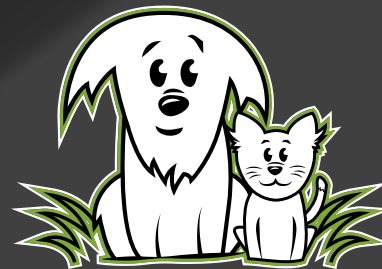




[2016]

ANNUAL REPORT



AARCS
ALBERTA ANIMAL
RESCUE CREW SOCIETY

Celebrating 10 Years

Message from our Executive Director



A lot has changed since the early days of AARCS, yet our passion and commitment to helping homeless animals is as strong as ever. In 2016 we celebrated our 10 year anniversary and looking back it was a jam-packed year of excitement, tragedy, struggles, and new beginnings. Nearing the end of the year we made a big announcement that would surely lead us to an even brighter future.

Like many, AARCS was ready to jump into action when our province experienced devastating wildfires in Fort McMurray and the evacuation of over 88,000 residents. While residents were running away from the danger, our Rescue Crews, on request from the municipality, headed towards "the beast." Our staff and volunteers spent two weeks on the ground and assisted in rescuing over 1,100 stranded pets. As a result of our efforts, AARCS was recognized by the Province of Alberta as a Hero of Wild Fires and by The Canadian Federation of Humane Societies with an Animal Welfare Leadership & Innovation Award.

With the wildfires behind us, it was back to business as usual, helping thousands of homeless animals onto a new life through our many community support programs. Averaging 500 animals in care and the calls for help increasing, our work continues. Behind the scenes we continued to plan and strategize our next steps and in November 2016 we made the decision to move to a new facility that would also house AARCS Animal Hospital. This monumental moment in our history is going to allow us to help more animals, by bringing this essential service in-house. The new facility will allow for continued growth for the organization for years to come.

As we celebrated this historical step towards a brighter future for homeless animals, we also celebrated AARCS 10-year Anniversary! This milestone was celebrated at our Diamond in the Ruff event, where we reminisced about the past, how far we have come and how much the future holds for us. AARCS has been and will continue to be a place where our community can come together to provide much-needed programs, allow Albertans to learn, volunteer and enhance their skills in a field that is meaningful to them and for people to support helping the homeless, abandoned and abused animals of Alberta.

There is no better feeling than to help a once homeless animal feel love and security for the first time. In this, I have found a deeper purpose for my life. I encourage everyone to be kind and be passionate. Do something every day to make our world a better place. Give generously of yourself, spread the word and spread kindness wherever you go.

With Gratitude,

A handwritten signature in black ink, reading "Deanna Thompson".

Deanna Thompson

Who we are. What we do!

OUR MISSION

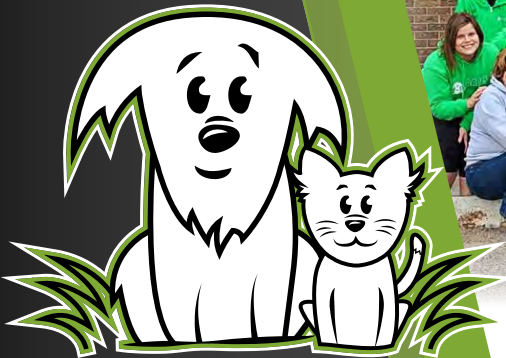
A Compassionate World For All Animals

We are dedicated to animal rescue, second chances and community education and assistance. Our mission includes strengthening the relationships between animals, their owners and the larger community. Having an animal companion is both a privilege and a responsibility, one we take to heart. We are animal advocates and ambassadors for fair treatment, appropriate care, and animal rights. We strive to save all those in need with protection and kindness.

Changing Lives Through Kindness

We are animal lovers, protectors and caregivers who believe all animals deserve to be treated with compassion, kindness and respect. Animals, like people, are capable of love, affection, loyalty and feel pain just like people do. Like us, animals have a need for attention, safe relationships, a home and family who care for them and we at AARCS are here to help them get there.

OUR VISION



Compassion • Collaboration • Integrity • Learning • Advocacy

Adoptions

2006	52
2008	170
2010	326
2012	642
2014	1,865
2016	2,321



In 2016 AARCS celebrated our
10 Year Anniversary.

From humble beginnings, AARCS has worked each and every day to make a difference in the lives of homeless animals across Alberta and has grown into one of Alberta's largest and most prominent animal welfare organizations.

