19,426,255
Cash flows used in investing activities	
Purchases of building improvements and equipment	(2,777,190)
Purchases of investments	(77,236,159)
Proceeds from sale of investments	64,381,368
Net cash used in investing activities	(15,631,981)
Cash flows provided by financing activities	
Contributions restricted in perpetuity	200,000
Proceeds from issuance of loan payable	48,948,000
Principal payments on loan payable	(4,698,000)
Principal payments on taxable bonds	(43,425,000)
Payment of loan issuance costs	(262,617)
Net cash provided by financing activities	762,383
Increase in cash and cash equivalents	4,556,657
Cash and cash equivalents, beginning of year	\$ 66,364,268
Cash and cash equivalents, end of year	\$ 70,920,925
Required supplemental disclosure	
Cash payments for interest	\$ 4,643,855

See accompanying notes to consolidated financial statements.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

1. Summary of Accounting Policies

Organization

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

WWF focuses its work in six key areas:

Wildlife Conservation - conserving threatened wildlife and wild places to sustain life on Earth.

Forests - conserving the world's most important forests to sustain nature's diversity, benefit our climate, and support human well-being.

Freshwater - protecting the world's freshwater resources and landscapes to support biodiversity and human livelihoods.

Oceans - achieving resilient and productive oceans that support rich biodiversity, food security, and sustainable livelihoods.

Food - producing enough food to nourish everyone in the world while reducing the environmental footprint of food systems.

Climate - creating a climate-resilient and zero-carbon world, powered by renewable energy.

WWF works in partnership with communities, individuals, governments, businesses, and foundations to address the greatest threats to life on this planet and protect the natural resources that sustain and inspire us. Together we are:

- Safeguarding and restoring species and their habitats with both well-proven and innovative technologies, and cutting-edge social and ecological science.
- Supporting the ability of local communities to thrive while conserving the natural resources they depend upon.
- Transforming specific commodity markets to reduce the impact of their production and consumption on natural systems.
- Mobilizing hundreds of millions of people to support conservation.

WWF is the largest member of an international WWF network which has offices in more than 50 countries. The independently incorporated WWF national organizations coordinate their conservation work. WWF-International, a secretariat located near Geneva, Switzerland, provides network services. WWF-US, WWF-International, and the WWF network are not consolidated, due to the lack of control among the entities.

World Wildlife Fund, Inc. and Subsidiaries

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WWF-US has 14 offices stationed outside of the US. These country offices are Nepal, Bhutan, Namibia, Mexico, Guatemala, Honduras, Belize, Suriname, Guiana, Ecuador, Peru, Paraguay, Bolivia and Chile.

1250 24 Street LLC (“1250 24 Street”) is a District of Columbia limited liability company incorporated on January 26, 2017 to: (a) have and exercise all powers conferred by the laws of the District of Columbia on limited liability companies, and (b) do any and all things necessary, convenient or incidental for the achievement of the foregoing. Currently, 1250 24 Street leases and operates the building owned by WWF at 1250 24th Street, Northwest Washington, D.C. WWF has 100% membership interest in 1250 24 Street LLC.

1250 24 LLC (“1250 24”) is a District of Columbia limited liability company incorporated on November 15, 2016 to: (a) have and exercise all powers conferred by the laws of the District of Columbia on limited liability companies, and (b) do any and all things necessary, convenient or incidental for the achievement of the foregoing. Currently, 1250 24 leases and operates a portion of the building owned by WWF at 1250 24th Street, Northwest Washington, D.C. WWF has 100% membership interest in 1250 24 LLC.

WWF Impact (“WWF Impact”), LLC is a Delaware limited liability company (LLC) incorporated on August 3, 2021 to engage in direct investment in entities focused on WWF’s six key focus areas. WWF has 100% membership interest in WWF Impact, LLC.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of WWF, 1250 24 Street, 1250 24, and WWF Impact (collectively as “WWF”). All significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements include the accounts of WWF and its LLC companies, collectively referred to hereafter as WWF, where WWF has control in the form of majority voting interest in the Board of Directors, management of the leadership position or a majority source of funding. The account of WWF includes financial activity of the WWF-US country offices.

Basis of Accounting

The consolidated financial statements of WWF have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Accounting Pronouncements Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The adoption of this ASU during the year ended June 30, 2022, did not have a significant impact on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires a

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not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets and requires additional disclosures related to contributed nonfinancial assets. This ASU must be applied on a retrospective basis. WWF adopted the guidance under ASU 2020-07 for the fiscal year ending June 30, 2022. Further disclosure of the impact of adopting ASU 2016-02 is disclosed in Note 2 of the consolidated financial statements.

Basis of Presentation

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

- *Net assets without donor restrictions* - net assets without donor restrictions are the net assets that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations. Board-designated net assets are net assets without donor restrictions designated by the Board of Directors. Board-designated reserves result primarily from bequests received that are designated for use in operations by the Board of Directors.
- *Net assets with donor restrictions* - net assets with donor restrictions are the net assets that are contributions and endowment investment earnings subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature that either expire by the passage of time or can be fulfilled and removed by action of WWF pursuant to these stipulations. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

WWF reports unconditional contributions restricted by donors as increases in net assets with donor restrictions in the reporting period received. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. WWF reports contributions with both a barrier to recognition and a right or return or release as a conditional contribution. WWF reports conditional contributions with donor restrictions as increases in net assets without donor restrictions in the reporting period in which the barrier has been satisfied and revenue has been recognized, and when the time restriction ends, or purpose restriction is accomplished. WWF reports unconditional donor restricted contributions received and satisfied in the same fiscal year as additions to and releases from net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents are cash and limited period investments with original maturities of three months or less, except for those investment funds held as part of the investment portfolio.

