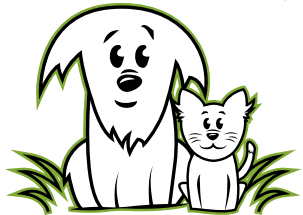


# 2018



## Annual Report



**AARCS**  
ALBERTA ANIMAL  
RESCUE CREW SOCIETY

## Message from our Executive Director

# Deanna Thompson

*Dear Friends*

I am pleased to report on another amazing year for the animals. In 2018 and beyond our focus remains on changing lives through kindness. With the completion of the move to a new shelter and our brand new veterinary hospital two years ahead of schedule, we took the time in 2018 to update our strategic plan. **With four main goals for the future:**

- ◆ Build strong networks to support animal care
  - ◆ Increase capacity to provide quality programs
  - ◆ Change the way society thinks about animals, and
  - ◆ Expand our services wherever needed.

From hoarding cases to disease outbreaks in remote communities our teams managed all the ups and downs of 2018 with grace, helping 2,718 animals find new loving families. Our incredible volunteers and fosters homes gave their time, energy and hearts to the animals, logging over 51,152 hours.

We connected with like-minded animal welfare professionals at the National Animal Welfare Conference held in Calgary in April and proudly toured delegates from across Canada through our facility. Our staff and volunteers spent three intense and inspiring days learning about how we can further animal welfare in our province and across the country.

With this renewed energy we set our sights on making 2019 another year of growth and opportunity, including increasing access to spay/neuter programs, finalizing Animal Disaster Response plans, and increasing sustainable funding.

Thank you for being a part of this amazing journey to help the most vulnerable animals in our society as we get one giant step closer to our vision of a Compassionate World for all Animals.

With my deepest appreciation, thank you.

*Deanna Thompson*  
**Executive Director**





**Mission** *Changing Lives  
Through Kindness*

**Vision** *A Compassionate  
World For All Animals*

# OUR IMPACT

**LIFE-SAVING RESCUES**

**NEW BEGINNINGS**

**RENEWED TRUST IN HUMANS**

**CUDDLES WITH CAREGIVERS**

**BEST POSSIBLE MEDICAL CARE**

**TONS OF TREATS**

**AN AMAZING  
FOREVER FAMILY**



# OUR IMPACT

## LIFE-SAVING RESCUES

Jolene was knocking at death's door when she arrived at AARCS. Just a young puppy, she was found extremely emaciated in a box all alone. Our teams rushed to pick her up and bring her back to AARCS Safe Haven where she received life-saving care. **It took months for her to recover and learn how to walk again.**

JOLENE



## CUDDLES WITH CAREGIVERS

Nugget was a quarter of the size of her siblings and had to fight to stay alive with the help of her foster mom. Nugget required around the clock care, syringe feeding and many trips to AARCS Veterinary Hospital. She nearly died a number of times, but **against all odds she made it and is now thriving in her loving adoptive home.**

NUGGET



## NEW BEGINNINGS

Dignity was one of the 15 Virtues cats. We received a call about 15 cats found in rubbermaid containers on the highway. We later learned that the person who found them was actually their owner and could not find anywhere to surrender them. **The cat crisis in Alberta is a real thing and shelters and rescues are bursting at the seams with cats in need.** Thankfully, all the cats survived and found new loving homes.

*\*The owner was investigated, but was not charged.*

DIGNITY



MINNIE  
mouse



## BEST POSSIBLE MEDICAL CARE

Minnie Mouse came to us at just 6-weeks-old weighing only 0.5 kg. Her fragile body and swollen face were covered with infected sores and open wounds. Minnie Mouse was treated for a bacterial skin infection, puppy strangles, open wounds and a swollen knee. Her foster mom did round-the-clock feedings and warm cloth compresses to relieve the pressure due to the infection. **She was small, but she sure was mighty** and she is now completely recovered.

HONEY



## RENEWED TRUST IN HUMANS

Honey was found two years ago, ready to give birth. The landowners didn't want her or the puppies and asked us to take her. We believe she was living feral for 3+ years. We humanely trapped Honey and she gave birth to puppies not long after in foster care. Her puppies were all adopted, but it took a lot of time and patience for Honey to learn to trust again. **After two years in care she was finally adopted into a loving home.**

# SPAY/NEUTER REDUCING PET OVERPOPULATION

AARCS helps communities across Alberta through our SNAP (spay/neuter assistance program) and TNR (trap-neuter-return) programs. In addition, **all of AARCS animals are spayed or neutered prior to adoption as are the moms of any litters we take into care.**





# Setting up for success 2018 Strategic Plan

## Our FOUR main goals are;

- ◆ Build strong networks to support animal care
- ◆ Increase capacity to provide quality programs
- ◆ Change the way society thinks about animals, and
- ◆ Expand our services wherever needed.

