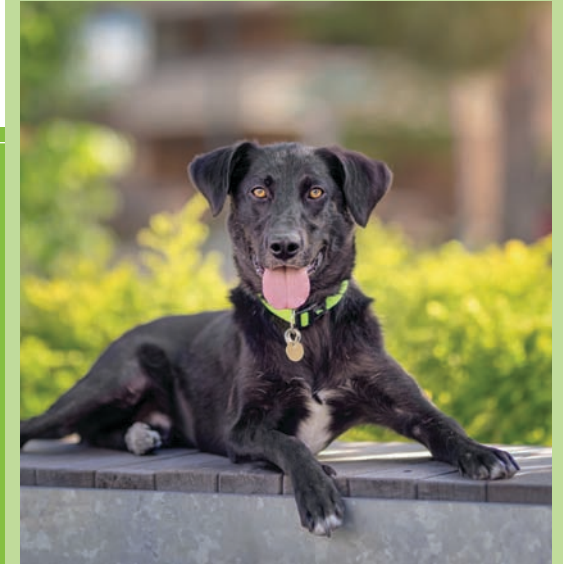




AARCS
ALBERTA ANIMAL
RESCUE CREW SOCIETY



2019 ANNUAL REPORT



MESSAGE FROM OUR EXECUTIVE DIRECTOR:

As I write this letter to you, our supporters, we are well into the infamous year of 2020. We are facing unprecedented times and 2019 seems like a dream. Throughout this Year-in-Review and the 2019 Annual Report you will see just how far we have come, how we prepared through the development of a business continuity plan, sound financial stability and a strong workforce and volunteer network, allowing us to navigate the storm of COVID-19. Our shelter and veterinary hospital were deemed an essential service and as a charity whose fundraising events came to a screeching halt we had to come up with some new ways of doing things - and fast! As an employer we were proud to have kept people working and the wheels turning. When the world shut down, animal welfare needs did not stop and we were there for them. We kept our doors open for the most vulnerable - the homeless animals who needed us the most.

But now, we reminisce of 2019 and all that we accomplished; the thousands of lives we saved and the people and communities we helped.

- We rescued and found homes for almost 2,800 animals!
- Once again we were on the front lines of wild forest fires in Northern Alberta helping hundreds of animals find safety and shelter.
- With the help of a Petsmart Charities of Canada grant, we did a record number spay/neuter assistance surgeries in one year totalling 535 for owned pets, plus an additional 99 TNR surgeries. This alone will save thousands of lives.
- Our small animal program is growing to help the little ones - rabbits, guinea pigs and more.
- We began negotiations on a space for our Edmonton shelter and started preparing for this new and exciting adventure in the North.
- We finalized our business continuity plan that would prove invaluable in 2020.

None of this would have been possible without you. The amazing individuals, families, organizations and businesses who believe in us and in the important work we are doing to help both animals and people. We continue to strive for excellence in our field, to reach further where animal services are limited, to always act with kindness so that together, we can change lives for the better.

Take a flip through and explore with us all the great successes of 2019, our plans for the future and join us on our journey to a *Compassionate World for Animals*.

Deanna Thompson
Executive Director



OUR MISSION

Changing Lives
Through Kindness



SAVING LIVES

**ANIMAL DISASTER
RESPONSE**

BEST MEDICAL CARE



OUR IMPACT



OUR VISION

Compassionate World
For All Animals



SPAY / NEUTER / TNR

EXPANSION TO YEG

BUSINESS CONTINUITY

COMPASSION • COLLABORATION • INTEGRITY • LEARNING • ADVOCACY

SAVING LIVES

Oracle, was a sweet little six-week old puppy who came to AARCS with a head tilt and damaged eye. The eye was damaged beyond repair, but she was so malnourished and sick we had to nurse her back to health for two weeks before she could have surgery to remove her eye. She made a full recovery!



SPAY/NEUTER/TNR

Thanks in part to Petsmart Charities we were able to provide over 500 free spay and neuter surgeries for owned pets in 2019 and did 99 Trap-Neuter-Return cats in Alberta. This means that thousands of unwanted puppies and kittens won't be born as we work towards ending animal overpopulation in our province.



ANIMAL DISASTER RESPONSE

In 2019, AARCS partnered with Canadian Animal Task Force to develop the Alberta Animal Disaster Response Team. This collaborative partnership was developed to respond to disasters in Alberta and was first put into action in 2019 during the northern wildfires.

EXPANSION TO YEG

In November 2019, we started negotiations on a building in Edmonton that we've dubbed North Haven and will open in 2020! The 10,000 square foot facility will act as a holding facility for animals coming from northern Alberta and Saskatchewan, as well as an onsite cat and small animal adoption centre, storage and event space, and office for our staff and volunteers.



BEST MEDICAL CARE

Po-Po entered our care with a body condition score of 1.5/9 with severe muscle wasting and emaciation along with a severely distended abdomen. Upon intake, we immediately performed blood work, an ultrasound and radiographs, where we determined that she was likely suffering from a Pyometra. She made a full recovery!



