SECOND CHANCE ANIMAL RESCUE SOCIETY

ANNUAL REPORT 2025

Second Chance! animal rescue society

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ANNUAL MESSAGE

As we reflect on 2025, I am filled with gratitude for the incredible community that makes SCARS possible. Every rescue, every recovery, and every adoption is made possible by the dedication of our staff, volunteers, foster families, veterinarians, donors, and supporters. Together, you have given countless animals the opportunity for a brighter future.

This year brought both challenges and successes. As the demand for our services continued to grow, so did the compassion and commitment of those who stand behind our mission. Your support allowed us to provide lifesaving care, help animals heal, and connect them with loving homes where they can thrive.

Every animal who comes into SCARS' care has a unique story, and because of your generosity, those stories are filled with hope, resilience, and second chances. That is the true impact of our work.

As we look ahead, we remain committed to strengthening our programs, responding to the needs of our communities, and ensuring that every animal we can help receives the care and compassion they deserve.

Thank you for believing in our mission and for making a difference every day. Together, we are creating a better future for animals, one life at a time.

With gratitude,

SYLVIA CHRISTIANSEN

ACTING EXECUTIVE DIRECTOR & OPERATIONS MANAGER

Board of Directors

- Lorraine Spreadbury (Chair)
- Lori Haughian (Vice Chair)
- Jack Wang (Treasurer)
- Mike Cunnington (Secretary)
- Christy Ciezki
- John Evans
- Leanne Taylor-Marsden
- Lori Trudgeon
- Sarah Mullaly

ABOUT SCARS

Second Chance Animal Rescue Society (SCARS) is a non-profit, registered charitable organization that is dedicated to reducing the number of abandoned animals in Alberta.

Since 2002, SCARS has rescued, rehabilitated and rehomed more than 22,000 cats and dogs, and helped make communities safer and healthier.

Vision

A world where all animals are valued and treated with compassion, where no animal is left behind.

Mission

To make a positive impact on animals and people by engaging with others to rescue and care for animals in need, share knowledge, and provide access to services and resources.

Core values

Inclusion

An environment where everyone feels heard, valued, and able to contribute to SCARS' mission.

Compassion

Being open-minded, non-judgmental, and empathetic, demonstrating an understanding and concern for animals and the communities in which we are involved.

Integrity

Consistently acting and speaking in a meaningful manner, which creates trust with our stakeholders and gives a voice for our animals.

Resilience

The ability to learn from and adapt to change and challenges through perseverance, personal strengths and our support systems.

Thank you to our incredible volunteers, foster homes and staff. Our amazing volunteer team dedicated an incredible 50,153 hours to SCARS in 2025!

2,937

Event hours

30,608

Foster home hours

4,918

Morinville Rescue Centre Hours

11,691

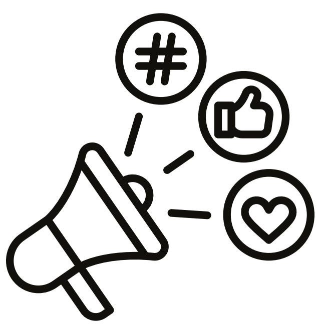
SCARS coordinator roles


Second Chance!
animal rescue society

SOCIAL MEDIA

A huge THANK YOU to our extremely busy social media team who helped us grow even more in 2025!

Besides tirelessly responding to thousands of messages, their work brings awareness to SCARS' efforts, builds community and promotes our amazing animals.



- Instagram: 30.2K followers (up from 27.2K)
- Facebook: 85K followers (up from 80K)
- TikTok: 3,339 followers – 116K Likes
- YouTube: 127 subscribers – 231 videos
- Threads: 4,919 followers
- X: 9,416 followers

WALLS FOR WINTER

Our pet shelter building program exceeded its goal in 2025, with 69 doghouses and 20 cat houses built and delivered to partner communities, including during the Canadian Animal Task Force Pet Wellness Clinic in Wabasca. We are grateful to Details Insulation for spray-foaming the doghouse bases and insulating our new cargo van.

The program was strengthened through partnerships with four high school woodworking classes and one middle school class, including R.F. Staples Secondary School, whose students built 11 doghouses, and the Fort Saskatchewan Correctional Centre, where inmates built 28 doghouses.

SPAY-NEUTER-RETURN

During 2025, SCARS completed 270 spay-neuter-returns with four of SNR pets surrendered for adoption.

