

# **ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**

## **FINANCIAL STATEMENTS**

**(Audited)**

**December 31, 2023**



a member of the

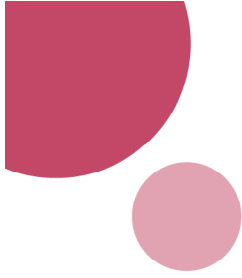
FEDERATION OF  
CALGARY COMMUNITIES

# ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA

December 31, 2023

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# Nancy Murdoch

## Chartered Professional Accountant

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### Independent Auditor's Report

#### To the Members of the ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA

##### Qualified Opinion

I have audited the Statement of Financial Position of the Animal Rescue Foundation (ARF) of Alberta as at December 31, 2023 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2023.

In my opinion, except for the effects of adjustments as described below in the Basis for Qualified Opinion paragraph, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the Animal Rescue Foundation (ARF) of Alberta as at December 31, 2023 and the results of its operations and cash flows for the year ended December 31, 2023 in accordance with Canadian accounting standards for not-for-profit associations.

##### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Animal Rescue Foundation (ARF) of Alberta derives revenue from certain fundraising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Animal Rescue Foundation (ARF) of Alberta and I was not able to determine whether any adjustments might be necessary to revenue, excess of expenses over revenue, assets and net assets. I conducted my audit in accordance with Canadian auditing standards. I am independent of the Animal Rescue Foundation (ARF) of Alberta in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

##### Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations and for such internal control as management determines 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 Animal Rescue Foundation (ARF) of Alberta's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.



*Nancy Murdoch  
Chartered Professional  
Accountant*

Calgary, Alberta  
June 25, 2024

Nancy Murdoch  
Chartered Professional Accountant

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

As at December 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents, unrestricted	\$ 196,951	\$ 272,366
Internally restricted assets (Note 3)	249,375	248,980
Externally restricted assets (Note 4)	8,341	89,802
Accounts receivable, unrestricted	13,840	218
Goods and Services Tax receivable	9,779	12,359
Inventory	2,619	3,873
Prepaid expenses	4,935	427
	<b>485,840</b>	<b>628,025</b>
<b>Capital assets (Note 5)</b>	<b>217,657</b>	<b>275,138</b>
	<b>\$ 703,497</b>	<b>\$ 903,163</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 22,989	\$ 20,126
Wages and source deductions payable	7,266	7,054
Scholarship fund	1,000	1,000
Deferred cash contributions (Note 4)	8,341	89,802
	<b>39,596</b>	<b>117,982</b>
<b>Deferred capital contributions (Note 6)</b>	<b>95,816</b>	<b>108,613</b>
	<b>135,412</b>	<b>226,595</b>
<b>Net assets</b>		
Unrestricted	196,869	261,063
Internally restricted (Note 3)	249,375	248,980
Invested in capital assets	121,841	166,525
	<b>568,085</b>	<b>676,568</b>
	<b>\$ 703,497</b>	<b>\$ 903,163</b>

**COMMITMENT (Note 7)**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

*Courtney Mini* Director  
*Sarah Barks* Director

See Notes to the Financial Statements

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**(Audited)**

**For the Year Ended December 31, 2023**

	<b>Unrestricted</b>	<b>Internally restricted</b>	<b>Invested in capital assets</b>	<b>2023 Totals</b>	<b>2022 Totals</b>
Balances, beginning of year	\$ 261,063	248,980	166,525	676,568	780,100
Transfers between funds	(14,807)	-	14,807	-	-
Excess of revenue (expenses)	(49,387)	395	(59,491)	(108,483)	(103,532)
Balances, end of year	<u>\$ 196,869</u>	<u>249,375</u>	<u>121,841</u>	<u>568,085</u>	<u>676,568</u>

See Notes to the Financial Statements

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**STATEMENT OF OPERATIONS**  
(Audited)