BUSINESS CONTINUITY

AARCS' management team spent most of 2019 developing and refining AARCS' business continuity plan, which would first be used in the 2020 COVID-19 pandemic. Thanks to the City of Calgary for hosting the Integrated Non-profit business Continuity Planning Project to help AARCS build a proactive plan to avoid and mitigate risks associated with a disruption of operations. It details steps to be taken before, during and after an event to maintain the viability of an organization.



STRATEGIC PLAN 1-2 YEARS (2019-2020)

In 2018 we updated our strategic plan and started working towards our 1-2 year goals and 3-5 year planning.

OUR FOUR MAIN GOALS:



1. Build strong networks to support animal care



2. Increase capacity to provide quality programs



3. Change the way society thinks about animals



4. Expand our services where needed

- **Upgrade donor management system - currently in progress.**

- To be completed in 2020.

- **Balance allocation of resources - currently in progress.**

- Increase revenue generation sources to complement fee for service (adoption fees), donations and fundraising.

- **Additional space for cats - currently in progress.**

- On boarded additional pet-store adoption partners.
 - Adoption facility in Edmonton to be open by end of 2020.

- **Evaluation of expansion to Edmonton - completed.**

- Site location search completed and lease negotiation started in November 2019.

- **Enhance shelter enrichment activities for dogs and cats - ongoing.**

- Built outdoor dog space complete with artificial turf to allow for off-leash play, training and dog introductions.

- **Establish an in-shelter adoption process - completed.**

- In 2019, we did five on-site adoption events, one joint event with cats and dogs, two dog specific events and two cat specific events.

- **Expand upon our training opportunities for caregivers and foster homes - ongoing.**

- Completed 45 in-house training workshops including 11 advanced dog handling, 7 medical workshops, 9 whelping workshops and 18 disinfecting workshops.

- **Increase capacity for spay/neuter assistance through SNAP and TNR - ongoing.**

- Over 600 owned animals received free surgery and wellness exams, vaccines and deworming.

- **Formalize our Disaster Response Plan - currently in progress.**

- Formalized the joint partnership with Canadian Animal Task Force with the development of the Alberta Animal Disaster Response Team. We continue to refine the plan that is currently in draft form.

- **Provide the highest level of medical care and maintain a reputation in the animal health community to expand on our partnerships - ongoing.**

- Formalized partnerships with The University of Calgary, Olds College, Robertson College and Canadian Animal Blood Bank.

STRATEGIC PLAN 3–5 YEARS (2021–2023)

In 2018 we updated our strategic plan and started working towards our 1-2 year goals and 3-5 year planning.

OUR FOUR MAIN GOALS:



1. Build strong networks to support animal care



2. Increase capacity to provide quality programs



3. Change the way society thinks about animals



4. Expand our services where needed

- New revenue generation sources and sustainable funding.
- Open Safe Haven Facility in Edmonton.
- Expand Cat Program into Edmonton.
- Evaluation of Edmonton needs for veterinary clinic.
- Develop and deploy tools to better support pet owners and adopters and help more animals stay in their home through expanded assistance programs.
- Re-establish Pet Safe Keeping Program.
- Dedicate even more resources to spay/neuter assistance.
- Be a leader in shelter veterinary medicine.



2019 HIGHLIGHTS

NORTHERN ALBERTA WILDFIRES OF 2019

Hundreds of pets were left stranded after the rush to evacuate during the 2019 Northern Alberta Wildfires. For two weeks under the newly formed Alberta Animal Disaster Response team, our staff and volunteers crawled into homes through windows, set live traps for the scared and timid and unchained those left tied up to allow for escape.

Our teams in the makeshift emergency animal shelter in Athabasca fed, cleaned and cared for the scared and traumatized evacuated animals, 284 souls to be exact. Our people were working day and night and not once did they complain. We shared beds in the local motel, we fueled ourselves with caffeine and team camaraderie. We did it because we could, because the community and animals needed us. **It's in our blood to help. To run to the fire instead of away.** Thankfully, no homes were damaged and the community was allowed to return two weeks later and pets were returned to their families.



HAVANESE RESCUE

In July, 2019, 72 Havanese small breed dogs were seized from a property in rural Edmonton by Edmonton Police Service and Animal Care & Control Centre - Edmonton (ACCC). The owner was charged with animal cruelty and 25 of the dogs were released to AARCS care for re-homing. The condition of these poor dogs was unimaginable. Our staff and volunteers began the slow process of providing them with medical care, grooming and working to gain their trust. They were placed into foster care until they were ready for adoption.



We will be watching this case closely and we are hopeful that our criminal justice system will prevail. We urge the public to always consider adoption first and if purchasing from a breeder to do their research so as not to support an operation like this where money comes before animal care.

CATS IN CRISIS

2019 has proven we as society have yet to truly place value on the lives of cats and kittens and that there is so much work still to do. Our cat team worked tirelessly this year to save as many as they could, to spay and neuter as many as they could and to educate as many people as they could. Thousands of lives were saved and countless litters prevented through Trap-Neuter-Return and Spay & Neuter Assistance Programs.



AARCS RESCUED THOUSANDS OF ANIMALS AND SUPPORTED HUNDREDS MORE THROUGH CRISIS IN 2019.



