

**International Fund for Animal Welfare Inc./Fonds
international pour la protection des animaux inc.**

Financial Statements

June 30, 2022

(expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Opinion

We have audited the financial statements of International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (the "Organization"), which comprise the statement of financial position as at June 30, 2022 and the statements of revenue, expenses and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
February 21, 2023
Toronto, Ontario

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Statement of Financial Position

As at June 30, 2022

	2022	2021
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,609,944	693,245
Investments (note 3)	1,856,759	3,349,310
Accounts receivable	39,538	13,974
Due from affiliates (note 6)	27	27
Bequests receivable	33,152	289,908
Prepaid insurance and sundry assets	10,294	8,119
	<u>3,549,714</u>	<u>4,354,583</u>
Non-current assets		
Investment in affiliate (note 3)	2	2
	<u>2</u>	<u>2</u>
	<u>3,549,716</u>	<u>4,354,585</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	144,364	344,276
Due to affiliates (note 6)	113,704	151,706
	<u>258,068</u>	<u>495,982</u>
Net assets		
Unrestricted	2,066,440	2,631,558
Temporarily restricted	22,078	23,915
Endowment fund	1,203,130	1,203,130
	<u>3,291,648</u>	<u>3,858,603</u>
	<u>3,549,716</u>	<u>4,354,585</u>

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

Approved by the Audit & Risk Oversight Committee of the Board of Directors

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Mark Beaudoin

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Mark T. Beaudoin, Board Member and Audit & Risk Oversight Committee Chair

DocuSigned by:

Joyce Doria

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Joyce C. Doria, Board Member

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Statement of Revenue, Expenses and Changes in Net Assets

For the year ended June 30, 2022

	Unrestricted	Temporarily restricted	Endowment Fund	2022 Total	2021 Total
	\$	\$	\$	\$	\$
Revenue					
Contributions	2,300,931	74,255	-	2,375,186	2,054,748
Grants from affiliates (note 6)	50,000	-	-	50,000	202,403
Bequests	275,580	-	-	275,580	755,978
Interest income	75,049	-	-	75,049	67,488
Other income	-	-	-	-	175,350
Net unrealized and realized gain (loss) on investments	(395,764)	-	-	(395,764)	844,952
Foreign exchange (loss) gain	147,495	-	-	147,495	(285,293)
	<u>2,453,291</u>	<u>74,255</u>	<u>-</u>	<u>2,527,546</u>	<u>3,815,626</u>
Expenses (note 7)					
Program services	1,995,607	76,092	-	2,071,699	2,397,385
Fundraising	625,982	-	-	625,982	489,334
General and administrative	396,820	-	-	396,820	385,865
	<u>3,018,409</u>	<u>76,092</u>	<u>-</u>	<u>3,094,501</u>	<u>3,272,584</u>
Excess (deficiency) of revenue over expenses for the year	(565,118)	(1,837)	-	(566,955)	543,042
Net assets - Beginning of year	<u>2,631,558</u>	<u>23,915</u>	<u>1,203,130</u>	<u>3,858,603</u>	<u>3,315,561</u>
Net assets - End of year	<u>2,066,440</u>	<u>22,078</u>	<u>1,203,130</u>	<u>3,291,648</u>	<u>3,858,603</u>