FUNDRAISING

Fundraising events continue to play an essential role in supporting the work of SCARS while bringing our community together. Throughout 2025, we were grateful for the support of volunteers, sponsors, and participants who made these events a success.

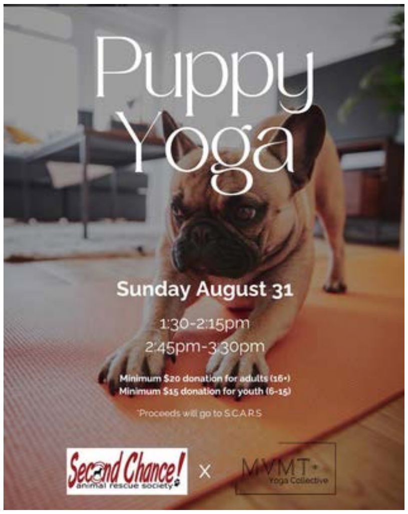
Our annual golf tournaments—**Putts for Mutts** in Athabasca and **Pars for SCARS (**hosted by White Knight Construction)—once again brought golfers together in support of animals in need. **Tails on the Trails** welcomed families and their pets for a community pledge walk featuring vendors, live music, and adoptable animals, while **Tacos & Tunes** raised funds for our Walls for Winter campaign. We also hosted two successful **Craft Fairs** at the Alberta Aviation Museum, showcasing local artisans and supporting our rescue efforts.

Whiskers & Wheels, hosted by Sherwood Powersports & Marine with support from Sherwood Ford, connected the community with adoptable animals, and our signature gala, **Critters & Cocktails**, raised an incredible $100,000 through the generosity of sponsors, donors, and guests.

We were also honoured to be the beneficiary of **Sherwood Buick GMC's** fall sales promotion. Their donation of $100 from every vehicle sold funded the purchase of a large cargo van, which will support SCARS' operations and animal transport for years to come.

We are deeply grateful to everyone who attended, volunteered, sponsored, and donated. Together, these events helped create brighter futures for the animals in our care.

PROMOTIONAL & THIRD-PARTY EVENTS



We are so grateful for community support such as from **Fort Saskatchewan's Fire Department** members who produced a calendar featuring our animals with all sponsorship and sales funds donated.

Another example was partnering with the **Edmonton Oilers Community Foundation** on a matching program, with the support of **Waterloo Ford** and a private donor.

There are too many to thank, but we hope they know we value every collaboration. They all helped SCARS save more animals in need.

SPONSORSHIPS

We also very much appreciate everyone who chooses to sponsor SCARS (there are so many)!

SCARS could not exist without our whole community, volunteers, foster homes, staff, donors, sponsors and every single one of our supporters!

GRANTS & DONATIONS

Some highlights include receiving a $10,000 grant from Homes Alive towards event sponsorships, along with a $5,000 matching initiative to help with a new vehicle purchase.

Rally Subaru donated $15,000 and Subaru City donated $10,000.

Champion Petfoods donated 11 pallets of dog food. Our friends at Wolf Creek Building Supplies Morinville kindly delivered them. They also gave us a discount on Walls for Winter materials.

We're so very grateful to all the businesses and community groups who raise money and donations for us year-round.

PETSMART GRANT

SCARS received a $47,500 PetSmart Charities of Canada *Access to Care Incubator Grant* in 2025. This funding enabled us to bring much-needed animal care services to the Kikino Métis Settlement.

A key requirement for the grant was to expand into a new community not previously served by SCARS. This grant allowed us to build a foundation for long-term partnership with a community that welcomed support for their pets.

Like many rural or remote areas, Kikino faces barriers such as cost, distance, and access to care. Our goal is to listen, respond with respect, and co-create sustainable solutions for managing healthy pet populations.

We began our work in early 2025 by meeting with Kikino residents to learn about their priorities and challenges. SCARS has worked with Kikino volunteers to coordinate transports for spay-neuter-return (SNR) and surrendered animals, provided food and supplies, and covered veterinary costs for pets.