DOG PROGRAM



TOTAL CANINES IN CARE
2,076 IN **2019**



STATS	2017	2018	2019	2020 TARGET
TOTAL INTAKE*	1,403	1,529	2,076	1,500
ADOPTIONS	1,253	1,380	1,238	1,360
RETURN TO OWNER**	69	123	505	280
TRANSFER	30	34	35	N/A

**Includes animals through assistance programs and disaster response.*

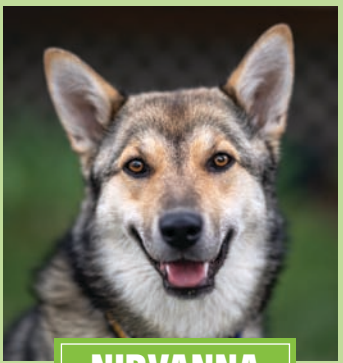
***Return to owner includes strays found and returned and client animals cared for through our assistance and disaster response programs.*

2019 HIGHLIGHTS

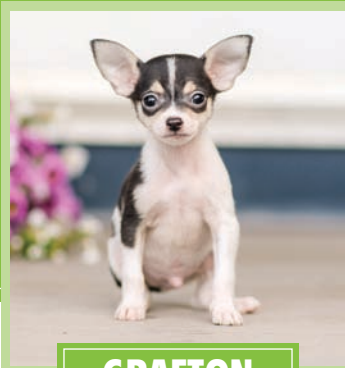
- Renovated outdoor dog space to include off-leash fenced area and artificial turf thanks to a generous donor.
- Reduced length of stay (LOS) by 5.4 days over 2018. AARCS LOS includes length of time in foster and medical rehabilitation, which may be different from other animal sheltering organizations.
- Dealt with an exceptionally large number of parvovirus cases in puppies.
- Hosted three onsite adoption events seeing 44 dogs into adoptive homes.
- Developed new training seminars for volunteers and foster homes.
- Assisted 276 dogs through SNAP program (76 over our original goal).

2020 GOALS

- Continue to aim for an average LOS goal of 40 days or less.
- Develop connections in communities and respond quickly to calls for help.
- Work collaboratively on animal disaster response planning.
- Develop training material for foster and adoptive homes.
- Assist Edmonton Operations with setting up dog area in the new facility.



NIRVANNA



GRAFTON



GRAMPS

CAT PROGRAM

2019 HIGHLIGHTS

- Treated 11 cases of ringworm in cats.
- Reduced length of stay in AARCS care from 58.9 days to 50.4 days.
- Worked with Canadian Animal Task Force to provide spay and neuter surgeries for the overflow of cats from their onsite spay and neuter clinics once they were full.
- Saw 81 barn cats into permanent homes to live out their lives.
- Completed 99 spays and neuters under the TNR program.

2020 GOALS

- Continue to increase TNR availability to assist feral/unowned cats to reduce cat overpopulation in Alberta. Target 150 for 2020.
- Maintain or decrease Length of Stay at or below 50 days.
- Focus on moving cats into adoptive homes efficiently in order to save more lives.
- Revise and update workshops for foster homes and caregivers to give them the confidence, skills and tools they need to help care for our animals.
- In order to reduce unwanted behaviours, reduce returns, increase adopter satisfaction, the Cat Team will create written resources for foster homes and adopters regarding cat issues and how to manage/fix undesirable behaviours.
- Assist Edmonton Operations with setting up cat adoption centre.



TOTAL FELINES IN CARE
2,082 IN **2019**



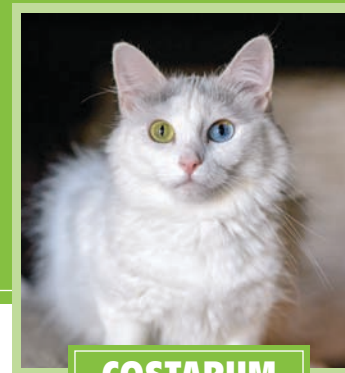
STATS	2017	2018	2019	2020 TARGET
TOTAL INTAKE*	1,361	1,512	2,082	2,000
ADOPTIONS	1,200	1,376	1,632	1,500
RETURN TO OWNER**	125	52	386	450
TRANSFER	12	9	0	N/A

**Includes animals through assistance programs and disaster response.*

***Return to owner includes strays found and returned and client animals cared for through our assistance and disaster response programs.*



VAQUITA



COSTARUM



GIZA

SMALL ANIMAL PROGRAM



**TOTAL SMALL
ANIMALS* IN CARE**
74 IN 2019



STATS	2017	2018	2019	2020 TARGET
TOTAL INTAKE	59	28	74	30
ADOPTIONS	24	12	15	30
RETURN TO OWNER**	11	0	53	N/A
TRANSFER	21	15	0	N/A

**Small animals include all animals who are not dogs or cats, including rabbits, guinea pigs, hamsters, birds, reptiles.*

***Return to owner includes strays found and returned and client animals cared for through our assistance and disaster response programs.*



SALAD



ORCHARD



TATER TOT

2019 HIGHLIGHTS

- Assisted in the care of 53 owned animals during the northern wildfire and saw them safely back to their owners when the evacuation order was lifted.
- Worked with the veterinary team to increase the confidence of staff and volunteers in handling and managing medical care of small animals.
- Developed a small network of foster homes to care for small animals.
- Worked with Petsmart in Calgary to place rabbits for adoption in their stores.


