

**The British Columbia
Society for the Prevention
of Cruelty to Animals**

Consolidated Financial Statements
December 31, 2016
(in thousands of dollars)



April 21, 2017

Independent Auditor's Report

To the Members of The British Columbia Society for the Prevention of Cruelty to Animals

We have audited the accompanying consolidated financial statements of The British Columbia Society for the Prevention of Cruelty to Animals (the "Society"), which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of changes in net assets, operations and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806*



Basis for qualified opinion

In common with many not-for-profit organizations, the Society derives revenues from donations and fundraising, 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 donations and fundraising revenue, net operating surplus and cash flows for the years ended December 31, 2016 and December 31, 2015, current assets as at December 31, 2016 and December 31, 2015 and net assets as at the beginning and the end of the years ended December 31, 2016 and December 31, 2015.

In addition, the Society is unable to provide adequate information with respect to the historical costs of certain property, buildings and equipment that were acquired prior to January 1, 2003 (2003 property, buildings and equipment). Without this information, we were unable to satisfy ourselves as to the accuracy of the 2003 property, buildings and equipment with a net book value of \$966,092 as of December 31, 2016 (December 31, 2015 - \$2,690,230). As a result, we were unable to determine whether any adjustments might be necessary to property, buildings and equipment and net assets as of December 31, 2016 and December 31, 2015 and the amortization of property, buildings and equipment and net operating surplus for the years ended December 31, 2016 and December 31, 2015.

Our audit opinion on the consolidated financial statements for the year ended December 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

The British Columbia Society for the Prevention of Cruelty to Animals

Consolidated Statement of Financial Position

As at December 31, 2016

(in thousands of dollars)

	2016 \$	2015 \$
Assets		
Current assets		
Cash	435	174
Unrestricted investments (note 3)	10,793	10,687
Accounts receivable	950	1,183
Prepaid expenses	304	162
Supplies	464	335
	<u>12,946</u>	<u>12,541</u>
Property, buildings and equipment and intangible assets (Schedule A)	19,480	14,554
Charitable remainder trusts and life insurance policies (note 7)	738	764
Restricted investments (notes 3 and 8)	<u>24,803</u>	<u>24,054</u>
	<u>57,967</u>	<u>51,913</u>
Liabilities		
Current liabilities		
Bank indebtedness (note 4)	-	220
Accounts payable and accrued liabilities (note 5)	3,071	2,847
Current portion of capital leases	93	-
Current portion of mortgage payable (note 6)	33	-
	<u>3,197</u>	<u>3,067</u>
Capital leases	367	-
Mortgage payable (note 6)	1,538	-
Deferred contributions (note 7)	23,929	23,298
Deferred capital contributions (note 8)	9,676	7,636
Post-employment benefits payable (Schedule B)	<u>520</u>	<u>609</u>
	<u>39,227</u>	<u>34,610</u>
Net Assets		
Endowments (note 9)	1,612	1,520
Operations	<u>17,128</u>	<u>15,783</u>
	<u>18,740</u>	<u>17,303</u>
	<u>57,967</u>	<u>51,913</u>
Commitments (note 11)		

Approved by the Board of Directors

Carol Richards

Director

Carol Richards



Jennifer Gore

Director

The accompanying notes are an integral part of these consolidated financial statements.

The British Columbia Society for the Prevention of Cruelty to Animals
 Consolidated Statement of Changes in Net Assets
 For the year ended December 31, 2016

(in thousands of dollars)

	Endowments	Operations	Total
	\$	\$	\$
Balance - December 31, 2014	1,495	14,030	15,525
Net operating surplus	-	1,784	1,784
Actuarial loss and plan amendments on accrued employee future benefits	-	(31)	(31)
Endowment contributions received	25	-	25
Balance - December 31, 2015	1,520	15,783	17,303
Net operating surplus	-	1,256	1,256
Actuarial gain and plan amendments on accrued employee future benefits	-	89	89
Endowment contributions received	92	-	92
Balance - December 31, 2016	<u>1,612</u>	<u>17,128</u>	<u>18,740</u>

The accompanying notes are an integral part of these consolidated financial statements.

