



AARCS
ALBERTA ANIMAL
RESCUE CREW SOCIETY

ANNUAL REPORT 2015



About

Founded in 2006 as a registered Canadian charity and incorporated as a society in the province of Alberta, AARCS vision was born through the compassion of a small group of individuals and families concerned about the welfare of companion animals in the province. AARCS has grown significantly over the last 9 years expanding our programs and helping thousands of animals each and every year. AARCS is honoured to have the support of over 1,000 volunteers who contributed tens of thousands of hours this year caring for dogs and cats in the shelter, sorting donations, organizing, cleaning and maintaining Safe Haven, transporting animals, attending events, making educational presentations, fundraising and administration, just to name a few of the many tasks required to keep saving animals. Included in those volunteers are almost 400 active foster homes across the province. Foster homes are key to our success and will always remain an integral part of our operations. They welcome our rescued animals into their homes and care for them like they would their own pet, while we search out permanent adoptive families. We simply couldn't help the incredible number of animals without the vast network of amazing AARCS foster homes.



Headquartered in Calgary, AB at our "Safe Haven" facility which provides temporary housing, emergency shelter and quarantine, AARCS is excited to see expansion through a growing foster home network into Edmonton and other areas of the province. Responding to an ever-increasing demand, our programs have expanded to include Spay/Neuter Assistance Program, TNR (Trap-Neuter-Return), Humane Education, Emergency Foster Care and Disaster Animal Response.



A MESSAGE FROM THE Executive Director

2015 was yet another exciting year of growth and achievement and as a result thousands of lives were saved! With our strategic plan now complete and in-hand, 2016 will be spent on the implementation and execution of this plan. I am always in awe of the dedication of our supporters;

from shelter volunteers and foster homes to event volunteers and transporters and everyone in between. We couldn't do it without your commitment to helping animals and Changing Lives Through Kindness.

As our programs and reach into communities across Alberta has grown, so have our staff, volunteers and foster home base. We went from two staff members in 2012 to 14 staff in 2015 and from 200 to over 900 volunteers. Our commitment to providing leading edge programs, exceptional animal health and wellbeing, fiscal responsibility, community support, transparency and commitment to collaboration are all key to our success. And that success resulted in over 2200 adoptions and many more lives saved through prevention programs.

As we go into our 10th year of operations I am proud to say with great confidence that we are making a huge difference. Sometimes, when we see the staggering number of sick, injured or abandoned animals we lose hope in humanity. But I can tell you from first hand experience, after 9 years we have made a HUGE difference. We've changed the lives of over 5000 animals whom we have rehomed and we are seeing a difference in the communities in which we serve. More people than ever are turning to adoption over buying animals, spay/neuter numbers are dramatically up and homelessness rates are down so much that we have been able to reach into new communities. With that, we made the move to expand our Dog Program to Edmonton and area with a new satellite branch. This expansion has allowed us to help even more animals and broaden our base to extend adoptions to Edmonton and the surrounding area.

It is because of people like you, animal-lovers who support AARCS through your donations of time or money and are committed to education and kindness, that we one day will achieve our vision of A Compassionate World for All Animals.

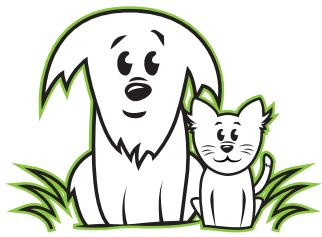
Year of Change

AARCS undertook a major project in 2015 and through several sessions facilitated by Propellus were pleased with the development of a strategic plan that will guide us in our efforts to help even more animals with specific goals for both the short and long-term.

During this process, we evaluated our underlying framework and were thrilled to roll out the following:

New Logo

To better portray our focus on both cats and dogs and express our goal for happy “tails”, we felt the newly designed logo was a better representation of the organization.



AARCS
ALBERTA ANIMAL
RESCUE CREW SOCIETY

New Mission and Vision

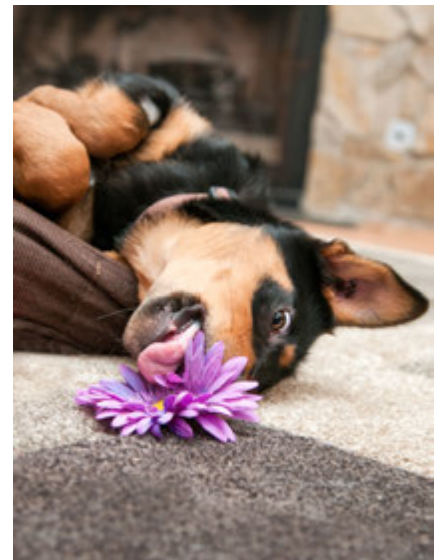
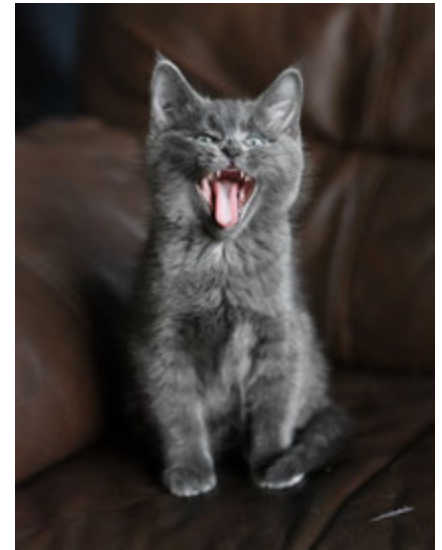
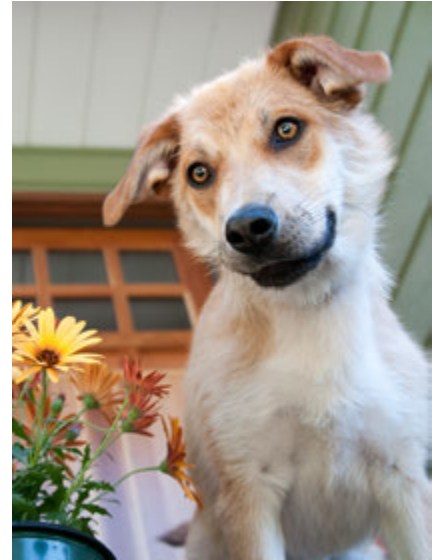
Finding a succinct way to be clear about who we are and what we do took a lot more time than we expected; however, in the end we came to consensus that our mission is:

“Changing Lives Through Kindness”

Carefully crafted, we wanted to include everyone, not just the lives of animals, but of all the people we come in contact with. It is a motto that we live by and guides our every action. If we are not changing lives through kindness, we’re not doing it right.

And our ultimate vision is to one day not need to exist when we come to a time where we have,

A Compassionate World For All Animals



Values

While the statements neatly focus our shared purpose, we thought it was important to be clear about how we could accomplish these things by articulating our 5 Core Values.

Compassion:

Compassion is at the core of all our interactions with animals and people. We seek to be open-minded, inclusive and non-judgemental, respecting others in all we do. Compassion forms the foundation of our commitment to public service, meaningful work and our responsibility to help make our communities better places for all to live.

Collaboration:

We believe our communities are best served by organizations that work together to make a difference. We believe in cooperation and helping others to achieve a world of kindness for animals and people. We seek to build relationships and networks that help communities address animal welfare.

Integrity:

We are committed to ethical practices, fiscal responsibility and transparency that builds trust in our organization and our people. We strive for, and ask for, honesty in our work in order to achieve the best possible outcomes.

Learning:

We learn from every situation and the people and organizations with which we interact. We contribute to knowledge-building in the animal welfare sector. Together we can meet the needs of animals, individuals and communities.

Advocacy:

We are committed to strong stewardship of our resources and to leadership in the area of animal welfare. We believe that the world will be a better place when all creatures are treated with kindness and compassion.



Year of Challenge

While there was much to celebrate in 2015, it was not without its challenges. Together, we once again persevered and were given the opportunity to prove our trust and conviction in our ability to work and learn together with compassion and integrity towards improved animal welfare.

Distemper Outbreak

The first few months of 2015 saw an outbreak of canine distemper in southern Alberta. Working together with our Medical Manager, expert veterinarians, other rescue organizations and staff we built a timeline, shared data and developed quarantine and treatment protocols to contain the outbreak of this devastating and often fatal disease. In most cases of distemper the entire population of animals would be euthanized to contain the outbreak, but we were able to set up quarantine and treatment protocols resulting in a save rate of over 95% of potentially exposed animals. We were pleased to partner with the University of Calgary following this outbreak by sharing our treatment protocols and providing them with research and training data for Alberta's future veterinarians.



"A huge thank you to AARCS and their team for making our small animal outbreak course an incredible success. Our students learned a lot because of the partnership and the openness of AARCS to teaching and learning. We were so impressed that we are seeking additional teaching partnerships with AARCS such as having our small animal student club students be trained by AARCS to help them respond and volunteer to animal emergencies and to help out at the shelter."

Serge Chalhoub DVM, DACVIM (SAIM)

Department of Clinical and Diagnostic Sciences
Faculty of Veterinary Medicine, University of Calgary



Cat Program Pause

Mid-year, we were forced to pause intake for our Cat Program while we worked on improving processes that would help us continue moving towards best-practice standards through the "Capacity for Care Model." The hard work and dedication of our mostly volunteer cat team saw the program re-open a few weeks later and we kick-started things with a massive cat adoption drive that helped over 65 cats find new homes in just one week!