2020 GOALS

- Continue to increase visibility and adoption for small animals to assist in rehoming of these deserving pets.
- Develop partnerships with businesses to assist with donation of supplies for small animals.
- Expand foster home network.
- Provide education on the needs and care requirements of small animals.

VOLUNTEER OPERATIONS

2019 HIGHLIGHTS

- New transport van was purchased thanks to our generous donor, Heather Waddell.
- Surpassed 2,000 volunteers and foster homes throughout Alberta.
- Revised shelter caregiver training protocols to include additional training sessions and work with experienced caregivers.
- Had 52 corporate work bees in shelter assisting with different programs including inventory/donations sorting, building dog houses and animal care.
- Completed 45 in-house training sessions for foster homes and volunteers.

+26% INCREASE
 **IN THE NUMBER OF VOLUNTEERS**
HELPING ANIMALS SINCE 2017

2020 GOALS

- Increase number of volunteers in Edmonton and develop recruitment and training plan for the new North Haven facility in Edmonton.
- Provide ongoing support and training for volunteers through online and in-person seminars and training sessions.
- Develop a training and recruitment plan for volunteers in the veterinary hospital.



TOTAL HOURS DEDICATED

58,873 IN 2019



STATS	2017	2018	2019
# OF VOLUNTEERS	1,588	1,835	2,136
TOTAL VOLUNTEER HOURS	53,018	51,152	58,873
KM TRAVELLED	88,000	101,764	153,112
CORPORATE WORK BEES	DATA NOT AVAILABLE	DATA NOT AVAILABLE	52

THE TOTAL AMOUNT OF RESCUE KM TRAVELLED IN 2019 IS ALMOST DOUBLE THE KM TRAVELLED IN 2017.



COMMUNITY OUTREACH



TOTAL ANIMALS AIDED
1,387 IN **2019**



STATS	2017	2018	2019	2020 TARGET
SPAY-NEUTER-ASSISTANCE-PROGRAM (SNAP)	102	175	535	300
TRAP-NEUTER-RETURN (TNR)	84	0*	99	150
FOOD ASSISTANCE	240	224	225	200
DOG HOUSE PROGRAM	22	60	23	25
ANIMAL DISASTER RESPONSE	DATA NOT AVAILABLE	0	505	N/A

**Waiting for approval from ABVMA to be able to do TNR surgeries at AARCS Veterinary Hospital.*



FOR MORE INFORMATION ON OUR ASSISTANCE PROGRAMS, CHECK OUT OUR WEBSITE!

2019 HIGHLIGHTS

- The dedicated members of our Animal Disaster Response Team helped rescue and care for 284 evacuated pets during the wildfires of Northern Alberta. They logged 2,840 hours and over 40,000 km.
- With the help of Petsmart Charities, AARCS SNAP (Spay Neuter Assistance Program) team completed 535 surgeries for owned pets across the province of Alberta. The program is free for qualified pet owners and includes wellness, vaccines and parasite treatment.
- Crowsnest Pass was our first official TNR case since opening our new hospital. Our TNR team spent multiple weekends trapping free-roaming cats within multiple colonies in the town. They were brought back to Calgary, spayed, vaccinated, dewormed and released back to their colonies. A total of 42 cats were fixed and returned and 20 entered into our adoption program.

2020 GOALS

- Increase accessibility for Trap-Neuter-Return to additional communities.
- Partner and provide support to other non profit organizations helping people and pets.
- Work with the provincial government on finalizing the province-wide plan to assist families with pets during disasters.
- Complete Animal Disaster Response Plan and ICS training for staff and volunteers.

VETERINARY HOSPITAL

2019 HIGHLIGHTS

- We completed a full audit and process mapping of the clinic to evaluate and improve our procedures, communication and efficiency.
- Hosted 4th year University of Calgary veterinary medical students through clinical rotation.
- We hosted two international vet students including one from Australia and one from Ireland.
- We had one vet student come from PEI for a two week rotation.
- We saw a record number of parvovirus cases in 2019, fortunately we have a high success rate for treatment at our veterinary hospital.

2020 GOALS

- Continue our positive working relationships with Olds College, Robertson College, VCA rotations and University of Calgary to assist in having a consistent stream of volunteer/practicum students assisting and learning in the clinic.
- Continue to recruit more locums and volunteer veterinarians to help us facilitate more surgeries, including dentals.
- As we move towards real-time entry of medical information the veterinary team will establish an organized and efficient filing system for paper files.
- Create a standard process document for the clinic volunteers.