The British Columbia Society for the Prevention of Cruelty to Animals

Consolidated Statement of Operations

For the year ended December 31, 2016

(in thousands of dollars)

	2016 \$	2015 \$
Revenue		
Donations and fundraising	14,965	13,957
Legacy and life insurance	6,845	8,706
Kennelling and bylaw enforcement services	1,990	1,922
Sheltering, medical, clinical and social enterprise services	7,329	6,338
Lottery and raffles	815	729
Other grants received	1,229	859
Investment income (note 3)	1,597	409
(Loss) gain on disposal of property, buildings and equipment and intangible assets	(3)	20
	<hr/> 34,767	<hr/> 32,940
Program expenses		
Sheltering, kennelling, bylaw enforcement and social enterprise services	12,810	12,413
Hospital and clinics	3,698	2,996
Veterinary care and spay and neuter	2,898	2,622
Cruelty investigations	3,558	3,020
Animal health and welfare	725	769
Humane education	829	792
Advocacy	711	819
	<hr/> 25,229	<hr/> 23,431
General expenses		
Administration and program support	3,141	2,913
Revenue development	4,060	3,896
	<hr/> 7,201	<hr/> 6,809
Operating surplus before the undernoted	2,337	2,700
Bank charges and interest	360	357
Amortization of property, buildings and equipment and intangible assets	1,264	977
Amortization of deferred capital contributions	(543)	(418)
	<hr/> 1,256	<hr/> 1,784
Net operating surplus	<hr/> <hr/> 1,256	<hr/> <hr/> 1,784

The accompanying notes are an integral part of these consolidated financial statements.

The British Columbia Society for the Prevention of Cruelty to Animals

Consolidated Statement of Cash Flows

For the year ended December 31, 2016

(in thousands of dollars)

	2016 \$	2015 \$
Cash flows from operating activities		
Net operating surplus	1,256	1,784
Items not affecting cash		
Amortization of deferred capital contributions	(543)	(418)
Amortization of property, buildings and equipment and intangible assets	1,264	977
Loss (gain) on disposal of property, buildings and equipment and intangible assets	3	(20)
(Gain) loss on investments	(1,320)	596
Deferred contributions recognized as revenue	(6,232)	(5,011)
Post-employment benefits expense	34	36
Net asset value over liabilities on donation of business	(173)	-
	<u>(5,711)</u>	<u>(2,056)</u>
Changes in non-cash working capital items		
Accounts receivable	261	(705)
Prepaid expenses	(120)	(53)
Supplies	(73)	(38)
Accounts payable and accrued liabilities	(69)	559
Post-employment benefits payable	(37)	(25)
	<u>(5,749)</u>	<u>(2,318)</u>
Cash flows from investing activities		
Purchase of property, buildings and equipment and intangible assets	(5,983)	(2,730)
Proceeds on disposal of property, buildings and equipment and intangible assets	-	90
Aggregate cash flow arising from acquisition of the Hospital (note 1)	177	-
Purchase of investments	(26,558)	(37,477)
Proceeds on sale of investments	27,043	25,330
	<u>(5,321)</u>	<u>(14,787)</u>
Cash flows from financing activities		
Endowment contributions received	92	25
Deferred contributions received	9,473	16,840
Mortgage loan received	1,582	-
Repayment of mortgage loan	(11)	-
Capital leases obtained	438	-
Repayment of capital lease	(23)	-
	<u>11,551</u>	<u>16,865</u>
Increase (decrease) in cash	481	(240)
Cash (bank indebtedness) - Beginning of year	(46)	194
Cash (bank indebtedness) - End of year	<u>435</u>	<u>(46)</u>

The accompanying notes are an integral part of these consolidated financial statements.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

1 Organization information

The British Columbia Society for the Prevention of Cruelty to Animals (the “Society”) is a charitable organization incorporated in 1895 by an Act of the Legislative Assembly of the Province of British Columbia, now called the “Prevention of Cruelty to Animals Act”, R.S. 372. The Society may form and establish branches in its discretion anywhere in British Columbia. The Society helps prevent cruelty to animals, investigates and prosecutes incidents of animal cruelty, delivers medical and clinical animal health care, provides education to the public on the ethical and humane treatment of animals, and provides kennelling and bylaw enforcement services to municipalities throughout the province. As a registered charity, the Society is not subject to income taxes.

