

Consolidated Financial Statements  
(Expressed in thousands of dollars)

**THE BRITISH COLUMBIA SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

And Independent Auditor's Report thereon

Year ended September 30, 2025



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone 604 691 3000  
Fax 604 691 3031

## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Opinion***

We have audited the 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 September 30, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in fund balances for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Society as at September 30, 2025 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

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 auditor's report.

We are independent of the Society in accordance with the 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 opinion.

### ***Other Matter – Comparative Information***

The financial statements for the year ended September 30, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 7, 2025.



As part of our audit of the financial statements for the year ended September 30, 2025, we also audited the adjustments that were applied to reclassify certain comparative information presented for the year ended September 30, 2024. In our opinion, such adjustments are appropriate and have been properly applied.

### ***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 Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to 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 the 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
February 24, 2026

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Consolidated Statement of Financial Position  
(Expressed in thousands of dollars)

September 30, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 18,549	\$ 17,326
Short-term investments (note 3)	84,135	55,053
Accounts receivable	976	1,165
Prepaid expenses	756	633
Supplies	541	545
	<u>104,957</u>	<u>74,722</u>
Capital assets (note 5)	33,953	29,531
Life insurance policies (note 9)	771	726
Long-term investments (note 3)	12,194	36,047
	<u>\$ 151,875</u>	<u>\$ 141,026</u>
<b>Liabilities and Fund Balances</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 6,273	\$ 4,859
Current portion of capital leases	407	415
	<u>6,680</u>	<u>5,274</u>
Capital leases	501	585
Deferred contributions (notes 9 and 10)	40,758	42,261
Post-employment benefits payable (note 8)	388	319
	<u>48,327</u>	<u>48,439</u>
Fund balances:		
Capital (notes 5, 10, and 12)	59,403	54,765
Endowment (note 13)	2,616	2,547
Operating (notes 11 and 12)	41,529	35,275
	<u>103,548</u>	<u>92,587</u>
	<u>\$ 151,875</u>	<u>\$ 141,026</u>

Commitments (note 16)

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

Approved by the Board of Directors

  
Catherine Ruby, Board Treasurer

  
Mark Montemurro, Board Chair

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Year ended September 30, 2025, with comparative information for 2024

	2025			2024	
	Operating	Restricted		Total	Total
		Capital	Endowment		
<b>Revenues:</b>					
Donations and fundraising (note 10)	\$ 22,740	\$ 1,768	\$ 55	\$ 24,563	\$ 23,536
Legacies and life insurance (note 10)	23,928	–	–	23,928	18,569
Lotteries and raffles	4,961	–	–	4,961	4,519
Government grants (note 10)	343	–	–	343	493
Other grants (note 10)	643	425	–	1,068	410
Sheltering, hospitals and social enterprise	7,749	–	–	7,749	6,944
Municipal bylaws: enforcement and kenneling	3,152	–	–	3,152	3,316
Interest and dividend income (note 4)	3,967	233	–	4,200	4,767
Gain (loss) on disposal of capital assets	–	(8)	–	(8)	80
	67,483	2,418	55	69,956	62,634
<b>Expenses:</b>					
<b>Program expenses</b>					
Sheltering and bylaw enforcement	19,967	–	–	19,967	21,138
Veterinary hospitals and clinics	4,612	–	–	4,612	4,828
Medical care and spay neuter	4,738	–	–	4,738	5,253
Animal protection (note 17)	5,019	–	–	5,019	5,087
Animal health and welfare	623	–	–	623	654
Humane education	1,585	–	–	1,585	1,551
Advocacy	2,548	–	–	2,548	2,704
	39,092	–	–	39,092	41,215
<b>General expenses</b>					
Administration and program support (note 14)	7,672	105	–	7,777	7,461
Revenue development	10,069	344	–	10,413	9,578
Amortization of capital assets	–	2,402	–	2,402	2,528
	17,741	2,851	–	20,592	19,567
	56,833	2,851	–	59,684	60,782
Surplus (deficit) of revenues over expenses before other items	10,650	(433)	55	10,272	1,852
<b>Other items</b>					
Change in fair market value of investments (note 4)	744	–	14	758	4,957
Surplus (deficit) of revenues over expenses	\$ 11,394	\$ (433)	\$ 69	\$ 11,030	\$ 6,809