VET HOSPITAL STATS	2017*	2018	2019	2020 TARGET
EXAMS	3,669	6,977	11,518	11,000
VACCINES	5,244	9,027	10,789	11,000
SPAY / NEUTER	1,060	2,533	2,848	3,000
DENTAL	109	294	302	300
OTHER SURGERIES	77	409	459	450

**8 Months of Statistics*

VET STUDENT EDUCATION	2017*	2018	2019
PRACTICUM / ROTATIONS	7 STUDENTS	47 STUDENTS	30 STUDENTS
DVM (VET)	160 HRS	480 HRS	721 HRS
RVT / VTA	600 HRS	2,528 HRS	2,296 HRS



SOCIAL ENGAGEMENT

AARCS SIGNATURE EVENTS

\$12,490

**RAISED AT
DUELING PIANOS**

*Title Sponsor - The Tower Group
Gold Sponsor - CMP Auto*

\$65,919





**RAISED AT
JAIL N BAIL**

Title Sponsor - CIR Realty

\$22,812

**RAISED AT
MUTTS, MEOWS, MARTINIS**

*Title Sponsor - CarMax Canada
Gold Sponsor - Titos Vodka*

STATS	2017	2018	2019	2020 TARGET
 FACEBOOK FANS	80,650	84,730	90,804	95,000
 TWITTER FOLLOWERS	4,661	5,265	5,831	6,500
 INSTAGRAM FOLLOWERS	14,040	22,860	36,052	42,000
 EMAIL EMAIL SUBSCRIBERS	19,843	21,619	19,445*	20,000
 WEBSITE USERS / MONTH	N/A	N/A	59,189	60,000

**Reduction is due to a new procedure to clean up email lists quarterly to remove inactive contacts.*



2019 HIGHLIGHTS

- A 55% average open-rate for AARCS newsletter.
- New merchandise launched, including "Be Kind to Animals" clothing.
- New brochures developed for the SNAP program.
- We are so grateful for our partnership with CIR Realty and all the realtors who donate a portion of their commission back to AARCS.
- Suncor's Jail & Bail event was a huge success.
- Successful partnership with Skip-the-Depot.
- Worked with ELN (Entrepreneur Leadership Network), ATB Financial and the WISER Group Challenge where teams tackled creating a solution for tracking and managing merchandise.

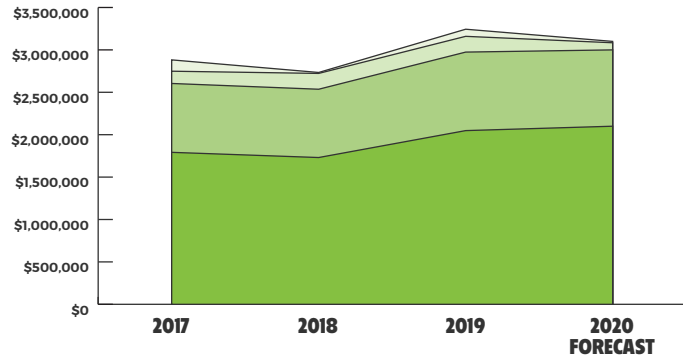


**OVER \$100,000
RAISED THROUGH
OUR EVENTS**

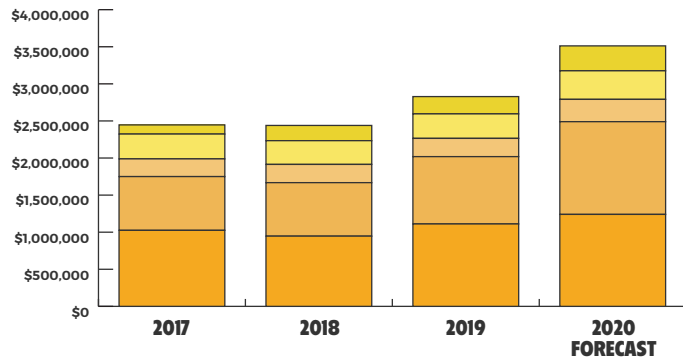
2020 GOALS

- Design and implement the new website.
- Research and implement a new donor management system.
- Launch first cash lottery.
- Goal to have 20,000 active and engaged subscribed contacts with a 60% open rate for newsletter.
- Develop a new merchandise idea for 2020.
- Develop a 3-5 minute promotional video.
- Develop and implement capital fundraising campaign for Edmonton expansion project.

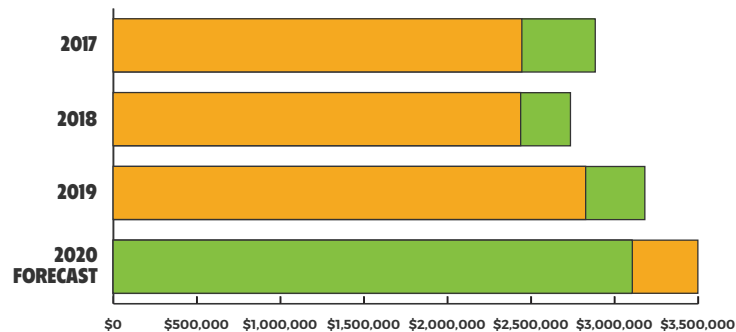
FINANCIAL HIGHLIGHTS



REVENUE	2017	2018	2019	2020 FORECAST
DONATIONS & FUNDRAISING	\$1,791,935	\$1,730,734	\$2,048,255	\$2,100,000
PROGRAM FEES	\$812,119	\$805,270	\$925,746	\$900,000
GRANTS	\$144,575	\$186,577	\$185,778	\$84,000
OTHER	\$133,507	\$11,109	\$19,112	\$16,000
TOTAL	\$2,882,136	\$2,733,690	\$3,178,891	\$3,100,000