Financial Risks

WWF maintains cash balances with federally insured institutions as well as in accounts located outside the United States. Accounts at federally insured institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank at June 30, 2022. At June 30, 2022,

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WWF held \$54,433,538 in uninsured accounts, respectively. WWF has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

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

Financial Instruments and Credit Risk

Financial instruments which potentially subject WWF to a concentration of credit risk consist principally of investments held at credit worthy financial institutions. By policy, these investments are kept within limits designed to prevent risk caused by concentration. Credit risk with respect to pledges receivable is considered limited due to the large WWF donor base. Credit risk with respect to contributions receivable relates to amounts due from the U.S. government and entities in the WWF network. Credit risk is considered limited due to the large number of entities from which amounts are due.

Funds Maintained in Foreign Accounts

Certain items reflected in the consolidated statement of financial position, including cash and cash equivalents of \$3,197,726 converted from local currencies and \$9,791,339 in U.S. dollars at June 30, 2022 are maintained at financial institutions in foreign countries. For financial reporting purposes, the year-end foreign currency balances are translated into U.S. dollars using current exchange rates in effect at the date of the consolidated statement of financial position.

Advances to Third Parties

Advances to third parties consist primarily of advances to WWF's subgrantees for future program implementation for those awards considered to be conditional contributions made to subgrantees. Advances to third parties totaled \$8,063,401 as of June 30, 2022.

Accounts Receivable

Accounts receivables are stated at their net realizable value. Accounts receivable consist primarily of noninterest-bearing amounts due for royalty, service and other contracts. The allowance method is used to determine the uncollectible amounts. The allowance is based on prior years' experience and management's analysis of subsequent collections. If actual collection experience changes, revisions to the allowance may be required. Uncollectible accounts are written off when all efforts to collect these receivables have been exhausted.

Contributions Receivable

Conditional contributions consist primarily of awards from contracts with the U.S. federal government, as well as bilateral and multilateral awards. Contributions receivable related to these awards are not recorded until the barrier within the arrangements have been satisfied by WWF. These receivables are expected to be collected within one year, and are recorded at their net realizable value.

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Contributions from the WWF network are also included in contributions receivable. These receivables arise from unconditional awards from WWF network members. Network receivables that are expected to be collected within one year are recorded at net realizable value. Network receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows which approximates their fair value. The discounts on those amounts are computed using an average treasury bond corporate rate plus any needed risk premium based on the number of years until the contract arrangements expire. Amortization of the discount is recorded as additional network revenue.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows which approximates their fair value. The discounts on those amounts are computed using treasury bond corporate rates applicable to the years in which the promises are received. Amortization of the discount is recorded as additional contribution revenue. An allowance is made for uncollectible pledges based upon management's judgment and an analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Prepaid Assets

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

Investments

The fair value of marketable investments in equity and debt securities are based on the published current market value at June 30, 2022.

Investments held at net asset value per share (NAV) have no readily determinable market value and are valued based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners and investment managers in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation, it is possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. In addition, certain investments may also have risk associated with concentrations of investments in one geographic region and in certain industries.

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

Investments at cost

Investments at cost represent investments valued at acquisition cost. WWF invested in two early-stage companies that focus on developing natural product alternatives that primarily use seaweed, including seaweed production.

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Loan and Bond Issuance Costs

Costs associated with issuance of loans have been deferred and are amortized over the terms of the loans. WWF uses the straight-line method, which approximates the effective interest method. The loan issuance costs are presented as direct deduction from the face amount of the related liability. Loan issuance costs totaled \$262,617 for the year ended June 30, 2022, and accumulated amortization related to the loan totaled \$29,180 as of June 30, 2022. During the year ended June 30, 2022 the Series 2015 bonds were paid off and the related bond premium and issuance costs of \$461,449 were written off. See Note 8.

Land, Building, and Equipment

Land, building, and equipment are recorded at cost. WWF capitalizes all expenditures for property and equipment over \$5,000. Depreciation for equipment, furniture and software is computed using the straight-line method. Depreciation and amortization for the building, building improvements and tenant improvements is computed using the straight-line method.

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

Office equipment	3 years
Office furniture and fixtures	5 - 8 years
Software and applications	3 - 11 years
Building and tenant improvements	15 years
Building	40 years

The estimated useful life of tenant improvements is the lesser of the term of the lease or life of the asset.

Impairment of Long-Lived Assets

WWF reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the long-lived asset is reduced, by a charge to the consolidated statement of activities, to the carrying value.

Other Noncurrent Assets

Other noncurrent assets consist of the assets for WWF's 457(b) pension and international plans recorded at fair value, leasing commissions and deferred rent receivable.

Split Income Gifts

WWF has been named as beneficiary in various split income gifts that include charitable gift annuities and remainder trusts. The values of all split income gifts have been determined using discount rates that range from 0.4% to 8.0%, based upon rates approved by the Internal Revenue Service (IRS) as of the date of the gift.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

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

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

As of June 30, 2022, \$11,271,798 is included as long-term investments in the consolidated statement of financial position and represent split income gifts for which WWF serves as the trustee. These gifts are recorded at the discounted present value of the gifts based on 2000CM mortality tables for split income gifts received prior to January 1, 2015, and the 2012 Individual Annuity Reserving mortality tables for split income gifts received after January 1, 2015. WWF recognizes a liability for the portion of the split income gifts that is determined to be payable to beneficiaries under the terms of the agreements where WWF is the trustee. As of June 30, 2022, these liabilities totaled \$6,743,978 and are recorded within other long-term liabilities in the consolidated statement of financial position.

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

Beneficial Interests in Charitable Trusts Held by Others - WWF has been named as an irrevocable beneficiary of various charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, WWF has neither possession nor control over the assets of the trusts.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

At the date WWF receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statement of activities, and a beneficial interest in charitable trusts held by others is recorded in the consolidated statement of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the consolidated statement of financial position, with changes in fair value recognized in the consolidated statement of activities. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released.

For split income gifts, for which WWF does not serve as the trustee, WWF included a loss of \$15,311,345 in bequests, endowments, and split income gifts on the accompanying consolidated statement of activities for the year ended June 30, 2022.