## Year 01+02

- **Financial Stability**
  - Improve donor management systems and processes
  - Balance the allocation of resources to ensure we maintain sound daily operations while keeping future goals in mind to ensure long-term sustainability
- **Space and Geographic Expansion**
  - Additional space for cats
  - Begin evaluation of expansion to the Edmonton area
- **Animal Focused Programing**
  - Enhance shelter enrichment activities for both dogs + cats
  - Expand upon our training opportunities for caregivers + foster homes
  - Establish an in-shelter adoptions process
  - Become an accredited Humane Canada shelter
- **Community Focused Programing**
  - Increase capacity for spay/neuter assistance through our SNAP and TNR programs
  - Formalize our Disaster Response Program
  - Continue to provide the highest level of medical care and maintain a reputation in the animal health community to expand on our partnerships with formal veterinary education programs



## Year 03+04+05

- **Financial Stability**
  - Nurture relationships that provide sustained funding
  - Research, develop and implement new revenue generation opportunities
- **Space and Geographic Expansion**
  - Open and operate a Safe Haven facility in Edmonton
  - Expand the cat program into Edmonton
  - Begin evaluation of opening a veterinary clinic in Edmonton
- **Animal Focused Programing**
  - Develop and deploy tools to become a more comprehensive animal caregiver resource to better support adopters and help more animals stay in their homes
- **Community Focused Programing**
  - Re-establish a Pet Safe-Keeping Program
  - Dedicate resources for spay/neuter assistance in our SNAP, TNR and a new low income program
  - Be a leader in shelter veterinary medicine





# Dog Program

Total Canines in Care:  
**1,529 in 2018**

*Year in Review*



## STATS

	2016	2017	2018
<b>Intake</b>	1,515	1,403	1,529
<b>Adoptions</b>	1,354	1,253	1,380
<b>Return-to-Owner</b>	43	69	123
<b>Transfers</b>	59	30	34

<b>Intake</b>	1,600
<b>Adoptions</b>	1,450
<b>*Return-to-Owner</b>	250

## 2019 TARGET

\*Return-to-Owner includes strays found & returned and client animals cared for in shelter through our assistance programs.

## 2018 HIGHLIGHTS

- Implemented a new and improved enrichment program for dogs in the shelter.
- Hosted our first on-site adoption event, which found homes for 19 dogs in one day.
- Decreased length of stay (LOS) in care\* for dogs from an average of 56 days in 2017 to 43 days in 2018. We attribute this success to being able to complete spay/neuters at our on-site veterinary hospital instead of having to wait for available appointments.

\*For AARCS, LOS includes time in foster and medical rehabilitation which may be different from other organizations.

## 2019 GOALS

- Continue to reduce length of stay by getting dogs into their forever homes faster, thereby increasing the number of animals we can help while maintaining our care and adoption standards.
- Expand on our animal training, rehabilitation and enrichment activities to create the best chance of successful adoption for dogs as they transition into a new home.
- Improve dog shelter flowthrough to facilitate an increase in the number of dogs we can assist through our Spay/Neuter Assistance Program. It is our goal to spay/neuter 200 dogs through our SNAP program.



**FRANK**



**MINNIE**  
*mouse*



**HONEY**



# Cat Program

## 2018 HIGHLIGHTS

- After almost a year's wait, our TNR program received regulatory approval in late 2018.
- Hosted two successful on-site cat adoption events, which found 77 cats new loving homes. These timely events provided us with space to help more cats during kitten season when we struggle to keep up with intake requests.
- Decreased length of stay (LOS) in care\* for cats from an average of 83 days in 2017 to 58 days in 2018. We attribute this success to being able to complete spay/neuters at our on-site veterinary hospital instead of having to wait for available appointments and to the on-boarding of additional pet stores to assist in finding adoptive homes for our cats.

\*For AARCS, LOS includes time in foster and medical rehabilitation which may be different from other organizations.