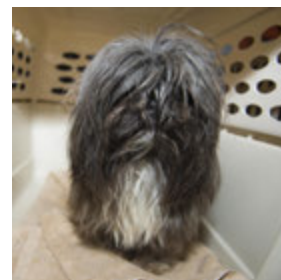
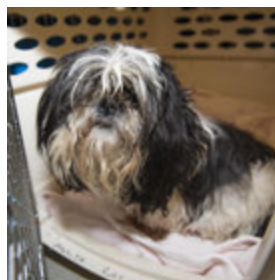
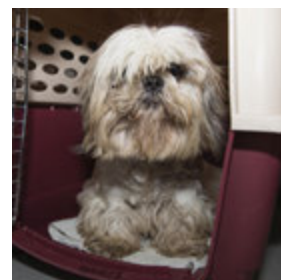
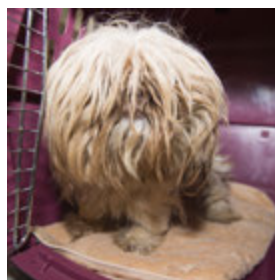
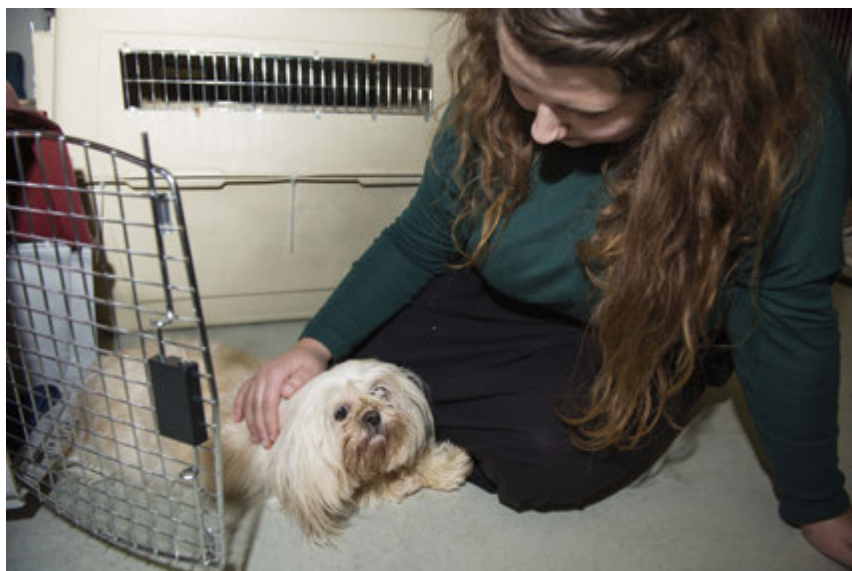


"The dogs were all severely matted, and smelled heavily of urine. Many of them have rotten teeth, eye infections, hernias and severe ear infections."

- Deanna Thompson, Executive Director of AARCS

41 Animals Surrendered

In November, AARCS was pleased to partner once again with the Alberta SPCA when they were called in to investigate a breeder and ended up removing 40 Shih Tzus and 1 Collie from the home. They came to us in very poor condition, both physically and emotionally. Thanks to local groomers, we were able to get these dogs cleaned up and began the expensive work of resolving their many health issues. We are happy to know that we could provide these animals with a second chance at a truly meaningful life and that one more puppy mill in Alberta is no longer in operation.



"It took five groomers more than nine hours to groom 29 of the animals. It breaks my heart to see animals in this poor of condition."

- Annie Cole, Owner and Groomer at Muttley Crüe Organics

Year of Growth

Adoptions

AARCS rescues animals from across the province who are homeless, abandoned, abused or surrendered. The majority of the animals come through our Safe Haven shelter located in NE Calgary where they are provided refuge while they await placement in our foster home network. AARCS provides all necessary veterinary care, including major surgeries for broken bones or gunshots and treatment for ailments such as mange, parasites, infection, or viruses. All animals are also provided with regular veterinary care, including spay/neuter, vaccinations, parasite treatment and microchip prior to adoption. **Our animals are then placed in the loving care of foster parents who will teach them how to be a loved family pet.** Foster homes provide an opportunity for these once homeless or stray animals to feel love, security and bond with humans. They work on house-training, leash-walking and behavioural modification.

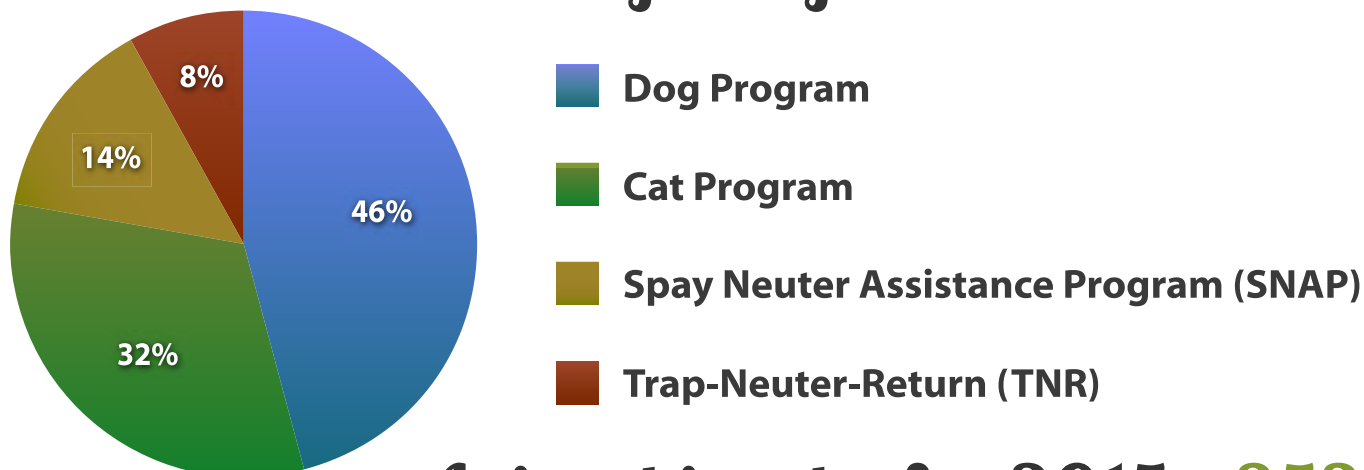
Because of this system, AARCS has a successful adoption program, with a return rate of less than 5%.