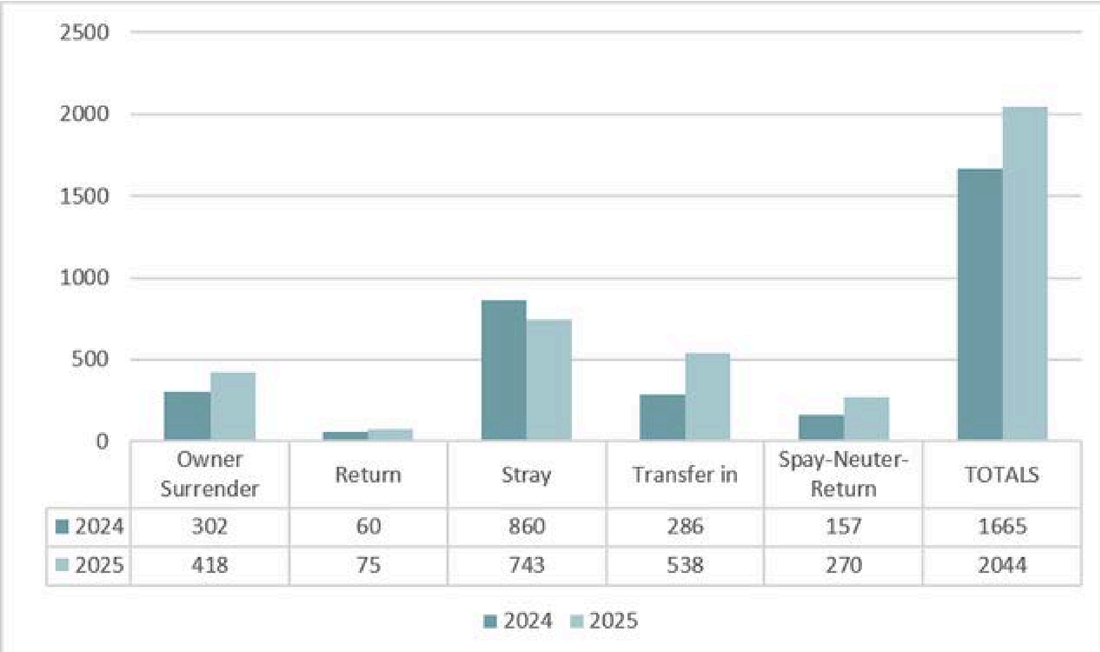
Each visit is shaped by local input and guided by the principle that lasting change starts with listening. In July, we co-hosted a community BBQ with volunteers from Kikino Animal Assistance to connect with more residents and gather valuable feedback. The event helped deepen our relationship and reaffirmed the community's commitment to working together for better animal well-being.

Now in the first year of this program, we are focusing on engagement, trust-building, and data collection to support long-term success. With the help of PetSmart Charities, we're creating lasting change—ensuring that pets in Kikino receive the care they need, and the people who love them are supported every step of the way.

INTAKE & OUTCOME STATISTICS

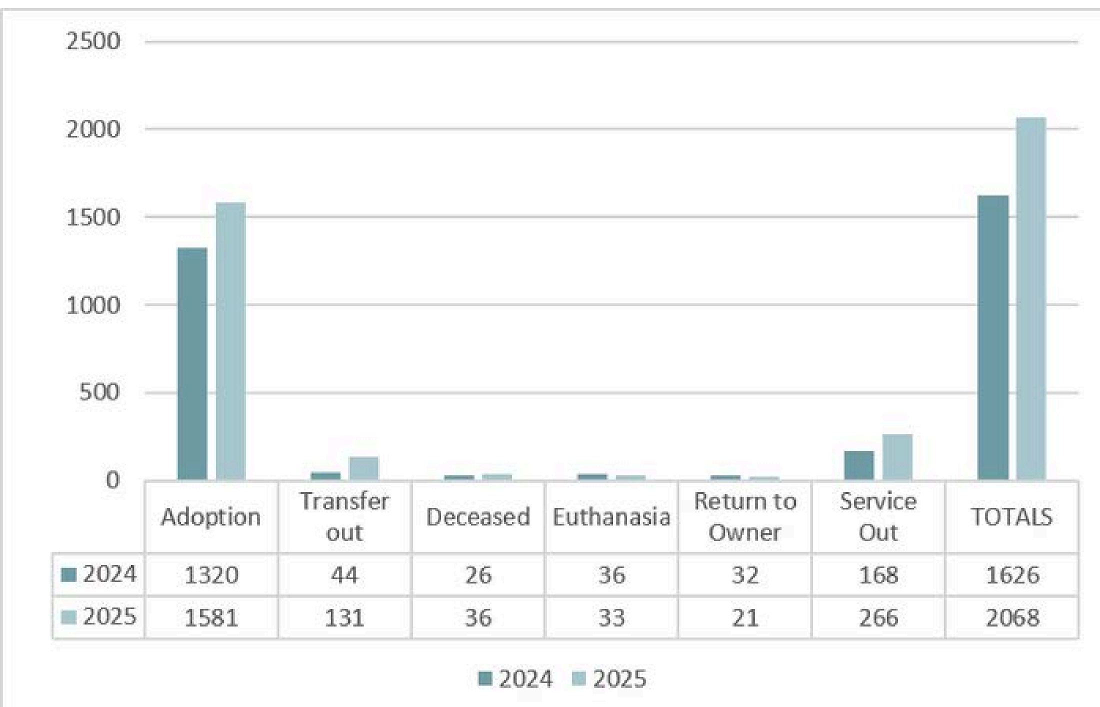
SCARS helped 2,044 animals during 2025 as compared to 1,655 in 2024. This included 1,199 cats and 845 dogs.

