Toronto Zoo Wildlife Conservancy

Financial Statements

December 31, 2025

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Independent Auditor's Report

To the Members of Toronto Zoo Wildlife Conservancy:

Qualified Opinion

We have audited the financial statements of the Toronto Zoo Wildlife Conservancy (the "Conservancy"), which comprise the statement of financial position as at December 31, 2025, and the statement of changes in fund balances, statement of operations, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Conservancy as at December 31, 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 Qualified Opinion

In common with many not-for-profit organizations, the Conservancy derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Conservancy. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess (deficiency) of revenue over expenditures, and cash provided (used) by operating activities for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and fund balances as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 Conservancy 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 qualified audit 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 Conservancy'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 Conservancy or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Conservancy'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 Conservancy'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 Conservancy'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 Conservancy 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Conservancy as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Baker Tilly WM LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 11, 2026

Toronto Zoo Wildlife Conservancy
Statement of Financial Position
December 31, 2025

	2025	2024
Assets		
Current		
Cash (note 3)	**$ 3,069,950**	$ 2,211,981
Accounts receivable	**67,487**	77,613
Harmonized sales tax recoverable	**13,429**	11,012
Short-term investments (note 3)	**1,982,962**	2,869,701
	5,133,828	5,170,307
Non-Current		
Investments (note 3)	**13,784,331**	6,737,325
	$ 18,918,159	$ 11,907,632
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 58,420**	$ 57,988
Due to Toronto Zoo (note 4)	**502,058**	433,928
	560,478	491,916
Fund Balances		
Externally restricted (note 5)	**9,917,723**	4,523,772
Internally restricted (note 5)	**3,615,000**	2,998,000
Unrestricted	**4,824,958**	3,893,944
	18,357,681	11,415,716
	$ 18,918,159	$ 11,907,632

Director **Director**

See accompanying notes and schedule to the financial statements.

Toronto Zoo Wildlife Conservancy
Statement of Changes in Fund Balances
Year Ended December 31, 2025

	Unrestricted	Internally Restricted	Externally Restricted	Total
Balance, December 31, 2023	**$ 3,662,546**	**$ 3,103,000**	**$ 6,193,439**	**$ 12,958,985**
Excess (deficiency) of revenue over expenditures	**126,398**	**-**	**(1,669,667)**	**(1,543,269)**
Appropriations (note 5)	**105,000**	**(105,000)**	**-**	**-**
Balance, December 31, 2024	**$ 3,893,944**	**$ 2,998,000**	**$ 4,523,772**	**$ 11,415,716**
Excess of revenue over expenditures	**1,548,014**	**-**	**5,393,951**	**6,941,965**
Appropriations (note 5)	**(617,000)**	617,000	**-**	**-**
Balance, December 31, 2025	**$ 4,824,958**	**$ 3,615,000**	**$ 9,917,723**	**$ 18,357,681**

See accompanying notes and schedule to the financial statements.

Toronto Zoo Wildlife Conservancy
Statement of Operations
Year Ended December 31, 2025

	Unrestricted	Externally Restricted	Total 2025	Total 2024
Revenue				
Planned gifts (note 7)	**$ 2,561,018**	**$ 128,291**	**$ 2,689,309**	$ 4,023,515
Donations and grants (note 7)	**452,082**	**7,662,045**	**8,114,127**	2,344,116
Adopt-an-animal	**121,222**	**-**	**121,222**	108,364
Events	**56,978**	**135,706**	**192,684**	150,355
Investment (note 3)	**801,735**	**-**	**801,735**	1,062,725
Other income	**23,048**	**-**	**23,048**	-
	4,016,083	**7,926,042**	**11,942,125**	7,689,075
Expenditures				
Personnel (note 6)	**1,092,289**	**-**	**1,092,289**	907,182
Administrative (schedule 1)	**114,870**	**-**	**114,870**	152,905
Donation processing	**88,826**	**-**	**88,826**	90,878
Events	**64,073**	**-**	**64,073**	23,409
	1,360,058	**-**	**1,360,058**	1,174,374
Excess of revenue over expenditures before contributions to the Toronto Zoo	**2,656,025**	**7,926,042**	**10,582,067**	6,514,701
Contributions to the Toronto Zoo operations, programs and projects (note 4)	**(1,108,011)**	**(2,532,091)**	**(3,640,102)**	(8,057,970)
Excess (deficiency) of revenue over expenditures for the year	**$ 1,548,014**	**$ 5,393,951**	**$ 6,941,965**	$ (1,543,269)

See accompanying notes and schedule to the financial statements.