WWF's beneficial interest in these gifts, which amounted to \$25,704,093 at June 30, 2022, is also recorded at the discounted present value of the gifts and is included in long-term trust receivables in the accompanying consolidated statement of financial position.

In addition to these gifts, WWF has been named as the beneficiary in various agreements that are either revocable, or for which a reasonable valuation cannot be calculated, or allow the donor or beneficiary to change WWF's right to receive the assets. Such agreements are therefore not recorded in the accompanying consolidated financial statements.

Grants Payable

Grants are primarily made to other conservation organizations. The grants are accrued when WWF makes a legally enforceable unconditional pledge to the other organization.

Deferred Revenue

Funds received in advance of satisfying contractual performance obligations are recorded as deferred revenue in the consolidated statement of financial position. As of June 30, 2022, WWF had \$0 in deferred revenue related to royalties and service contracts included in consolidated statement of financial position.

Refundable Advances

A transfer of assets (i.e., cash received) that is related to a conditional contribution is accounted for as a refundable advance in the accompanying consolidated statement of financial position until the barriers to recognition have been substantially met or explicitly waived by the donor. As of June 30, 2022, refundable donor advances amounted to \$16,880,596.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities and are further described in Note 12. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Allocation of Joint Costs

WWF reports the costs of all materials and activities that include a fundraising appeal as fundraising costs unless certain specific conditions are met, in which case the joint costs may be allocated between fundraising and program expenses. WWF evaluates all programs that include fundraising to determine which programs would meet the requirements for allocation of costs. WWF allocates joint costs based on the relative direct cost method whereby costs are allocated to each of the components on the basis of their respective direct costs (i.e., costs incurred in connection with the multipurpose materials or activity that are specifically identifiable to each program or function). In fiscal year 2022, WWF incurred joint costs of \$64,769,820, for informational materials and activities that included a fundraising appeal. The joint costs incurred of \$30,657,907 were allocated to fundraising expenses, and \$34,111,913 were allocated to program expenses, in fiscal year 2022.

Use of Estimates

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

Interpretation of Relevant Law

The Board of Directors has determined that an enacted version of the state of Delaware's Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to WWF's endowment funds. When a donor expresses intent clearly in a written gift instrument, WWF follows the donor's instructions. When a donor's intent is not so expressed, WWF shall spend an amount from the fund that is prudent, consistent with the purposes of the fund, relevant economic factors, and the donor's intent that the fund continues in perpetuity.

Investment Policy Statement

As careful stewards of our donors' contributions, and to be respectful of their intent to support and further WWF's conservation efforts, WWF seeks to manage the investment portfolio to maximize funding for conservation while prudently managing risk. Careful management of the assets is designed to ensure a total return (income plus capital change) necessary to preserve and enhance (in real dollar terms) the principal of the fund and at the same time, provide a dependable source of support for current operations and programs. The investment portfolio includes donor-restricted funds that WWF must hold in perpetuity or for donor-specified period(s) as well as board-designated funds. The primary investment objective of the pool is to attain a net average annual total real return of 5% over rolling ten-year periods. Actual returns in any given period may vary from this amount but should be attainable over a series of ten-year periods.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

2. Revenue Recognition

WWF's significant revenue recognition policies are outlined below.

Contracts with Customers Accounted for in Accordance with ASC 606

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

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

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

Certain of these arrangements require WWF to complete milestones in order to be entitled to payment. WWF, therefore, recognizes revenue over time using the output method as those milestones are achieved. There are no variable consideration elements to these milestone-based contracts. There was no revenue recognized for milestone-based service contracts for the year ended June 30, 2022.

For other service arrangements, WWF has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of WWF's performance completed to date. Therefore, WWF recognizes revenues in the amount to which WWF has the right to invoice. WWF elected not to disclose information about unsatisfied performance obligations because of WWF's right to invoice.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

Revenue Accounted for in Accordance with ASU 2018-08

Government Grants and Contracts

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

- U.S. Federal Grants - Grants awarded by federal agencies or passed through to WWF from another donor that received funding from the U.S. federal government are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met.
- Bilateral Contributions - Bilateral contributions include support received from foreign governments that are generally considered to be nonreciprocal transactions. These arrangements are governed by various stipulations that are related to the purpose of the agreement and regulations of the foreign government providing the support. For conditional contributions, revenue is recognized when qualified expenditures are incurred and barriers under the grant agreement are met. Certain contributions from foreign governments may be unconditional contributions and are recorded as revenue at the time the agreement is executed.
- Multilateral Contributions - Multilateral contributions include support received from institutions created by a group of countries to provide financing for the purpose of development such as the Global Environmental Facility, World Bank, United Nations and others. Contributions from these donors may be either conditional or unconditional transactions. Depending on the type of agreement, WWF may record revenue at the time the agreement is executed for unconditional contributions, or as conditions are satisfied for conditional contributions.

Network Revenue

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

Included in WWF network revenues on the consolidated statement of activities for the year ended June 30, 2022 are revenues from WWF-Netherlands of \$8,410,856.

Contributions of Cash and Other Financial Assets

WWF receives support from individuals, foundations, corporations, and other NGOs in support of WWF's mission. Contributions of cash and other financial assets are recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give.

