

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

Combined Financial Statements
June 30, 2011

October 6, 2011

Independent Auditor's Report

To the Members of

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

We have audited the combined statement of financial position of World Wildlife Fund Canada - Fonds mondial pour la nature Canada and World Wildlife Fund Canada Foundation - Fondation du fonds mondial pour la nature Canada (hereafter collectively, WWF-Canada) as at June 30, 2011 and the combined statements of operations and changes in fund balances, specific operating funds and changes in fund balances and cash flows for the year then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the combined financial statements present fairly, in all material respects the financial position of WWF-Canada as at June 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Basis for qualified opinion

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

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

WWF-Canada

Combined Statement of Financial Position

As at June 30, 2011

	2011 \$	2010 \$
Assets		
Cash and interest earning deposits	6,327,962	5,210,405
Fixed income securities (note 4)	3,409,490	3,410,996
Accounts receivable (note 6(b))	500,291	572,550
Prepaid expenses	388,211	171,999
	<hr/> 10,625,954	<hr/> 9,365,950
Investments (note 7)	10,669,412	9,308,605
Property and equipment - net (note 5)	1,103,979	1,486,173
	<hr/> 22,399,345	<hr/> 20,160,728
Liabilities		
Accounts payable and accrued liabilities	1,022,366	826,593
	<hr/> 21,376,979	<hr/> 19,334,135
Fund Balances		
Operating Funds		
Unrestricted (note 8(a))	1,611,524	1,542,295
Restricted (note 8(b))	6,725,216	5,402,888
	<hr/> 8,336,740	<hr/> 6,945,183
Capital Funds		
In Trust and Other Capital (note 9)	10,862,336	9,484,823
Planned Giving (note 10)	1,073,924	1,417,956
Property and Equipment (note 10)	1,103,979	1,486,173
	<hr/> 13,040,239	<hr/> 12,388,952
	<hr/> 21,376,979	<hr/> 19,334,135

Approved by the Board of Directors

Director

Director

WWF-Canada

Combined Statement of Operations and Changes in Fund Balances For the year ended June 30, 2011

					2011	2010
	Operating Funds \$	In Trust and Other Capital \$	Planned Giving \$	Property and Equipment \$	Total \$	Total \$
Revenue						
Donations						
Individuals	10,049,477	500,100	2,138,667	-	12,688,244	12,971,652
Corporations	3,697,466	-	-	-	3,697,466	4,107,997
Foundations	1,034,168	-	-	-	1,034,168	1,120,035
Other non-profit	379,892	-	-	-	379,892	349,281
Government	316,043	-	-	-	316,043	176,512
WWF family (note 6(a))	2,878,927	-	7,883	-	2,886,810	241,372
Earned revenues						
Product sales, promotions and fees	1,292,388	-	-	-	1,292,388	1,636,923
Investment earnings	167,309	406,824	-	-	574,133	563,075
	19,815,670	906,924	2,146,550	-	22,869,144	21,166,847
Expenses						
Program implementation	11,756,691	-	-	-	11,756,691	10,322,702
Research and grants	1,007,649	-	-	-	1,007,649	990,629
Raising awareness	3,158,307	-	49,316	-	3,207,623	3,385,685
Lobbying	16,337	-	-	-	16,337	78,566
Total conservation expenses	15,938,984	-	49,316	-	15,988,300	14,777,582
Fundraising and administration (notes 12 and 13)	5,766,128	50,501	115,070	-	5,931,699	6,122,662
Amortization of property and equipment	-	-	-	556,843	556,843	433,959
	21,705,112	50,501	164,386	556,843	22,476,842	21,334,203
Excess (deficiency) of revenue over expenses for the year	(1,889,442)	856,423	1,982,164	(556,843)	392,302	(167,356)
Fund balances - Beginning of year	6,945,183	9,484,823	1,417,956	1,486,173	19,334,135	19,441,270
Assumption of Global Arctic Programme (note 14)	810,005	-	-	-	810,005	-
Net change in unrealized appreciation of investments	(7,351)	847,888	-	-	840,537	60,221
Interfund transfers (note 10)	2,151,547	-	(2,326,196)	174,649	-	-
Transfer from the Foundation	326,798	(326,798)	-	-	-	-
Fund balances - End of year	8,336,740	10,862,336	1,073,924	1,103,979	21,376,979	19,334,135