Toronto Zoo Wildlife Conservancy
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
Operating activities		
Excess (deficiency) of revenue over expenditures	**$ 6,941,965**	$ (1,543,269)
Items not affecting cash:		
Unrealized gains on investments	**723,618**	952,708
	7,665,583	(590,561)
Net change in working capital balances		
Accounts receivable	**10,125**	(19,353)
Harmonized sales tax recoverable	**(2,417)**	12,204
Accounts payable and accrued liabilities	**432**	(224)
Due to (from) Toronto Zoo	**68,130**	(181,733)
	76,270	(189,106)
Cash provided (used) by operating activities	**7,741,853**	(779,667)
Investing activities		
Purchase of investments	**(9,883,884)**	(4,399,741)
Sale of investments	**3,000,000**	5,256,449
Cash (used) provided in investing activities	**(6,883,884)**	856,708
Increase in cash during the year	**857,969**	77,041
Cash, beginning of year	**2,211,981**	2,134,940
Cash, end of year	**$ 3,069,950**	$ 2,211,981

	2025	2024
Supplemental information		
Interest received	**$ 78,117**	$ 110,017

See accompanying notes and schedule to the financial statements.

1. Nature of operations

Toronto Zoo Wildlife Conservancy (the "Conservancy") is a not-for-profit without share capital and is registered as a public foundation under Section 149(1)(f) of the Income Tax Act (Canada). As such, the Conservancy is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The Conservancy was established on May 11, 2018 and received its charitable registration on January 1, 2019.

The Conservancy solicits, receives, manages and distributes funds in support of Toronto Zoo (the "Zoo") programs.

2. Significant accounting policies

Basis of accounting

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

Revenue recognition

Donations, Adopt-an-Animal contributions, planned gifts, sponsorships for events and other income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Conservancy follows the restricted fund method of accounting for revenue. Restricted contributions for which a corresponding restricted fund is presented and unrestricted contributions are recognized as revenue of the appropriate fund in the period in which they are received.

Pledges which have been committed are recorded as grants receivable at the time the grant is confirmed. The grants are recognized as revenue when the events associated with the grants have taken place or the costs associated with the grant have been realized.

Interest income is recognized on an accrual basis over the term of the interest-bearing instrument.

Fund accounting

The Conservancy follows the restricted fund method of accounting for contributions. Under this method, donations subject to externally imposed stipulations that specify the purpose for which they are to be used and the related expenditures are reported in a restricted fund rather than in the Conservancy's general fund. The Conservancy maintains the following funds:

- The unrestricted fund reports unrestricted resources available for purposes as determined by the Conservancy.
- The externally restricted fund reports resources that are to be used for specific purposes as specified by the donor (note 5).
- The internally restricted fund reports resources that are to be used for specific purposes as specified by the Board.

2. Significant accounting policies (continued)

Fund accounting (continued)

Investment income earned on externally restricted funds is reported in the unrestricted fund unless the investment income is specified by the donor to be used for restricted purposes.

Contributed services and materials

Contributed materials and services are not recognized in the financial statements unless they are substantial, a fair value can be reasonably estimated and the materials and services are used in the normal course of operations and would otherwise have been purchased. No contributed materials and services were recognized in the years ending 2025 and 2024.

Employee future benefits

The Conservancy's contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, are recorded in the period in which they become payable.

Financial instruments

Arm's Length Transactions

Measurement of financial instruments

The Conservancy measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions.

The Conservancy subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments, which are subsequently measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenditures.

Related Party Transactions

Measurement of related party financial instruments

The Conservancy measures all related party financial instruments recognized in these financial statements at either the cost of the related party financial instrument, or at the cost of the consideration exchanged for the related party financial instrument. Measurement is based on the nature of the financial instrument, and depends on whether the instrument has repayment terms. The Conservancy has no related party financial instruments required to be measured at fair value.