## 2019 GOALS

- Continue to reduce length of stay by getting cats into their forever homes faster, thereby increasing the number of animals we can help while maintaining our care and adoption standards.
- Improve cat shelter flowthrough to facilitate an increase in the number of cats we can assist through our Spay/Neuter Assistance and TNR Programs. We believe Alberta is in a cat crisis with thousands of cats being surrendered each year to shelters and thousands more strays reproducing at alarming rates. To ensure a humane solution for this crisis, our focus in 2019 will be on our assistance programs. It is our goal to spay/neuter 400 cats through our SNAP program and 200 cats through our TNR program.

Total Felines in Care:  
**1,512 in 2018**

*Year in Review*



## STATS

2016

2017

2018

<b>Intake</b>	1,082	1,361	1,512
<b>Adoptions</b>	951	1,200	1,376
<b>Return-to-Owner</b>	31	125	52
<b>Transfers</b>	55	12	9

<b>Intake</b>	1,500
<b>Adoptions</b>	1,200
<b>*Return-to-Owner</b>	600

## 2019 TARGET

\*Return-to-Owner includes strays found & returned and client animals cared for in shelter through our assistance programs.



**NUGGET**



**DIGNITY**



**LEAF**



# Volunteer Operations

Total hours dedicated:  
**51,152 in 2018**



## STATS

2016

2017

2018

# of Volunteers	1,054	1,588	1,835
Volunteer Hours	37,649	*53,018	51,152
Rescue KM Travelled	54,000	88,000+	101,764

\*including volunteer hours spent assisting renovation/buildout of AARCS new shelter/hospital.

## 2018 HIGHLIGHTS

Without our incredibly dedicated volunteers, AARCS could not produce these results or meet its future goals. Our volunteer program provides a unique opportunity for our community to become an integral part of saving lives and we are grateful for the generous gift of their time, skills and commitment. As the lifeblood of our operations, our volunteers contribute in numerous ways including:

- Primary care for shelter animals  
7 days a week, 365 days a year
- Photography
- Transportation
- Administration
- Events and promotion
- Social Media
- Fostering



## 2019 GOALS

- Re-evaluate inventory and storage areas to improve the flow, accessibility and usability

• Build on our culture of quality and develop volunteer confidence and satisfaction by providing additional training including more disinfection workshops, dog-handling sessions and dog reactivity/behaviour modification workshops.

• Begin evaluation of an Edmonton expansion project with a goal of opening a small office/shelter to better serve our partner communities.

Did you know it requires **approximately 45 volunteers (plus AARCS staff)** to run AARCS **Safe Haven** every single day of the year?

**74.1% INCREASE** in the number of volunteers helping animals since 2016.



# Community Outreach



## STATS

	2016	2017	2018
<b>Dog House</b>	36	22	60
<b>*SNAP</b>	146	102	175
<b>*T-N-R</b>	84	84	0
<b>Food Assistance</b>	110	240	224
<b>Education</b> (Grade School Students Reached)	1,939	1,607	366
<b>Pet Enrichment Sessions</b> at the Bowden Institute	6	12	12

## 2018 HIGHLIGHTS

- Hosted our first ever, on-site dog house build on Siksika First Nation in conjunction with the Alberta Spay Neuter Task Force.
- Received regulatory approval for our TNR program.
- **Veterinary Student focused education initiatives.**  
\*see next page for statistics

## 2019 GOALS

- These programs are primarily volunteer led with our Dog, Cat & Medical program staff facilitating shelter intake and flowthrough. We include SNAP & TNR goals in our Cat & Dog program goals to ensure we maintain a focus on tackling one root of the homeless animal problem. Our goal is to complete 200 dog SNAP, 400 cat SNAP and 200 TNR surgeries in 2019.
- Build 100 dog houses with/for our partner communities.
- Finalize Animal Disaster Response Plan.

- \* SNAP is our Spay/Neuter Assistance Program
- \* T-N-R is our Trap Neuter Return Program

<b>Dog House</b>	100
<b>SNAP</b>	600
<b>T-N-R</b>	200
<b>Food Assistance</b>	200
<b>Education</b> (Students Reached)	500
<b>Pet Enrichment Sessions</b> at the Bowden Institute	16

## 2019 TARGET



# Veterinary Hospital



## STATS

\*2017

2018

Exams	3,669	6,977
Vaccines	5,244	9,027
Spay/Neuter	1,060	2,533
Dentals	109	294
*Other Surgeries	77	409

\* 8 months worth of stats as the clinic opened in May 2017

\*Other surgeries include orthopedics, amputations, wound repair, c-section, etc.