WWF-Canada

Combined Statement of Specific Operating Funds and Changes in Fund Balances For the year ended June 30, 2011

								2011	2010
	Arctic \$	Climate and energy \$	Oceans \$	Fresh water \$	Footprint reduction \$	Global conservation \$	General \$	Total \$	Total \$
Revenue									
Donations									
Individuals	73,342	1,445	102,639	24,484	-	321,006	9,526,561	10,049,477	10,133,413
Corporations	210,897	988,189	726,567	579,263	851,203	33,887	307,460	3,697,466	4,107,997
Foundations	193,018	194,586	257,258	188,780	-	-	200,526	1,034,168	1,120,035
Other non-profit	-	-	-	118,731	-	54,988	206,173	379,892	349,281
Government	-	68,891	197,970	4,633	-	-	476	316,043	176,512
WWF family (note 6(b))	2,647,800	5,840	203,817	-	-	20,059	1,411	2,878,927	241,372
Earned revenues									
Product sales, promotions and fees	-	162,428	28,685	160,650	45,000	4,084	891,541	1,292,388	1,636,923
Investment earnings	13,828	-	7,595	-	-	-	145,886	167,309	145,117
	3,138,885	1,421,379	1,524,531	1,076,541	896,203	478,097	11,280,034	19,815,670	17,910,650
Expenses									
Program implementation	3,950,027	1,835,841	2,539,810	1,452,385	1,210,245	364,573	403,810	11,756,691	10,322,702
Research and grants	509,817	12,500	5,261	70,632	173,801	157,619	78,019	1,007,649	990,629
Raising awareness	-	-	-	-	-	-	3,158,307	3,158,307	3,312,902
Lobbying	-	-	106	6,279	-	1,315	8,637	16,337	78,566
Total conservation expenses	4,459,844	1,848,341	2,545,177	1,529,296	1,384,046	523,507	3,648,773	15,938,984	14,704,799
Fundraising and administration (notes 12 and 13)	-	-	-	-	-	-	5,766,128	5,766,128	5,966,471
	4,459,844	1,848,341	2,545,177	1,529,296	1,384,046	523,507	9,414,901	21,705,112	20,671,270
Excess (deficiency) of revenue over expenses for the year	(1,320,959)	(426,962)	(1,020,646)	(452,755)	(487,843)	(45,410)	1,865,133	(1,889,442)	(2,760,620)
Fund balances - Beginning of year	681,817	729,132	1,689,680	914,986	819,080	282,541	1,827,947	6,945,183	7,472,613
Assumption of Global Arctic Programme (note 14)	810,005	-	-	-	-	-	-	810,005	-
Net change in unrealized appreciation of investments	-	-	-	-	-	-	(7,351)	(7,351)	(44,482)
Interfund transfers (note 10)									
Operating	1,867,306	646,300	948,058	468,848	412,178	49,485	(4,391,675)	500	2,228
Property and Equipment	-	-	-	-	-	-	(174,649)	(174,649)	(700,730)
Planned Giving	-	-	-	-	-	-	2,325,696	2,325,696	2,654,351
Transfer from the Foundation	-	-	-	35,745	28,578	6,085	256,390	326,798	321,823
Fund balances - End of year	2,038,169	948,470	1,617,092	966,824	771,993	292,701	1,701,491	8,336,740	6,945,183
Unrestricted	-	-	-	-	-	-	1,611,524	1,611,524	1,542,295
Restricted	2,038,169	948,470	1,617,092	966,824	771,993	292,701	89,967	6,724,216	5,402,888
	2,038,169	948,470	1,617,092	966,824	771,993	292,701	1,701,491	8,336,740	6,945,183

