

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

Financial Statements

**June 30, 2025**

(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, 2025, 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, 2025, 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 27, 2026  
Toronto, Ontario

**International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.**  
**Statement of Financial Position**  
**As at June 30, 2025**

	2025	2024
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,108,109	490,632
Investments (note 3)	3,292,931	3,522,095
Accounts receivable	12,022	22,039
Bequests receivable	286,475	183,689
Prepaid insurance and sundry assets	3,102	3,049
	4,702,639	4,221,504
<b>Non-current assets</b>		
Investment in affiliate (note 3)	2	2
	2	2
	4,702,641	4,221,506
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 4)	87,847	211,594
Due to affiliates (note 5)	371,694	542,149
	459,541	753,743
<b>Net assets</b>		
Unrestricted	3,039,970	2,181,497
Temporarily restricted	-	83,136
Endowment fund	1,203,130	1,203,130
	4,243,100	3,467,763
	4,702,641	4,221,506

*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, 2025

				2025	2024
	Unrestricted	Temporarily restricted	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$
Contributions	1,703,928	25,000	-	1,728,928	1,914,033
Grants from affiliates (note 5)	-	71,124	-	71,124	671,559
Government grants	-	104,520	-	104,520	199,572
Bequests	2,078,427	-	-	2,078,427	632,565
Interest income	118,623	-	-	118,623	77,635
Other income	-	-	-	-	-
Net unrealized and realized gain on investments	263,128	-	-	263,128	567,448
Foreign exchange (loss) gain	(10,222)	-	-	(10,222)	82,136
	<u>4,153,884</u>	<u>200,644</u>	<u>-</u>	<u>4,354,528</u>	<u>4,144,948</u>
<b>Expenses (note 6)</b>					
Program services	2,241,110	283,780	-	2,524,890	3,058,632
Fundraising	576,217	-	-	576,217	595,505
General and administrative	478,084	-	-	478,084	556,116
	<u>3,295,411</u>	<u>283,780</u>	<u>-</u>	<u>3,579,191</u>	<u>4,210,253</u>
<b>Excess (deficiency) of revenue over expenses for the year</b>	858,473	(83,136)	-	775,337	(65,305)
<b>Net assets - Beginning of year</b>	<u>2,181,497</u>	<u>83,136</u>	<u>1,203,130</u>	<u>3,467,763</u>	<u>3,533,068</u>
<b>Net assets - End of year</b>	<u>3,039,970</u>	<u>-</u>	<u>1,203,130</u>	<u>4,243,100</u>	<u>3,467,763</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, 2025

	2025	2024
	\$	\$
<b>Cash and cash equivalents provided by</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	775,337	(65,305)
Add: Non-cash items		
Unrealized loss (gain) on investments	220,563	(332,524)
Realized (gain) on investments	(483,691)	(234,924)
Unrealized foreign currency translation gain	7,551	(124,215)
	<hr/>	<hr/>
Changes in working capital accounts:	519,760	(756,968)
Accounts receivable	10,017	(12,551)
Bequests receivable	(102,786)	67,196
Prepaid insurance and sundry assets	(53)	(10)
Due to /from affiliates	(170,455)	381,870
Accounts payable and accrued liabilities	(123,747)	10,849
	<hr/>	<hr/>
	132,736	(309,614)
<b>Investing activities</b>		
Investment purchases	(3,104,598)	(2,554,694)
Proceeds on dispositions of investments	3,589,339	3,104,919
	<hr/>	<hr/>
	484,741	550,225
<b>Change in cash and cash equivalents during the year</b>	617,477	240,611
<b>Cash and cash equivalents - Beginning of year</b>	490,632	250,021
	<hr/>	<hr/>
<b>Cash and cash equivalents - End of year</b>	1,108,109	490,632
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<b>Cash and cash equivalents consist of:</b>		
Cash	976,825	291,338
Investments	131,284	199,294
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	1,108,109	490,632
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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, 2025

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## 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 located in Ottawa, Ontario. The Organization is part of a network of non-profit organizations. IFAW has offices in sixteen 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) AISBL
- 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, 2025

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## 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.

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

Notes to Financial Statements

June 30, 2025

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## 2 Summary of significant accounting policies (continued)

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

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, 2025 and 2024 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, 2025 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, 2025

3 Investments

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Bonds	925,742	822,385	670,464	677,464
Foreign equities	1,020,167	1,729,548	1,635,242	2,571,536
Alternative investments	720,144	740,997	274,137	273,094
	<u>2,666,053</u>	<u>3,292,931</u>	<u>2,579,843</u>	<u>3,522,095</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 1/6<sup>th</sup> interest in IFAW Internationaler Tierschutz-Fonds gGmbH ("IFAW DE"), an affiliated organization, at a cost of \$1. During 2010, the Organization acquired a 1/6<sup>th</sup> 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 Accounts payable and accrued expenses

	2025	2024
	\$	\$
Accrued expenses	68,848	132,218
Other accrued expense	18,999	79,376
	<u>87,847</u>	<u>211,594</u>

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

## Notes to Financial Statements

June 30, 2025

### 5 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 United States grant was to provide program support only. The prior year grants from Germany and Australia affiliates were provide program and operational support and the United States was to provide program support only.