EXPENSES	2017	2018	2019	2020 FORECAST
VETERINARY	\$1,025,160	\$946,739	\$1,111,118	\$1,240,000
SHELTERING & PROGRAMS	\$724,708	\$721,246	\$907,667	\$1,250,000
RESOURCE DEVELOPMENT	\$238,551	\$245,990	\$246,196	\$301,000
ADMINISTRATION	\$334,718	\$319,850	\$330,026	\$385,000
AMORTIZATION	\$123,308	\$205,523	\$233,380	\$336,000
TOTAL	\$2,446,445	\$2,439,348	\$2,828,387	\$3,512,000



ANNUAL	2017	2018	2019	2020 FORECAST
REVENUE	\$2,882,136	\$2,733,690	\$3,178,891	\$3,100,000
EXPENSES	\$2,446,445	\$2,439,348	\$2,828,387	\$3,500,000

2020 & BEYOND



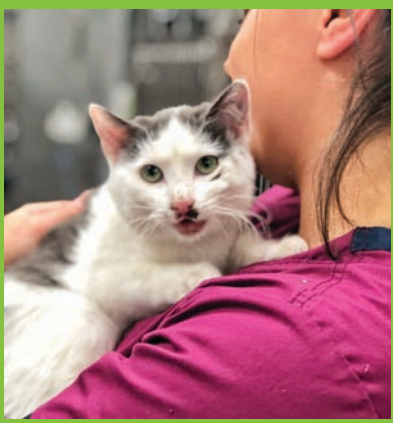
OBJECTIVE ONE

To promote the welfare of animals for the benefit of humane education by assisting stray, surrendered, abandoned and abused animals.



OBJECTIVE TWO

To promote the welfare of animals for the benefit of the public by providing veterinary care for the pets of people with low income and emergency care for animals in cases of natural disaster or family crisis.



OBJECTIVE THREE

To promote the humane treatment of animals by providing public education and encouraging a positive societal approach to compassionate animal care.



RESCUE

AARCS main focus will always be to ensure homeless animals have a safe place, whether at AARCS Safe Haven or in one of our over 800 foster homes. Each animal will continue to get the best possible medical care, love and understanding they need before finding their way into a forever adoptive family.



ASSISTANCE PROGRAMS

We strongly believe that assisting communities and individuals with their pets and focusing on programs that keep pets in their homes will help us reach our vision. When someone needs a hand up we will also be there to help out. We center our efforts around education on correcting undesirable behaviours, spay and neuter programs, food assistance, dog houses and more.



YEG EXPANSION

This exciting project to open AARCS North Haven animal shelter in Edmonton is finally coming to fruition. The 10,000 square foot building will include an onsite cat and small animal adoption centre, dog holding facility, donation storage and office/meeting space. This huge leap will support AARCS operations as we expand our reach into Northern Alberta where animal rescue and veterinary services are limited.



DISASTER RESPONSE

Sadly, we have seen numerous disasters in Alberta in the past number of years. It is our goal to ensure that staff and key volunteers are trained in the Province of Alberta's Incident Command System (ICS) and are ready to deploy in the event of a disaster. We will focus on completing animal disaster plans for our organization and work alongside the province and other like minded organizations to help get a disaster plan in place for animals in Alberta.



ENDING PET OVERPOPULATION

AARCS will continue to focus efforts on spay/neuter Initiatives (SNAP) and Trap-Neuter-Return. We look to resolve the root cause of animal overpopulation and homelessness to be effective in our mission. With a focus on the cat overpopulation crisis, an additional cat adoption centre at our Edmonton shelter along with coordinated efforts to continue SNAP and TNR initiatives.



STRATEGIC DIRECTION

Strategic plan review and checkpoints along the way to ensure we maintain focus on our direction through financial stability, responsible growth, improved programs and processes, staying connected and ahead of the pack in our field.



FINANCIAL STATEMENTS

HAMILTON
ROSENTHAL

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

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, 2019, 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, 2019, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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, 2019, current assets and net assets as at December 31, 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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

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

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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.

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.