2230 ANIMALS ADOPTED IN 2015

Dogs - 1175 — Cats - 1055

“AARCS has adopted out over 5000 since 2006.”

Intake by Program



Animal intake for 2015 - 3525

Assistance Programs



Spay/Neuter Assistance Program (SNAP)

AARCS strongly believes that spay/neuter is key to reducing animal homelessness in Alberta. Not only does AARCS provide assistance to First Nation Communities and low income families for low or no-cost spay or neuter, our teams travel across the province transporting these animals to the vet from remote locations. AARCS also partners with Alberta Spay Neuter Task Force, attending their on-site spay and neuter clinics in First Nation communities across Alberta.

in 2015 480 Dogs & Cats

Trap-Neuter-Return (TNR) Program

TNR is a humane method of controlling feral(wild) cat populations through spay/neuter. AARCS volunteers attend locations across Alberta to trap upwards of 50 cats living in colonies. They are brought back to AARCS' Safe Haven temporarily where they are spay/neutered, vaccinated and tattooed. They are then returned to their home where a caretaker will watch over the colony to ensure no additional cats move in. TNR is considered a humane and more effective way of managing cat overpopulation versus euthanasia.

in 2015 286 Cats

Emergency Medical Assistance

Sometimes things happen that are out of an owner's control that require immediate, major veterinary intervention just when funds are extra short. We want to see family pets, especially those previously adopted from AARCS, stay in their forever home whenever possible. Rather than being surrendered or euthanized due to treatable injuries or illnesses, AARCS has limited funding available to assist families get their pets the care they need on approval and agreement to a repayment plan. AARCS helped 30 families with emergency veterinary care for their pets in 2015.

in 2015 30 Families

Assistance Programs



Humane Education

AARCS Humane Education Program was developed to help create a compassionate and responsible community. AARCS educators provide information on bite prevention and how to deal with stray animals.

in 2015 we reached 2,083 people (mostly children) through AARCS Humane Education and Outreach Program.

Dog House/Pet Food Program

AARCS provides numerous dog houses for pets living outdoors and we delivered over 25,000 pounds of food to communities and individuals in need across the province. In 2015 we also partnered with the Calgary Food Bank to help local Calgarians in need.

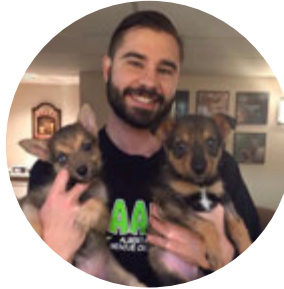
Disaster Response

Developed following the 2013 floods AARCS Disaster Response Teams are ready and able to assist in almost any type of disaster to provide assistance as it relates to animals. In the past we have helped with floods, a rollover crash involving 30 dogs, a seizure of 202 dogs, cat hoarding cases in excess of 100 cats and many more. In 2015 AARCS assisted with rescuing 40 Shih Tzu's from horrendous conditions from a puppy mill in Alberta.

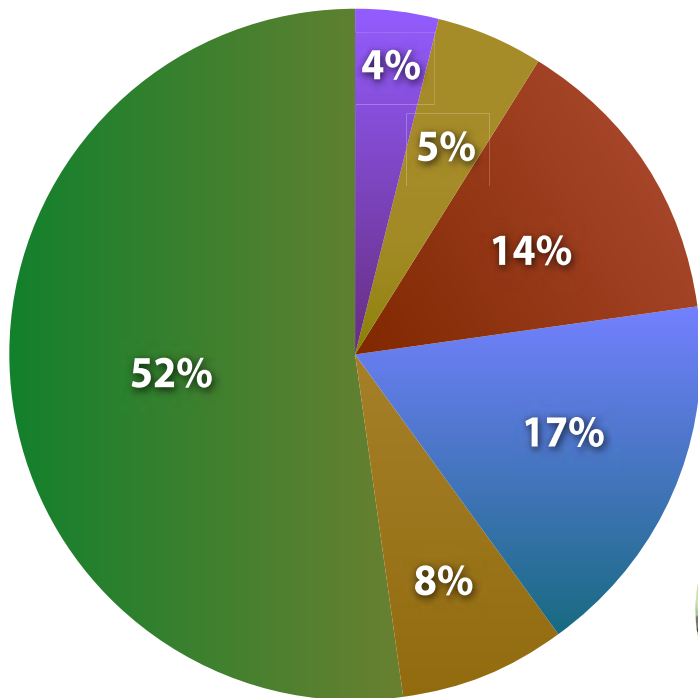
Public Service Announcement

AARCS, working in conjunction with Shaw Media, developed a PSA (Public Service Announcement) that has aired thousands of times.

Volunteer Statistics



AARCS 900+ Volunteers
put in over 30,000 volunteer hours in 2015!



- | | |
|----------------|---------------------|
| Events | Rescue/Transport |
| Administration | Shelter Operations |
| Programs | Other/Miscellaneous |



AARCS volunteers spend hundreds of hours a month maintaining operations so that we can continue to help more needy and homeless animals. We could not do what we do without the hundreds of people who volunteer each and every day. Whether they volunteer an hour a week or three hours a day, everyone is needed. Our volunteers perform a range of duties including walking dogs, transporting animals, administrative tasks, grooming, cat cuddling and much more.