Contributed Nonfinancial Assets

Radio and television stations and certain publications have contributed advertising time and space to WWF at no charge. The estimated fair values of the advertisements are based on independent third-party valuations and reported as contributed nonfinancial assets in the period in which the advertisements are run. Certain other contributed nonfinancial assets have also been received and recorded at fair-market value in the period in which each contribution was made.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the statement of activities included:

	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Advertising	\$ 88,970,971	Global Conservation, Public Education, and Fundraising	No associated donor restrictions	Contributed services from advertisers are valued at the estimated fair value based on current rates for similar services
Consulting Services	53,533	Global Conservation, and Country Offices	No associated donor restrictions	Contributed consulting services are valued at the estimated fair value based on current rates for similar services
Legal Services	252,407	Finance and Administration	No associated donor restrictions	Contributed services from attorneys are valued at the estimated fair value based on current rates for similar legal services
Electronic Supplies	151,500	Global Conservation	No associated donor restrictions	Contributed electronic supplies from companies are valued at the estimated fair value based on published prices
Goods and Supplies	66,732	Markets & Policy, Public Education, and Fundraising	No associated donor restrictions	Contributed goods and supplies from companies are valued at the estimated fair value based on published prices
Software	1,907,422	Finance and Administration, Public Education, and Fundraising	No associated donor restrictions	Contributed programs from companies are valued at the estimated fair value based on current rates for similar software services
Total	\$ 91,402,565			

Non-Operating Activities

Contributions, except for bequests and endowments, are reported as revenue from operating activities in the appropriate category of net assets. The Board of Directors has designated that bequests and endowments are not generally available for use in operations; therefore, these contributions are recognized as nonoperating activities in the appropriate category of net assets.

Investment income, including realized and unrealized gains and losses, in excess of amounts utilized in operations based on the organization's spending policy, is accounted for as an increase or decrease in non-operating activities. It is classified as net assets without donor restrictions unless its use is restricted by explicit donor stipulations or by law.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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Trusts and Bequests

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

The following table shows WWF's revenues disaggregated by type for the year ended June 30, 2022:

Contributions of cash and other financial assets	\$ 239,126,491
Network revenue	32,035,345
Government grants and contracts:	
U.S. federal grants	25,558,812
Bilateral grants	24,775,977
Multilateral grants	18,032,964
Subtotal: government grants and contracts	68,367,753
Royalties, service contracts and other:	
Royalties	6,852,212
Service contracts	3,128,194
Other	204,761
Subtotal: royalties, service contracts and other	10,185,167
Contributed nonfinancial assets	91,402,565
Allocation of quasi-endowment spending to operations	36,001,964
Total operating revenues	\$ 477,119,285
Commercial building revenue	\$ 2,048,487
Bequests, endowments, and split income gifts	\$ 14,319,509

Contracts with Customers - Remaining Performance Obligations

WWF's royalty contracts at June 30, 2022, have a duration greater than one year and contain both fixed and variable elements. Under the practical expedients for performance obligations, variable consideration for future periods need not be disclosed for sales-based or usage-based royalties in exchange for a license of intellectual property. Regarding the royalty fixed payments, as of June 30, 2022, approximately \$2,265,348 is expected to be recognized from the remaining performance obligations in future years.

Conditional Contributions

At June 30, 2022, WWF had received notification of outstanding conditional promises to give of approximately \$77,456,429.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

At June 30, 2022, WWF had remaining available award balances on U.S. government, bilateral, and multilateral grants and contracts for sponsored projects of \$238,066,218. These award balances are not recognized as assets and will be recognized as revenue as the projects progress and barriers are met, generally as expenses are incurred. WWF has awarded conditional grants to subrecipients related to performance of these sponsored projects, which have outstanding commitments of up to \$107,075,755.

3. Accounts Receivable

Management believes amounts recorded in accounts receivable to be collectible based on historical collection experience, write-offs and other factors and, therefore, has not recorded an allowance against the accounts receivable as of June 30, 2022. Accounts receivable is comprised of the following at June 30, 2022:

Service contracts	\$	975,336
Others		2,006,420
	\$	2,981,756

During the year ended June 30, 2022, WWF determined that no amount of accounts receivable were uncollectible based on review of outstanding amounts.

4. Contributions Receivable

Management believes amounts recorded in contributions receivable to be collectible based on historical collection experience, write-offs and other factors and, therefore, has not recorded an allowance against the contributions receivable as of June 30, 2022. Contributions receivable is comprised of the following at June 30, 2022:

WWF Network, net of discount	\$	26,399,092
Government grants and contracts		35,490,687
Others		11,706,771
	\$	73,596,550

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

Of total contributions receivable, network receivables have amounts that are expected to be due in future years. These amounts were estimated based on the remaining contract value and numbers of years left on the award. The interest rates used to discount the amounts expected to be collected in future years range from 0.32% to 3.35% for the year ended June 30, 2022.

Less than a year	\$ 62,226,924
One-to-five years	11,657,999
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Subtotal	73,884,923
Less: discount to present value	(288,373)
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Subtotal	73,596,550
Less: current portion of contributions receivable	(62,226,924)
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Non-current portion of contributions receivable	\$ 11,369,626

5. Pledges Receivable

Unconditional promises to give consisted of the following at June 30, 2022:

Less than a year	\$ 44,583,477
One-to-five years	29,071,000
More than five years	2,348,715
<hr/>	
Subtotal	76,003,192
Less: discount to present value	(2,144,531)
Less: allowance for uncollectible pledges	(250,000)
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Subtotal	73,608,661
Less: current portion of pledges receivable	(44,583,477)
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Non-current portion of pledges receivable	\$ 29,025,184

The interest rates used to discount the amounts expected to be collected in future years range from 0.32% to 3.35% as of June 30, 2022. During the year ended June 30, 2022, WWF determined that \$39,503 of pledges receivable were uncollectible based on collection history and were written off. These costs are included as fundraising expenses in the consolidated statement of activities.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

6. Investments

Investments consisted of the following at June 30, 2022:

Money market funds	\$ 67,743
Investments held at NAV	131,826,458
Mutual and exchange traded funds	212,626,734
Debt securities	11,807,392
Total investments	356,328,327
Less: short-term investments	(124,350,382)
Long-term investments	\$ 231,977,945

Investment loss consisted of the following for the year ended June 30, 2022:

Dividends and interest income	\$ 5,798,632
Realized and unrealized losses, net	(52,027,919)
Less: investment expenses	(1,438,168)
Loss from investments, net	\$ (47,667,455)

WWF received donated securities that were immediately sold with a fair value of \$10,462,950 during the year ended June 30, 2022.