## VETERINARY STUDENTS 2017 2018

Practicum/Rotations	7 Students	47 Students
DVM	160 hrs	480 hrs
* RVT/UTA	600 hrs	2,528 hrs
Total Hours	760	3,008

\* Includes Olds College dual credit program.

\* RVT/UTA

## 2019 GOALS

- Become a nationally accredited teaching facility.
- Permanent host facility for animal blood bank.



RUSH

AARCS has become the go-to rescue for homeless animals in medical distress and we are happy to be able to provide life-saving treatment for these animals who might otherwise not have that *second chance.*

## 2018 HIGHLIGHTS

- Completed first successful rotation with U of C veterinary students.
- Hosted a number of students from a variety of programs, both for credit and as volunteers including:
  - University of Calgary, veterinary medicine rotation
  - Olds College AHT Diploma Program
  - Robertson College Veterinary Office & Technical Assistant program
  - Olds College, high school student CRTA dual credit program
  - Two international veterinary students, one from the UK and one from Australia
- Held our first Animal Blood Bank clinic.



ZEELA



FIREBALL

# Public Engagement



## STATS

2016

2017

2018

Facebook Fans	74,571	80,650	84,730
Twitter Followers	4,078	4,661	5,265
Instagram Followers	9,539	14,040	22,860
Email Subscribers	18,661	19,843	21,619
Email Open Rate	37%	43%	55%



## 2018 HIGHLIGHTS

- Hosted our 5th annual Jail and Bail event -- expanded into a street festival in front of Safe Haven. Twenty-three Very Important Prisoners collectively raised \$55,304.
- Sponsor for the National Animal Welfare Conference hosted by Humane Canada and held in Calgary, which included tours for conference delegates of AARCS Safe Haven.
- Commemorated a formal Land Acknowledgement Ceremony held at Safe Haven and led by Casey Eagle Speaker.
- Year-end Mutts, Meows & Martinis moved to a bigger location and successfully raised \$48,000 including proceeds from our WestJet raffle.



## Events

### DUELING PIANOS

**Gold Sponsor:** Thomas Group Inc.  
**Silver Sponsor:** The Tower Group

### JAIL N BAIL

**Silver Sponsor:** Thomas Group Inc.  
**Silver Sponsor:** Trupanion

### MUTTS MEOWS MARTINIS

**Title Sponsor:** Tower Management Group

#### Gold Sponsors:

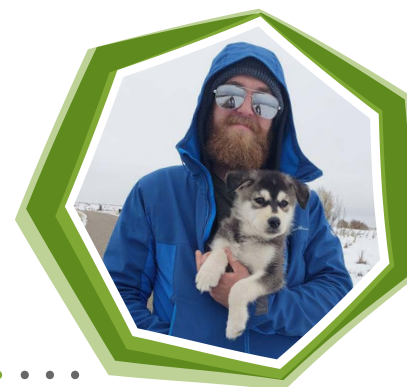
SAVE Southern Alberta Veterinary Emergency  
CMP Automotive Limited Partnership  
Mucky Pups

#### Silver Sponsors:

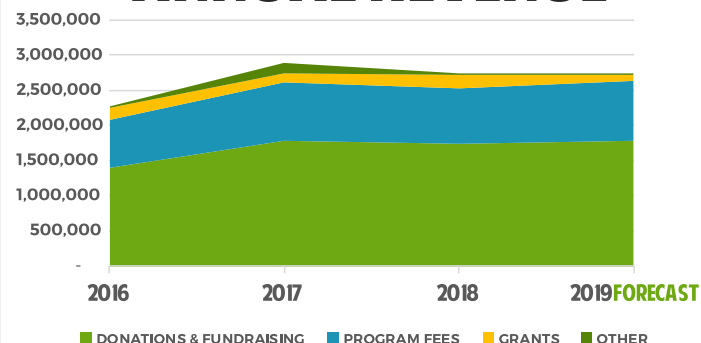
Boehringer Ingelheim (Canada) Ltd.  
JCON Caulking & Building Envelope Ltd.  
Rocky Mountain Dog  
VCA Canada Western Veterinary Specialist & Emergency Centre