For the Year Ended December 31, 2023

	2023	2022
<b>Revenue</b>		
Contributions from casino (Note 9)	\$ 56,733	\$ 21,186
Donations and grants (Note 8)	565,918	485,617
Fundraising (Schedule 1)	20,199	7,576
Investment and other	3,600	4,850
Memberships	655	585
Programs (Schedule 2)	95,843	101,650
Sales (Schedule 3)	9,435	7,770
	<b>752,383</b>	<b>629,234</b>
<b>Operational expenses</b>		
Fundraising (Schedule 1)	61	2,609
Program (Schedule 2)	431,668	393,390
Sales (Schedule 3)	1,254	2,548
	<b>432,983</b>	<b>398,547</b>
<b>Excess of revenue from operations</b>	<b>319,400</b>	<b>230,687</b>
<b>Administrative expenses</b>		
Administration and office supplies	19,956	9,215
Advertising and promotion	151	109
Automobile	17,123	28,134
Building rent	69,221	70,124
Contract services	76,645	43,051
Insurance	5,824	4,818
Professional fees	10,028	9,993
Repairs & maintenance	10,085	11,600
Salaries and wages	125,480	36,596
Staff and volunteer functions	802	2,945
Telephone	5,196	4,265
Transaction fees	6,011	2,851
	<b>346,522</b>	<b>223,701</b>
<b>Excess of revenue (expenses) before amortization</b>	<b>(27,122)</b>	<b>6,986</b>
Less: Amortization expense	(97,013)	(87,383)
Plus: Amortized deferred capital contributions (Note 6)	15,652	10,865
	<b>15,652</b>	<b>10,865</b>
<b>Excess of revenue (expenses)</b>	<b>\$ (108,483)</b>	<b>\$ (69,532)</b>

See Notes to the Financial Statements

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**STATEMENT OF CASH FLOWS**  
(Audited)

For the Year Ended December 31, 2023

	2023	2022
<b>Cash generated from/(used in):</b>		
<b>Operating activities</b>		
Excess of revenue (expenses)	\$ (108,483)	\$ (69,532)
Changes not affecting cash:		
Amortization expense	97,013	87,383
Amortization of deferred capital contributions	(15,652)	(10,865)
Changes in non-cash operating working capital:		
Accounts receivable	(13,622)	14,984
Goods and Services Tax	2,580	(4,233)
Prepaid expenses	(4,508)	234
Inventory	1,254	2,507
Accounts payable and accrued liabilities	(2,863)	1,513
<b>Cash from operating activities</b>	<b>(44,281)</b>	21,991
<b>Financing activities</b>		
Net use of (transfer to) deferred cash contributions	(220,272)	(118,336)
Grant proceeds	110,719	101,128
Casino proceeds received	-	74,491
	<b>(109,553)</b>	57,283
<b>Investing activities</b>		
Purchase of computer equipment	-	(1,027)
Renovations for Pad for Paws	(2,990)	(14,833)
Purchase of equipment for Pad for Paws	(36,542)	(15,086)
Reinvestment of interest and dividends	-	(3,343)
	<b>(39,532)</b>	(34,289)
<b>Increase in cash and cash equivalents</b>	<b>(193,366)</b>	44,985
Cash and cash equivalents, beginning of the year	401,977	356,992
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 208,611</b>	<b>\$ 401,977</b>
<b>Cash and cash equivalents consist of:</b>		
Unrestricted cash and cash equivalents	\$ 196,951	\$ 272,366
Internally restricted cash - Pad for Paws	3,319	5,809
Restricted cash and cash equivalents	8,341	89,802
	<b>\$ 208,611</b>	<b>\$ 367,977</b>

See Notes to the Financial Statements



**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Audited)**  
**December 31, 2023**

**1. PURPOSE OF THE ORGANIZATION**

The Animal Rescue Foundation (ARF) of Alberta (the "Foundation") is a registered not-for-profit charity pursuant to the Societies Act of Alberta. The Foundation's mission is to rescue stray and abandoned dogs and cats from First Nations and rural areas, and place them in loving, permanent homes while providing programs to reduce pet over-population.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared according to Canadian accounting standards for not-for-profit organizations, of which the most significant policies are:

**(a) Revenue Recognition**

The Foundation follows the deferral method of accounting for revenue recognition. Externally restricted revenue is recognized as revenue in the year in which the related expenses are incurred. Operating revenue is recognized according to the accrual method and recognized when earned. Donations are recognized when received.