Not only do we witness some of the most horrific acts of neglect and abuse, but we also get to be a part of saving lives, changing lives and creating happy endings for thousands of animals and families each and every year.

The first year (2006) we rescued 52 dogs and were comprised of a handful of dedicated volunteers. Ten years later we are helping over 3000 animals each year with over 1000 volunteers!

Ten Years of



AARCS
ALBERTA ANIMAL
RESCUE CREW SOCIETY

Operations expanded to include community assistance programs, such as **HUMANE EDUCATION** and **SPAY/NEUTER ASSISTANCE**.



AARCS Safe Haven shelter open, in a 2,500sq. ft. warehouse in NE Calgary.

2012

AARCS doubles shelter space including expanded space for cats!

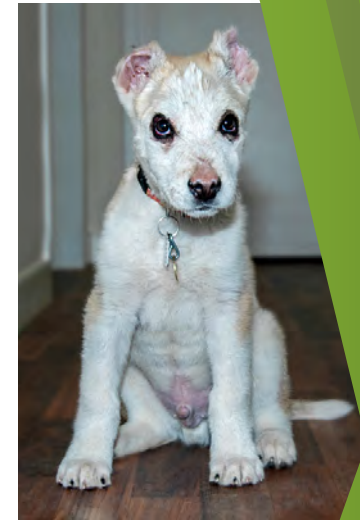
2013

#YEG Satellite operation in EDMONTON opens!

2015

Throughout the years, AARCS has been called upon to help in animal welfare situations across Alberta that have created headlines across the country. Nero, Tonka, the floods in 2013, a roll-over car accident involving 30 dogs in 2014, the infamous Milk River Dogs in 2015 and the Fort McMurray wildfires in 2016.

Although our focus has been on dogs and cats, there has been the odd horse, rabbit and tortoise rescue too!



Foster homes and volunteers have increased over the years to over 1,000 registered volunteers across the province!

Ten Years of



AARCS
ALBERTA ANIMAL
RESCUE CREW SOCIETY

[2016] Highlights

[FORT McMURRAY WILDFIRES]

Battling smoky air and some not so happy cats AARCS staff and volunteers were on the ground helping to rescue over 1,100 animals stranded in Fort McMurray following the devastating wildfire.

We rescued cats, dogs, chickens, parrots, hedgehogs, rabbits, ferrets and every kind of snake you can imagine. It was an emotionally and physically draining time, but yet filled with so much hope. We cried happy tears as we watched the first load of animals leave on a truck headed to Edmonton to be reunited with their owners. We cried sad tears for animals we went to save only to find out that the home had been destroyed by the fire.

We are so proud to have been able to help the over 1,100 family pets find their way back to their families. We couldn't have done it without the support of everyone involved: From the volunteers and staff on the ground in Fort McMurray to the staff and volunteers back in Calgary assisting the displaced families and maintaining operations; from the foster homes who agreed to temporarily house evacuated pets to the public who came out to help.



[#NoLifeTooSmall]

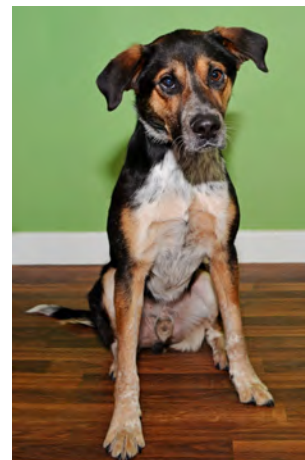
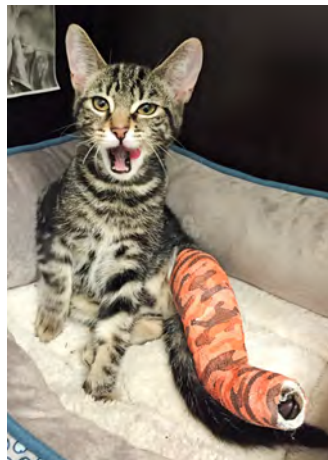
[#AlbertaStrong]

[2016] Highlights

[INFLUX OF MEDICAL CASES]

In 2016 we managed 683 major medical cases. This includes animals in dire need of medical attention, including **broken bones, gun shot wounds, quills, major infections, sarcoptic mange, and viruses such as parvo and distemper.** We are so thankful to our partner veterinarians who assisted in managing, treating and providing outstanding medical care and surgeries for these animals. For all they had been through, we see a resilience you can only find in a rescued animal. For the first time in their lives, they felt the gentle hand of someone who cared. For the first time in their lives, they would get to feel the warmth of a home, a soft dog bed and a big bowl of food.