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 Fund Balances  
(Expressed in thousands of dollars)

Year ended September 30, 2025, with comparative information for 2024

				2025	2024
	Operating	Restricted		Total	Total
		Capital	Endowment		
Fund balances, beginning of year	\$ 35,275	\$ 54,765	\$ 2,547	\$ 92,587	\$ 85,778
Surplus (deficit) of revenue over expenses	11,394	(433)	69	11,030	6,809
Actuarial gain and plan amendments on accrued employee future benefits (note 8)	(69)	–	–	(69)	–
Net interfund transfers (notes 11, 12)	(5,071)	5,071	–	–	–
<b>Fund balances, end of year</b>	<b>\$ 41,529</b>	<b>\$ 59,403</b>	<b>\$ 2,616</b>	<b>\$ 103,548</b>	<b>\$ 92,587</b>

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  
(Expressed in thousands of dollars)

Year ended September 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Surplus of revenues over expenses	\$ 11,030	\$ 6,809
Less:		
Contributions from capital	(2,426)	(1,149)
Contributions from endowment	(69)	(406)
Changes in non-cash items:		
Amortization of capital assets	2,402	2,528
Gain (loss) on disposal of capital assets	8	(80)
Change in fair market value of investments	(744)	(4,957)
	10,201	2,745
Changes in non-cash working capital:		
Accounts receivable	189	(145)
Prepaid expenses	(123)	(138)
Supplies	4	90
Accounts payable and accrued liabilities	1,414	16
Deferred contributions	(1,548)	(1,235)
	10,137	1,333
Investing activities:		
Purchase of capital assets	(6,608)	(2,395)
Proceeds on disposal of capital assets	79	94
Purchase of investments	(28,188)	(110,778)
Proceeds on sale of investments	23,717	126,122
	(11,000)	13,043
Financing activities		
Contributions from capital	2,426	1,149
Contributions from endowment	55	406
Repayment of capital leases	(395)	(415)
	2,086	1,140
Increase in cash and cash equivalents	1,223	15,516
Cash and cash equivalents, beginning of year	17,326	1,810
Cash and cash equivalents, end of year	\$ 18,549	\$ 17,326
Cash and cash equivalents consist of:		
Cash	\$ 15,736	\$ 9,241
Cash equivalents	2,813	8,085
	\$ 18,549	\$ 17,326
Non-cash financing activities:		
Capital assets acquired by way of capital lease	\$ 303	\$ 461

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  
(Expressed in thousands of dollars)

Year ended September 30, 2025

---

## 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 helps prevent cruelty to animals, investigates 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.

## 2. Significant accounting policies:

### (a) 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 consolidated assets, liabilities, fund balances, revenue and expenses of the Society's provincial office, four veterinary facilities, thirty-one community animal centres, and a wild animal rehabilitation centre and the results of the wholly owned subsidiary, the Burnaby Veterinary Hospital.

### (b) Fund accounting:

The Society maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified. The Operating Fund reports the general operating activities of the Society. The Capital Fund reports the Society's property that has been funded by restricted capital contributions and amounts transferred from the Operating Fund. The Restricted funds report the Society's fund balances that have been designated for specific purposes by the Society's Board of Directors. The Endowment Fund reports contributions subject to externally imposed stipulations that the resources contributed be maintained permanently.

