

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

Consolidated Financial Statements  
**December 31, 2018**  
(in thousands of dollars)



## *Independent auditor's report*

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

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### *Our qualified opinion*

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of British Columbia Society for the Prevention of Cruelty to Animals and its subsidiaries (together, the Society) as at December 31, 2018 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.

#### **What we have audited**

The Society's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2018;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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### *Basis for qualified opinion*

In common with many not-for-profit organizations, the Society derives revenues from donations and fundraising revenues 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 from operating activities for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017 and net assets as at the beginning and the end of the years ended December 31, 2018 and 2017. Our audit opinion on the consolidated financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

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## **Independence**

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### *Responsibilities of management and those charged with governance for the consolidated financial statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated 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.

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### *Auditor's responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
April 4, 2019

# British Columbia Society for the Prevention of Cruelty to Animals

## Consolidated Statement of Financial Position

As at December 31, 2018

(in thousands of dollars)

	2018 \$	2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	433	1,660
Unrestricted investments (note 3)	13,524	11,773
Accounts receivable	969	594
Prepaid expenses	199	402
Supplies	380	440
	<hr/>	<hr/>
	15,505	14,869
<b>Property, buildings and equipment and intangible assets</b> (Schedule A)		
	28,556	21,863
<b>Life insurance policies</b> (note 7)	474	585
<b>Restricted investments</b> (note 3)	29,824	35,155
	<hr/>	<hr/>
	74,359	72,472
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank indebtedness (note 4)	193	-
Accounts payable and accrued liabilities (note 5)	3,795	3,847
Current portion of capital leases	328	255
Current portion of mortgage payable (note 6)	-	1,538
	<hr/>	<hr/>
	4,316	5,640
<b>Capital leases</b>	944	782
<b>Deferred contributions</b> (note 7)	28,783	34,301
<b>Deferred capital contributions</b> (note 8)	16,424	10,500
<b>Post-employment benefits payable</b> (Schedule B)	520	492
	<hr/>	<hr/>
	50,987	51,715
<b>Net Assets</b>		
<b>Endowments</b> (note 9)	1,688	1,612
<b>Operations</b>	21,684	19,145
	<hr/>	<hr/>
	23,372	20,757
	<hr/>	<hr/>
	74,359	72,472
<b>Commitments</b> (note 11)		
<b>Subsequent events</b> (note 13)		

Approved by the Board of Directors



Director

Carol Richards



Director

Melissa Barcellos

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

# British Columbia Society for the Prevention of Cruelty to Animals

## Consolidated Statement of Operations

For the year ended December 31, 2018

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(in thousands of dollars)

	2018 \$	2017 \$
<b>Revenue</b>		
Donations and fundraising	16,541	15,664
Legacy and life insurance	12,397	8,340
Kennelling and bylaw enforcement services	2,009	2,000
Sheltering, medical, clinical and social enterprise services	8,785	8,612
Lottery and raffles	900	787
Other grants received	999	1,017
Investment (loss) income (note 3)	(456)	1,381
(Loss) gain on disposal of property, buildings and equipment and intangible assets	(6)	1
	<hr/> 41,169	<hr/> 37,802
<b>Program expenses</b>		
Sheltering, kennelling, bylaw enforcement and social enterprise services	14,234	13,605
Hospital and clinics	4,667	4,722
Veterinary care and spay and neuter	3,263	2,966
Cruelty investigations	3,425	3,420
Animal health and welfare	668	748
Humane education	1,025	896
Advocacy	791	716
	<hr/> 28,073	<hr/> 27,073
<b>General expenses</b>		
Administration and program support	3,711	3,381
Revenue development	5,159	4,431
	<hr/> 8,870	<hr/> 7,812
<b>Operating surplus before the undernoted</b>	4,226	2,917
Bank charges and interest	481	455
Amortization of property, buildings and equipment and intangible assets	1,690	1,567
Amortization of deferred capital contributions	(616)	(607)
	<hr/> 2,671	<hr/> 1,502
<b>Net operating surplus</b>		

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

# British Columbia Society for the Prevention of Cruelty to Animals

## Consolidated Statement of Changes in Net Assets

For the year ended December 31, 2018

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(in thousands of dollars)

	Endowments \$	Operations \$	Total \$
<b>Balance – December 31, 2016</b>	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
	<hr/>		
<b>Balance – December 31, 2017</b>	1,612	19,145	20,757
Net operating surplus	-	2,671	2,671
Actuarial loss and plan amendments on accrued employee future benefits	-	(132)	(132)
Endowment contributions received	76	-	76
	<hr/>		
<b>Balance – December 31, 2018</b>	1,688	21,684	23,372

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

# British Columbia Society for the Prevention of Cruelty to Animals

## Consolidated Statement of Cash Flows

For the year ended December 31, 2018

(in thousands of dollars)

