

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

Consolidated Financial Statements
December 31, 2017
(in thousands of dollars)



April 13, 2018

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, 2017 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.

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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, 2017 and December 31, 2016, current assets as at December 31, 2017 and December 31, 2016 and net assets as at the beginning and the end of the years ended December 31, 2017 and December 31, 2016. Our audit opinion on the consolidated financial statements for the year ended December 31, 2016 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 matter 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, 2017 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, 2017

(in thousands of dollars)

	2017 \$	2016 \$
Assets		
Current assets		
Cash	1,660	435
Unrestricted investments (note 3)	11,773	10,793
Accounts receivable	594	950
Prepaid expenses	402	304
Supplies	440	464
	<u>14,869</u>	<u>12,946</u>
Property, buildings and equipment and intangible assets (Schedule A)	21,863	19,480
Charitable remainder trusts and life insurance policies (note 7)	585	738
Restricted investments (notes 3 and 7)	<u>35,155</u>	<u>24,803</u>
	<u>72,472</u>	<u>57,967</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	3,847	3,071
Current portion of capital leases	255	93
Current portion of mortgage payable (note 6)	1,538	33
	<u>5,640</u>	<u>3,197</u>
Capital leases	782	367
Mortgage payable (note 6)	-	1,538
Deferred contributions (note 7)	34,301	23,929
Deferred capital contributions (note 8)	10,500	9,676
Post-employment benefits payable (Schedule B)	492	520
	<u>51,715</u>	<u>39,227</u>
Net Assets		
Endowments (note 9)	1,612	1,612
Operations	<u>19,145</u>	<u>17,128</u>
	<u>20,757</u>	<u>18,740</u>
	<u>72,472</u>	<u>57,967</u>
Commitments (note 11)		

Approved by the Board of Directors

Carol Richards

Director

Carol Richards



Director

Jennifer Gore

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, 2017

(in thousands of dollars)

	Endowments	Operations	Total
	\$	\$	\$
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	1,612	17,128	18,740
Net operating surplus	-	1,502	1,502
Actuarial gain and plan amendments on accrued employee future benefits	-	17	17
Fair market value of donated land	-	498	498
Balance - December 31, 2017	<u>1,612</u>	<u>19,145</u>	<u>20,757</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, 2017

(in thousands of dollars)

	2017 \$	2016 \$
Revenue		
Donations and fundraising	15,664	14,965
Legacy and life insurance	8,340	6,845
Kennelling and bylaw enforcement services	2,000	1,990
Sheltering, medical, clinical and social enterprise services	8,612	7,329
Lottery and raffles	787	815
Other grants received	1,017	1,229
Investment income (note 3)	1,381	1,597
Gain (loss) on disposal of property, buildings and equipment and intangible assets	1	(3)
	<hr/> 37,802	<hr/> 34,767
Program expenses		
Sheltering, kennelling, bylaw enforcement and social enterprise services	13,605	12,810
Hospital and clinics	4,722	3,698
Veterinary care and spay and neuter	2,966	2,898
Cruelty investigations	3,420	3,558
Animal health and welfare	748	725
Humane education	896	829
Advocacy	716	711
	<hr/> 27,073	<hr/> 25,229
General expenses		
Administration and program support	3,381	3,141
Revenue development	4,431	4,060
	<hr/> 7,812	<hr/> 7,201
Operating surplus before the undernoted	2,917	2,337
Bank charges and interest	455	360
Amortization of property, buildings and equipment and intangible assets	1,567	1,264
Amortization of deferred capital contributions	(607)	(543)
	<hr/> 1,502	<hr/> 1,256
Net operating surplus	<hr/> <hr/> 1,502	<hr/> <hr/> 1,256

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, 2017

(in thousands of dollars)

	2017 \$	2016 \$
Cash flows from operating activities		
Net operating surplus	1,502	1,256
Items not affecting cash		
Amortization of deferred capital contributions	(607)	(543)
Amortization of property, buildings and equipment and intangible assets	1,567	1,264
(Gain) loss on disposal of property, buildings and equipment and intangible assets	(1)	3
Gain on investments	(993)	(1,320)
Deferred contributions recognized as revenue	(5,946)	(6,232)
Post-employment benefits expense	34	34
Net asset value over liabilities on donation of business	-	(173)
	(4,444)	(5,711)
Changes in non-cash working capital items		
Accounts receivable	358	261
Prepaid expenses	(98)	(120)
Supplies	24	(73)
Accounts payable and accrued liabilities	776	(69)
Post-employment benefits payable	(45)	(37)
	(3,429)	(5,749)
Cash flows from investing activities		
Purchase of property, buildings and equipment and intangible assets	(3,452)	(5,983)
Aggregate cash flow arising from acquisition of the Hospital (note 1)	-	177
Purchase of investments	(45,872)	(26,558)
Proceeds on sale of investments	35,532	27,043
	(13,792)	(5,321)
Cash flows from financing activities		
Endowment contributions received	-	92
Deferred contributions received	17,902	9,473
Mortgage loan received	-	1,582
Repayment of mortgage loan	(33)	(11)
Capital leases obtained	753	438
Repayment of capital lease	(176)	(23)
	18,446	11,551
Increase in cash	1,225	481
Cash (bank indebtedness) - Beginning of year	435	(46)
Cash - End of year	1,660	435

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, 2017

(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, 2017

(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, 2017

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

Notes to Consolidated Financial Statements

December 31, 2017

(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, accounts payable and accrued liabilities, mortgage payable and capital leases.