638





[OUR NEW HOME]

After months of strategic planning, research and having received necessary licensing approval, we leased a new facility in SE Calgary with an expected move date of April 2017. This 13,000-square foot facility includes a 3,000-square foot veterinary hospital designed specifically to help the homeless pets of Alberta along with expanded kennel space for both dogs and cats, office space for staff and storage and training space.

Having a veterinary hospital on-site gives us the ability to help the animals in most dire need of medical attention with an onsite veterinary surgical suite and ability to provide life-saving treatment. Every day we receive calls about animals in medical distress that need help - from broken bones, gunshot wounds, embedded porcupine quills, and mange to deadly diseases such as parvovirus.

Forming the Alberta Animal Rescue Crew Society (AARCS) Veterinary Hospital will reduce our medical costs by approximately half a million dollars in the first year alone, with a potential savings of \$5,000,000 or more over ten years. With these savings in veterinary costs, we will be able to help more homeless and abandoned animals. This will allow more of your donated dollars to be applied directly to animal rescue and care.

+ VETERINARY HOSPITAL



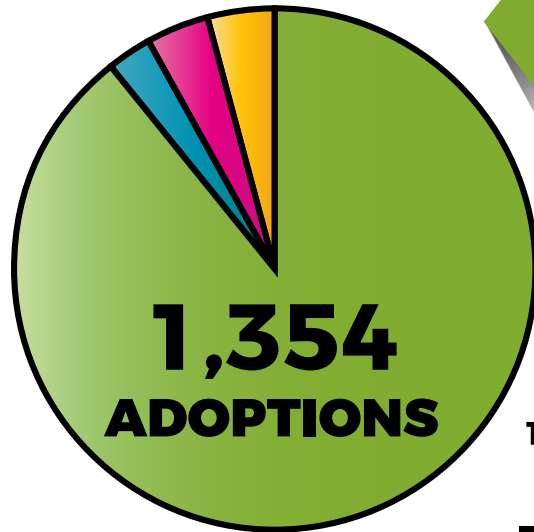
"The project for a veterinary hospital is essential and will allow the organization to continue to help hundreds of animals, reducing animal homelessness and improving our community. The project will drastically reduce costs for the organization allowing them to have an even bigger impact."

— Dr. Audrey Remedios, B.Sc, DVM, DACVS

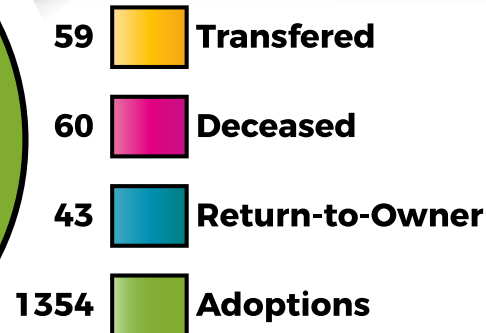
We are extremely excited to take these next steps in providing a second chance to so many deserving animals in our province. AARCS is a driving force in the animal welfare community and an organization that the people turn to for help. We have an exceptional medical program for animals with some of the highest standards of care in the industry. We have seen an increase of calls to help homeless, abandoned and injured animals coupled with a decrease in revenue due to hard economic times along with rising veterinary prices, so this strategic move will ensure we maintain stability and longevity of our programming for years to come.

[2016] Highlights

DOG COUNT



[DOG PROGRAM]



1,516
[DOGS IN CARE]

[2016 HIGHLIGHTS]

- Partnered with remote communities in **North West Territories** to assist with taking dogs when their shelter was full.
- **Foster Mentoring Program** was established.
- Near of the end of 2016, we welcomed a new **Dog Program Manager** and re-organized the department.
- Implemented **new volunteer software** to manage

681 CASES

of behaviour modification managed, plus assisted in **115 ADOPTED AARCS DOG** behavioural inquires/cases.