# FINANCIAL HIGHLIGHTS



## ANNUAL REVENUE



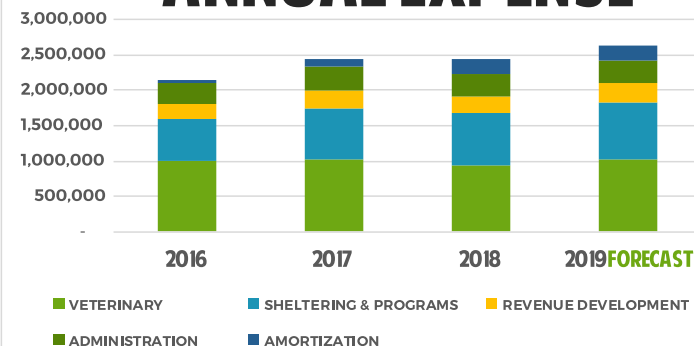
## BREAKDOWN

	2016	2017	2018	2019 FORECAST
Donations + Fundraising	1,405,604	1,791,935	1,730,734	1,779,138
Program Fees	667,969	812,119	805,270	858,867
Grants	179,849	144,575	186,577	90,684
Other	12,995	133,507	11,109	20,082
<b>TOTAL</b>	<b>\$2,266,407</b>	<b>\$2,882,136</b>	<b>\$2,733,690</b>	<b>\$2,748,771</b>

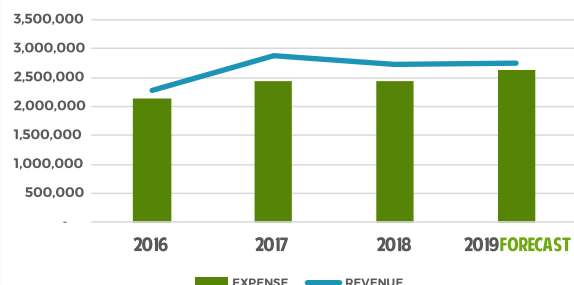
## BREAKDOWN

	2016	2017	2018	2019 FORECAST
Veterinary	995,769	1,025,160	946,739	1,014,564
Sheltering + Programs	596,212	724,708	721,246	820,088
Revenue Development	214,751	238,551	245,990	274,525
Administration	298,349	334,718	319,850	308,770
Amortization	40,628	123,308	205,523	221,488
<b>TOTAL</b>	<b>\$2,145,709</b>	<b>\$2,446,445</b>	<b>\$2,439,348</b>	<b>\$2,639,435</b>

## ANNUAL EXPENSE



## ANNUAL REVENUE VS. EXPENSE



## BREAKDOWN

	2016	2017	2018	2019 FORECAST
Revenue	2,266,407	2,882,136	2,733,690	2,748,771
Expense	2,145,709	2,446,445	2,439,348	2,639,435

# FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Animal Rescue Crew Society

### Qualified Opinion

We have audited the financial statements of Alberta Animal Rescue Crew Society (the Society), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flow 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 Society as at December 31, 2018, and the results of its operations and its cash flow 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 Society derives revenue from fundraising activities 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2018, current assets and net assets as at December 31, 2018. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation of 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 Society 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 those 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

(continues)



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

### 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 Society'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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# FINANCIAL STATEMENTS



## ALBERTA ANIMAL RESCUE CREW SOCIETY

### Statement of Financial Position

December 31, 2018

	2018	2017
<b>ASSETS</b>		
Current		
Cash (Note 5)	\$ 1,273,457	\$ 920,599
Term deposit (Note 6)	50,000	50,000
Accounts receivable	30,843	66,622
Prepaid expenses	20,000	25,000
	<b>1,374,300</b>	<b>1,062,221</b>
Capital assets (Note 7)	<b>573,958</b>	<b>636,797</b>
	<b>\$ 1,948,258</b>	<b>\$ 1,699,018</b>
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 82,967	\$ 87,495
Employee deductions payable	29,354	27,256
Deferred contributions related to capital assets (Note 8)	87,370	163,483
Deferred contributions related to operations (Note 8)	60,927	23,907
Current portion of obligations under capital lease (Note 9)	3,576	3,576
	<b>264,194</b>	<b>305,717</b>
Obligations under capital lease (Note 9)	<b>12,057</b>	<b>15,636</b>
	<b>276,251</b>	<b>321,353</b>
<b>NET ASSETS</b>		
Unrestricted	<b>1,098,049</b>	<b>740,868</b>
Invested in capital assets	<b>573,958</b>	<b>636,797</b>
	<b>1,672,007</b>	<b>1,377,665</b>
	<b>\$ 1,948,258</b>	<b>\$ 1,699,018</b>