Effective September 30, 2016, 100% ownership of the issued share capital of Burnaby Veterinary Hospital Ltd. (the “Hospital”) was gifted, for \$nil consideration, to the Society. The Hospital is a private limited company incorporated under the Canadian Business Corporations Act, providing veterinary services and selling related products to its customers, thereby, the operations of the Hospital compliment those of the Society directly. Subsequent to the gift, the results of the Hospital will be consolidated into those of the Society.

As the acquisition resulted from the gifting of shares, no consideration was transferred. As a result, a gain of \$173 has been recognized in the consolidated statement of operations, calculated as the difference between the fair value of the assets acquired as a result of the combination, less the fair value of liabilities assumed. This has been recognized as “Donations and fundraising” within the consolidated statement of operations.

2 Summary of significant accounting policies

Basis of presentation and consolidation

The consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”). These consolidated financial statements reflect the combined assets, liabilities, net assets, revenue and expenses of the Society’s Provincial Office, four veterinary facilities, thirty animal community centres, four education and adoption centres, a wild animal rehabilitation centre, two branches without facilities, and, with effect from October 1, 2016, the results of the wholly owned subsidiary, Burnaby Veterinary Hospital Ltd. (see note 1 above).

Intercompany balances, and income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Fund accounting

Endowment contributions are subject to externally imposed stipulations that the resources contributed be maintained permanently. “Endowments” reports the activities of donor-designated endowments. Earnings or losses on endowments are included in the consolidated statement of operations.

“Operations” reports the Society’s general activities, excluding the item above.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

2 Summary of significant accounting policies (continued)

Revenue recognition

The Society follows the deferral method of accounting for contributions. Fundraising revenues, unrestricted donations and unrestricted grants are recorded as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

When the donor has specified that a contribution is intended for a specific use in operations or in a future period, the donation is recorded as a deferred contribution and recorded as revenue when the specified terms have been satisfied.

When the donor has specified that a donation is for the acquisition of property, buildings and equipment and intangible assets, the donation is initially recorded as a deferred contribution. When the asset is purchased or project-in-progress costs are incurred, the related donation is transferred to deferred capital contributions. Deferred capital contributions are amortized on the same basis as the related property, buildings and equipment and intangible assets. If the property, buildings and equipment and intangible assets have already been purchased, the related donations are recorded in deferred capital contributions and amortized on the same basis as the related property, buildings and equipment and intangible assets.

Kennelling, bylaw enforcement, sheltering, medical, clinical and social enterprise services are recognized as revenue in the period in which the services are provided. Revenues from lottery ticket sales and raffles are recognized when received.

Unless otherwise designated, investment income earned on unrestricted investments, and on restricted investments that relate to either deferred contributions for operations or endowments, is recorded as earned. If restricted by the terms of the donation, investment income is allocated to the deferred contribution account.

Legacies are recorded as revenue when cash is received, unless restricted by the terms of the will. If restricted, legacies are allocated to the deferred contribution account until the terms of the will are met, at which time the legacy is transferred to revenue or to deferred capital contributions in accordance with the Society's revenue recognition policies.

Life insurance policies in which the Society is the named beneficiary are recorded at tax receipted amounts (accumulated premiums paid). Charitable remainder trusts are recorded at an amount determined by an actuarial method once vested irrevocably with the Society. Charitable remainder trusts and life insurance policies are recognized as assets and deferred contributions until the Society receives the proceeds of the trust or policy. Upon receipt, the proceeds are recorded as revenue or as deferred contributions.

Endowment contributions are recognized as direct increases in restricted investments and net assets.