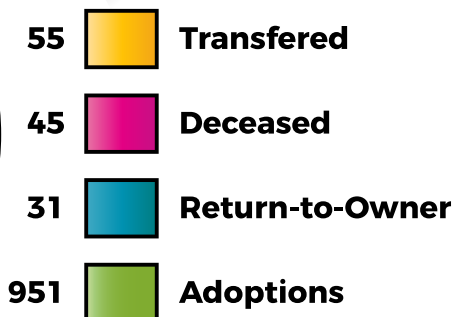
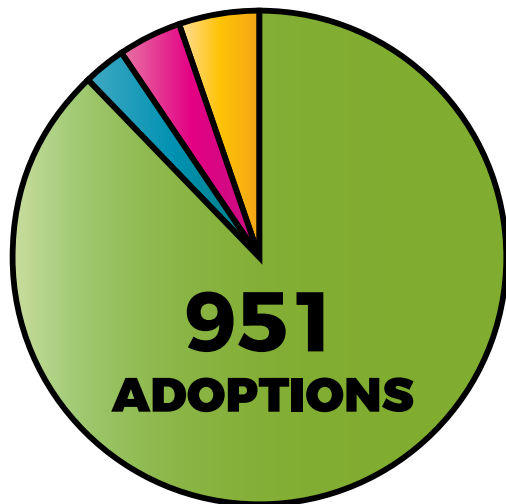
OVER 250 DOG FOSTER HOMES!



[**PROGRAM**] *Stats & Updates*

[PROGRAM] Stats & Updates

CAT COUNT



[CAT PROGRAM]

1,082

[CATS IN CARE]



[2016 HIGHLIGHTS]

- Through our partnerships with pet stores across Calgary, 208 number of cats found forever homes. This has allowed AARCS to increase capacity for cats, resulting in even more lives saved.
- Managed an outbreak of panleukemia originating from a cat brought in from a remote Alberta location, by closing intake and placing the shelter under full quarantine to ensure no spread of the virus.
- Ringworm was also a challenge in 2016 as numerous members of the public purchased kittens online only to find out they had ringworm. Although highly contagious, through rigorous quarantine and treatment protocols, we successfully treated and adopted out 21 of cats who had ringworm in 2016.
- July of 2016 we added a part-time staff person to assist our Cat Program Manager as we look to increase the number of cats we are able to rescue each year.

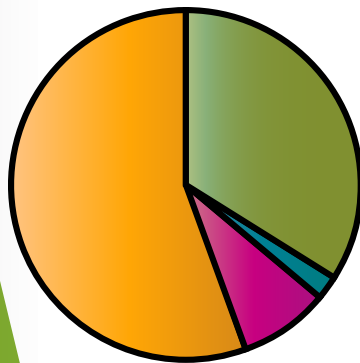


Animals in Need

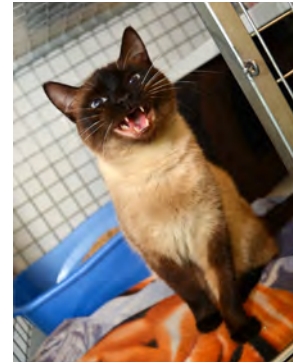
47

Although we do not have an official small animal program, we are sometimes called upon to help some little critters. In 2016, we assisted in transferring or adopting out the following small animals/reptiles.

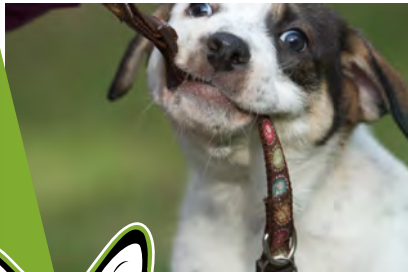
[OTHER ANIMALS IN CARE]



26 Transferred
4 Deceased
1 Return-to-Owner
16 Adoptions



- 2 Lizards
- 4 Birds
- 30 Rabbits
- 2 Hedgehogs
- 4 Turtles
- 2 Chinchillas
- 2 Hamsters



2,645

[ANIMALS LIVES]
changed by kindness

#NoLifeTooSmall

In total AARCS assisted **OVER 4,000 ANIMALS AND FAMILIES** in 2016.

TNR

84

[TRAP-NEUTER-RETURN]

SNAP

148

[SPAY-NEUTER ASSISTANCE]

DOG HOUSES

36

FOSTER EMERGENCY

69

ANIMAL DISASTER RESPONSE

1,100

FOOD ASSISTANCE REQUESTS

110

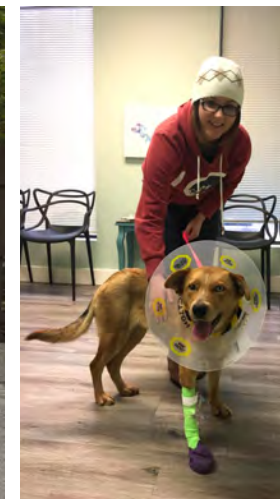
In addition, the **AARCS EDUCATION TEAM** spoke to **1934 STUDENTS** from schools both in First Nation schools around the province and in Calgary.