## ALBERTA ANIMAL RESCUE CREW SOCIETY

### Statement of Revenues and Expenditures

Year Ended December 31, 2018

	2018	2017
<b>Revenues</b>		
Donations and fundraising (Schedule 3)	\$ 1,730,734	\$ 1,791,935
Program revenue	805,270	812,119
Grant revenue	186,577	144,575
Interest and other revenue	11,109	133,507
	<b>2,733,690</b>	<b>2,882,136</b>
<b>Expenses</b>		
Shelter and program delivery (Schedule 1)	1,667,985	1,749,868
General and administrative (Schedule 2)	319,850	334,718
Donations and fundraising (Schedule 3)	245,990	238,551
Amortization	205,523	123,308
	<b>2,439,348</b>	<b>2,446,445</b>
Excess of revenues over expenses	<b>\$ 294,342</b>	<b>\$ 435,691</b>

## ALBERTA ANIMAL RESCUE CREW SOCIETY

### Statement of Changes in Net Assets

Year Ended December 31, 2018

	Unrestricted	Invested in capital assets	2018	2017
<b>Net assets - beginning of year</b>	\$ 740,868	\$ 636,797	<b>\$ 1,377,665</b>	<b>\$ 941,974</b>
Excess of revenues over expenses	294,342	-	<b>294,342</b>	<b>435,691</b>
Amortization reallocation	205,523	(205,523)	-	-
Net purchases of capital assets	(142,684)	142,684	-	-
<b>Net assets - end of year</b>	<b>\$ 1,098,049</b>	<b>\$ 573,958</b>	<b>\$ 1,672,007</b>	<b>\$ 1,377,665</b>





# FINANCIAL STATEMENTS

## ALBERTA ANIMAL RESCUE CREW SOCIETY Statement of Cash Flow Year Ended December 31, 2018

	2018	2017
<b>Operating activities</b>		
Cash receipts from donations, grants, and fundraising	\$ 2,730,376	\$ 2,816,530
Cash paid to suppliers and employees	(2,233,484)	(2,237,390)
Cash flow from operating activities	496,892	579,140
<b>Investing activities</b>		
Proceeds on disposal of capital assets	3,000	30,000
Purchase of capital assets	(143,454)	(710,418)
Proceeds from the sale of term deposit	-	20,000
Cash flow used by investing activities	(140,454)	(660,418)
<b>Financing activities</b>		
Proceeds of capital lease financing	-	21,290
Repayment of obligations under capital lease	(3,580)	(2,078)
Cash flow from (used by) financing activities	(3,580)	19,212
<b>Increase (decrease) in cash flow</b>	<b>352,858</b>	<b>(62,066)</b>
Cash - beginning of year	920,599	982,665
<b>Cash - end of year</b>	<b>\$ 1,273,457</b>	<b>\$ 920,599</b>

## ALBERTA ANIMAL RESCUE CREW SOCIETY Notes to Financial Statements Year Ended December 31, 2018

### 1. PURPOSE OF THE ORGANIZATION

Alberta Animal Rescue Crew Society (the "Society") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

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, and promoting responsible and compassionate guardianship, and advocating on behalf of all animals.

### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFO) consistently applied. The preparation of financial statements in conformity with ASNFO requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. While actual results could differ from such estimates, these financial statements have, in management's opinion, been properly prepared using careful judgement within reasonable limits of materiality and within the framework of the significant accounting policies summarized as follows:

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Where applicable, cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Veterinary equipment	5 years	straight-line method
Leasehold improvements	5 years	straight-line method
Shelter equipment and fixtures	3 years	straight-line method
Office equipment and furniture	3 years	straight-line method
Motor vehicles	2-3 years	straight-line method

#### Revenue recognition

Alberta Animal Rescue Crew 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 to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

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

(continues)



# FINANCIAL STATEMENTS



## ALBERTA ANIMAL RESCUE CREW SOCIETY Notes to Financial Statements Year Ended December 31, 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Contributed services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources.