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

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Statement of Cash Flows

For the year ended June 30, 2022

	2022	2021
	\$	\$
Cash and cash equivalents provided by		
Operating activities		
Excess (Deficiency) of revenue over expenses for the year	(566,955)	543,042
Add: Non-cash items		
Unrealized (gain) loss on investments	1,321,811	(813,232)
Realized (gain) loss on investments	(926,047)	31,719
Unrealized foreign currency translation loss/(gain)	(140,483)	201,827
Amortization of tangible capital assets	-	1,704
	<hr/>	<hr/>
Changes in working capital accounts:	(311,674)	(34,940)
Accounts receivable	(25,565)	(244)
Bequests receivable	256,757	(241,601)
Prepaid insurance and sundry assets	(2,175)	1,429
Due to /from affiliates	(38,002)	(84,959)
Accounts payable and accrued liabilities	(199,912)	236,321
	<hr/>	<hr/>
	(320,571)	(123,994)
Investing activities		
Investment purchases	(546,797)	-
Proceeds on dispositions of investments	1,784,067	68,358
	<hr/>	<hr/>
	1,237,270	68,358
Change in cash and cash equivalents during the year	916,699	(55,636)
Cash and cash equivalents - Beginning of year	693,245	748,882
	<hr/>	<hr/>
Cash and cash equivalents - End of year	1,609,944	693,245
	<hr/>	<hr/>
Cash and cash equivalents consist of:		
Cash	96,013	357,037
Investments	1,513,931	336,208
	<hr/>	<hr/>
	1,609,944	693,245
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The accompanying notes are an integral part of these financial statements

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

1 The Organization

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (the “Organization”) is a non-profit corporation established by letters patents under the federal laws of Canada and headquartered in Guelph, Ontario. The Organization is part of a worldwide group of non-profit organizations, which collectively comprise the International Fund for Animal Welfare (“IFAW”). IFAW has offices in fifteen countries and supports animal welfare and conservation projects in more than forty countries around the world. The mission of IFAW is:

Fresh thinking and bold action for animals, people, and the place we call home.

The Organization was formed under the federal laws of Canada on June 13, 2001, as the successor to the International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc., an organization formed under the laws of the Province of New Brunswick, Canada. On October 26, 2012, the Organization continued under the Canada Not-for-profit Corporations Act.

The Organization is affiliated with several other not-for-profit entities located throughout the world, each of which possesses a mission similar to that of the Organization:

- International Fund for Animal Welfare, Inc., a non-profit organization headquartered in the United States;
- International Fund for Animal Welfare (IFAW) and International Fund for Animal Welfare IFAW in Action, companies limited by guarantee, and IFAW Commerce Limited, a company limited by shares - headquartered in the United Kingdom;
- Stichting IFAW (International Fund for Animal Welfare), a Dutch foundation headquartered in the Netherlands;
- IFAW Internationaler Tierschutz-Fonds gGmbH, a limited company organized under the laws of Germany and headquartered there;
- Fonds international pour la protection des animaux (IFAW France), a non-profit association headquartered in France and Fonds international pour la protection des animaux (IFAW) - Endowment Fund;
- International Fund for Animal Welfare (Australia) Pty Ltd, a company limited by shares and headquartered in Australia;
- International Fund for Animal Welfare NPC, a non-profit organization headquartered in the Republic of South Africa;
- International Fund for Animal Welfare (IFAW) Limited, a company limited by guarantee in Malawi;
- International Fund for Animal Welfare Limited, a company limited by guarantee in Zambia;
- International Fund for Animal Welfare (Belgium): and
- International Fund for Animal Welfare (Zimbabwe) Trust

All affiliated entities (organizations having economic interest in one another) maintain essentially common Boards of Directors or Trustees and senior management. The activities and assets of the Organization are maintained separate from and are not commingled with those of its affiliates.

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

2 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, using the restricted fund method for reporting contributions. The financial statements are presented in the functional currency of the organization, Canadian Dollar (CAD).

Revenue recognition

Contribution and bequest income

Contribution and other similar income, other than bequest income, is recorded as received. Bequest income is recognized on an accrual basis when it becomes reasonably certain that the bequest will be received and the amount is determinable.

Revenues and funds

Unrestricted fund

These revenues and net assets are not restricted in their use and are available for activities falling within the mission of the Organization. These revenues and net assets are available to fund the annual expenses of the Organization.

Temporarily restricted fund

Amounts received that are restricted by contributor for specific purposes and/or time period are reported as temporarily restricted.

Endowment Fund

Permanently restricted revenues and net assets include the principal amount of revenue accepted with the stipulation from the contributor that the principal be invested in perpetuity as an endowment and only earnings be expended for general purposes or a purpose specified by the contributor.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and highly liquid money market investments with original terms to maturity of three months or less when acquired.