Year of Thanks

AARCS is very grateful for all of the contributions we receive throughout the year. Our vet bills and other program expenses cost us over \$1.4 MILLION dollars in 2015. Without the generous support and contributions of so many, the lives of thousands of animals could not be saved! Every contribution, no matter how small helps save a life.

— A special thank you to all of our monthly donors! —

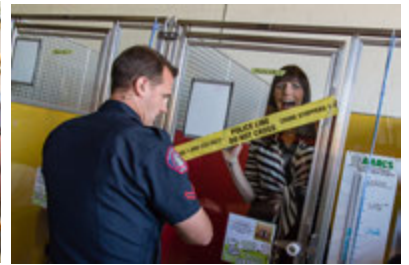
This is a predictable and sustainable fund source and is key to our success.



Sponsored by:



August 2015 | Jail & Bail
\$51,000 RAISED!

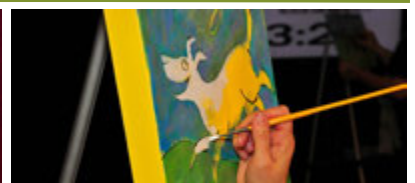
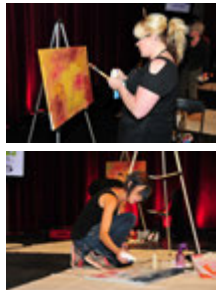


Jailees: Jackie, Alicia, Tobey, Madison, Kimberly, Rob, Jay, Meaghan, Janice, Jaime, Erin, Julie, Tony, Ariana, Hailey, Kim, Leane, Rebecca, Jen, Coreen, Blake, Marija, Judy, Natasha and Terri!

Thanks to all the donors and attendees who freed our jailees!



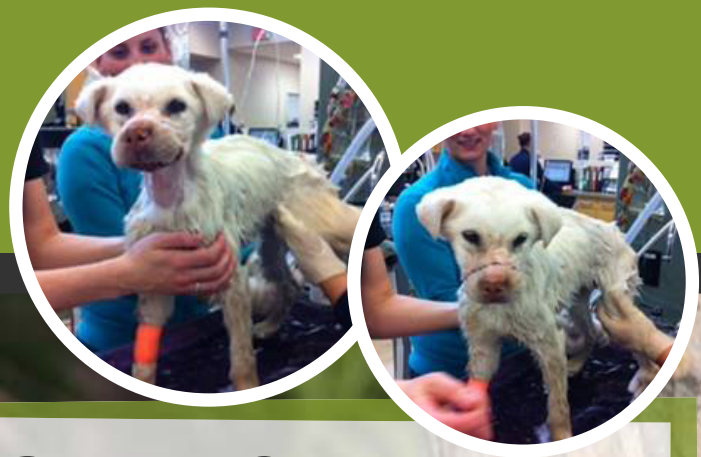
June 2015 | Art Combat
\$15,000 RAISED!



Artists: Amanda Crozier, Corrine Nelson, Sandra Civitarese, Karen Biko, Kelsey Knock, Kaitlyn Hoover, Kipling West, Len Cochrane, Jill Tuttle, Kari Martin, Dean Stanton, Tanya McMahon

Cheveyo

**the puppy with an
ELASTIC BAND
around her muzzle.**



Rescue Story

In May 2015, AARCS received a call from a concerned citizen that they had seen a puppy running around with what appeared to be an elastic around her muzzle. Our rescuers jumped into action to help. The puppy was afraid of humans and had to be caught in a humane trap. What the rescuers found was probably one of the most graphic injuries they had ever seen. The elastic had become embedded in the muzzle of the puppy separating the nose. AARCS rescuers rushed the pup to Calgary where she had surgery at the emergency clinic. The veterinarian was amazed at how well the surgery went, and believed she would likely not suffer any long term affects except cosmetic scarring. While at the vet office, all of the staff fell in love with her. She made such an impact on the veterinarian, Dr. Audrey Remedios, that she did the surgery and all post recovery operations free of charge! We are so thankful for this assistance. The puppy ended up leaving with a staff member of the vet office to be fostered-to-adopt. She has been affectionately named Cheveyo.



Weeny

**tossed off of a
BALCONY
as a kitten and
SURVIVED.**



Rescue Story

Weeny was rescued by a concerned animal lover who witnessed him being thrown off a balcony. Weeny suffered a skull fracture and brain damage from his abuse. He is now hearing & vision impaired and suffers from seizures. Weeny will be special needs for the rest of his life and will require on-going medications. This doesn't slow him down! Weeny is a fearless adventurer and a devoted snuggler!