7. Land, Building, and Equipment

Land, building, and equipment consisted of the following at June 30, 2022:

Land	\$ 17,436,974
Building	45,752,825
Furniture, equipment, and software	47,006,415
Building and tenant improvements	34,333,264
Construction in progress	971,318
	145,500,796
Less: accumulated depreciation and amortization	(72,529,596)
Land, building, and equipment, net	\$ 72,971,200

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

Depreciation and amortization expense consisted of the following for the year ended June 30, 2022:

Depreciation, commercial building operations	\$ 1,207,636
Depreciation, all other building and equipment	4,891,448
Amortization of bond premium and issuance costs	490,629
Total depreciation and amortization	\$ 6,589,713

The commercial building operations net cash outflow was \$2,168,601 for the fiscal year ended June 30, 2022.

8. Long-Term Debt

Long-term debt is as follows at June 30, 2022:

Loan Payable	\$ 44,250,000
Less: Issuance costs, net	(233,437)
Long-term debt	44,016,563
Less: current portion	(5,196,000)
Long-term debt, net of current portion	\$ (38,820,563)

On May 20, 2015, WWF's letter of credit provider issued the \$59,700,000 World Wildlife Fund, Inc. Taxable Variable Rate Bonds Series 2015 (Series 2015); the Series 2015 bonds had a maturity date of July 1, 2030 and were subject to variable interest rates. On July 1, 2021, the outstanding Series 2015 bonds were paid off using the proceeds from a fixed rate taxable term loan agreement (the Term Loan).

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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On July 1, 2021, WWF entered into the Term Loan with a financial institution for \$48,948,000. The loan bears a fixed rate of interest at 1.44%. The Term Loan has monthly repayment terms ranging from \$428,000 to \$487,000 over the term of the loan. The Term Loan matures on July 1, 2030.

Maturities of debt are as follows:

2023	\$	5,196,000
2024		5,283,000
2025		5,346,000
2026		5,424,000
2027		5,512,000
Thereafter		17,489,000
		<hr/>
Less: issuance costs, net		(233,437)
		<hr/>
		\$ 44,016,563

WWF incurred aggregate interest expense on the outstanding debt of \$671,088 for the year ended June 30, 2022. As of June 30, 2022, WWF was in compliance with these covenants, limitations and restrictions.

9. Commitments and Contingencies

Litigation

In the normal course of business, WWF is from time to time a party to various claims and lawsuits. If management determines, based on the underlying facts and circumstances, that it is probable a loss will result from a litigation contingency and the amount of the loss can be reasonably estimated, the estimated loss is accrued for. Management does not expect any adverse financial impact from open litigation matters occurring in the normal course of business as of June 30, 2022.

Commitments

At June 30, 2022, WWF had unfunded commitments of \$2,323,086 to fund certain partnership investments periodically up to a specified level.

Operating Leases

WWF leases non-headquarters office facilities in the U.S. and internationally under operating leases that expire on various dates through August 2023. Such costs are included within facilities in the consolidated statement of functional expenses. It is expected that WWF will renew leases as necessary in the normal course of its activities.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

Operating leases are accounted for in accordance with FASB ASU 2016-02 for the fiscal year ended June 30, 2022. As a result, WWF recorded a lease obligation liability equal to the present value of future payments under the terms of the lease. The discount rate is applied to three portfolios of leases. Management has concluded the application does not create a material difference when compared to individually determined discount rates applied to each of the leases in the portfolio. The weighted average discount rate associated with operating leases as of June 30, 2022 is 0.26%. WWF recorded ROU assets, short-term operating lease liability, and long-term operating lease liability and are included in other noncurrent assets, short-term operating lease liability, and long-term operating lease liability, respectively, in the consolidated statement of financial position as of June 30, 2022.

Operating lease ROU assets	\$	842,988
Operating lease liabilities:		
Short-term operating lease liability		485,626
Long-term operating lease liability		390,434

Rental expense for the year ended June 30, 2022 was \$543,911.

The following is a schedule of the future minimum lease payments as of June 30, 2022:

Years ending June 30,

2023	\$	483,938
2024		218,620
2025		152,396
2026		15,993
2027		217
Thereafter		1,737
Total	\$	872,901

Tenant Income

The minimum future lease rental income is as follows:

Years ending June 30,

2023	\$	2,108,754
2024		3,512,770
2025		3,684,966
2026		3,279,052
2027		3,258,066
Thereafter		12,617,807
Total	\$	28,461,415

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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Additionally, WWF has letters of credit from various banks, which list the tenants as the applicants and WWF as the beneficiary. Letters of credit in favor of WWF as of June 30, 2022 total \$302,738. At June 30, 2022, no amounts had been drawn against the letters of credit.

Federal and State Programs

Amounts received and expended by WWF under various federal and state programs are subject to audit by government agencies. Management believes that adjustments, if any, which might result from such audits would not have a material impact on the financial position of WWF.

Indirect Cost Reimbursement

The reimbursement of indirect costs reflected in the accompanying consolidated financial statements as federal grants revenue is subject to final approval by federal grantors and could be adjusted upon the results of these reviews. Management believes that the results of any such adjustment will not be material to WWF's financial position or change in net assets.

10. Employee Benefits

WWF has a tax-deferred defined contribution plan under Section 403(b) of the Internal Revenue Code (IRC) for its employees. WWF's contributions under the 403(b) Plan are based on years of service and range from 3% to 9% of an eligible employee's annual salary. The expenses recorded by WWF for the 403(b) Plan were \$6,786,498 for the year ended June 30, 2022.

WWF has adopted two Deferred Compensation Plans (the Plan) in accordance with Section 457(b) and Section 457(f) of the IRC. The purpose of the 457(b) Plan is to offer certain eligible employees additional deferred compensation and/or the opportunity to defer specified amounts of compensation, on a pretax basis. The assets and liabilities associated with the 457(b) Plan were \$2,775,490 for the year ended June 30, 2022. The assets for the 457(b) Plan are included in other noncurrent assets and the liabilities are included in other long-term liabilities as presented in the consolidated statement of financial position. The purpose of the 457(f) Plan is the retention and recruitment of talent at the executive level. There were no 457(f) Plan deferrals or plan expenses for the year ended June 30, 2022.