Animal Intake



	Owner Surrender	Return	Stray	Transfer in	Spay-Neuter-Return	TOTALS
2024	302	60	860	286	157	1665
2025	418	75	743	538	270	2044

Animal Outcome



	Adoption	Transfer out	Deceased	Euthanasia	Return to Owner	Service Out	TOTALS
2024	1320	44	26	36	32	168	1626
2025	1581	131	36	33	21	266	2068

FACILITIES

In 2025, the Morinville Rescue Centre and Second-Chance Country Refuge facilities faced a challenging winter, with heavy snowfall creating ongoing demands for snow removal and access maintenance. Despite these conditions, our dedicated staff and volunteers worked together to ensure the animals continued to receive the high standard of care they depend on every day.

Our staff and volunteers work hard every day to improve our facilities and give our adoptable pets quality of life while they await their forever homes.

2025 FINANCIAL OVERVIEW

At SCARS, we believe in transparency and accountability to the donors, supporters, and communities who make our work possible. The following financial statements provide an overview of our financial position and the resources entrusted to us throughout 2025.

This year, SCARS experienced a slight decrease in revenue and a large increase in expenses compared to the previous year. These results reflect the ongoing financial landscape faced by many charitable organizations and highlight the importance of careful planning, responsible resource management, and continued support for the sustainability of our programs.

We remain committed to sound financial stewardship and to ensuring that every dollar entrusted to SCARS is used to support our mission of helping animals in need.

FINANCIAL STATEMENTS

SECOND CHANCE ANIMAL RESCUE SOCIETY
INDEX TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

FINANCIAL STATEMENTS CONTINUED

ST. ARNAUD PINSENT STEMAN
CHARTERED PROFESSIONAL ACCOUNTANTS
AN ASSOCIATION TO PRACTISE CHARTERED PROFESSIONAL ACCOUNTANCY

Daniel J. St. Arnaud, CPA, CA •
John H.C. Pinsent, FCPA, FCA, ICD.D •
Benardus C. Steman, CPA, CA, CFA •
JAM Accounting Group LLP ••

INDEPENDENT AUDITOR'S REPORT

To the Members of Second Chance Animal Rescue Society

Qualified Opinion

We have audited the financial statements of Second Chance Animal Rescue Society (the "Society") which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, revenue and expenditures and cash flows 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, 2025, and the results of its operations and cash flows 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 donations and 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 revenues, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2024 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.

(continues)

FINANCIAL STATEMENTS CONTINUED

Independent Auditor's Report to the Members of Second Chance Animal Rescue Society *(continued)*

In preparing the financial statements, management is responsible for assessing the Society's ability to 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.