Assistance Programs

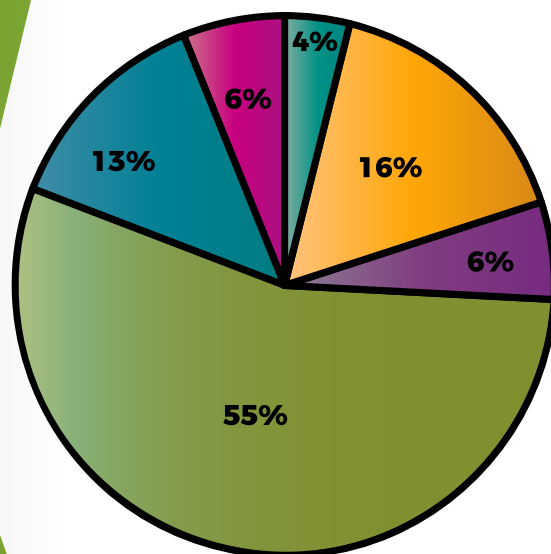
“Volunteers do not necessarily have the time; they just have the heart.”

– ELIZABETH ANDREW

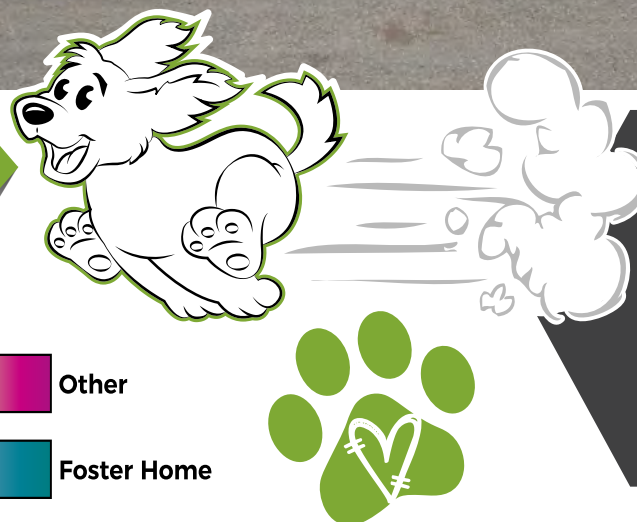


VOLUNTEER HOURS

[BREAKDOWN]



2,524	Other
4,544	Foster Home
20,965	Shelter Operation
2,337	Rescue/Transport
6,103	Administration
1,712	Events



AARCS 1000+ VOLUNTEERS PUT IN OVER 38,000 HOURS IN 2016!

- AARCS Transporters drove well over **54,000 KILOMETERS** in 2016.
- Staff attended the **Best Friends Conference** and the **Canadian Federation of Humane Societies Conference** in 2016.

Volunteer Statistics

EVENT SPONSORS

- A Sound Mind Psychological Services Inc.
- Aaron Drilling Inc.
- Altalink LP
- BowDog Inc.
- Brire Holdings Ltd. o/a End of the Roll Calgary South
- Car Max Canada
- Cornerstone Engineering Ltd.
- Flight Centre Market Mall
- KPMG LLP
- Makami College Inc.
- Muttley Crue Inc.
- Parlee McLaws LLP
- Poorboy Tire Ltd.
- Royal Veterinary Hospital
- Servus Credit Union
- SH&E System Solutions Inc.
- Western Veterinary Specialist and Emergency Center
- While Away House Sitters



2016 GRANTORS

- CIR Realty
- Four Feet Companion Foundation
- Grantors through Calgary Foundation
- Grantors through Giftfunds Canada
- Pets for Life
- Petsmart Charities of Canada
- Werklund Foundation

Special Thank You's

[FINANCIAL REPORTS]



INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2016 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.

Basis for Qualified Opinion

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.

(continues)

Independent Auditor's Report to the Members of Alberta Animal Rescue Crew Society: (continued)

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, 2016 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 12 to these financial statements which indicates that the financial statements for the year ended December 31, 2015 have been restated from those on which we originally reported on July 20, 2016 and discusses more extensively the reason for the restatement.