WWF-Canada

Combined Statement of Cash Flows

For the year ended June 30, 2011

	2011 \$	2010 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	392,302	(167,356)
Non-cash items		
Amortization of property and equipment	556,843	433,959
Donated property and equipment	(3,100)	(365,271)
Change in non-cash working capital items		
Decrease in accounts receivable	72,259	128,065
Increase in prepaid expenses	(216,212)	(73,615)
Increase (decrease) in accounts payable and accrued liabilities	195,773	(415,306)
	<u>997,865</u>	<u>(459,524)</u>
Investing activities		
Purchase of property and equipment	(171,549)	(335,459)
Purchases of fixed income securities - net	(5,845)	(28,630)
Purchases of investments - net	(512,919)	(191,417)
	<u>(690,313)</u>	<u>(555,506)</u>
Financing activities		
Assumption of Global Arctic Programme	<u>810,005</u>	-
Increase (decrease) in cash and interest earning deposits during the year	1,117,557	(1,015,030)
Cash and interest earning deposits - Beginning of year	<u>5,210,405</u>	<u>6,225,435</u>
Cash and interest earning deposits - End of year	<u><u>6,327,962</u></u>	<u><u>5,210,405</u></u>
Supplementary information		
Items not affecting cash		
Net change in unrealized appreciation of investments	(840,537)	(60,221)
Decrease in operating funds	(7,351)	(44,482)
Increase in In Trust and Other Capital	847,888	104,703

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

1 Basis of presentation

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

Audited financial statements for each of these entities, as at and for the year ended June 30, 2011, are available.

2 Conservation goals

WWF-Canada's top priorities are climate, water and people because:

- Climate change creates the world's biggest conservation challenges, both on land and at sea. Canada has a responsibility and the opportunity to help lead the way in mitigation, adaptation, and the creation of a sustainable and prosperous green economy.
- Water, the lifeblood of our planet, is the world's richest source of biodiversity and essential to every human community. Water is also Canada's biggest global endowment. We have the opportunity now to set new world standards for the care of freshwater and ocean ecosystems.
- People, because what we do as individuals and together matters to all other species and to the planet. Canada's diverse citizenship connects us to every corner of the planet. The world matters to Canada and Canada matters to the world.

WWF-Canada's priority conservation goals are the following:

Arctic

The world's first and most tangible impact of climate change is the loss of Arctic sea ice. Northern communities and species are already at risk. WWF-Canada aims to secure an international ice refuge that protects high Arctic habitat for ice dependent species and anchors a protected area network that contributes to conserving at least 50 per cent of Arctic ecosystems through innovative governance reforms. WWF-Canada also aims to change the policies and practices in the Arctic from exploitation to stewardship by enabling resilience-based ecosystem management, establishing best practices for shipping, fishing, and hydrocarbon development, and promoting sound governance.

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

Climate and energy

Climate change is the biggest conservation challenge facing the world today. The answer to climate change is about transforming how we produce energy and how we use it. WWF-Canada is working to ensure Canada has a plan to meet its needs through renewable energy and catalyzing a shift to electric vehicles.

Oceans

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

Fresh water

Canada ranks among the world's top nations in terms of renewable water supply. Water is in increasing demand, and Canada's uses increasingly conflict with nature's needs. WWF-Canada is committed to protecting and restoring natural flow and water quality to secure healthy waters in Canada rivers, using its accomplishments to catalyze lasting change in water policy globally.

Footprint reduction

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

Global conservation

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

General

The general operating fund includes unrestricted amounts and also restricted expenditure for conservation projects which do not fit under priority programs.

3 Summary of significant accounting policies

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

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

Revenue recognition

WWF-Canada follows the restricted fund method of accounting for contributions. Restricted contributions specifically earmarked for conservation projects are allocated to the appropriate fund when received. Unrestricted revenues are recognized as revenue of the General Fund when received. Investment income is recognized as revenue when earned. Interest from fixed income securities is recognized using the effective interest rate method. Other revenue (including product sales, promotions and fees) is recognized when the service is provided or the goods are sold.