The Society receives donations of goods and services from time to time as well as donated shares. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the consolidated financial statements. Contributed share capital is recognized in the consolidated financial statements at fair value of the consideration received.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

2 Summary of significant accounting policies (continued)

Investments

Investments consist of amounts invested in both individual securities and pooled fund units. The investments consist of short-term notes, bonds and debentures, and marketable equity securities.

Investment income comprises the Society's share of interest, dividends and realized and unrealized gains/losses on the underlying assets.

All investments are carried at market value. Changes in market value are included in the consolidated statement of operations or in deferred contribution balances, as appropriate.

Supplies

Supplies consist of animal medication and feed, office supplies and items held in stock to support merchandise sales operations and are valued at the lower of cost and net realizable value.

Property, buildings and equipment and intangible assets

Property, buildings and equipment are recorded at cost and amortized over their estimated useful economic lives using the straight-line method at the following annual rates:

Buildings	20 years
Furniture and equipment	8-10 years
Shelter and medical equipment	8-10 years
Vehicles	5 years
Computer equipment and software	3 years
Leasehold improvements	life of lease
Leased vehicles	life of lease

Projects-in-progress are not amortized until the assets are put into use.

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated over the estimated useful economic lives of the intangible assets using the straight-line method at the following annual rates:

Intangible assets	5 years
-------------------	---------

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

2 Summary of significant accounting policies (continued)

Post-employment benefits payable

The Society is required to pay post-employment benefits to certain unionized employees upon completion of employment. The Society is also required to pay post-employment benefits to salaried employees for services provided prior to December 31, 2001. Certain senior managers who retired prior to December 31, 2001 also receive post-employment benefits including the payment of insurance premiums for health, medical, dental, life, and accidental death and dismemberment.

The Society records these benefits based on annual actuarial valuations. The cost of benefits earned is determined as the actuarial present value of all future post-employment benefits that will be paid on behalf of employees and their dependants, multiplied by the ratio of their service at the valuation date to their projected service at their full eligibility date.

Adjustments from plan amendments, changes in assumptions, and experience gains and losses are recognized immediately in the consolidated statement of changes in net assets (Schedule B).

Financial instruments

The Society's financial instruments consist of cash, restricted and unrestricted investments, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, mortgage payable and capital leases.

Cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, mortgage payable and capital leases are initially measured at fair value and subsequently carried at amortized cost.

Unrestricted and restricted investments are initially measured at and subsequently carried at fair value.

Use of estimates

The preparation of consolidated financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those reported. Significant items requiring the use of management estimates include post-employment benefit assumptions, recognition of accrued liabilities, amortization periods and rates related to buildings and equipment, intangible assets and claims relating to contingencies.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

3 Investments

	Fair value	
	2016	2015
	\$	\$
Cash and short-term deposits	4,804	3,370
Bonds and debentures		
Government and government guaranteed	167	166
Commercial	16,200	17,090
Marketable equity securities - Canadian	10,994	9,961
Marketable equity securities - Foreign	3,431	4,154
	<u>35,596</u>	<u>34,741</u>
Less: Restricted investments (non-current)	<u>24,803</u>	<u>24,054</u>
Unrestricted investments (current)	<u>10,793</u>	<u>10,687</u>

Investment income consists of the following:

	2016	2015
	\$	\$
Interest income and dividends	1,199	959
Gains and losses on investments	1,320	(596)
	<u>2,519</u>	<u>363</u>
Restricted investment income allocated to deferred contributions	(1,749)	(110)
Restricted investment income recognized as revenue	827	156
	<u>(922)</u>	<u>46</u>
	<u>1,597</u>	<u>409</u>

4 Bank indebtedness

At December 31, 2016, the Society had two lines of credit, a \$2,000 line of credit for general operating purposes ("operating line") and a \$1,000 line of credit for capital purposes ("capital line").