Calgary, Alberta
October 5, 2020

HAMILTON ROSENTHAL
Chartered Professional Accountants LLP

(continues)

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FINANCIAL STATEMENTS

ALBERTA ANIMAL RESCUE CREW SOCIETY Statement of Financial Position December 31, 2019

	2019	2018
ASSETS		
Current		
Cash (Note 5)	\$ 1,786,155	\$ 1,273,457
Term deposit (Note 6)	50,000	50,000
Accounts receivable	43,977	30,843
Prepaid expenses	42,237	20,000
	<u>1,922,369</u>	<u>1,374,300</u>
Capital assets (Note 7)	<u>456,038</u>	<u>573,958</u>
	<u>\$ 2,378,407</u>	<u>\$ 1,948,258</u>
LIABILITIES		
Current		
Accounts payable	\$ 138,904	\$ 82,967
Employee deductions payable	32,953	29,354
Deferred contributions related to capital assets (Note 8)	103,076	87,370
Deferred contributions related to operations (Note 8)	68,909	60,927
Current portion of obligations under capital lease (Note 9)	3,576	3,576
	<u>347,418</u>	<u>264,194</u>
Obligations under capital lease (Note 9)	<u>8,478</u>	<u>12,057</u>
	<u>355,896</u>	<u>276,251</u>
NET ASSETS		
Unrestricted	862,473	1,098,049
Invested in capital assets	456,038	573,958
Internally restricted (Note 5)	704,000	-
	<u>2,022,511</u>	<u>1,672,007</u>
	<u>\$ 2,378,407</u>	<u>\$ 1,948,258</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY Statement of Revenues and Expenditures Year Ended December 31, 2019

	2019	2018
Revenues		
Donations and fundraising (Schedule 3)	\$ 2,048,255	\$ 1,730,734
Program revenue	925,746	805,270
Grant revenue	185,778	186,577
Interest and other revenue	19,112	11,109
	<u>3,178,891</u>	<u>2,733,690</u>
Expenses		
Shelter and program delivery (Schedule 1)	2,018,785	1,667,985
General and administrative (Schedule 2)	330,026	319,850
Donations and fundraising (Schedule 3)	246,196	245,990
Amortization	233,380	205,523
	<u>2,828,387</u>	<u>2,439,348</u>
Excess of revenues over expenses	<u>\$ 350,504</u>	<u>\$ 294,342</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY Statement of Changes in Net Assets Year Ended December 31, 2019

	Unrestricted	Invested in capital assets	Internally restricted	2019	2018
Net assets - beginning of year	\$ 1,098,049	\$ 573,958	\$ -	\$ 1,672,007	\$ 1,377,665
Excess of revenues over expenses	350,504	-	-	350,504	294,342
Amortization reallocation	233,380	(233,380)	-	-	-
Net purchases of capital assets	(115,460)	115,460	-	-	-
Internally restricted funds	(704,000)	-	704,000	-	-
Net assets - end of year	<u>\$ 862,473</u>	<u>\$ 456,038</u>	<u>\$ 704,000</u>	<u>\$ 2,022,511</u>	<u>\$ 1,672,007</u>

FINANCIAL STATEMENTS

ALBERTA ANIMAL RESCUE CREW SOCIETY Statement of Cash Flow Year Ended December 31, 2019

	2019	2018
Operating activities		
Excess of revenues over expenses	\$ 350,504	\$ 294,342
Items not affecting cash:		
Amortization of capital assets	233,380	205,523
Gain on disposal of assets	(1,680)	(2,229)
	<u>582,204</u>	<u>497,636</u>
Changes in non-cash working capital:		
Accounts receivable	(13,134)	35,779
Accounts payable	55,934	(4,528)
Prepaid expenses	(22,237)	5,000
Employee deductions payable	3,599	2,098
Deferred contributions related to operations	7,982	37,020
Deferred contributions related to property, plant and equipment	15,706	(76,113)
	<u>47,850</u>	<u>(744)</u>
Cash flow from operating activities	<u>630,054</u>	<u>496,892</u>
Investing activities		
Proceeds on disposal of capital assets	1,680	3,000
Purchase of capital assets	(115,460)	(143,454)
Cash flow used by investing activities	<u>(113,780)</u>	<u>(140,454)</u>
Financing activity		
Repayment of obligations under capital lease	(3,576)	(3,580)
Increase in cash flow	<u>512,698</u>	<u>352,858</u>
Cash - beginning of year	<u>1,273,457</u>	<u>920,599</u>
Cash - end of year	<u>\$ 1,786,155</u>	<u>\$ 1,273,457</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY Notes to Financial Statements Year Ended December 31, 2019

1. PURPOSE OF THE ORGANIZATION

Alberta Animal Rescue Crew Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies 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 (ASNPO) consistently applied. The preparation of financial statements in conformity with ASNPO 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, 2019

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. In addition, GST is collected and remitted net of Input Tax Credits on sales of merchandise as part of fundraising activities.

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, 2019.

(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.

(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.

(continues)

ALBERTA ANIMAL RESCUE CREW SOCIETY

Notes to Financial Statements

Year Ended December 31, 2019

4. FINANCIAL INSTRUMENTS (continued)

(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 rate 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 material foreign currency transactions.

(d) Fair value risk

The Society's carrying value of cash and cash equivalents, accounts receivable, and accounts payable 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. RESTRICTED CASH

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

	2019	2018
Purchase and/or replace capital asset	\$ 444,000	\$ -
Operating costs in the event of a shortage of funds	260,000	-
	<u>\$ 704,000</u>	<u>\$ -</u>

6. TERM DEPOSIT

The term deposit is a 15 month, non redeemable guaranteed investment certificate bearing interest at 2.16% per annum, maturing August 26, 2020.