When the instrument has repayment terms, the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, and less any impairment losses previously recognized by the transferor.

When the related party financial instrument has no repayment terms, the cost of the instrument is determined using the consideration transferred or received.

Related party financial instruments initially measured at cost are subsequently measured using the cost method.

2. Significant accounting policies (continued)

Financial Instruments (continued)

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value and to instruments originated or exchanged in a related party transaction are recognized in excess (deficiency) of revenue over expenditures when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition or issuance of the instrument, and the adjustment is recognized in excess (deficiency) of revenue over expenditures over the life of the instrument using the straight-line method.

Impairment

Financial assets measured at amortized cost and related party financial assets measured using the cost method are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in excess (deficiency) of revenue over expenditures. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenue over expenditures.

Use of estimates

The preparation of financial statements in conformity 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, expenditures and fair value gains and losses during the reporting period.

3. Cash and Investments

	2025	2024
Cash	**$ 3,069,950**	$ 2,211,981
Investments		
Current:		
Guaranteed investment certificate	**50,000**	50,000
Investments held at Burgundy Asset Management	**1,932,962**	2,819,701
	1,982,962	2,869,701
Long term Investments held at Burgundy Asset Management	**13,784,331**	6,737,325
	$ 18,837,243	$ 11,819,007
Attributed to:		
Unrestricted Funds	**5,304,520**	$ 4,297,234
Restricted Funds	**13,532,723**	7,521,773
	$ 18,837,243	$ 11,819,007
Investment income includes:		
Interest	**78,117**	110,017
Unrealized gains	**723,618**	952,708
	$ 801,735	$ 1,062,725

4. Related party balances and transactions

The Conservancy has several key relationships with the Zoo and the Zoo has significant influence over the Conservancy. However, the Zoo does not control the Conservancy.

The Zoo provides certain payroll and administrative services to the Conservancy, for which the Conservancy reimburses to the Zoo. During 2025, the Conservancy incurred $1,090,096 (2024 - $818,887) for expenses paid by the Zoo on the Conservancy's behalf. This comprised $1,075,915 (2024 - $809,229) in salaries and benefits for the Conservancy and Toronto Zoo seconded staff, and $14,181 (2024 - $9,658) in administrative expenditures.

The Conservancy is the fundraising partner of the Zoo. From time to time, donations and grants directed to the Conservancy are received by the Zoo, and are transferred to the Conservancy and included in revenue. During the year, the Zoo received $949,872 (2024 - $1,000,621) in donations and grants (note 7) directed for the Conservancy. The Conservancy also directed $200,000 (2024 - $Nil) in restricted contributions to the Zoo. The amount remaining to be transferred to the Zoo as at December 31, 2025 is $502,058 (2024 - $433,928).

The Conservancy made contributions to the Zoo totaling $3,640,102 (2024 - $8,057,970).

The above-noted transactions are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and are payable on demand. The payable as at December 31, 2025 represents the net amount resulting from the transactions above.

The Conservancy also uses the office premises of the Zoo. The Zoo donates the premises free of charge. No estimate of the donated services has been recorded in these financial statements.

5. Restricted Funds

The internally restricted funds are appropriated for improvements and projects at the Zoo. During the year, the Board approved net appropriations of $617,000 for the following projects: the Reserve Fund of $750,000 (2024 - $Nil), offset by a Board approved transfer of $133,000 (2024 - $Nil) from the internally restricted CALL program back into unrestricted funds. In 2024, the Board approved a transfer from the Wilding Endangered Species Preservation Fund to the unrestricted funds.