The operating line includes a maximum of \$150 for Society credit cards and a maximum of \$250 in standby provisions relating to letters of guarantee. The remainder of \$1,600 is available for the Society's operations. The amount drawn against the operating line at December 31, 2016 was \$nil (2015 - \$220). The credit card facility used by the Society at December 31, 2016 was \$100 (2015 - \$100). The amount drawn against the standby provisions at December 31, 2016 was \$126 (2015 - \$100). The operating line bears interest at the bank's prime rate plus 0.25%, payable monthly.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

4 Bank indebtedness (continued)

The capital line bears interest at the bank's prime rate plus 0.50%, payable monthly. There were no amounts drawn against this facility at December 31, 2016 (2015 - \$nil).

The Society has provided the following as security for the lines of credit: a general assignment of book debts; a general security agreement over all present and future personal property with appropriate insurance coverage payable to the bank; and hypothecation of unrestricted investment assets for which the bank is custodian.

Loan conditions include restrictions on the minimum value of the investments held by the bank determined in accordance with pre-determined margins to market value and certain reporting requirements that include providing audited consolidated financial statements within 120 days of the fiscal year-end. The Society was in compliance with all covenants at year-end.

5 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes government remittances which consist of amounts (such as property taxes, sales taxes, payroll withholding taxes and workers' compensation premiums) required to be paid to government authorities and are recognized when the amounts become due. At December 31, 2016, \$123 (2015 - \$111) is included within accounts payable and accrued liabilities.

6 Mortgage payable

On August 11, 2016, the Society entered into a vendor take-back mortgage for the acquisition of the Penticton Veterinary Hospital property from Penticton Veterinary Hospital (1998) Ltd. The principal amount of \$1,583 is repayable in monthly payments of \$7, bears interest at a rate of 3% per annum and matures on August 15, 2018. Interest expense on the mortgage payable for the year ended December 31, 2016 is \$16 (2015 - \$nil).

Total repayment obligations to maturity are as follows:

	\$
2017	33
2018	1,538
	<hr/>
	1,571
	<hr/>

On February 28, 2018, a lump sum payment of \$500 is due on the principal.

The above property has been pledged as security for the mortgage payable balance.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

7 Deferred contributions

	2016 \$	2015 \$
Operations	14,880	13,884
Property, buildings and equipment and intangible assets	8,311	8,650
	<u>23,191</u>	<u>22,534</u>
Charitable remainder trusts	-	83
Life insurance policies - at tax receipted amount	738	681
	<u>738</u>	<u>764</u>
	<u>23,929</u>	<u>23,298</u>
	2016 \$	2015 \$
Balance - Beginning of year	23,298	13,586
Deferred contributions received	9,473	16,840
Deferred contributions recognized as revenue	(6,232)	(5,011)
Transfers to deferred capital contributions	(2,583)	(2,179)
Tax receipts issued for life insurance policy premiums	56	62
CRT recognized	(83)	-
Balance - End of year	<u>23,929</u>	<u>23,298</u>

The principal amount of the life insurance policies assuming they do not lapse is \$2,043 (2015 - \$2,043).

8 Deferred capital contributions

	2016 \$	2015 \$
Balance - Beginning of year	7,636	5,875
Transfer from deferred contributions	2,583	2,179
Amortization	(543)	(418)
Balance - End of year	<u>9,676</u>	<u>7,636</u>

9 Endowments

The endowments are included in restricted investments. Earnings from the endowments are to be used for the purposes specified by the donors. The capital is permanently endowed to the Society. Income from endowments, net of expenses, totalling \$143 was recorded in 2016 (2015 - \$28).

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

10 Financial instruments and risk management

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Society is exposed to currency risk as a portion of investments are invested in foreign equities (note 3).

b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Society is exposed to interest rate risk on bank indebtedness, short-term deposits and investments. Management frequently reviews the interest rates to mitigate risk and uses professional investment management services.

c) Market and other price risk

Market and other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Society's investments are subject to market risk through its equity and fixed income investments. The Society mitigates this risk by diversifying its investments across asset classes and by using professional investment management services.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Society does not have a significant concentration of credit risk in any single party or group of parties. Accounts receivable are due primarily from several donors and British Columbia municipalities under animal control contracts.

e) Liquidity risk exposure

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Society is not exposed to significant liquidity risk.

