ANIMAL HEALTH CANADA

FINANCIAL STATEMENTS

MARCH 31, 2025

ANIMAL HEALTH CANADA

MARCH 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the members of the Organization

Opinion

We have audited the accompanying financial statements of the **Animal Health Canada** (the Organization), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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 March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *Auditors' 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 these 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 over seeing the Organization's financial reporting process.

Auditors' 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 auditors' 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.

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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 auditors' 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 auditors' 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.

Yale PGC LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
September 16, 2025

ANIMAL HEALTH CANADA

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	2025	2024
A S S E T S		
CURRENT		
Cash	$ 468,956	$ 653,973
Accounts receivable	1,225,906	554,700
HST rebate receivable	147,140	55,480
Prepaid expenses	34,801	3,163
Undeposited funds	210	1,313
	1,877,013	1,268,629
RESTRICTED CASH (note 4)	428,238	437,073
PROPERTY AND EQUIPMENT (note 5)	5,873	3,751
TOTAL ASSETS	$ 2,311,124	$ 1,709,453
L I A B I L I T I E S		
CURRENT		
Accounts payable and accrued liabilities	$ 807,989	$ 338,875
Deferred revenue (note 6)	67,411	229,672
TOTAL LIABILITIES	875,400	568,547
N E T A S S E T S		
Unrestricted	985,839	720,068
National Farm Animal Care Council Operations	218,239	197,391
ASF Industry/Pan-Canadian Action Plan/Antimicrobial Resistance	21,646	13,447
Internally restricted (note 4)	210,000	210,000
	1,435,724	1,140,906
TOTAL LIABILITIES AND NET ASSETS	$ 2,311,124	$ 1,709,453

APPROVED ON BEHALF OF THE BOARD

John Ross
____________________ Director

Leigh Rosengren
Leigh Rosengren (Sep 19, 2025 09:53:38 PDT)
____________________ Director

ANIMAL HEALTH CANADA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2025

	Animal Health Canada, Forum, and Training Centre	National Farm Animal Care Council Operations	Projects (Schedule 1)	Total 2025	Total 2024
REVENUE					
Federal support	$ 260,951	$ -	$3,278,834	$3,539,785	$1,242,290
Industry support	237,332	-	76,588	313,920	293,700
Membership revenue	-	199,172	-	199,172	197,309
Provincial and territorial support	193,997	-	-	193,997	187,800
Training centre	109,215	-	-	109,215	104,215
Forum	79,793	-	-	79,793	100,526
Administrative revenue	255,820	-	-	255,820	68,966
Other income	660	119	-	779	4,626
Interest income	846	2,908	-	3,754	3,725
	1,138,614	202,199	3,355,422	4,696,235	2,203,157
EXPENSES					
Administration	3,987	18,020	273,326	295,333	112,976
Communications	8,855	-	-	8,855	906
Contracted services	41,124	4,576	1,731,452	1,777,152	530,634
Direct project costs	-	-	81,511	81,511	45,394
Training centre	55,657	-	-	55,657	40,620
Forum expenses	66,300	-	-	66,300	58,424
Human resources	5,730	-	-	5,730	2,764
Information technology	22,654	-	327	22,981	21,292
Insurance	3,157	-	-	3,157	3,010
Meetings and workshops	17,394	7,024	274,280	298,698	109,561
Office and general	2,806	1,081	(210)	3,677	5,661
Professional fees	21,999	-	-	21,999	36,291
Translation	6,395	6,655	-	13,050	13,772
Travel	26,018	9,778	-	35,796	30,790
Wages and benefits	590,767	134,217	986,537	1,711,521	899,493
	872,843	181,351	3,347,223	4,401,417	1,911,588
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	$ 265,771	$ 20,848	$ 8,199	$ 294,818	$ 291,569

ANIMAL HEALTH CANADA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2025

	Unrestricted	NFACC Operations Internally Restricted	ASF Industry / PCAM AMR (Pan-Canadian Action Plan / Antimicrobial Resistance)	AHC Internally Restricted	Total
Year ended March 31, 2025					
Balance, beginning of year	$ 720,068	$ 197,391	$ 13,447	$ 210,000	$ 1,140,906
Excess of revenue over expenses for the year	265,771	20,848	8,199	-	294,818
Balance, end of year	$ 985,839	$ 218,239	$ 21,646	$ 210,000	$ 1,435,724