Adopted by his Foster Family

2015 Kennel Sponsorships



Andrea Fiedler
Brittany Dalby
Bryan & Barb Parr
Bryan Dowie & Louise Proulx
Capital Drywall
Cathy & Dean Roy
Charlene Keller
& Deanna Schellenberg
David Granger
Debbie Henwood
Debbie Sutley
Irma Goertzen
Janice Goerzen
Jodi-Lynn Tarney
Kara & Tony Mah



Karen Middleton
Kori Wilson
Kristen Van Camphenout
Lauren Trimble
Long View Systems
Lori Marklund
Marla Vogel
Mary Balabas
Patrick Scheers
Susan & Leigh Cruess
Target Transportation
Terry & Ilona Korpany
The Sturtevant Family
Trish McKerrell & Mike Kinton
Vicki Ferguson

Grantors

Thank you so much to the following organizations for choosing AARCS as a recipient for your grant dollars in 2015!

CREB Charitable Foundation
Rosebridge Fund
Petsmart Charities of Canada
Four Feet Companion Foundation



The Calgary Foundation
Olympia Charitable Foundation
The City of Calgary
Field Law Community Fund

Special Thanks



Special Friends

Throughout the year, we had some very special friends help us out with incentives or an extra boost when it was most needed. Thank you to:

49th Parallel Group
ATCO Structures & Logistics Ltd.
Brad Wilson
Cenovus Employee Foundation
CIR Realty
Clarissa Von Stetten
Elaine Matson
Encana Cares Foundation
End of the Roll Calgary South
Gianna Blasetti Evans & Mr. James Evans
Global Pet Food Stores Inc.
Heather Waddell
Inga Morozoff

Jeremy & Nora Frank
Jody Perley
Judy Madge
Laura Blain
Luc Chartrand
Marc Dubord
Maria Kasch
Mathew Reich and Gillian Forster
Maurice McCaig
MAXgreen Windows & Doors
Mike & Lorraine Seth
MSH International
Murray Abrahams

Niki Vlooswyk-Steele
NuVista Energy
Omega Developments Inc
Pembina Pipeline Corporation
Petslink Distribution
Phil & Susan Evans
Phillips Brewing Company
Ruth Barker
Stevenson Developments Ltd.
Telus Corporation
Theresa Bernes
United Way
Victoria Kendrick

Extra special thanks to the Ogden Legion 154 for their major gift to AARCS. Your service to the community will live on through the amazing legacy you left for so many organizations including AARCS!

A great big thank you to all of our dedicated
volunteers, donors and supporters who were all vital to making 2015 as successful as it was and in helping us continue in our work. Every contribution makes a difference to animals in need.

Financial Reports



ALBERTA ANIMAL RESCUE CREW SOCIETY
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For the Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Alberta Animal Rescue Crew Society:

We have audited the accompanying financial statements of Alberta Animal Rescue Crew Society, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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

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

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

(continues)

Basis for Qualified Opinion

The prior year financial statements were not audited by independent auditors. Therefore we were unable to determine whether any adjustments were required to revenue and expense accounts that are affected by the beginning balances of unaudited balance sheet accounts.

The Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses, and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Alberta Animal Rescue Crew Society as at December 31, 2015 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.

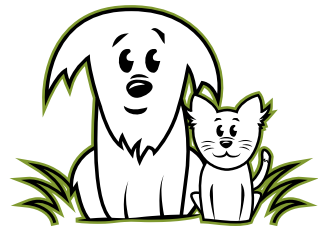
Calvista LLP

Calgary, Alberta
July 20, 2016

Chartered Professional Accountants

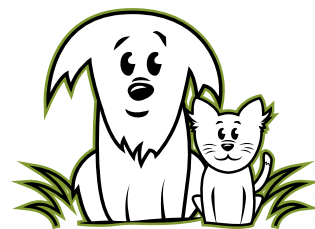


ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Financial Position
As at December 31, 2015



	2015	2014 (Unaudited)
Assets		
Current		
Cash and cash equivalents	\$ 859,750	\$ 680,979
Term deposits (Note 3)	96,489	76,000
Accounts receivable (Note 8)	25,742	9,151
Goods and services tax recoverable	30,621	25,582
	1,012,602	791,712
Property and equipment (Note 4)	50,243	66,610
	\$ 1,062,845	\$ 858,322
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 92,765	\$ 32,127
Unearned revenue	4,375	-
	97,140	32,127
Deferred contributions related to operations (Note 5)	10,000	64,756
Deferred contributions related to property and equipment (Note 5)	14,423	7,026
	121,563	103,909
Net Assets		
Invested in property and equipment	45,820	59,584
Unrestricted	895,462	694,829
	941,282	754,413
	\$ 1,062,845	\$ 858,322

ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Operations
For the Year Ended December 31, 2015

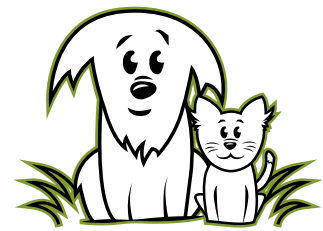


	2015	2014 (Unaudited)
Revenue		
Donations	\$ 1,169,934	\$ 735,367
Service fees	527,091	330,673
Fundraising	241,129	291,975
Grants	88,745	91,925
Miscellaneous revenue	12,459	3,933
	2,039,358	1,453,873
Expenses		
Shelter and program delivery (Schedule 1)	1,395,894	1,043,275
General and administrative (Schedule 2)	238,124	170,983
Fundraising	179,048	99,204
Amortization	39,423	14,884
	1,852,489	1,328,346
Excess of revenue over expenses	\$ 186,869	\$ 125,527



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

ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Changes in Net Assets
For the Year Ended December 31, 2015