During fiscal year 2004, WWF implemented a self-funded health insurance benefit plan under guidelines issued by the U.S. Department of Labor in accordance with the Employee Retirement Income Security Act (ERISA). Under this plan, WWF pays employee health insurance claims directly rather than using a third-party administrative service. To limit potential risk and exposure to higher than estimated claims, WWF has also purchased stop-loss insurance protecting WWF from claims over \$100,000 for individual employees and 125% of the actuarially determined yearly cost for the aggregated claims. The anticipated claims incurred but not reported are \$377,000 as of June 30, 2022, and are included in accounts payable and accrued expenses in the accompanying consolidated statement of financial position.

World Wildlife Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2022

11. Income Taxes

WWF has received a determination letter from the Internal Revenue Service (IRS) that grants an exemption from income taxes under Section 501(c)(3) of the IRC except for any income that may be a result of unrelated business transactions. Additionally, the IRS has classified WWF as an organization other than a private foundation as a Section 509(a)(1) organization as referred to in Section 170(b)(1)(A)(vi).

Under ASC 740-10, *Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. WWF does not believe there are any material uncertain tax positions and accordingly it will not recognize any liability for unrecognized tax benefits. WWF has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, WWF has filed IRS Form 990 and Form 990-T tax returns as required and all other applicable returns in those jurisdictions where it is required. WWF believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2019. For the year ended June 30, 2022 there were no interest or penalties recorded or included in the consolidated statement of activities related to uncertain tax positions.

12. Functional Expenses

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

Global conservation - Whether in Alaska's Bristol Bay; Montana's Great Plains; the rainforests of Brazil, Peru, and Bolivia; or the mountains of Nepal and Bhutan, WWF-US partners with local communities and other groups to find actions to protect freshwater resources from contamination and depletion, reduce overfishing to ensure reliable food sources, reduce conflicts between local people and wildlife, employ energy solutions that generate fewer greenhouse gas emissions than the current energy production system, and enact forest management approaches that regenerate or restore critical habitats for wildlife and a range of forest-based products for people.

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

Country offices - From Peru's rainforests and the mountains of Bhutan to Namibia's communal conservancies, WWF brings its science-based and results oriented approach to environmental challenges all over the world. WWF supports the creation of resource-based economic opportunities

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and livelihoods for communities in some of the world's most remote locations. WWF-US manages certain country-office operations in Latin America, as well as in Bhutan, Namibia, and Nepal, directly supporting conservation efforts in some of the most ecologically diverse places on earth.

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

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

13. Net Assets Without Donor Restrictions

Net assets without donor restrictions include undesignated and Board Designated amounts for the following purposes as of June 30, 2022:

Board Designated for:	
Board Designated Reserves	\$ 118,150,010
Programmatic Activities	13,711,771
1001 Nature Trust	15,308,075
Building Losses and Others	11,310,832
<hr/>	
Total Board Designated Quasi-Endowment	158,480,688
Undesignated	26,281,846
<hr/>	
Total net assets without donor restrictions	\$ 184,762,534

Board designated reserves - Board designated reserves consist of funds designated by the Board of Directors to function as a quasi-endowment and to be used for general operations per board payout policies. The board has established a spending policy for such funds as described in Note 14.

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

1001 Nature Trust - In 1971 His Royal Highness the Prince of the Netherlands and President of the World Wildlife Fund launched "1001: A Nature Trust" to which he personally invited 1,000 men and women to join him in contributing funds to WWF for use in WWF's basic operations. This fund was held by WWF-International in Switzerland, separate from WWF-US. WWF-US established its own fund in parallel with WWF International so that invited members living in the United States would be able to contribute to this fund to support operations in the U.S. The Board designated these funds to be used for general operations. The spending policy outlined in Note 14 is followed for the 1001 Nature Trust since it is considered to be a quasi-endowment.

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Board designation for building losses and others - In 2021, The Board of Directors designated \$13.5 million to support the building operations during a time of revenue losses due to vacancies as well as for replacement of WWF's storage area network.

14. Endowments

The endowment consists of individual funds established by donors to provide annual funding for specific activities and general operations. The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors.

As of June 30, 2022, WWF had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Totals
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 49,895,829	\$ 49,895,829
Accumulated investment gains	-	19,107,760	19,107,760
Total donor restricted endowment funds	-	69,003,589	69,003,589
Total board-designated quasi-endowment funds	158,480,688	-	158,480,688
Total endowment net assets	\$ 158,480,688	\$ 69,003,589	\$ 227,484,277

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

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2022, there were no endowment funds that are underwater.

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Investment and Spending Policies

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

The Board-approved spending policy for fiscal year 2022 is as follows:

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

Board designated quasi-endowment net assets: payouts from the board designated quasi-endowment net assets are based on 100% of the trailing three-year average of available bequests, 5% of the trailing three-year average of Board-designated reserves, other payouts approved by the Board of Directors, and payout balances available from prior years.

In establishing this policy, WWF considered the long-term expected return of the investment portfolio and it is consistent with WWF's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The amounts authorized under this policy are reported as allocation of quasi-endowment spending to operations on the accompanying consolidated statement of activities. Allocation of quasi-endowment spending to operations represent funds that are transferred from non-operating activities to operating as a result of the appropriations that are expended during the year.

The amount expended for the year ended June 30, 2022 was \$36,001,964. Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets, beginning of year	\$ 201,362,595	\$ 85,849,127	\$ 287,211,722
Investment return			
Investment income, net	3,382,448	1,536,630	4,919,078
Net appreciation, realized	10,141,838	4,607,389	14,749,227
Net depreciation, unrealized	(44,770,247)	(20,338,909)	(65,109,156)
Total investment return	(31,245,961)	(14,194,890)	(45,440,851)
Contributions	28,347,251	200,000	28,547,251
Appropriation of endowment assets pursuant to spending policy	(39,983,197)	(2,850,648)	(42,833,845)
Endowment net assets, end of year	\$ 158,480,688	\$ 69,003,589	\$ 227,484,277

Appropriation of assets for expenditure pertains to income from interest and dividends received on endowment assets which may be used by WWF for operations or specific donor-specific designations in accordance with the endowment agreements.