Contributed materials are recorded at their fair market value at the time of donation. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Goods and Services Tax

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

#### Income taxes

The Society uses the income taxes payable method of accounting for income taxes. Under this method, the Society reports as an expense (income) of the period only the cost (benefit) of current income taxes determined in accordance with the rules established by taxation authorities.

#### Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, where applicable, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

### 4. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2018.

#### *(a) Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is not materially exposed to credit risk.

(continues)

## ALBERTA ANIMAL RESCUE CREW SOCIETY Notes to Financial Statements Year Ended December 31, 2018

### 4. FINANCIAL INSTRUMENTS (continued)

#### *(b) Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its donors.

#### *(c) 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 comprises three types of risk: interest rate risk, price risk and currency rate risk.

#### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is not materially exposed to interest risk.

#### *Price risk*

Price risk is the risk that 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 risk 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 Society is not exposed to price risk.

#### *Currency risk*

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is not exposed to foreign currency exchange risk as there are no foreign currency transactions.

#### *(d) Fair value risk*

The Society's carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the immediate or short term maturity of these instruments. The Society is not materially exposed to fair value risk

### 5. SUBSEQUENT EVENT

Subsequent to the year-end, the Board of Directors resolved that certain cash and cash equivalent amounts are restricted for specific purposes as follows.

To ensure funds are available to cover upgrading or to purchase additional and/or replacement of capital assets required to support on-going or new operations of AARCS, the Board passed a resolution to restrict funds in the cash and cash equivalent accounts of the Society. For this purpose, \$340,000 was restricted on April 25, 2019.

To ensure funds are available to cover operating costs in the event of a shortage of funds to support on-going or new operations of AARCS, the Board passes a resolution to restrict funds in the cash and cash equivalent accounts of the Society. For this purpose, \$200,000 was restricted on April 25, 2019.





# FINANCIAL STATEMENTS

## ALBERTA ANIMAL RESCUE CREW SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2018

#### 6. TERM DEPOSIT

The term deposit is a one year, non redeemable guaranteed investment certificate bearing interest at 1.50% per annum, maturing May 26, 2019.

#### 7. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Leasehold improvements	\$ 332,724	\$ 116,049	\$ 216,675	\$ 276,300
Shelter equipment and fixtures	299,341	154,797	144,544	111,873
Veterinary equipment	273,009	87,451	185,558	236,058
Motor vehicles	31,207	13,803	17,404	2,443
Office equipment and furniture	30,163	20,386	9,777	10,123
	<u>\$ 966,444</u>	<u>\$ 392,486</u>	<u>\$ 573,958</u>	<u>\$ 636,797</u>

#### 8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following

	2018	2017
<u>Deferred contributions related to operations</u>		
Balance - beginning of the year	\$ 23,907	\$ 198,817
Additions	73,664	1,055
Utilizations	(36,644)	(175,965)
	<u>60,927</u>	<u>23,907</u>
<u>Deferred contributions related to property, plant and equipment</u>		
Balance - beginning of the year	163,483	25,506
Additions	57,742	201,988
Utilizations	(133,855)	(64,011)
	<u>87,370</u>	<u>163,483</u>
Grand total	<u>\$ 148,297</u>	<u>\$ 187,390</u>

## ALBERTA ANIMAL RESCUE CREW SOCIETY

### Notes to Financial Statements

Year Ended December 31, 2018

#### 9. OBLIGATIONS UNDER CAPITAL LEASE

	2018	2017
National Leasing capital lease repayable in non-interest bearing monthly instalments of \$298 and secured by equipment with a carrying value of \$19,161.	\$ 15,633	\$ 19,212
Amounts payable within one year	(3,576)	(3,576)
	<u>\$ 12,057</u>	<u>\$ 15,636</u>

Future minimum capital lease payments are approximately:

2019	\$ 3,576
2020	3,576
2021	3,576
2022	3,576
2023	1,329
Total minimum lease payments	<u>\$ 15,633</u>

#### 10. COMMITMENTS

The Society has entered an occupancy lease agreement with a base lease amount of \$9,923 per month, expiring February, 2022.

The Society entered an agreement to purchase a minimum amount of \$5,459 per month of veterinary products and services from a single vendor, expiring March, 2023. As apart of this agreement the Society received a piece of equipment valued at \$118,000 in the 2017 fiscal year. At December 31, 2018, the Society has not met the minimum purchase requirement.