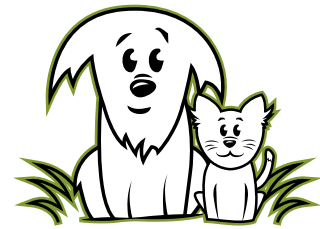


	Invested in property and equipment	Unrestricted	2015	2014 (Unaudited)
Net assets - beginning of year	\$ 59,584	\$ 694,829	\$ 754,413	\$ 628,886
Excess of revenue over expenses	(32,820)	219,689	186,869	125,527
Inter-fund transfers	19,056	(19,056)	-	-
Net assets - end of year	\$ 45,820	\$ 895,462	\$ 941,282	\$ 754,413



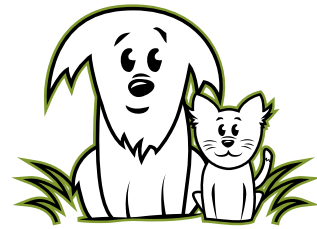
The accompanying notes are an integral part of these financial statements.

ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Cash Flows
For the Year Ended December 31, 2015



	2015	2014 (Unaudited)
Operating activities		
Excess of revenue over expenses	\$ 186,869	\$ 125,527
Items not affecting cash:		
Amortization	39,423	14,884
Recognition of deferred contributions related to property and equipments	(6,603)	(3,513)
	<u>219,689</u>	<u>136,898</u>
Changes in non-cash working capital:		
Accounts receivable	(16,592)	(9,151)
Goods and services tax recoverable	(5,039)	(17,452)
Accounts payable and accrued liabilities	60,640	23,371
Deferred contributions related to operations	(54,756)	43,021
Unearned revenue	4,375	-
	<u>(11,372)</u>	<u>39,789</u>
Cash flows from operating activities	<u>208,317</u>	<u>176,687</u>
Investing activities		
Purchase of term deposits	(20,489)	(31,000)
Purchase of property and equipment	(19,057)	(47,114)
Contribution received for purchase of property and equipment	10,000	-
	<u>(29,546)</u>	<u>(78,114)</u>
Cash flows used by investing activities	<u>(29,546)</u>	<u>(78,114)</u>
Increase in cash flow	<u>178,771</u>	<u>98,573</u>
Cash and cash equivalents - beginning of year	<u>680,979</u>	<u>582,406</u>
Cash and cash equivalents - end of year	<u>\$ 859,750</u>	<u>\$ 680,979</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2015



1. Purpose of organization

The Alberta Animal Rescue Crew Society (the "Society") is a non-profit organization incorporated under the Societies Act of Alberta. The Society has a mission to improve the lives of animals by rescuing and providing sanctuary to abandoned, surrendered or abused animals, assisting communities to achieve healthy and respectful relationships with animals, promoting responsible and compassionate guardianship, and advocating on behalf of all animals.

The Society is a registered charity under Section 149 of the Income Tax Act, and is therefore, not subject to the payment of income tax.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within the framework of the significant accounting policies summarized below:

(a) Revenue recognition

The Society 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 are recognized as revenue when received or receivable if the amount can be reasonably estimated and ultimate collection is reasonably assured.

Service fees are recognized when services are rendered, and the amount can be reasonably estimated and the ultimate collection is reasonably assured.

(b) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value.

(c) Property and equipment

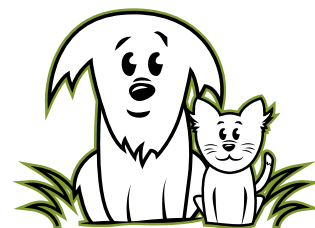
Property and equipment is stated at cost. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates:

Shelter equipment and fixtures	3 years
Vehicles	2 - 3 years
Office equipment and furniture	3 years

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2015



2. Significant accounting policies (*continued*)

(d) Goods and services tax

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

(e) Contributed goods and services

Contributed goods are recorded at their fair market value at the time of donation.

Volunteers contribute many hours per year to assist the Society in carrying out its services and fundraising activities. Due to the difficulty of determining the associated fair value, contributed services are not recognized in these financial statements.

(f) Financial instruments policy

The Society initially measures its financial instruments at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

The financial assets measured at cost include cash and cash equivalents, term deposits and accounts receivable. The financial liabilities measured at cost include accounts payable and accrued liabilities.

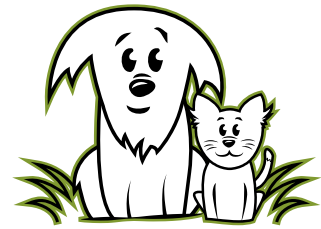
(g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. Term deposits

	2015	2014
Redeemable guaranteed investment certificate, maturing May 2016, bearing interest at 1.40% per annum	\$ 50,000	\$ -
Redeemable guaranteed investment certificate, maturing March 2016, bearing interest at 1.87% per annum	25,468	25,000
Redeemable guaranteed investment certificate, maturing June 2016, bearing interest at 0.90% per annum	20,000	-
Redeemable guaranteed investment certificate, maturing February 2017, bearing interest at 2.10% per annum	1,021	1,000
Redeemable guaranteed investment certificate, maturing June 2015, bearing interest at .90% per annum	-	20,000
Redeemable guaranteed investment certificate, maturing April 2015, bearing interest at 1.05% per annum	-	30,000
	\$ 96,489	\$ 76,000