Cash, accounts receivable, 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, 2017

(in thousands of dollars)

3 Investments

	<u>Fair value</u>	
	2017	2016
	\$	\$
Cash and short-term deposits	2,058	4,804
Bonds and debentures		
Government and government guaranteed	-	167
Commercial	23,528	16,200
Marketable equity securities - Canadian	15,556	10,994
Marketable equity securities - Foreign	5,786	3,431
	<u>46,928</u>	<u>35,596</u>
Less: Restricted investments (non-current)	35,155	24,803
Unrestricted investments (current)	<u>11,773</u>	<u>10,793</u>

Investment income consists of the following:

	2017	2016
	\$	\$
Interest income and dividends	1,355	1,199
Gains on investments	993	1,320
	<u>2,348</u>	<u>2,519</u>
Restricted investment income allocated to deferred contributions	(1,728)	(1,749)
Restricted investment income recognized as revenue	761	827
	<u>(967)</u>	<u>(922)</u>
	<u>1,381</u>	<u>1,597</u>

4 Bank indebtedness

At December 31, 2017, 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, 2017 was \$nil (2016 - \$nil). The credit card facility used by the Society at December 31, 2017 was \$150 (2016 - \$150). The amount drawn against the standby provisions at December 31, 2017 was \$nil (2016 - \$126). 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, 2017

(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, 2017 (2016 - \$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 covenants include certain reporting requirements that include providing audited consolidated financial statements and monthly cash flow forecasts for the following year 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 include 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, 2017, \$142 (2016 - \$123) 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, 2017 is \$47 (2016 - \$16).

Total repayment obligations to maturity are as follows:

	\$
2018	<u>1,538</u>

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, 2017

(in thousands of dollars)

7 Deferred contributions

	2017 \$	2016 \$
Operations	18,936	14,880
Property, buildings and equipment and intangible assets	14,780	8,311
	<u>33,716</u>	<u>23,191</u>
Life insurance policies - at tax receipted amount	585	738
	<u>34,301</u>	<u>23,929</u>
	2017 \$	2016 \$
Balance - Beginning of year	23,929	23,298
Deferred contributions received	17,902	9,473
Deferred contributions recognized as revenue	(5,946)	(6,232)
Transfers to deferred capital contributions	(1,431)	(2,583)
Tax receipts issued for life insurance policy premiums	57	56
Life insurance policies and charitable remainder trusts recognized	(210)	(83)
Balance - End of year	<u>34,301</u>	<u>23,929</u>

The principal amount of the life insurance policies assuming they do not lapse is \$1,793 (2016 - \$2,043).

8 Deferred capital contributions

	2017 \$	2016 \$
Balance - Beginning of year	9,676	7,636
Transfer from deferred contributions	1,431	2,583
Amortization	(607)	(543)
Balance - End of year	<u>10,500</u>	<u>9,676</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 \$121 was recorded in 2017 (2016 - \$143).

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

December 31, 2017

(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 is 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 and mortgage payable, 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, 2017

(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:

	\$
2018	953
2019	733
2020	593
2021	360
2022	100
	<hr/>
	2,739
	<hr/>

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 2017 totalled \$30 (2016 - \$36).

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, 2017

Schedule A

(in thousands of dollars)

	2017		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Land	5,113	-	5,113
Buildings	21,893	10,332	11,561
Leasehold improvements including buildings on unowned land	5,022	4,235	787
Shelter and medical equipment	1,411	582	829
Computer equipment and software	1,508	1,178	330
Furniture and equipment	72	51	21
Vehicles	173	126	47
Projects-in-progress	2,086	-	2,086
Intangible assets	200	100	100
Capital leases on vehicles	1,190	201	989
	38,668	16,805	21,863
	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

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, 2017

Schedule B

(in thousands of dollars)

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

	2017	2016
	\$	\$
Post-employment benefits payable - Beginning of year	520	609
Current service cost	17	17
Interest cost	17	20
Benefits paid	(45)	(37)
Actuarial gain	(17)	(89)
	<hr/>	<hr/>
Post-employment benefits payable - End of year	492	520
	<hr/>	<hr/>
Change in plan assets		
Employer contributions	45	37
Benefits paid	(45)	(37)
	<hr/>	<hr/>
Market value of plan assets - End of year	-	-
	<hr/>	<hr/>

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

	2017	2016
	%	%
At beginning of year		
Discount rate	3.20	3.20
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, 2017.