Financial instruments

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

WWF-Canada classifies its financial instruments as follows:

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

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

For fixed income securities and investments classified as available-for-sale, the annual change in fair value is recorded as an adjustment to the respective fund balance. Realized gains and losses on disposition of these investments, and any investment income earned thereon, are recorded in operations as investment earnings. Transaction costs and investment management fees associated with the acquisition and disposal of these fixed income securities and investments are expensed as incurred. The purchase and sale of fixed income securities and investments are accounted for using trade-date accounting.

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

WWF-Canada is exposed to market risk through its investment in equities as these investments are subject to price and market volatility. WWF-Canada closely monitors individual equity investments and the stock market to determine the appropriate course of action to be taken by WWF-Canada

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

Cash and interest earning deposits

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

Property and equipment

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

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

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

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

Donated materials and services

Donated materials and services (donations in-kind other than donated property and equipment) are not recognized in the combined statement of operations. Donations of media space and television time are disclosed in the notes to the combined financial statements at an approximation of fair value. Donations of time by volunteers to assist WWF-Canada in carrying out its programs are not reflected in the notes because there is no objective basis to determine the fair value of these services.

Foreign currency

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

Allocation of expenses

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

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

Costs are allocated on the following bases:

- Marketing and fundraising expenses

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

- Communication expenses

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

- General support expenses

Human resources costs are based on staff headcount.

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

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

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

Use of estimates

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

Future accounting changes

- Accounting standards for not-for-profit organizations

In December 2010, the Canadian Accounting Standards Board issued a comprehensive set of accounting standards applicable to not-for-profit organizations. The standards are effective for fiscal years beginning on or after January 1, 2012 and require retrospective application, except for certain exemptions and exceptions contained within the standards. Early adoption of the standards is permitted. WWF-Canada is currently considering the impact of the adoption of these standards.

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

4 Fixed income securities

Fixed income securities consist of bonds and money market instruments. As at June 30, 2011, the maturity dates of these securities ranged between September 2011 and December 2015, with interest rates varying between 2.75% and 3.75%.

5 Property and equipment

	2011		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture and fixtures	831,343	522,660	308,683
Leasehold improvements	1,333,418	1,104,448	228,970
Computer software	180,263	143,152	37,110
Computer hardware	1,231,976	739,188	492,789
Office equipment	133,722	113,854	19,868
Artwork	16,559	-	16,559
	3,727,281	2,623,302	1,103,979
	<hr/>		
	2010		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture and fixtures	804,840	462,883	341,957
Leasehold improvements	1,363,978	980,111	383,867
Computer software	203,988	167,475	36,513
Computer hardware	1,473,850	789,666	684,184
Office equipment	123,802	97,609	26,193
Artwork	13,459	-	13,459
	3,983,917	2,497,744	1,486,173

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

6 Related party transactions

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

	2011	2010
	\$	\$
International	347,325	57,636
Netherlands	1,627,294	149,044
United Kingdom	280,135	-
United States	253,439	34,692
Switzerland	73,957	-
Poland	47,903	-
Sweden	189,814	-
Germany	66,943	-
	<u>2,886,810</u>	<u>241,372</u>

As a result of the National Organization Agreement between WWF-Canada and World Wide Fund for Nature International (WWF International) dated June 6, 1995, a fee is paid by WWF-Canada to WWF International, headquartered in Gland, Switzerland, for services and benefits primarily related to conservation program implementation and awareness. The fee amounted to \$1,767,652 (2010 - \$2,291,267).

- b) At June 30, 2011, WWF-Canada had amounts owing from various WWF family members for project funding and reimbursable expenses amounting to \$143,536 (2010 - \$45,887). These amounts are included in accounts receivable.

7 Investments

	2011	2010
	\$	\$
Fixed income securities	3,947,498	3,709,948
Equity shares	5,173,827	4,342,260
Equity pooled funds	1,548,087	1,256,397
	<u>10,669,412</u>	<u>9,308,605</u>

- a) Fixed income securities consist of bonds and money market instruments. As at June 30, 2011, the maturity dates of these securities ranged between September 2011 and June 2108, with interest rates varying between 3.13% and 9.98%.
- b) Included in investments are amounts that are subject to currency risk, which will be settled in US dollars (CA\$3,432,024 (2010 - CA\$2,796,497) at year-end.