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15. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2022:

Subject to expenditure for a specified purpose:	
Forests, Oceans, Wildlife, Freshwater Conservation	\$ 135,698,015
Markets and Food	29,296,219
Public Affairs	47,043,417
International Country Offices	68,447,495
Promises to give for which time restrictions have not lapsed and, the proceeds from which have been restricted by donors for:	
Forests, Oceans, Wildlife and Freshwater Conservation	7,773,907
Markets and Food	5,154,340
Public Affairs	145,231
International Country Offices	221,326
Total subject to expenditure for a specified purpose:	293,779,950
Subject to the passage of time:	
Beneficial interests in charitable trusts held by others	25,704,093
Total subject to the passage of time:	25,704,093
Endowments:	
Original donor-restricted endowment gift and amounts required to be retained by the donor:	
U.S. programs	301,618
International programs	5,001,545
Education for Nature	19,598,720
General support	18,962,401
Other programs	6,031,545
Total original donor-restricted endowment gifts and amounts required to be retained by the donor	49,895,829
Accumulated investment gains on endowment funds	
U.S. programs	462,904
International programs	1,501,288
Education for Nature	4,640,261
General support	12,503,307
Total accumulated investment gains on endowment funds	19,107,760
Total endowments	69,003,589
Total net assets with donor restrictions	\$ 388,487,632

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

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

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

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

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

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

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

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

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

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

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

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022.

Expiration of time restrictions	\$	64,577
Satisfaction of purpose restrictions		
Forests, Oceans, Wildlife, Freshwater Conservation		45,045,493
Markets and Food		15,802,671
Public Affairs		19,036,947
International Country Offices		36,611,529
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Total releases related to time and purposes restrictions		116,561,217
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Endowment releases based on spending policy		
U.S. programs		34,850
International programs		406,471
Education for Nature		1,270,483
General support		932,234
Other programs		206,610
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Total endowment releases		2,850,648
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Total net assets released from donor restrictions	\$	119,411,865

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16. Liquidity and Availability

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

June 30, 2022

Total consolidated assets	\$ 704,447,333
Less: nonfinancial assets:	
Land, building, and equipment, net	(72,971,200)
Prepaid assets	(11,484,475)
Advances to third parties	(8,063,401)
Other current and non-current assets	(7,053,784)
Long-term trust receivables	(25,704,093)
Financial assets	579,170,380
Less: financial assets unavailable for general expenditures within one year, due to:	
Donor restricted net assets	(388,487,632)
Charitable gift annuity liability	(6,743,978)
Cash for debt repayment	(5,196,000)
Board designated net assets	(158,480,688)
Add: board approved spending for 2023 from board designated quasi-endowment	
5% spending policy	8,762,698
Bequest revenue spending policy	30,958,324
Financial assets available to meet cash needs for general expenditures within one year	\$ 59,983,104

WWF's goal is to maintain financial assets to meet operating expenses in support of WWF's mission. Excess cash is invested in savings accounts and readily marketable equities in accordance with approved investment guidelines. Liquidity excludes board designated amounts held per board policy, other than those approved for spending during the year ending June 30, 2023, but those resources could be deployed to support operating activities with board approval.

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

17. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in

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which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

ASC 820, *Fair Value*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include equity securities and publicly traded mutual funds that are actively traded on a major exchange or over-the-counter market.

Level 2 - Valuation methodology inputs may include:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in inactive markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
5. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Examples include the fair value of municipal bonds which are estimated using recently executed transactions, bid/asked prices, and pricing models that factor in, where applicable, interest rates, bond spreads, and volatility.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Level 3 - Valuation based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value. Examples include limited partnerships, private equity investments, and beneficial interest in trusts.

Some of WWF's investments may be illiquid and WWF may not be able to vary the portfolio in response to changes in economic and other conditions. Some of the investments that are purchased and sold are traded in private, unregistered transactions and are therefore subject to restrictions on resale or otherwise have no established trading market. In addition, if WWF is required to

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liquidate all or a portion of its portfolio quickly, WWF may realize significantly less than the value at which it previously recorded those investments.

Investments valued at a Net Asset Value per share or equivalent (NAV) practical expedient - WWF reports certain investments using NAV as determined by investment managers under the so called "practical expedient". The practical expedient allows NAV to represent fair value for reporting purposes when the criteria for using this method are met. These investment funds are held as units or interest in institutional funds or limited partnerships, which are stated at the NAV. WWF uses the NAV as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. Certain investments valued at NAV are in partnership investments that consist of alternative investments made in limited partnerships, offshore limited liability companies and private equity concerns. When market quotations are not available, the fair value is estimated using information provided to WWF by the investment managers or general partners. The values are based on estimates that require varying degrees of judgment and, for fund of funds investments, are primarily based on financial data supplied by the investment managers of the underlying funds. Individual investment holdings within the alternative investments may include investments in both nonmarketable and marketable investments. Nonmarketable securities may include equity in private companies, real estate, thinly traded securities, and other investment vehicles. The investments may indirectly expose WWF to the effects of securities lending, short sales of securities, and trading in futures and forward contracts, options, swap contracts, and other derivative products. While these financial instruments contain varying degrees of risk, WWF's exposure with respect to each such investment is limited to its carrying amount (fair value as described above) and any unfunded commitments in each investment. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. WWF does not directly invest in the underlying securities of the investment funds and due to restrictions on transferability and timing of withdrawals from the limited partnerships, the amounts ultimately realized upon liquidation could differ from reported values that are based on current conditions. Management measures certain partnership investments at net asset value when the criteria for the use of the practical expedient are met. Pursuant to ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or Its Equivalent)*, WWF has not categorized these investments in levels within the fair value hierarchy table.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although WWF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Mutual and exchange traded funds: WWF's holdings in publicly traded mutual funds consist principally of debt and equity securities carried at their aggregate market value that is determined by quoted market prices. Each of these investments can be liquidated daily. Valuation is based on Level 1 inputs within the hierarchy used in measuring fair value.