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

---

## 2. Significant accounting policies (continued):

### (c) Revenue recognition:

The Society follows the restricted fund method of accounting for contributions. Unrestricted donations and unrestricted grants are recorded as revenue in the Operating Fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. When a contribution is restricted for a specific use and no separate fund is established for the specific nature of the restriction, the revenue is recorded as a deferred contribution in the Operating Fund and recognized as revenue when the related expenses or asset acquisition cost has been incurred. Municipal bylaw enforcement and kenneling, sheltering, hospitals and social enterprise revenues are recognized as revenue in the Operating Fund in the period in which the services are provided. Revenue from lottery ticket sales and raffles is recognized in the Operating Fund when received. Contributions externally restricted for capital expenditures are recorded as revenue in the Capital Fund when received. Endowment contributions are recognized as revenue in the Endowment Fund when received. Investment income is recognized as revenue when earned. Investment income related to restricted contributions is recorded in the related restricted fund. Investment income earned from restricted contributions that do not have a related restricted fund and unrestricted investment income are recorded in the Operating Fund.

### (d) Donated goods and services:

The Society receives donations of goods and services from time to time. 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 on the date the consideration is received.

### (e) Cash and cash equivalents:

Cash and cash equivalents consist of cash and highly liquid investments with an original term to maturity of three months or less.

### (f) Investments:

Investments consist of amounts invested in both guaranteed investment certificates and pooled fund units. 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 fair market value are included in the consolidated statement of operations.

### (g) Supplies:

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

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

## 2. Significant accounting policies (continued):

### (h) Capital assets:

Capital assets are recorded at cost and amortized over their estimated useful economic lives using the straight-line method at the following annual rates:

Asset	Term
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

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Society's ability to provide services, or that the value of the future economic benefits or service potential associated with the capital assets is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the consolidated statement of operations. Write-downs are not subsequently reversed. Construction-in-progress costs are not amortized until the assets are put into use. Improvements which extend the estimated life of an asset are capitalized. Repairs and maintenance costs are expensed.

### (i) 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 dependents, 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 annually in fund balances in the Operating Fund.

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

---

## 2. Significant accounting policies (continued):

### (j) Financial instruments:

The Society's financial instruments consist of cash and cash equivalents, short-term and long-term investments, accounts receivable, account payable and accrued liabilities and post-employment benefits payable. Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and post-employment benefits payable are initially measured at fair value and subsequently carried at cost or amortized cost. Short-term and long-term investments are initially measured and subsequently carried at fair market value. Financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayments terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Society in the transaction.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

### (k) 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 as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those reported. Items requiring the use of management estimates include recognition of accrued liabilities, amortization periods and rates related to capital assets and claims relating to contingencies.

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

### 3. Investments:

	2025	2024
Cash and short-term deposits	\$ -	\$ 17
Bonds and fixed income	6,172	5,904
Guaranteed investment certificates (redeemable)	46,214	43,395
Guaranteed investment certificates (non-redeemable)	27,219	26,003
Marketable equity securities (Canadian)	4,896	4,414
Marketable equity securities (US and international)	4,262	3,933
Private real estate and infrastructure	4,000	4,048
Mortgages	3,566	3,386
	<b>\$ 96,329</b>	<b>\$ 91,100</b>
Short-term investments	\$ 84,135	\$ 55,053
Long-term investments	12,194	36,047
	<b>\$ 96,329</b>	<b>\$ 91,100</b>

Investments comprised of bonds and fixed income, mortgages, private real estate and marketable equity securities have been placed in two independently managed portfolios of pooled funds. Guaranteed investment certificates (non-redeemable) mature at various dates between December 2025 and December 2027, and bear fixed interest rates between 3.7% and 5.1%. Guaranteed investment certificates (redeemable) are liquid within 31-95 days and earn a floating rate of Scotia Bank Reference Rate +0.25% or +0.4%.

Subsequent to year-end, the organization was informed that the Brookfield investment fund will be dissolved effective March 31, 2026, with proceeds to be distributed by the end of April 2026.