**(b) Internally Restricted Assets**

The Board of Directors has the authority to restrict funds internally for specified purposes. Internally restricted funds are considered to be a restriction of resources and not of contributions. As such, internal restrictions impact only the presentation of resources in the Foundation's statement of financial position and not the recognition of contributions in the Foundation's statement of operations.

**(c) Capital Assets**

Capital assets are recorded at cost and contributed capital assets are recorded at the fair value at the date of contribution. Amortization is recorded using rates and methods designed to amortize the cost of the capital assets over their estimated useful lives as follows:

Automotive	25 %	declining balance
Leasehold improvements	10%	declining balance
Computer equipment	30 %	declining balance
Other equipment	25 %	declining balance

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)  
December 31, 2023

**2. SIGNIFICANT ACCOUNTING POLICIES continued...**

**(d) Contributed Materials and Services**

Contributed materials and services are recognized in the financial statements when the fair value can be reasonably estimated, when the materials or services are used in the normal course of the Foundation's operations and when they would have otherwise been purchased.

Volunteers contribute considerable time to assist the Foundation in carrying out its programs. The value of this contributed time is not reflected in these financial statements.

**(e) Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates of the collectibility of receivables, the portion of expenses that are prepaid, the estimated life of capital assets and the accrual of liabilities are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods may be significant.

**3. INTERNALLY RESTRICTED ASSETS - PAD FOR PAWS**

Through a formal resolution by the Board of Directors in 2010, the Foundation internally restricted certain funds, which have been raised in respect of a capital campaign. The objective of the campaign is to raise funds for the permanent facility for the Foundation, which is known as the "Pad for Paws". In addition to an initial appropriation of general funds, all amounts designated by the Board on an ongoing basis will be restricted. The Board has the discretion to terminate the campaign at any time.

	<b>2023</b>	<b>2022</b>
Pad for Paws bank account	\$ 3,319	\$ 38,672
Less: externally restricted grants (Note 4)	-	(32,863)
	<b>3,319</b>	5,809
Investor's Group - Mutual Fund - 3250	<b>52,802</b>	52,131
Investor's Group - Mutual Fund - 3185	<b>193,254</b>	191,040
	<b>\$ 249,375</b>	<b>\$ 248,980</b>

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)  
December 31, 2023

**4. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS**

Deferred cash contributions represent contributions externally restricted for expenditures according to the individual funder. Casino proceeds are restricted by Alberta Gaming and Liquor Commission to be spent on previously approved items. Grants fund are restricted by the funders to be spent as indicated on the various grant approvals.

	<u>2023</u>	<u>2022</u>
Casino bank account	\$ 5,323	\$ 56,922
Calgary Foundation grant held in Pad for Paws (Note 3)	-	32,863
Calgary Foundation grant held in the general bank	3,543	-
Overpayment of raffle funds held in the casino bank	(525)	-
Casino funds held in the general bank	-	17
	<u>\$ 8,341</u>	<u>\$ 89,802</u>

**5. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net</u>	<u>2022 Net</u>
Automotive	\$ 61,983	56,328	5,655	7,540
Leasehold improvements	577,513	415,585	161,928	237,325
Computer equipment	8,747	8,211	536	765
Other equipment	88,847	39,309	49,538	29,508
	<u>\$ 737,090</u>	<u>519,433</u>	<u>217,657</u>	<u>275,138</u>

**6. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions consists of externally restricted cash spent on capital assets. These amounts are amortized and recognized as income on the same basis as the related capital assets are amortized and expensed.