	Unrestricted	National Farm Animal Care Council Operations	ASF Industry / PCAM AMR (Pan-Canadian Action Plan / Antimicrobial Resistance)	AHC Internally Restricted	Total
Year ended March 31, 2024					
Balance, beginning of year	$ 409,828	$ 216,062	$ 13,447	$ 210,000	$ 849,337
Excess (deficiency) of revenue over expenses for the year	310,240	(18,671)	-	-	291,569
Balance, end of year	$ 720,068	$ 197,391	$ 13,447	$ 210,000	$ 1,140,906

ANIMAL HEALTH CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 294,818	$ 291,569
Changes in non-cash working capital:		
- Accounts receivable	(671,206)	71,320
- HST rebate receivable	(91,660)	82,138
- Prepaid expenses	(31,638)	28,849
- Undeposited funds	1,103	(83)
- Accounts payable and accrued liabilities	469,115	(295,239)
- Deferred revenue	(162,261)	131,806
	(191,729)	310,360
FINANCING ACTIVITIES		
Canada Emergency Business Account loan	-	(30,000)
INVESTING ACTIVITIES		
Purchase of property and equipment	(2,122)	(3,751)
NET CHANGE IN CASH	(193,851)	276,609
Cash at beginning of the year	1,091,045	814,436
CASH AT END OF THE YEAR	$ 897,194	$ 1,091,045
CASH REPRESENTED BY:		
Cash	468,956	653,973
Restricted cash	428,238	437,073
	$ 897,194	$ 1,091,046

The accompanying notes are an integral part of these financial statements

1. STATUS AND PURPOSE OF THE ORGANIZATION

Animal Health Canada (the Organization) is a national, federally registered, not-for-profit corporation that brings together the public and private sectors to enable the development of policies and programs that strengthen Canada's farmed animal health and welfare systems. It is jointly funded by its members which include the federal, provincial, and territorial governments, industry organizations, and other partners working in animal health and welfare in Canada.

In 2021 National Farmed Animal Health and Welfare Council (NFAHWC) was renamed Animal Health Canada. The NFAHWC had been established in 2010 to advise governments and the animal-source food industries on all aspects of the health and welfare of farmed animals in Canada in support of Canada's National Farmed Animal Health and Welfare Strategy. In 2017, it became a principal agent in the achievement of Canada's Plant and Animal Health Strategy.

The Organization qualifies as a not-for-profit organization which is exempt from income tax under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates. The financial statement item that requires the use of estimates is accruals.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and membership fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and undeposited funds. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

Members of the Organization contribute time and services to assist the Organization in carrying out its activities. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

Government assistance

Government assistance received by the Organization is recorded in the statement of operations as revenue. Government assistance in the form of forgivable loans is recorded in the period when conditions around loan forgiveness have been met.

Property and equipment

Property and equipment are recorded at cost. Computer equipment is amortized using the declining balance method over its useful life, at a rate of 30%. When property and equipment no longer contributes to the Organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the property and equipment is less than its net carrying amount, the net carrying amount of the asset is written down to it's fair value or replacement cost.

3. ECONOMIC DEPENDENCE AND GOVERNMENT SUPPORT

The Organization is dependent on funding received from government agencies. Overall, revenue from government agencies represented approximately 80% of total revenue for the year ended March 31, 2025 (2024 - 65%).

4. RESTRICTED CASH

The Organization maintains two separate restricted funds that are subject to internal restrictions on their use. These amounts are classified as restricted cash and are not available for general operating purposes. As at March 31, 2025, the restricted cash balances are as follows:

	2025	2024
Animal Health Canada (AHC)	$ 210,000	$ 210,000
National Farm Animal Care Council (NFACC)	218,238	197,391
Canadian Animal Health Institute (CAHI)	-	29,682
	$ 428,238	$ 437,073

The two funds (AHC and NFACC) are governed separately. The funds may not be used for any purpose without the specific approval of the AHC Board of Directors or the NFACC Board of Directors. It is the long-term intent of both boards to grow the reserves to levels that are sufficient to wind down the respective operations or to help bridge any financial gaps. Although the funds are currently not held in separate bank accounts, they are tracked separately in the Organization’s records.