### 4. Investment income:

	2025	2024
Interest and dividend income	\$ 4,200	\$ 4,767
Change in fair market value of investments:		
Realized gain (loss) on investments	(3)	3,655
Unrealized gain on investments	778	1,315
Restricted investment income (loss) allocated to deferred contributions	(17)	(13)
	<b>758</b>	<b>4,957</b>
	<b>\$ 4,958</b>	<b>\$ 9,724</b>

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

## 5. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 7,047	\$ –	\$ 7,047	\$ 6,356
Buildings	37,952	(20,834)	17,118	17,232
Leasehold improvements	3,667	(3,119)	548	542
Shelter and medical equipment	2,815	(1,960)	855	883
Computer equipment and software	1,363	(1,334)	29	138
Furniture and equipment	166	(132)	34	48
Vehicles	–	–	–	5
Construction-in-progress	7,481	–	7,481	3,369
Capital leases on vehicles	4,287	(3,446)	841	958
	\$ 64,778	\$ (30,825)	\$ 33,953	\$ 29,531

Construction-in-progress relates to buildings and leasehold improvements that are being constructed.

## 6. Credit facilities:

As at September 30, 2025, 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 \$250 for the Society's credit cards and a maximum of \$250 in standby provisions relating to letters of guarantee. The remainder of \$1,500 is available for the Society's operations. Other than as described in Note 7, no amounts have been drawn to date on the above facilities (2024 - \$nil). The operating line and capital line bear interest at the bank's prime rate plus 0.25% and 0.50% respectively, payable monthly. The Society has provided the following as security for the lines of credit: collateral mortgage and a general security agreement over all present and future personal property with appropriate insurance coverage, loss if any, payable to the bank.

## 7. 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 come due. As at September 30, 2025, \$293 (2024 - \$176) is included within accounts payable and accrued liabilities. The credit card facility used by the Society as of September 30, 2025 was \$149 (2024 - \$166).

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

## 8. Post-employment benefits payable:

Post-employment benefits payable of \$388 (2024 - \$319) include current service costs, interest, benefits paid and actuarial gains and losses. The most recent actuarial valuation was prepared by Mercer LLC as of September 30, 2025.

## 9. Deferred contributions:

	2025	2024
Balance, beginning of year	\$ 42,261	\$ 43,425
Deferred contributions received	12,292	11,014
Deferred contributions recognized as revenue	(13,840)	(12,235)
Tax receipts issued for life insurance policy premiums	45	57
<b>Balance, end of year</b>	<b>\$ 40,758</b>	<b>\$ 42,261</b>

The principal amount of the life insurance policies assuming they do not lapse is \$1,751 (2024 - \$1,768).

## 10. Donor restricted gifts:

The Society receives a wide array of donor restricted gifts. Common types of restrictions include geography, program, animal type and multiple restrictions. In each case, the Society works to ensure that restrictions and intent of each donor or funder is honoured. In certain cases, gifts are highly restricted, with multiple restriction requirements or complex use requirements. Restricted gifts where no restricted fund exists are recorded as deferred contributions.

## 11. Internally restricted funds:

In years where an unrestricted surplus is generated, the Board of Directors may internally restrict all or a portion of the surplus for specific future purposes (note 15). The fund balance of the Internally Restricted Fund at September 30, 2025, includes amounts allocated to the Society's operating and capital reserves and strategic priorities fund. The capital reserve fund is for amounts held for planned capital projects where restricted resources do not fund the full project cost (see note 11). The operating reserve fund is based on three months compensation expense. This fund would allow the Society to continue compensating its staff and care for animals in a significant event materially impacting operating revenues. The purpose of the strategic priorities fund is for projects that support the delivery of the strategic plan. Once pilot projects are completed and assessed, they may be approved for full-time implementation at which time they are removed from the Strategic Priorities Fund and integrated into the annual Operating Budget.

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

## 11. Internally restricted funds (continued):

An interfund transfer of \$6,414 (2024 - \$802) was transferred within the Operating Fund from operating surplus to internally restricted funds.