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 108,613	\$ 103,340
Kennels paid by The Calgary Foundation grant	-	16,138
Fridge & freezer paid by Enmax Energizing Spaces grant	2,050	-
Dog run paid by Walmart Canada grant	805	-
Amortization of deferred capital contributions	(15,652)	(10,865)
Carried forward	<u>\$ 95,816</u>	<u>\$ 108,613</u>

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Audited)**  
**December 31, 2023**

**7. COMMITMENT**

On November 1, 2017 the Foundation entered into a lease agreement with Omega Developments Inc. at Bay 1, 3526 - 27th Street NE, Calgary for a term of ten years for the basic annual lease plus GST. The minimum annual lease commitment for the next four years is as follows:

2024	\$ 44,997 plus GST
2025 to 2027	\$ 51,006 plus GST

**8. DONATIONS AND GRANTS**

	<b>2023</b>	<b>2022</b>
<b>Donations</b>		
Cash donations	\$ 174,336	\$ 265,166
Donations in kind	<b>287,403</b>	85,323
Total donations spent on operations	<b>461,739</b>	350,489
<b>Grants</b>		
TCF - Volunteer grant carried forward	<b>32,862</b>	49,000
TCF - Operating grant	<b>67,198</b>	101,128
Petsmart operating grant	-	20,000
Pedigree Foundation grant	-	10,000
Enmax Energizing Spaces grant	<b>2,152</b>	-
Miscellaneous grants	<b>3,964</b>	4,000
TCF - Sherling Animal Welfare grant	<b>3,543</b>	-
Walmart Canada grant	<b>1,000</b>	-
Grants available	<b>110,719</b>	184,128
Grants spent on capital	<b>(2,997)</b>	(16,138)
TCF - Volunteer grant carried forward	-	(32,862)
TCF - Sherling Animal Welfare grant carried forward	<b>(3,543)</b>	-
Total grants spent on operations	<b>104,179</b>	135,128
Total donations and grants spent on operations	<b>\$ 565,918</b>	<b>\$ 485,617</b>

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)  
December 31, 2023

**9. CONTRIBUTIONS FROM CASINO**

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 56,940	\$ 3,689
Add: Proceeds from casino	-	74,491
Plus: Raffle deposit	4,641	-
Less: Bank charges and other charges	(50)	(54)
Carried forward	<u>(4,798)</u>	<u>(56,940)</u>
Spent on operations	<u>\$ 56,733</u>	<u>\$ 21,186</u>

**10. FUNDRAISING EXPENSES**

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions \$521 (2022 - \$3,019)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2022 - \$Nil).

**11. FINANCIAL INSTRUMENTS**

*Measurement of financial instruments*

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income.

Financial instruments measured at amortized cost include cash and cash equivalents, accounts receivable, investments and accounts payable and accrued liabilities.

*Risk*

It is management's opinion that the Foundation is not exposed to significant interest, currency, price, liquidity, market or credit risks arising from these financial instruments.

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**SCHEDULE 1 - FUNDRAISING**

**For the Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Calendars	\$ -	\$ -
Other general fundraising	<u>20,199</u>	<u>7,576</u>
	<u>20,199</u>	<u>7,576</u>
<b>Expenses</b>		
Fundraising software	<u>61</u>	<u>2,609</u>
<b>Excess of revenue</b>	<u>\$ 20,138</u>	<u>\$ 4,967</u>

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**SCHEDULE 2 - PROGRAMS**

For the Year Ended December 31, 2023

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Adoptions - Dogs	\$ 64,451	\$ 51,202
Adoptions - Cats	32,075	50,448
Discount adoption	(683)	-
	<b>95,843</b>	<b>101,650</b>
<b>Expenses</b>		
Cat food	136,630	35,635
Dog food	136,010	56,030
Dog training	8,531	14,137
Education	14	-
Foster home supplies	17,553	11,253
Program contract services	1,718	66,136
Veterinary and medical supplies	129,572	210,199
Wellness	1,640	-
	<b>431,668</b>	<b>393,390</b>
<b>Excess of (expenses) revenue</b>	<b>\$ (335,825)</b>	<b>\$ (291,740)</b>

**ANIMAL RESCUE FOUNDATION (ARF) OF ALBERTA**  
**SCHEDULE 3 - SALES**

**For the Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Promotional products	\$ 9,435	\$ 7,770
<b>Expenses</b>		
Promotional products	<u>1,254</u>	<u>2,548</u>
<b>Excess of revenue</b>	<u>\$ 8,181</u>	<u>\$ 5,222</u>