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2015



4. Property and equipment

	Cost	Accumulated amortization	2015 Net book value
Office equipment and furniture	\$ 23,855	\$ 13,984	\$ 9,871
Vehicles	35,820	31,398	4,422
Shelter equipment and fixtures	87,613	51,663	35,950
	\$ 147,288	\$ 97,045	\$ 50,243

	Cost	Accumulated amortization	2014 Net book value
Office equipment and furniture	\$ 15,741	\$ 7,462	\$ 8,279
Vehicles	31,820	24,794	7,026
Shelter equipment and fixtures	76,671	25,366	51,305
	\$ 124,232	\$ 57,622	\$ 66,610

5. Deferred contributions

Deferred contributions related to operations consist of the following:

	2015	2014
Balance - beginning of year	\$ 64,756	\$ 21,735
Additions	10,000	78,572
Utilizations	(64,756)	(35,551)
Balance - end of year	\$ 10,000	\$ 64,756

Deferred contributions related to property and equipment consist of the following:

	2015	2014
Balance - beginning of year	\$ 7,026	\$ -
Additions (Note 6)	4,000	10,539
Contribution received for future purchase of property and equipment	10,000	-
Utilizations	(6,603)	(3,513)
Balance - end of year	\$ 14,423	\$ 7,026

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2015



6. Gifts in kind

During the year, the Society received \$68,816 (2014: \$76,841) of donated materials and supplies that were recorded as donation revenue and consumed in shelter and program delivery at fair market value. The Society also received \$4,000 (2014: \$10,539) (Note 5) during the year in relation to a donated vehicle, recorded in property and equipment.

7. Commitments

The Society has two lease agreements for its office premises and animal shelter at the same location. During the year, the Society incurred \$67,200 (2014: \$61,600) of rent expense. The minimum lease payments over the next five years is as follows:

2016	\$	58,800
2017		33,600
2018		33,600
2019		5,600

8. Accounts receivable

	2015	2014
Accounts Receivable	\$ 26,822	\$ 9,151
Allowance for doubtful accounts	(1,080)	-
	\$ 25,742	\$ 9,151

9. Contingent liability

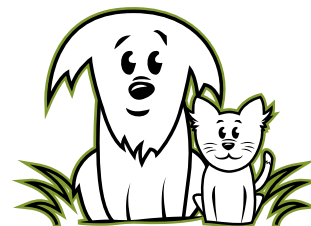
During the year, a dog placed in foster care by the Society was involved in an injury incident that resulted in fines being assessed by the City of Calgary against the Society and its Executive Director. The Society has engaged legal counsel to provide a defence against the assessment and the matter is currently unresolved. Should the defence be unsuccessful and the courts find in the City's favour, the maximum fines permitted by the bylaw under which the fines were assessed would be \$60,000. Management is confident that the ultimate fines paid will be significantly less than the maximum. Because the amount of final settlement cannot be determined at this time, no provision has been made in the financial statements for the potential cost of the fines or any other losses that may result from this incident. The costs will be recognized as an expense in the period in which a final resolution is reached.

10. Financial instruments

The Society's financial instruments consist of cash and cash equivalents, term deposits, accounts receivable, accounts payable and accrued liabilities, all of which are carried at amortized cost. The carrying value of financial instruments approximate their fair value.

(continues)

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2015



10. Financial instruments (*continued*)

Credit risk

The Society is exposed to credit risk from its customers in relation to its Spay Neuter Assistance Program ("SNAP"). An allowance for doubtful accounts is established based on the credit risk of specific accounts.

Interest risk

The Society is exposed to some market risk due to the nature of investments held. To mitigate market risks, the Board of Directors has implemented an investment policy that limits the nature of investments held.

11. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation. The corresponding information for prior year are unaudited.



ALBERTA ANIMAL RESCUE CREW SOCIETY**Shelter and program delivery****(Schedule 1)****For the Year Ended December 31, 2015**

	2015	2014 (Unaudited)
Direct animal rescue and outreach	\$ 935,868	\$ 664,806
Program salaries and benefits	302,225	221,475
Shelter operations	135,541	148,884
Donations to other not-for-profit organizations	19,000	5,000
Professional memberships	3,260	3,110
	<u>\$ 1,395,894</u>	<u>\$ 1,043,275</u>



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

ALBERTA ANIMAL RESCUE CREW SOCIETY**General and administrative****(Schedule 2)****For the Year Ended December 31, 2015**

	2015	2014 (Unaudited)
Administrative salaries and benefits	\$ 122,575	\$ 89,589
Professional fees	41,149	17,924
Goods and services tax expense	25,935	23,256
Staff and volunteer development	24,832	15,494
Office and miscellaneous	21,674	24,606
Interest and bank charges	1,959	114
	<u>\$ 238,124</u>	<u>\$ 170,983</u>

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

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**Registered Charity # 80718 8479 RR0001****www.albertaanimalrescuecrew.com****GENERAL INFORMATION****BAY G, 3851 - 21 Street NE****Calgary, AB T2E 6T5****info@aarcs.ca****Phone: 403-250-7377****Fax: 866-223-0365**



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ANNUAL REPORT 2015