Calvista LLP

Calgary, Alberta
June 6, 2017

Chartered Professional Accountants



CALVISTA LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1635, 1632 - 14th Ave NW
Calgary, AB T2N 1M7

TEL: 403.777.2299
FAX: 403.777.4201

WEB: WWW.CALVISTA.CA



ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Financial Position
As at December 31, 2016

	2016	2015 (Restated)
Assets		
Current		
Cash and cash equivalents	\$ 983,040	\$ 859,750
Term deposits (Note 3)	71,744	96,489
Accounts receivable (Note 4)	6,923	25,742
Goods and services tax recoverable	31,020	30,621
Prepaid expenses	49,275	-
	<u>1,142,002</u>	<u>1,012,602</u>
Property and equipment (Note 5)	<u>72,531</u>	<u>50,243</u>
	<u>\$ 1,214,533</u>	<u>\$ 1,062,845</u>
Liabilities and Net assets		
Current		
Accounts payable and accrued liabilities	\$ 47,861	\$ 92,765
Unearned revenue	375	4,375
	<u>48,236</u>	<u>97,140</u>
Deferred contributions related to operations (Note 6)	<u>198,817</u>	<u>130,000</u>
Deferred contributions related to property and equipment (Note 6)	<u>25,500</u>	<u>14,423</u>
	<u>272,553</u>	<u>241,563</u>
Net Assets		
Invested in property and equipment	<u>65,031</u>	<u>45,820</u>
Unrestricted	<u>876,949</u>	<u>775,462</u>
	<u>941,980</u>	<u>821,282</u>
	<u>\$ 1,214,533</u>	<u>\$ 1,062,845</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Operations
For the Year Ended December 31, 2016

	2016	2015 (Restated)
Revenue		
Donations (Schedule 3)	\$ 1,222,201	\$ 1,049,934
Other fundraising		
Service fees	667,969	527,091
Fundraising (Schedule 3)	183,402	241,129
Grants	179,849	88,745
Miscellaneous revenue	12,985	12,742
	<u>2,266,406</u>	<u>1,919,641</u>
Expenses		
Shelter and program delivery (Schedule 1)	1,591,980	1,395,894
General and administrative (Schedule 2)	298,349	238,407
Fundraising (Schedule 3)	214,751	179,048
Amortization	40,628	39,423
	<u>2,145,708</u>	<u>1,852,772</u>
Excess of revenue over expenses	<u>\$ 120,698</u>	<u>\$ 66,869</u>


ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Changes in Net Assets
For the Year Ended December 31, 2016

	Invested in property and equipment	Unrestricted	2016	2015 (Restated)
Net assets - beginning of year				
As previously reported	\$ 45,820	\$ 895,462	\$ 941,282	\$ 754,413
Prior period restatement (Note 12)	-	(120,000)	(120,000)	-
Net assets as restated	45,820	775,462	821,282	754,413
Excess of revenue over expenses	(33,705)	154,403	120,698	66,869
Inter-fund transfers	52,916	(52,916)	-	-
Net assets - end of year	<u>\$ 65,031</u>	<u>\$ 876,949</u>	<u>\$ 941,980</u>	<u>\$ 821,282</u>





ALBERTA ANIMAL RESCUE CREW SOCIETY
Statement of Cash Flows
For the Year Ended December 31, 2016

	2016	2015 (Restated)
Operating activities		
Excess of revenue over expenses	\$ 120,698	\$ 66,869
Items not affecting cash:		
Amortization	40,628	39,423
Recognition of deferred contributions related to property and equipment	(6,923)	(6,603)
Gain on disposal of property and equipment	(3,333)	-
	<u>151,070</u>	<u>99,689</u>
Changes in non-cash working capital:		
Accounts receivable	18,819	(16,592)
Accounts payable and accrued liabilities	(44,905)	60,640
Unearned revenue	(4,000)	4,375
Prepaid expenses	(49,275)	-
Goods and services tax recoverable	(399)	(5,039)
Deferred contributions related to operations	68,817	65,244
	<u>(10,943)</u>	<u>108,628</u>
Cash flows from operating activities	<u>140,127</u>	<u>208,317</u>
Investing activities		
Purchase of property and equipment	(65,248)	(19,057)
Proceeds on disposal of property and equipment	5,667	-
Proceeds on disposal of term deposits	24,744	-
Contribution received for purchase of property and equipment	18,000	10,000
Purchase of term deposits	-	(20,489)
	<u>(16,837)</u>	<u>(29,546)</u>
Cash flows used by investing activities	<u>(16,837)</u>	<u>(29,546)</u>
Increase in cash flows	<u>123,290</u>	<u>178,771</u>
Cash and cash equivalents - beginning of year	<u>859,750</u>	<u>680,979</u>
Cash and cash equivalents - end of year	<u>\$ 983,040</u>	<u>\$ 859,750</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2016

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:

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.