FINANCIAL STATEMENTS

ALBERTA ANIMAL RESCUE CREW SOCIETY Notes to Financial Statements Year Ended December 31, 2019

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Leasehold improvements	\$ 350,805	\$ 184,011	\$ 166,794	\$ 216,675
Shelter equipment and fixtures	306,842	226,808	80,034	144,544
Veterinary equipment	299,597	144,207	155,390	185,558
Motor vehicles	67,542	37,853	29,689	17,404
Office equipment and furniture	53,453	29,322	24,131	9,777
	<u>\$ 1,078,239</u>	<u>\$ 622,201</u>	<u>\$ 456,038</u>	<u>\$ 573,958</u>

8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following

	2019	2018
<u>Deferred contributions related to operations</u>		
Balance - beginning of the year	\$ 60,927	\$ 23,907
Additions	108,865	73,664
Utilizations	(100,883)	(36,644)
	<u>68,909</u>	<u>60,927</u>
<u>Deferred contributions related to capital assets</u>		
Balance - beginning of the year	87,370	163,483
Additions	83,108	57,742
Utilizations	(67,402)	(133,855)
	<u>103,076</u>	<u>87,370</u>
Grand total	<u>\$ 171,985</u>	<u>\$ 148,297</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY Notes to Financial Statements Year Ended December 31, 2019

9. OBLIGATIONS UNDER CAPITAL LEASE

	2019	2018
National Leasing capital lease repayable in non-interest bearing monthly instalments of \$298 and secured by equipment with a carrying value of \$19,161.	\$ 12,054	\$ 15,633
Amounts payable within one year	<u>(3,576)</u>	<u>(3,576)</u>
	<u>\$ 8,478</u>	<u>\$ 12,057</u>
Future minimum capital lease payments are approximately:		
2020	\$ 3,576	
2021	3,576	
2022	3,576	
2023	1,326	
Total minimum lease payments	<u>\$ 12,054</u>	

10. COMMITMENTS

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

Subsequent to the year-end, the Society has entered an occupancy lease agreement for its new Edmonton location with a base lease amount of \$7,265 per month, expiring April, 2025.

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 part of this agreement the Society received a piece of equipment valued at \$118,000 in the 2017 fiscal year.

11. GIFTS IN KIND

During the year, the Society recognized \$54,355 (2018: \$45,374) 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 \$19,830 (2018: \$22,139) of merchandise from a company owned by a family member of the Executive Director of the Society.

Purchases and donations of \$39,729 (2018: \$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 Notes to Financial Statements Year Ended December 31, 2019

13. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The pandemic has created pervasive uncertainties in the economy as well as volatility in the financial markets. The Society was deemed to be an essential service and remained operational during the initial lock-down of the economy. The Society initiated its Business Continuity Plan and changed the management of operations by drastically reducing volunteers on-site and rotating staff between onsite and working from home. New procedures including mandatory masks and physical barriers at reception were among the new procedures set by management in June, 2020. All in-person fundraising events were cancelled for 2020 and alternatives are being explored by management. At this time, management is unable to determine and quantify the future financial ramifications to the Society from the pandemic nor its impact on the Society's future operations.

It should be noted that no adjustments or revisions were required to the financial statements of the Society as at and for the year ended December 31, 2019 as a result of the pandemic.

ALBERTA ANIMAL RESCUE CREW SOCIETY Shelter and Program Delivery (Schedule 1) Year Ended December 31, 2019

	2019	2018
Expenses		
Direct animal and rescue outreach	\$ 1,111,118	\$ 946,739
Wages, salaries & benefits	637,118	499,992
Shelter operations	264,346	215,445
Memberships	6,203	5,809
	<u>\$ 2,018,785</u>	<u>\$ 1,667,985</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY General and Administrative (Schedule 2) Year Ended December 31, 2019

	2019	2018
Expenses		
Wages, salaries & benefits	\$ 215,700	\$ 200,767
Office and other administrative	36,356	34,142
Goods and services tax	28,414	27,780
Professional fees	20,016	24,943
Staff and volunteer development	25,148	24,426
Interest and bank charges	4,392	7,792
	<u>\$ 330,026</u>	<u>\$ 319,850</u>

ALBERTA ANIMAL RESCUE CREW SOCIETY Donations and Fundraising (Schedule 3) Year Ended December 31, 2019

	2019	2018
Revenues		
Donations	\$ 1,813,548	\$ 1,495,983
Merchandise	135,255	103,876
Events	52,045	67,677
AGLC and other fundraising	47,407	63,198
	<u>2,048,255</u>	<u>1,730,734</u>
Expenses		
Fundraising	149,024	154,425
Merchandise	78,913	73,450
Events	18,259	18,115
	<u>246,196</u>	<u>245,990</u>
Net donations and fundraising income	<u>\$ 1,802,059</u>	<u>\$ 1,484,744</u>

Petsmart Charities
Four Feet Companion Foundation
Calgary Foundation



**SPECIAL
THANKS**



Inga Morozoff Photography
Debby Herold Photography

2019 ANNUAL REPORT



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