Financial instruments

Initial and subsequent measurement – The Organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at amortized cost, except for bonds, foreign equities and alternative investments which are measured at fair value. Changes in fair value are recognized in the statement of revenue and expenses.

Financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, bequest receivable, due to affiliates, accounts payable due from affiliates, and accrued liabilities. Investment in affiliate is measured at historical cost.

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

2 Summary of significant accounting policies (continued)

Impairment – Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Transaction costs – The Organization recognizes its transaction costs in the statement of revenue and expenses in the year incurred for financial instruments measured at fair value. Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs in the initial measurement of the asset or liability.

Tangible capital asset

The Organization follows ASNPO Section 4433, accounting stand for tangible capital assets held by not-for-profit organizations. As a result, when conditions indicate a tangible capital assets carrying value is impaired it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed. As of June 30, 2022 and 2021 the Organization had no impaired tangible capital assets.

Tangible capital assets are recorded at cost and are amortized using the straight-line method based on the estimated useful lives (see below). Expenses for maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense as incurred.

Office and program equipment	5 years
Vehicles	5 years

The Organization relieves the asset accounts and the related accumulated amortization for items sold or disposed.

Foreign currency translation and transactions

Monetary assets and liabilities held in foreign currency accounts are translated into Canadian dollars at the exchange rates in effect at the year-end. Realized and unrealized exchange gains and losses are recorded as income or expense in the statement of revenue, expenses and changes in net assets depending on their nature.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses and expense allocation during the reporting period. Actual results could differ from those estimates. As of June 30, 2022 the Organization has concluded an allowance for doubtful account is not required. Accounts receivables are periodically evaluated for collectability based on past history with the entity.

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

3 Investments

	2022		2021	
	Cost \$	Fair Value \$	Cost \$	Fair Value \$
Bonds	63,553	63,493	301,923	310,918
Foreign equities	913,971	1,651,325	910,482	2,869,702
Alternative investments	131,743	141,941	158,272	168,690
	<u>1,109,267</u>	<u>1,856,759</u>	<u>1,370,677</u>	<u>3,349,310</u>

Included within the investments above are all permanently restricted funds which have been invested as endowment funds in accordance with the Organizations' accounting policy.

In addition, during 2007, the Organization acquired a 1/6th interest in IFAW Internationaler Tierschutz-Fonds gGmbH ("IFAW DE"), an affiliated organization, at a cost of \$1. During 2010, the Organization acquired a 1/6th interest in International Fund for Animal Welfare (Australia) Pty Ltd ("IFAW AU"), an affiliated organization, at a cost of \$1. The investments are reported at cost, as the Organization owns minority interests and maintains no managerial or operational control over IFAW DE or IFAW AU.

Alternative Investments: Alternative investments include publicly traded real estate institutional fund securities which are valued based on quoted market prices.

4 Tangible capital asset

	2022		
	Cost \$	Accumulated amortization \$	Net \$
Office and program equipment	16,772	16,772	-
Vehicles	36,040	36,040	-
	<u>52,812</u>	<u>52,812</u>	<u>-</u>

	2021		
	Cost \$	Accumulated amortization \$	Net \$
Office and program equipment	16,772	16,772	-
Vehicles	36,040	36,040	-
	<u>52,812</u>	<u>52,812</u>	<u>-</u>

During the year ended June 30, 2021, the Organization made an in kind donation of an asset with net book value of \$903.

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

5 Accounts payable and accrued expenses

	2022 \$	2021 \$
Accrued expenses	61,208	76,203
Accounts payable	83,156	268,073
	<u>144,364</u>	<u>344,276</u>

6 Related party transactions

During the year, the Organization entered into transactions with affiliated entities.

- a) During the year, the Organization received grants from the affiliates listed below. The Germany affiliate grant was intended to provide program and operational support. The prior year United Kingdom affiliate grants were for program support restricted to wildlife crime and community animal's programs.