JAM Accounting Group LLP

Edmonton, Alberta
May 13, 2026

JAM Accounting Group LLP
Chartered Professional Accountants

ST. ARNAUD PINSENT STEMAN
CHARTERED PROFESSIONAL ACCOUNTANTS

FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	2025 $	2024 $
ASSETS		
CURRENT		
Cash	**840,458**	1,234,312
Accounts receivable	**112,805**	123,219
Goods and services tax recoverable	**33,241**	23,745
Prepaid expenses	**15,844**	15,351
	1,002,348	1,396,627
PROPERTY AND EQUIPMENT *(Note 3)*	**252,293**	245,266
TOTAL ASSETS	**1,254,641**	1,641,893
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities *(Note 8)*	**227,006**	144,755
Wages payable	**-**	412
Employee deductions payable	**19,312**	16,900
Deferred revenue *(Note 5)*	**17,795**	98,548
TOTAL LIABILITIES	**264,113**	260,615
NET ASSETS		
Unrestricted	**(102,223)**	186,012
Internally restricted *(Note 4)*	**840,458**	950,000
Invested in capital assets	**252,293**	245,266
	990,528	1,381,278
TOTAL LIABILITIES AND NET ASSETS	**1,254,641**	1,641,893

CONTINGENCIES *(Note 6)*

COMMITMENTS *(Note 7)*

ON BEHALF OF THE BOARD

_______________________ *Director*

_______________________ *Director*

The accompanying notes form part of these financial statements

FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	Unrestricted $	Internally Restricted $	Invested in Capital Assets $	**2025 $**	2024 $
BALANCE - BEGINNING OF YEAR	186,012	950,000	245,266	**1,381,278**	1,246,593
Excess (deficiency) of revenues over expenses	(390,750)	-	-	**(390,750)**	134,685
Transfer from internally restricted net assets	109,542	(109,542)	-	-	-
Amortization of capital assets	74,105	-	(74,105)	-	-
Investment in capital assets	(81,132)	-	81,132	-	-
BALANCE - END OF YEAR	(102,223)	840,458	252,293	**990,528**	1,381,278

The accompanying notes form part of these financial statements

FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

	2025 $	2024 $
REVENUES		
Donations and sponsorships	1,904,218	1,878,273
Adoption fees and merchandise	491,372	427,362
Gaming proceeds	310,884	432,587
Fundraising events	250,185	258,761
Gifts in kind	147,421	123,341
Memberships	1,550	1,875
	3,105,630	3,122,199
EXPENSES		
Veterinary fees and animal supplies	1,621,621	1,236,793
Salaries and wages	815,652	715,940
Professional fees	225,326	239,276
Rental	150,976	151,018
Gifts in kind	147,421	123,341
Gaming expenses	143,222	201,869
Advertising and promotion	129,938	96,089
Interest and bank charges	99,135	89,356
Contract work	85,608	85,813
Amortization	74,105	80,856
Vehicle	33,733	42,159
Repairs and maintenance	30,415	21,281
Office	26,910	32,761
Telephone and utilities	22,991	22,432
Insurance	13,574	9,877
Donations	101	-
	3,620,728	3,148,861
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(515,098)	(26,662)
OTHER ITEMS		
Other grants	109,215	139,000
Interest income	15,122	22,347
Gain on foreign exchange	11	-
	124,348	161,347
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(390,750)	134,685

The accompanying notes form part of these financial statements

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FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	2025 $	2024 $
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(390,750)	134,685
Item not affecting cash:		
Amortization of property and equipment	74,105	80,856
	(316,645)	215,541
Changes in non-cash working capital:		
Accounts receivable	10,414	(96,166)
Accounts payable and accrued liabilities	82,251	(135,675)
Deferred revenue	(80,753)	19,973
Prepaid expenses	(493)	2,317
Goods and services tax recoverable	(9,496)	3,990
Wages payable	(412)	(7,489)
Employee deductions payable	2,412	(4,088)
	3,923	(217,138)
Cash flow used by operating activities	(312,722)	(1,597)
INVESTING ACTIVITY		
Purchase of capital assets	(81,132)	(21,923)
DECREASE IN CASH FLOW	(393,854)	(23,520)
Cash - beginning of year	1,234,312	1,257,832
CASH - END OF YEAR	840,458	1,234,312

The accompanying notes form part of these financial statements
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FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

1. PURPOSE OF THE SOCIETY

Second Chance Animal Rescue Society (the "Society") is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta. The Society is a registered charity under the Income Tax Act and is exempt from income taxes.

The purpose of the Society is to raise funds and save animals as well as promote humane care and protection of all animals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Contributed services

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

The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Contributed materials and gifts in kind are recorded at their fair market value at the time of the donation. During the year, $147,421 in goods were donated (2024 - $123,341).