#### 11. GIFTS IN KIND

During the year, the Society recognized \$45,374 (2017: \$108,547) of donated materials that were recorded at fair market value as donation revenue and consumed in the shelter and program delivery expense.

#### 12. RELATED PARTY TRANSACTIONS

The Society had transactions with related parties as follows:

Purchases of \$22,139 of merchandise from a company owned by a family member of the Executive Director of the Society.

Purchases and donations of \$44,444 were made by the employees of the Society. Purchases were for various pet services and supplies for personal use.

These transactions were recorded at the exchange value which was agreed on by both parties in the normal course of operations.



# FINANCIAL STATEMENTS

## ALBERTA ANIMAL RESCUE CREW SOCIETY

### Shelter and Program Delivery

(Schedule 1)

Year Ended December 31, 2018

	2018	2017
Expenses		
Direct animal and rescue outreach	\$ 946,739	\$ 1,025,160
Wages, salaries & benefits	499,992	456,703
Shelter operations	215,445	264,330
Memberships	5,809	3,675
	<u>\$ 1,667,985</u>	<u>\$ 1,749,868</u>

## ALBERTA ANIMAL RESCUE CREW SOCIETY

### General and Administrative

(Schedule 2)

Year Ended December 31, 2018

	2018	2017
Expenses		
Wages, salaries & benefits	\$ 200,767	\$ 184,100
Office and other administrative	34,142	31,603
Goods and services tax	27,780	44,450
Professional fees	24,943	36,437
Staff and volunteer development	24,426	22,625
Interest and bank charges	7,792	15,503
	<u>\$ 319,850</u>	<u>\$ 334,718</u>

## ALBERTA ANIMAL RESCUE CREW SOCIETY

### Donations and Fundraising

(Schedule 3)

Year Ended December 31, 2018

	2018	2017
Revenues		
Donations	\$ 1,495,983	\$ 1,438,139
Merchandise	103,876	89,975
Events	67,677	75,949
AGLC and other fundraising	63,198	187,872
	<u>1,730,734</u>	<u>1,791,935</u>
Expenses		
Fundraising	154,425	151,980
Merchandise	73,450	57,799
Events	18,115	28,772
	<u>245,990</u>	<u>238,551</u>
Net donations and fundraising income	<u>\$ 1,484,744</u>	<u>\$ 1,553,384</u>

# Special Thanks

## 2018 GRANTORS

- Boje Family Fund at the Calgary Foundation
- Dr. Janice L. Pasieka Foundation
- DT Kayra Fund at the Calgary Foundation
- Four Feet Companion Foundation
- Gibson Family Fund at the Calgary Foundation
- JC Anderson Family Foundation
- KSBK Charitable Foundation
- Mark & Brenda Antosz
- Maurice W. McCaig Flow Through Fund at the Calgary Foundation
- Oliver Family Foundation
- Pamela Mazur
- PetSmart Charities of Canada
- The Donald Terry Swystun Charitable Fund at the Calgary Foundation
- The Eric S. Margolis Family Foundation
- The Hindle Family Foundation
- Thorner/Johnston/DiMarzo Family Fund at the Calgary Foundation
- Tim Henry Fund at Raymond James Canada Foundation



# Leave a *Lasting* **LEGACY**

As an AARCS supporter, we know animals hold a special place in your heart. We couldn't do this critically important work together without the support and generosity of our donors, volunteers and staff. Planned giving is an opportunity for supporters of all income levels to make a difference in the lives of animals. By including AARCS in your financial planning, you can provide a legacy that will help animals for

*generations to come.*



## **GETTING**STARTED

Talk to your financial advisor about bequests, life insurance, stock donations and other ways you can give that will benefit both your financial plan and the animals.



## **GIVING**THANKS

Thank you for being a part of our journey in **changing lives through kindness** so that one day, we will reach our vision of **A Compassionate World for All Animals.**



# 2018



*Connect  
with us!*



## AARCS

ALBERTA ANIMAL  
RESCUE CREW SOCIETY

**Alberta Animal Rescue Crew Society**

5060 - 74 Avenue SE, Calgary, AB, T2C 3C9

**Phone:** 403-250-7377 **Email:** [info@aarcs.ca](mailto:info@aarcs.ca)

**Registered Charity Number:** 80718 8479 RR0001