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.

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, 2016

2. Significant accounting policies (continued)

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.

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

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.

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

	2016	2015
Redeemable guaranteed investment certificate, maturing May 2017, bearing interest at 1.70% per annum	\$ 50,702	\$ -
Redeemable guaranteed investment certificate, maturing June 2017, bearing interest at 0.60% per annum	20,000	-
Redeemable guaranteed investment certificate, maturing February 2017, bearing interest at 2.10% per annum	1,042	1,021
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
Redeemable guaranteed investment certificate, maturing June 2016, bearing interest at 0.90% per annum	-	20,000
	\$ 71,744	\$ 96,489



ALBERTA ANIMAL RESCUE CREW SOCIETY

Notes to Financial Statements

For the Year Ended December 31, 2016

4. Accounts receivable

	2016	2015
Accounts receivable	\$ 18,287	\$ 26,822
Allowance for doubtful accounts	(11,364)	(1,080)
	\$ 6,923	\$ 25,742

5. Property and equipment

	Cost	Accumulated amortization	2016 Net book value
Office equipment and furniture	\$ 26,490	\$ 19,466	\$ 7,024
Vehicles	70,720	42,626	28,094
Shelter equipment and fixtures	111,327	73,914	37,413
	\$ 208,537	\$ 136,006	\$ 72,531

	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



AARCS
ALBERTA ANIMAL
RESCUE CREW SOCIETY

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2016

6. Deferred contributions

Deferred contributions related to operations consist of the following:

	2016	2015
Balance - beginning of year	\$ 130,000	\$ 64,756
Additions	69,970	130,000
Utilizations	(1,153)	(64,756)
Balance - end of year	<u>\$ 198,817</u>	<u>\$ 130,000</u>

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

	2016	2015
Balance - beginning of year	\$ 14,423	\$ 7,026
Additions	-	4,000
Contribution received for future purchase of property and equipment	18,000	10,000
Utilizations	(6,923)	(6,603)
Balance - end of year	<u>\$ 25,500</u>	<u>\$ 14,423</u>

7. Gifts in kind

During the year, the Society received \$100,962 (2015: \$68,816) 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 \$Nil (2015: \$4,000) (Note 5) during the year in relation to a donated vehicle, recorded in property and equipment.

ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2016

8. Commitments

During the year, the Society had two lease agreements for its office premises and animal shelter at the same location. In April 2017, the Society settled with the this Landlord for \$12,500 to terminate the lease on one of the lease agreements. The second lease agreement had expired September 2016 and was extended on a month to month until the move to the new premises could be completed. Both of the terminated leases were with a corporation owned by a member of the board of directors. The rental rates were at market rates for similar properties and were established in the normal course of business. During the year, the Society incurred \$67,800 (2015: \$67,200) of rent expense.

The lease on the new premises commenced January 1, 2017 which included a two month rent-free fixturing period and expires in February 2022. The Society maintained operations in its existing space while renovating the new space to suit its unique needs and completed the move of its entire operations to the new location as of April 30, 2017. The minimum lease payments over the next five years are as follows:

2017	\$ 132,856
2018	122,481
2019	122,481
2020	125,883
2021	125,883
Thereafter	20,981

9. Contingent liability

In 2015, 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 engaged legal counsel to provide a defence against the assessment. Had the defence been unsuccessful and the courts found in the City's favour, the maximum fines permitted by the bylaw under which the fines were assessed could have been \$60,000.

In January 2017, the legal matter was resolved and resulted in a total fine of \$600.

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.

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.

(continues)



ALBERTA ANIMAL RESCUE CREW SOCIETY
Notes to Financial Statements
For the Year Ended December 31, 2016
10. Financial instruments (continued)
Interest rate 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.

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other price risks arising from these financial instruments.

11. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

12. Prior period restatement

During the year, the Society identified that a \$120,000 donation received in 2015 was intended by the donor to be restricted for specific purposes. As an externally restricted contribution, the amount should have been reported as a deferred contribution. The effect of correcting the error has resulted in the following changes to the December 31, 2015 financial information

	As previously reported	Adjustment	As restated
Deferred contributions related to operations	\$ 10,000	\$ 120,000	\$ 130,000
Donation revenue	1,169,934	(120,000)	1,049,934
Excess of revenue over expenses	186,869	(120,000)	66,869
Unrestricted net assets	895,462	(120,000)	775,462

ALBERTA ANIMAL RESCUE CREW SOCIETY
Shelter and program delivery
(Schedule 1)
For the Year Ended December 31, 2016

	2016	2015
Direct animal rescue and outreach	\$ 1,001,754	\$ 935,868
Program salaries and benefits	463,941	302,225
Shelter operations	124,564	135,541
Professional memberships	1,721	3,260
Donations to other not-for-profit organizations	-	19,000
	\$ 1,591,980	\$ 1,395,894

ALBERTA ANIMAL RESCUE CREW SOCIETY
General and administrative
(Schedule 2)
For the Year Ended December 31, 2016

	2016	2015
Administrative salaries and benefits	\$ 173,567	\$ 122,575
Professional fees	39,645	41,149
Office and miscellaneous	39,440	21,674
Goods and services tax expense	31,020	25,935
Staff and volunteer development	9,833	24,832
Interest and bank charges	4,113	1,959
	\$ 297,618	\$ 238,124

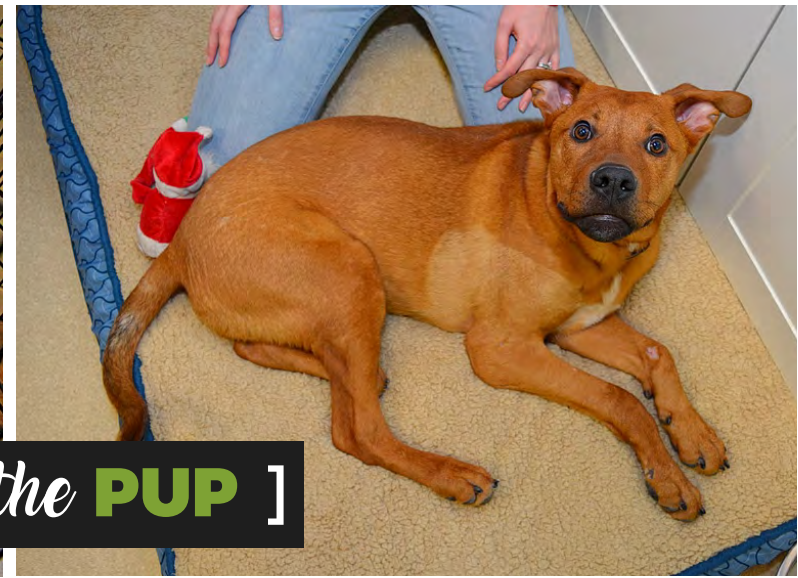
ALBERTA ANIMAL RESCUE CREW SOCIETY
Fundraising
(Schedule 3)
For the Year Ended December 31, 2016

	2016	2015
Revenue		
Donations	\$ 1,222,201	\$ 1,049,934
Other fundraising		
Events	91,850	36,754
Merchandise	82,005	59,003
Donation processing fees and other fundraising	9,548	11,268
Casino	-	64,756
	183,402	171,781
	1,405,604	1,221,715
Expenses		
Donation processing fees and other fundraising	145,640	113,999
Merchandise	39,844	44,621
Events	29,267	20,428
	214,751	179,048
Excess of revenue over expenses	\$ 1,190,853	\$ 1,042,667

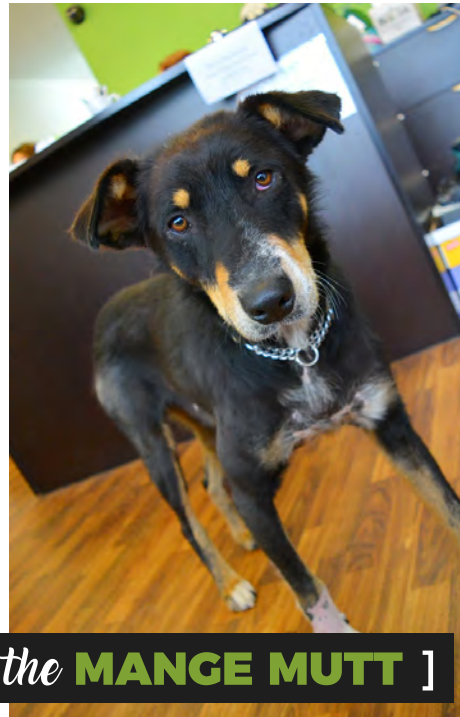




[**PANZER** *the* **PUP**]



[**ZURI** *the* **MANGE MUTT**]



[*the* **RINGWORM KITTENS**]





Alberta Animal Rescue Crew Society

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