Money market funds: Money market funds consist of short-term, or less than one-year, securities representing high-quality, liquid debt and monetary instruments.

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Debt securities: Debt securities consist of primarily of investments in U.S. government debt and credit securities and corporate bonds.

Common collective trusts: Common collective trusts are non-registered pooled investment funds. Common collective trust fund shares may be redeemed at net asset value on a daily or monthly basis, depending on the fund. The common collective trust funds are not categorized in levels within the fair value hierarchy table as the value is reported based on NAV.

Deferred compensation 457(b) assets and liabilities: Deferred compensation 457(b) assets are comprised of publicly traded securities. Valuation is based on Level 1 inputs within the hierarchy used in measuring fair value. The fair value of the related deferred compensation liability is considered a Level 2 instrument within the fair value hierarchy.

Long-term trust receivables: Long-term trust receivables consist of charitable remainder trust receivables. The fair value of trust receivables is based on the present value of future expected earnings. Given the fact that these long-term receivables do not have quoted market prices and are not actively traded, their valuation is based on Level 3 inputs within the hierarchy used in measuring fair value.

Financial assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2022 are as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 67,743	\$ -	\$ -	\$ 67,743
Mutual and exchange traded funds:				
Fixed income	136,414,176	-	-	136,414,176
Large and small cap equity	27,157,055	-	-	27,157,055
International	31,545,938	-	-	31,545,938
ESG	13,605,779	-	-	13,605,779
Real estate	3,903,786	-	-	3,903,786
Debt securities	11,807,392	-	-	11,807,392
Investments reported at NAV*	-	-	-	131,826,458
Total investments	224,501,869	-	-	356,328,327
Long-term trust receivables	-	-	25,704,093	25,704,093
Deferred compensation 457(b) assets	2,775,490	-	-	2,775,490
Total assets, at fair value	\$ 227,277,359	\$ -	\$ 25,704,093	\$ 384,807,910
Deferred compensation 457(b) liability	\$ -	\$ 2,775,490	\$ -	\$ 2,775,490

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented the consolidated statement of financial position.

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Level 3 gains and losses

The following table presents WWF's activity for assets measured at fair value on a recurring basis using significant unobservable inputs as defined in ASC 820 for the year ended June 30, 2022:

Beginning balance	\$ 43,018,107
Total realized/unrealized (losses) gains, net	(15,526,344)
Settlements	(1,787,670)
Ending balance	\$ 25,704,093

Quantitative Information

Quantitative information as of June 30, 2022, with respect to assets and liabilities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows:

Description	Fair Value	Principal Valuation Techniques	Unobservable Inputs	Weighted Average
Long-term trust receivables	\$25,704,093	Income Approach	Discount rates Life expectancies Trust payouts Allocation percentages	N/A

Quantitative unobservable inputs are not developed by WWF in the valuation of its investments. WWF uses the values reported by each fund manager as the basis for valuation noting that the valuation techniques and unobservable inputs vary widely among its fund managers.

Level 3 Valuation Process

For long-term trust receivables, WWF gathers as much information as possible for each instrument, including the initial and current trust value, the amount allocated to WWF, the date of birth of any other beneficiaries and payout amounts. WWF uses a standard charitable gift calculation model using these inputs and a standard discount rate reset each year based on IRS discount rates. For any input not readily available, management develops a best estimate for use in the calculation. There were no changes in valuation techniques for the long-term trust receivables for 2022.

Level 3 Sensitivity of Fair Value Measurements and Changes in Significant Observable Inputs

The significant unobservable inputs used in the fair value measurement of WWF's long-term trust receivables are subject to market risks resulting from changes in the market value of their underlying investments.

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Fair value on a nonrecurring basis

The fair value of WWF's cash and cash equivalents, accounts receivable, prepaid assets, other current assets, subgrantee advances, grants payable, accounts payable and accrued expenses approximate their carrying amounts due to the short maturity of these instruments.

18. Net Asset Value (NAV) Per Share

In accordance with ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820) - Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, WWF expanded disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value per share or its equivalent for which fair value is not readily determinable.

The following table summarizes WWF's investments with a reported NAV as of June 30, 2022:

Strategy	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Long/Short Equity, European Sector	\$ 4,750,833	\$ -	Every 36 Months	90
Global equity	13,901,808	-	25% Monthly	5
Multi-Strategy, Event Driven, Global Sector	7,117,602	-	Quarterly	65
Multi-Strategy, Event Driven, U.S. Sector	3,874,583	-	Quarterly	45
U.S. Equity excluding Small-Cap, Growth	18,092,837	-	25% Quarterly	90
Global Macro, Discretionary/Systematic Blend, Global Sector	8,254,320	-	Monthly	10
Global equity growth	26,302,235	-	Monthly	3
Asia Pacific Regional Equity, Asia (All Countries) excluding Japan Equity	9,861,493	-	Quarterly	30
Long/Short Equity, Sector Specific Fund, Energy Sector, U.S. Sector	5,233,196	-	Quarterly	90
Global Equity	6,351,438	-	Weekly	2
Partnership investments	16,814,315	2,323,086	†	†
Pooled investments	11,271,798	-	Daily	Daily
	\$ 131,826,458	\$ 2,323,086		

† Partnerships investments redemption frequency ranges from illiquid to quarterly and the notice periods range from one business day to 30 calendar days.

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19. Related Party Transactions

During the year ended June 30, 2022, WWF received donations totaling \$7,427,517 from members of the Board of Director and related committees.

20. Subsequent Events

WWF evaluated subsequent events through December 15, 2022, which is the date the consolidated financial statements were issued. No subsequent events were noted that required disclosure in the consolidated financial statements.