The externally restricted funds are comprised of grants and donor restricted contributions for the following:

	2025	2024
Community Conservation Centre	**5,036,467**	108,705
Adopt a Pond	**990,522**	805,456
Master Plan - Red Panda Habitat Project	**685,073**	490,669
Nutrition Fund	**477,801**	469,037
Wilding Endangered Species	**357,973**	356,400
Bat Conservation Program	**318,349**	307,174
Repro Physio Project	**287,897**	237,131
Technology/IT Fund	**284,600**	454,600
Conservation Science in Action	**276,465**	-
Great Lakes Program	**247,317**	271,667
Other	**221,980**	455,473
Wildlife Health Centre	**221,235**	-
Master Plan - Amur Tiger Habitat	**219,840**	309,524
First Nations Fund	**124,424**	56,741
Snow Leopards	**113,809**	-
Animal Enrichment	**53,971**	92,009
Polar Bear Fund	**-**	106,741
Orangutan Outdoor Habitat Project	**-**	2,445
	$ 9,917,723	$ 4,523,772

6. Employee future benefits

The Conservancy's employees are eligible to participate in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The pension plan provides defined pension benefits to employees based on their length of service and rates of pay.

For 2025, the Conservancy contributed $99,557 (2024 - $75,677). As this is a multi-employer pension plan, these contributions are the Conservancy's pension benefit expenses and are included in personnel expense. No pension liability for this type of plan is included in the Conservancy's financial statements.

Each year, an independent actuary determines the funding status of the plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial value of the plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of $140.8 billion (2023 - $134.6 billion) in respect of benefits accrued for service with actuarial assets at that date of $137.9 billion (2023 - $130.4 billion) indicating an actuarial deficit of $2.9 billion (2023 - deficit of $4.2 billion). As the pension plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of the multiple organizations and their employees who are enrolled. As a result, the Conservancy does not recognize any share of the pension plan's surplus or deficit.

7. Planned gifts and grants

The Conservancy received various grants during the year to cover program expenditures incurred as per approved budgets. Amounts recognized as revenue in respect of all grants amounts to $732,515 (2024 - $877,347) from the following:

	2025	2024
Foundation	**$ 369,800**	$ 100,000
Provincial government	**268,122**	437,701
Federal government	**88,197**	283,584
Corporate	**6,396**	56,062
	$ 732,515	$ 877,347

Planned gifts are received from individual donors.

8. Financial Instruments

Items that meet the definition of a financial instrument include cash, accounts receivable, investments, accounts payable and accrued liabilities and amounts due to Toronto Zoo.

Financial instrument transactions, such as purchasing and selling foreign currency, collecting receivables, settling payables, and repaying debt obligations may result in exposure to significant financial risks and concentrations of risk.

The nature and extent of significant risks as at December 31, 2025 are described below. There have been no changes to the significant risks from the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes other price risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Conservancy is exposed to other price risk which have experienced volatilities of 5% during the fiscal year and are projected to fluctuate similarly in future periods related to its US equities held with Burgundy Asset Management of $3,982,812 (2024 - $2,256,887).

9. Bank facility

The Conservancy has a $50,000 Standby Letter of Credit at Royal Bank of Canada (2024 - $50,000), bearing interest at the bank's prime rate and secured by a guaranteed investment certificate as a guarantee to OMERS. As at December 31, 2025 and December 31, 2024, no amounts were withdrawn on the Conservancy's Standby Letter of Credit.

10. Comparative figures

Certain 2024 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2025.

Toronto Zoo Wildlife Conservancy
Schedule of Administrative Expenditures **Schedule 1**
Year Ended December 31, 2025

	Unrestricted	Externally Restricted	Total 2025	Total 2024
Investment management	**63,352**	-	**63,352**	55,675
Audit fee	**20,195**	**-**	**20,195**	18,113
Insurance	**7,182**	**-**	**7,182**	6,909
Office supplies	**6,980**	**-**	**6,980**	47,912
Contracted services	**5,041**	**-**	**5,041**	3,345
Bank charges	**2,678**	**-**	**2,678**	4,151
Courier services	**2,332**	**-**	**2,332**	3,295
Postage	**2,058**	**-**	**2,058**	1,500
Conference and seminar	**1,940**	-	**1,940**	3,367
Telephone	**1,834**	**-**	**1,834**	1,406
Membership	**610**	**-**	**610**	732
Professional fees	**396**	**-**	**396**	6,259
Travel	**272**	**-**	**272**	145
Printing	**-**	**-**	**-**	96
	$ 114,870	**$ -**	**$ 114,870**	$ 152,905

See accompanying notes to the financial statements.