There have not been any significant changes in risk exposure from prior years.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2016

(in thousands of dollars)

11 Commitments

The Society has committed to leases on certain of its vehicles and properties. The lease payments are as follows:

	\$
2017	896
2018	681
2019	455
2020	315
2021	80
	<hr/>
	2,427

12 Related party transactions

The Society receives grants annually from the SPCA Vancouver Hospital Trust Fund (the "Trust Fund") to provide funds for spay and neuter services, to provide emergency and ongoing care to ill, injured and destitute animals, whether stray or owned, and to promote public education encouraging responsible pet ownership. Some of the trustees of the Trust Fund are employees of the Society. Grants received in 2016 totalled \$36 (2015 - \$41).

13 Subsequent event

In 2013, the Society's board of directors gave interim approval for a facilities development and services plan, which stated that there was an urgent need to construct or substantially renovate a total of ten new animal community centres in the next eight to ten years with costs approximating \$50 million. This plan was contingent upon provincial government support. On January 31, 2017, the Government of British Columbia awarded the Society a second grant of \$5 million to support the facilities development and services plan, the first such grant having been received on March 31, 2015. This second grant was received on March 10, 2017.

The British Columbia Society for the Prevention of Cruelty to Animals

Consolidated Schedule of Property, Buildings and Equipment and Intangibles Assets

For the year ended December 31, 2016

Schedule A

(in thousands of dollars)

	2016		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Land	4,616	-	4,616
Buildings	21,389	9,484	11,905
Leasehold improvements including buildings on unowned land	4,980	4,056	924
Shelter and medical equipment	1,230	420	810
Computer equipment and software	1,296	1,026	270
Furniture and equipment	72	44	28
Vehicles	163	159	4
Projects-in-progress	374	-	374
Intangible assets	200	60	140
Capital leases on vehicles	438	29	409
	34,758	15,278	19,480
	2015		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Land	3,450	-	3,450
Buildings	15,838	8,672	7,166
Leasehold improvements including buildings on unowned land	4,882	3,879	1,003
Shelter and medical equipment	797	312	485
Computer equipment and software	1,038	950	88
Furniture and equipment	64	37	27
Vehicles	163	154	9
Projects-in-progress	2,146	-	2,146
Intangible assets	200	20	180
	28,578	14,024	14,554

Projects-in-progress are building and leasehold improvements that are being constructed.

The British Columbia Society for the Prevention of Cruelty to Animals

Consolidated Schedule of Post-Employment Benefits Payable

For the year ended December 31, 2016

Schedule B

(in thousands of dollars)

Information about the Society's post-employment benefit obligation is as follows:

	2016	2015
	\$	\$
Post-employment benefits payable - Beginning of year	609	564
Current service cost	17	20
Interest cost	20	19
Benefits paid	(37)	(25)
Plan amendment	-	-
Actuarial (gain) loss	(89)	31
	<hr/>	<hr/>
Post-employment benefits payable - End of year	520	609
Change in plan assets		
Employer contributions	37	25
Benefits paid	(37)	(25)
	<hr/>	<hr/>
Market value of plan assets - End of year	-	-
Reconciliation of funded status		
Funded status - deficit	520	609
	<hr/>	<hr/>
Accrued benefit liability	520	609
Components of expense		
Current service cost	17	17
Interest cost	17	19
	<hr/>	<hr/>
Post-employment benefits expense	34	36
	<hr/>	<hr/>

The significant actuarial assumptions adopted in measuring the Society's accrued benefit obligation are as follows:

	2016	2015
	%	%
At beginning of year		
Discount rate	3.20	3.50
Rate of compensation increase	2.00	2.00
At end of year		
Discount rate	3.20	3.20
Rate of compensation increase	2.00	2.00

The most recent actuarial valuation was prepared by Mercer LLC as of December 31, 2016.