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets and liabilities are measured at amortized cost, except financial assets that are quoted in an active market, which 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 when there are indicators of impairment. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash, term deposits, prepaid expenses and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Cash

The Society's policy is to present bank balances, less outstanding cheques and deposits under cash.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant financial statement items that require the use of estimates are the useful life and amortization of property and equipment. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Donations in-kind

Donation revenue recorded in the financial statements consists of gifts in-kind.

The Society receives donations of food and other products from businesses and individuals. The total food and other products donated and collected by the Society for the year ended December 31, 2025 was $147,421 (2024 - $123,341).

(continues)

FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net assets

a) Net assets invested in property and equipment represents the Society's net investment in capital assets which is comprised of the unamortized amount of capital assets purchased with restricted funds.

b) Internally restricted funds include amounts not available for use without the prior approval of the Board of Directors.

c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Automotive equipment	30%	declining balance method
Building	4%	declining balance method
Computer equipment	55%	declining balance method
Equipment	30%	declining balance method
Leasehold improvements	5 years	straight-line method

The Society regularly reviews its property and equipment to eliminate obsolete items.

Revenue recognition

Second Chance Animal Rescue 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.

Unrestricted investment income is recognized as revenue when earned.

Revenue from sales of merchandise is recognized when title passes to the customer, which generally coincides with the delivery and acceptance of goods.

Revenue from all other sources is included in revenue in the year in which it is received or becomes receivable.

3. PROPERTY AND EQUIPMENT

	Cost $	Accumulated amortization $	**2025 Net book value $**	2024 Net book value $
Automotive equipment	256,322	153,383	**102,939**	80,957
Building	71,046	12,493	**58,553**	60,994
Computer equipment	11,058	9,953	**1,105**	2,455
Equipment	175,674	115,613	**60,061**	77,089
Leasehold improvements	68,297	38,662	**29,635**	23,771
	582,397	330,104	**252,293**	245,266

FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

4. INTERNALLY RESTRICTED NET ASSETS

The internally restricted net assets consist of:

- Amounts restricted by the Board of Directors to provide financial resources in case of a significant revenue disruption. This fund is intended to equal three months of the Society's operating expenses, adjusted for the time required to cease operations.
- Amounts restricted by the Board of Directors for future capital development.

	2025 $	2024 $
Reserve fund	300,000	300,000
Future capital development	540,458	650,000
	840,458	950,000

5. DEFERRED REVENUE

Deferred contributions represent funds restricted for specific programs that are related to expenses of subsequent periods.

	2025 $	2024 $
Alberta Gaming, Liquor and Cannabis	17,795	51,048
Pet Smart Grant	-	47,500
	17,795	98,548

6. CONTINGENCIES

In the normal course of business, the Society may be subject to various legal undertakings. The outcomes of any legal proceedings cannot be predicted with certainty. Management is of the opinion that, apart from those cases where a provision has already been recognized, there are no such matters pending which would be likely to have any material adverse effect in relation to its business, financial position, or results of operations. There are no provisions recognized in the current or prior year.

FINANCIAL STATEMENTS CONTINUED

SECOND CHANCE ANIMAL RESCUE SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

7. COMMITMENTS

The Society has rent agreements with respect to its office, storage unit and Morinville building lease. The office rent agreement is with a party related to management of the Society (Note 8) and has no end date specified in the lease terms. The storage unit rental is with Henday and Sentinel Self Storage and has no end date specified in the lease terms. The Morinville building lease expires on February 28, 2027. Future minimum payments for the next three fiscal years are approximated as follows:

	$
2026	150,816
2027	66,356
2028	49,464
	266,636

8. RELATED PARTY TRANSACTIONS

The Society's main facility is located on premises owned by key management. The occupancy transactions are in the normal course of operations and are measured at the exchange amount, which is the consideration mutually established and agreed upon by both parties. The monthly rent paid is $3,400 plus GST and utilities. During the current year, the Society paid $56,123 (2024: $59,962) in rent expense and utilities. There is an outstanding balance of $525 (2024: $1,104) included in accounts payable at year end.

The Society paid $87,258 (2024: $89,783) in contracted IT services to a corporation owned by a party related to a Director of the Society. There is an outstanding balance of $8,891 (2024: $7,880) included in accounts payable at year end.

9. COMPARATIVE FIGURES

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

Contact Us

780-466-SCAR(7227)

scars@scarescare.ca

scarscare.ca

P.O. Box 3045
Athabasca, Alberta T9S 2B9