During the year, $29,682 of restricted CAHI funds were approved for use to offset expenses related to the development of an Antimicrobial Use / Antimicrobial Resistance environmental scan.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Computer equipment	$ 5,873	$ -	$ 5,873	$ -

6. DEFERRED REVENUE

Deferred revenue represents unspent resources, externally restricted for projects and operating funds received in the current year that are related to the subsequent year's activities. Changes in the deferred revenue balance are as follows:

	Animal Health Canada	National Farm Animal Care Council	Projects	Total	2024
Balance, beginning of year	$ 29,682	$ -	$ 199,991	$ 229,673	$ 97,864
Plus: Amount received related to the subsequent year	533,901	179,808	553,843	1,267,552	1,218,948
Less: Amount recognized as revenue in the year	(563,583)	(179,808)	(686,423)	(1,429,814)	(1,087,140)
	$ -	$ -	$ 67,411	$ 67,411	$ 229,672

The Projects column in the above table includes deferred revenue balances related to multiple initiatives. As at March 31, 2025, the total balance of $67,411 (2024 - $199,991) is comprised of the following:

	2025	2024
Foot and Mouth Disease - Dairy Farmers of Canada	$ 67,411	$ 71,477
Pan-Canadian Action Plan on Antimicrobial Resistance	-	114,937
NFACC - 1213	-	2,747
CAHSS - AAPN - 1199	-	10,830
	$ 67,411	$ 199,991

7. FINANCIAL INSTRUMENTS

Liquidity risk

Liquidity risk represents the risk that the Organization encounter difficulty in meeting its obligations associated with financial liabilities. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. The Organization mitigates this risk by having positive working capital available and maintaining a balance of cash.

8. COMPARATIVE FIGURES

Certain figures for the year ended March 31, 2024 have been reclassified to confirm to the current year presentation.

ANIMAL HEALTH CANADA

PROJECT SCHEDULE

FOR THE YEAR ENDED MARCH 31, 2025

	Canadian Animal Health Surveillance System	Animal Health Emergency Management	National Farm Animal Care Council	Pan-Canadian Action Plan for AMR Coordination	Foot and Mouth Disease Industry	African Swine Fever (ASF)			Total	Total
						Executive Management Board Coordination	Canadian Food Inspection Agency	Industry		
	(CAHSS-1199)	(EM-1161)	(NFACC-1213)	(AAFC/PHAC)	(DFC)	(ASF IPP-017)	(CFIA)	(CMC/CPC)	2025	2024
REVENUE										
Federal support	$ 713,066	$ 590,967	$ 962,228	$ 144,618	$ -	$ 357,696	$ 510,259	$ -	$3,278,834	$1,030,844
Industry support	-	-	-	-	4,066	-	-	72,522	76,588	68,950
	713,066	590,967	962,228	144,618	4,066	357,696	510,259	72,522	3,355,422	1,099,794
EXPENSES										
Administration	64,824	53,724	75,704	-	-	32,518	46,388	168	273,326	78,523
Contracted services	277,866	189,997	523,965	135,461	828	144,651	456,362	2,322	1,731,452	415,286
Direct project costs	35,438	24,171	13,828	310	-	2,375	5,282	107	81,511	45,392
Information technology	-	-	-	-	-	-	-	327	327	3,738
Meetings and workshops	18,468	41,762	188,064	858	3,238	15,711	2,227	3,952	274,280	98,065
Office and general	-	(210)	-	-	-	-	-	-	(210)	-
Wages and benefits	316,470	281,313	160,667	-	-	162,441	-	65,646	986,537	458,790
	713,066	590,757	962,228	136,629	4,066	357,696	510,259	72,522	3,347,223	1,099,794
NET PROJECT REVENUE	$ -	$ 210	$ -	$ 7,989	$ -	$ -	$ -	$ -	$ 8,199	$ -

24-25 Year End Financial Statements - Final

Final Audit Report 2025-09-19

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