	2022 \$	2021 \$
Internationaler Tierschutz-Fonds International Fund for Animal Welfare (IFAW) (Germany)	50,000	200,000
International Fund for Animal Welfare, Inc. (United States)	<u>-</u>	<u>2,403</u>
	<u>50,000</u>	<u>202,403</u>

The Organization's United States affiliate provides shared program, fundraising, accounting, information technology and management support and services to the affiliated entities, each participating in the shared cost pool. Cost is determined based on the Organization's relative share of IFAW's worldwide revenue and expenses, less grants to and from affiliates. Total institutional shared costs for the year were \$692,434 (2021: \$758,749).

- b) Amounts due from affiliates:

	2022 \$	2021 \$
Internationaler Tierschutz-Fonds International Fund for Animal Welfare (IFAW) (Germany)	<u>27</u>	<u>27</u>
	<u>27</u>	<u>27</u>

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

6 Related party transactions (continued)

c) Amounts due to affiliates:

	2022	2021
	\$	\$
International Fund for Animal Welfare (IFAW) (United Kingdom) - direct expenses	8,112	48,485
International Fund for Animal Welfare (Australia) Pty Ltd	1,837	1,500
International Fund for Animal Welfare, Inc. (United States) - institutional shared costs and direct expenses	103,755	101,721
	<u>113,704</u>	<u>151,706</u>

The above transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the related parties. All related party payables are short term payables and accrue no interest.

7 Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of revenue, expenses and changes in net assets. Accordingly, certain joint costs have been allocated to program services, fundraising or general and administrative expenses based on estimates of time worked by professionals and employees on each activity, except for direct mail education and appeals, which are allocated based on the content of the package mailed or advertisement displayed.

In the current year, the Organization incurred joint costs of \$1,064,232 (2021: \$1,105,533) for printing and publication activities and communications that included fundraising expense appeals. Of these costs, \$213,458 (2021: \$169,302) was allocated to fundraising expense, \$128,292 (2021: \$136,205) was allocated to general and administrative expense, and \$722,481 (2021: \$800,026) was allocated to program services expense.

The table on the following page illustrates expenses by priority program area and functional basis.

International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

For the year ended June 30, 2022

For the year ended June 30, 2021

Expenditures by Priority Campaigns and Projects

Landscape Conservation	\$	45,451
Marine Conservation		59,733
Wildlife Crime		789,429
Wildlife Rescue		1,160,327
Disaster Response and Risk Reduction		9,671
International Policy		7,089
Marine Mammal Rescue and Research		-
<i>Total</i>	<u>\$</u>	<u>2,071,699</u>

Expenditures by Priority Campaigns and Projects

Landscape Conservation	\$	185,527
Marine Conservation		78,844
Wildlife Crime		607,870
Wildlife Rescue		1,273,882
Disaster Response and Risk Reduction		221,323
International Policy		2,688
Marine Mammal Rescue and Research		27,251
<i>Total</i>	<u>\$</u>	<u>2,397,385</u>

Mission Costs by Activity

Campaigns and projects:

	Program	Fundraising	Management and General	Total
<i>Contracting and granting</i>	\$ 225,908	\$ -	\$ -	\$ 225,908
<i>Direct staffing</i>	408,395	11,451	11,451	431,297
<i>Support staffing</i>	18,965	371	8	19,344
<i>Support costs</i>	205,370	3,353	18,851	227,574
<i>Total</i>	<u>\$ 858,638</u>	<u>\$ 15,175</u>	<u>\$ 30,310</u>	<u>\$ 904,123</u>

Mission Costs by Activity

Campaigns and projects:

	Program	Fundraising	Management and General	Total
<i>Contracting and granting</i>	\$ 424,892	\$ -	\$ -	\$ 424,892
<i>Direct staffing</i>	390,243	10,648	10,648	411,539
<i>Support staffing</i>	19,477	443	-	19,920
<i>Support costs</i>	253,711	4,017	17,058	274,786
<i>Total</i>	<u>\$ 1,088,323</u>	<u>\$ 15,108</u>	<u>\$ 27,706</u>	<u>\$ 1,131,137</u>