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

8 Operating Funds

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

a) Unrestricted Operating Funds

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

b) Restricted Operating Funds

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

Details of these restricted Operating Funds are as follows:

	2011	2010
	\$	\$
Arctic	2,038,169	681,817
Climate and energy	948,470	729,132
Oceans	1,617,092	1,689,680
Fresh water	966,824	914,986
Footprint reduction	771,993	819,080
Global conservation	292,701	282,541
General	89,967	285,652
	<hr/>	<hr/>
	6,725,216	5,402,888

WWF-Canada

Notes to Combined Financial Statements

June 30, 2011

9 In Trust and Other Capital Funds

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

	2011 \$	2010 \$
Signatures Fund	375,143	343,685
Canadian Conservation Trust	3,721,671	3,415,418
200 Canadians Trust	1,896,974	1,740,258
“1001” Nature Trust	2,265,024	2,070,015
Beryl Ivey Fund	1,009,327	913,500
Brocklehurst-Jourard Education Fund	921,134	844,520
The Kenneth M. Molson Fund for Endangered Birds	171,785	157,427
The Sobey Fund for Oceans	501,278	-
	<hr/> 10,862,336	<hr/> 9,484,823

The funds are invested to produce income and preserve capital. Each year a pay-out based on a percentage of the average fair value of the investments for each of the funds for the previous two years is transferred to the Operating Funds. In 2011 and 2010, the percentage of 3.5% was paid out.

Signatures Fund

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

Canadian Conservation Trust

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

200 Canadians Trust

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

“1001” Nature Trust

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

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Notes to Combined Financial Statements

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Subsequent donations are added to the Trust and income thereon is also available to help offset administrative expenses of WWF-Canada.

Beryl Ivey Fund

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

Brocklehurst-Jourard Education Fund

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

The Kenneth M. Molson Fund for Endangered Birds

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

The Sobey Fund for Oceans

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

10 Funds and interfund transfers

Operating Funds

Discretionary revenues remaining in the General Operating Fund are available, to the extent they are not required to support general operations, for the purposes of a variety of projects within each conservation program and are transferred as required.

Planned Giving Fund

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

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Property and Equipment Fund

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

11 Donations in-kind

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

	2011	2010
	\$	\$
Raising awareness		
Climate change	2,118,331	1,869,468
Fundraising and administration		
Operating	334,294	405,846

12 Allocation of expenses

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

The fundraising and administration expenses reported in the statement of operations of \$5,931,699 (2010 - \$6,122,662) are reported after allocation of \$3,207,623 (2010 - \$3,385,685) of costs incurred in marketing, fundraising and communication departments to raising awareness and \$1,272,007 (2010 - \$1,250,413) of general support costs to program implementation.

13 Fundraising and administration

Fundraising and administration expenses are comprised of fundraising of \$4,855,635 (2010 - \$4,973,005) and administration of \$1,076,060 (2010 - \$1,149,657).

14 Assumption of Global Arctic Programme

As of July 1, 2010, WWF-Canada assumed responsibility for leadership of the Global Arctic conservation programme of the WWF Network from WWF-International. The Global Arctic Programme is a multi-party, multi-stakeholder, initiative comprising several members of the WWF Network and serves as a focal point for Arctic conservation issues and the WWF Network's combined Arctic conservation strategies. The donor restricted funds and the programme obligations and liabilities associated with the Global Arctic Programme were transferred to WWF-Canada from WWF-International. The financial transfer consisted of net assets of \$810,005. This was made up of cash and receivables of \$1,000,115 and short-term liabilities of \$190,110.

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15 Lease commitments

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

	\$
2012	888,479
2013	705,388
2014	240,599
2015	35,187
	<hr/>
	1,869,653

16 Directors' remuneration

The directors of WWF-Canada receive no remuneration from WWF-Canada in their roles as directors.

17 Capital management

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

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

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

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