	2025 \$	2024 \$
International Fund for Animal Welfare, Inc. (United States)	71,124	6,559
Internationaler Tierschutz-Fonds International Fund for Animal Welfare (IFAW) (Germany)	-	365,000
International Fund for Animal Welfare (Australia) Pty Ltd	-	300,000
	<u>71,124</u>	<u>671,559</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 \$1,013,661 (2024: \$1,282,622).

- b) No amounts due from affiliates during the year ended June 30, 2025 and 2024

- c) Amounts due to affiliates:

	2025 \$	2024 \$
International Fund for Animal Welfare (IFAW) (United Kingdom) - direct expenses	3,892	12,481
International Fund for Animal Welfare, Inc. (United States) - institutional shared costs and direct expenses	<u>367,802</u>	<u>529,668</u>
	<u>371,694</u>	<u>542,149</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.

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

Notes to Financial Statements

June 30, 2025

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## 6 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 \$884,751 (2024: \$1,693,326) for printing and publication activities and communications that included fundraising expense appeals. Of these costs, \$126,560 (2024: \$308,594) was allocated to fundraising expense, \$108,477 (2024: \$194,596) was allocated to general and administrative expense, and \$649,714 (2024: \$1,190,135) 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, 2025

For the year ended June 30, 2025

### Expenditures by Priority Campaigns and Projects

Conservation	\$ 1,427,429
Animal Rescue	1,097,460
<b>Total</b>	<b>\$ 2,524,890</b>

### Mission Costs by Activity

Campaigns and projects:	Management			Total
	Program	Fundraising	and General	
<i>Contracting and granting</i>	\$ 214,950	\$ -	\$ -	\$ 214,950
<i>Direct staffing</i>	507,236	-	-	507,236
<i>Support staffing</i>	66,844	-	-	66,844
<i>Support costs</i>	304,470	-	-	304,470
<b>Total</b>	<b>\$ 1,093,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,093,500</b>

### Multimedia outreach and influence:

<i>Production and placement</i>	\$ -	\$ -	\$ -	\$ -
<i>Direct staffing</i>	19,960	-	-	19,960
<i>Support staffing</i>	1,847	-	-	1,847
<i>Support costs</i>	8,415	-	-	8,415
<b>Total</b>	<b>\$ 30,222</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,222</b>

### Supporter awareness and advocacy:

<i>Outreach, production and distribution</i>	\$ 748,078	\$ 276,707	\$ 108,477	\$ 1,133,262
<i>Direct staffing</i>	173,244	72,663	14,915	260,822
<i>Support staffing</i>	85,276	28,752	13,542	127,570
<i>Support costs</i>	394,570	198,095	341,150	933,815
<b>Total</b>	<b>\$ 1,401,168</b>	<b>\$ 576,217</b>	<b>\$ 478,084</b>	<b>\$ 2,455,469</b>

### Total mission costs

	\$ 2,524,890	\$ 576,217	\$ 478,084	\$ 3,579,191
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For the year ended June 30, 2024

### Expenditures by Priority Campaigns and Projects

Conservation	\$ 2,259,826
Animal Rescue	798,806
<b>Total</b>	<b>\$ 3,058,632</b>

### Mission Costs by Activity

Campaigns and projects:	Management			Total
	Program	Fundraising	and General	
<i>Contracting and granting</i>	\$ 299,985	\$ -	\$ -	\$ 299,985
<i>Direct staffing</i>	516,507	6,673	6,673	529,853
<i>Support staffing</i>	41,159	420	360	41,939
<i>Support costs</i>	344,274	3,881	20,528	368,683
<b>Total</b>	<b>\$ 1,201,925</b>	<b>\$ 10,974</b>	<b>\$ 27,561</b>	<b>\$ 1,240,460</b>

### Multimedia outreach and influence:

<i>Production and placement</i>	\$ 1,030	\$ -	\$ -	\$ 1,030
<i>Direct staffing</i>	104,465	-	-	104,465
<i>Support staffing</i>	5,318	-	-	5,318
<i>Support costs</i>	44,482	-	-	44,482
<b>Total</b>	<b>\$ 155,295</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 155,295</b>

### Supporter awareness and advocacy:

<i>Outreach, production and distribution</i>	\$ 951,381	\$ 306,228	\$ 127,935	\$ 1,385,544
<i>Direct staffing</i>	202,058	48,281	-	250,339
<i>Support staffing</i>	58,145	22,333	6,910	87,388
<i>Support costs</i>	489,828	207,689	393,710	1,091,227
<b>Total</b>	<b>\$ 1,701,412</b>	<b>\$ 584,531</b>	<b>\$ 528,555</b>	<b>\$ 2,814,498</b>

### Total mission costs

	\$ 3,058,632	\$ 595,505	\$ 556,116	\$ 4,210,253
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# International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc.

Notes to Financial Statements

June 30, 2025

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## 7 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 97% of investments and 2% 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.