Multimedia outreach and influence:

<i>Production and placement</i>	\$	5,759	\$	-	\$	-	\$	5,759
<i>Digital marketing and fundraising</i>		38,996		2,662		125		41,783
<i>Direct staffing</i>		-		-		-		-
<i>Support staffing</i>		1,338		86		-		1,424
<i>Support costs</i>		14,490		779		206		15,475
<i>Total</i>	<u>\$</u>	<u>60,583</u>	<u>\$</u>	<u>3,527</u>	<u>\$</u>	<u>331</u>	<u>\$</u>	<u>64,441</u>

Multimedia outreach and influence:

<i>Production and placement</i>	\$	6,387	\$	-	\$	-	\$	6,387
<i>Digital marketing and fundraising</i>		5,305		485		74		5,864
<i>Direct staffing</i>		-		-		-		-
<i>Support staffing</i>		279		20		-		299
<i>Support costs</i>		3,639		183		119		3,941
<i>Total</i>	<u>\$</u>	<u>15,610</u>	<u>\$</u>	<u>688</u>	<u>\$</u>	<u>193</u>	<u>\$</u>	<u>16,491</u>

Supporter awareness and advocacy:

<i>Outreach, production and distribution</i>	\$	714,890	\$	382,089	\$	128,167	\$	1,225,146
<i>Direct staffing</i>		129,549		72,503		9,957		212,009
<i>Support staffing</i>		25,247		14,726		92		40,065
<i>Support costs</i>		282,792		137,962		227,963		648,717
<i>Total</i>	<u>\$</u>	<u>1,152,478</u>	<u>\$</u>	<u>607,280</u>	<u>\$</u>	<u>366,179</u>	<u>\$</u>	<u>2,125,937</u>

Supporter awareness and advocacy:

<i>Outreach, production and distribution</i>	\$	794,720	\$	299,061	\$	136,131	\$	1,229,912
<i>Direct staffing</i>		168,351		32,620		1,364		202,335
<i>Support staffing</i>		23,012		13,793		-		36,805
<i>Support costs</i>		307,369		128,064		220,471		655,904
<i>Total</i>	<u>\$</u>	<u>1,293,452</u>	<u>\$</u>	<u>473,538</u>	<u>\$</u>	<u>357,966</u>	<u>\$</u>	<u>2,124,956</u>

Total mission costs

	<u>\$</u>	<u>2,071,699</u>	<u>\$</u>	<u>625,982</u>	<u>\$</u>	<u>396,820</u>	<u>\$</u>	<u>3,094,501</u>
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Total mission costs

	<u>\$</u>	<u>2,397,385</u>	<u>\$</u>	<u>489,334</u>	<u>\$</u>	<u>385,865</u>	<u>\$</u>	<u>3,272,584</u>
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International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2022

8 Financial instruments

The Organization is unaware of any exposure to specific risks on financial instruments other than the risk reported below.

Credit risk

Cash and cash equivalents and Investments are held with reputable financial institutions. The Organization is exposed to credit risk with respect to accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there was no allowance for doubtful accounts.

Currency risk

The Organization maintains its funds for operations in Canadian dollars and most expenses are incurred in Canadian dollars and US dollars. Strategic reserves however are held within an investment account in US dollars, this includes cash and equivalents. Of the amounts reported in statement of financial position approximately 95% of investments and 94% of cash and equivalents is in United States dollars. The Organization has a foreign exchange management policy designed to reduce volatility and unpredictability of payments for the purchases of goods and services denominated in US dollars. The policy provides for the Organization to enter into foreign currency purchase and sale contracts with IFAW US.

Interest rate risk

The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect investment value.

Other price risk

The Organization is exposed to other price risk through its investments in foreign securities and alternative investments. These investments are exposed to market fluctuation which will directly impact the investments value.