The Operating Fund Balance of \$41,529 (2024 - \$35,275) includes the following internally restricted funds:

	2025	2024
Capital reserve (note 12)	\$ 14,380	\$ 10,253
Operating reserve	8,418	8,131
Internally restricted fund	8,346	1,932
	<u>\$ 31,144</u>	<u>\$ 20,316</u>

## 12. Restricted amounts for capital projects:

The Society regularly reviews the assessed condition and estimated remaining useful life of each of its facilities against health and safety standards and researched-based improvements in animal welfare standards. As facilities grow closer to the time for replacement or substantive re-design, the Society begins resource planning for project funding. Potential funding sources include externally restricted gifts or grants and internally restricted funds when external resources are insufficient. In years of operating surplus, the Board of Directors may internally restrict all or a portion of the unrestricted surplus for planned capital projects or other purposes. (See note 15: Interfund transfers and note 11: Internally restricted fund.)

The Capital fund balance consists of \$26,376 (2024 - \$26,234) in externally restricted capital gifts, \$33,953 (2024 - \$29,531) invested in capital assets and (\$908) (2024 - (\$1,000)) in capital lease obligations.

For the purpose of funding the acquisition of capital assets, capital fund expenditures and capital leases, \$5,071 (2024 - \$296) was transferred from the Operating Fund to the Capital Fund.

	2025	2024
Externally restricted:		
Capital gifts	\$ 26,376	\$ 26,234
Deferred contributions:		
Multi-use restricted gifts	20,232	22,157
Internally restricted:		
Capital reserve	14,380	10,253
	<u>\$ 60,988</u>	<u>\$ 58,644</u>

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

## 12. Restricted amounts for capital projects (continued):

Fund balance invested in capital assets:

	2025	2024
Capital assets	\$ 33,953	\$ 29,531
Curren portion of capital leases	(407)	(415)
Capital leases	(501)	(585)
	\$ 33,045	\$ 28,531

## 13. Endowment fund:

The endowments are included in long-term investments. Earnings from the endowments are to be used for the purposes specified by the donors and are recorded as deferred contributions until the restrictions have been met. The capital is permanently endowed to the Society. Investment income from endowments, net of expenses, totalling \$195, was recorded in the Operating Fund for the year ended September 30, 2025 (2024 - \$347).

Investment income totalling \$17 was recorded in Deferred Contributions for the year ended September 30, 2025 (2024 - \$13).

## 14. Administration and program support:

Administration and program support for the year ended September 30, 2025, was \$7,777 (2024 - \$7,461). Support costs include staffing and direct expenses of the departments which support the Society's programs and services. These departments include human resources, volunteer resources, communications, facilities, governance, finance and information technology.

# THE BRITISH COLUMBIA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended September 30, 2025

---

## 15. 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). The Society mitigates this risk by using professional investment management services and monitoring foreign currency fluctuations periodically.

### (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 through guaranteed investment certificates and fixed income investments (note 3). Management frequently reviews the interest rates to mitigate risk and uses professional investment management services.

### (c) Other market and 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 (note 3). The Society mitigates this risk by diversifying its investments across asset classes in accordance with its' Investment Policies 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 receivables are due primarily from several third parties 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. Management prepares annual budgets, quarterly financial forecasts and weekly cashflow projections.

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  
(Expressed in thousands of dollars)

Year ended September 30, 2025

## 16. Commitments:

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

2026	\$	620
2027		486
2028		262
2029		88
2030 and thereafter		17
	\$	1,473

Of \$1,473 committed leases, the Society has capital lease obligations and financial charges of \$1,033, payable within five years, on leased vehicles.

## 17. Animal protection expenses:

Direct expenses related to the BC SPCA's animal protection work for companion and farm animals are presented in the statement of operations and changes in fund balances as animal protection program expenses. This work is supported by multiple departments across the Society.

The following line items include costs related to animal protection for the year ended September 30, 2025:

	2025	2024
Animal protection as presented in statement of operations	\$ 5,019	\$ 5,087
Sheltering and bylaw enforcement	1,750	1,901
Veterinary hospitals and clinics	462	467
Animal medical care and spay and neuter	783	934
Animal health and welfare, advocacy and animal helpline	1,186	1,113
Administration and program support	776	744
	\$ 9,976	\$ 10,246

These amounts have been determined based on hours of support time (10%), proportion of animal intake (12%) and volume of calls received (43%).

## 18. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.