	2018 \$	2017 \$
<b>Cash provide by (used in)</b>		
<b>Operating activities</b>		
Net operating surplus	2,671	1,502
Items not affecting cash		
Amortization of deferred capital contributions	(616)	(607)
Amortization of property, buildings and equipment and intangible assets	1,690	1,567
Loss (gain) on disposal of property, buildings and equipment and intangible assets	6	(1)
Loss (gain) on investments	2,165	(993)
Deferred contributions recognized as revenue	(7,761)	(5,946)
	(1,845)	(4,478)
Changes in non-cash working capital items		
Accounts receivable	(375)	358
Prepaid expenses	203	(98)
Supplies	60	24
Accounts payable and accrued liabilities	(52)	776
Post-employment benefits	(116)	(11)
	(2,125)	(3,429)
<b>Investing activities</b>		
Purchase of property, buildings and equipment and intangible assets	(8,147)	(2,699)
Proceeds on disposal of property, buildings and equipment and intangible assets	320	-
Purchase of investments	(30,720)	(45,872)
Proceeds on sale of investments	32,134	35,532
	(6,413)	(13,039)
<b>Financing activities</b>		
Endowment contributions received	76	-
Deferred contributions received	8,894	17,902
Repayment of mortgage loan	(1,538)	(33)
Repayment of capital lease	(314)	(176)
	7,118	17,693
<b>(Decrease) increase in cash</b>	(1,420)	1,225
<b>Cash – Beginning of year</b>	1,660	435
<b>Cash and bank indebtedness – End of year</b>	240	1,660

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



# British Columbia Society for the Prevention of Cruelty to Animals

## Notes to Consolidated Financial Statements

December 31, 2018

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(in thousands of dollars)

### 1 Organization information

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 are consolidated into those of the Society.

### 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 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.

#### 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.

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

## Notes to Consolidated Financial Statements

**December 31, 2018**

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(in thousands of dollars)

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). 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 may not be recognized in the consolidated financial statements. Contributed share capital is recognized in the consolidated financial statements at fair value of the consideration received.

### **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.

# British Columbia Society for the Prevention of Cruelty to Animals

## Notes to Consolidated Financial Statements

December 31, 2018

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(in thousands of dollars)

### 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 rate:

Intangible assets	5 years
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### 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).

# British Columbia Society for the Prevention of Cruelty to Animals

## Notes to Consolidated Financial Statements

December 31, 2018

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(in thousands of dollars)

### 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.

## 3 Investments

	Fair value	
	2018	2017
	\$	\$
Cash and short-term deposits	3,704	2,058
Bonds and debentures		
Commercial	22,049	23,528
Marketable equity securities - Canadian	12,461	15,556
Marketable equity securities - Foreign	5,134	5,786
	43,348	46,928
Less: Restricted investments (non-current)	29,824	35,155
Unrestricted investments (current)	13,524	11,773

# British Columbia Society for the Prevention of Cruelty to Animals

## Notes to Consolidated Financial Statements

December 31, 2018

(in thousands of dollars)

Investment (loss) income consists of the following:

	2018 \$	2017 \$
Interest income and dividends	1,449	1,355
(Loss) gain on investments	(2,165)	993
	<u>(716)</u>	<u>2,348</u>
Restricted investment income (loss) allocated to deferred contributions	546	(1,728)
Restricted investment (loss) income recognized as revenue	(286)	761
	<u>260</u>	<u>(967)</u>
	<u>(456)</u>	<u>1,381</u>

#### 4 Bank indebtedness

At December 31, 2018, 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, 2018 was \$193 (2017 – \$nil). The credit card facility used by the Society at December 31, 2018 was \$66 (2017 – \$150). The amount drawn against the standby provisions at December 31, 2018 was \$nil (2017 – \$nil). The operating line bears interest at the bank's prime rate plus 0.25%, payable monthly.

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, 2018 (2017 – \$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, 2018, \$150 (2017 – \$142) is included within accounts payable and accrued liabilities.

# British Columbia Society for the Prevention of Cruelty to Animals

## Notes to Consolidated Financial Statements

December 31, 2018

(in thousands of dollars)

### 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 \$1,538 was repayable in monthly payments of \$7, bore interest at a rate of 3% per annum and matured on August 15, 2018. On August 15, 2018, the Society paid off the mortgage in full.

### 7 Deferred contributions

	2018 \$	2017 \$
Operations	19,071	18,936
Property, buildings and equipment and intangible assets	9,238	14,780
	<u>28,309</u>	<u>33,716</u>
Life insurance policies - at tax receipted amount	474	585
	<u>28,783</u>	<u>34,301</u>
	<b>2018 \$</b>	<b>2017 \$</b>
Balance – Beginning of year	34,301	23,929
Deferred contributions received	8,894	17,902
Deferred contributions recognized as revenue	(7,761)	(5,946)
Transfers to deferred capital contributions	(6,540)	(1,431)
Tax receipts issued for life insurance policy premiums	58	57
Life insurance policies recognized or lapsed	(169)	(210)
Balance – End of year	<u>28,783</u>	<u>34,301</u>

The principal amount of the life insurance policies assuming they do not lapse is \$1,643 (2017 – \$1,793).

### 8 Deferred capital contributions

	2018 \$	2017 \$
Balance – Beginning of year	10,500	9,676
Transfer from deferred contributions	6,540	1,431
Amortization	(616)	(607)
Balance – End of year	<u>16,424</u>	<u>10,500</u>

# British Columbia Society for the Prevention of Cruelty to Animals

## Notes to Consolidated Financial Statements

December 31, 2018

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(in thousands of dollars)

### 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 (loss) from endowments, net of expenses, totalling \$43 was recorded in 2018 (2017 – \$121).

### 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.

# British Columbia Society for the Prevention of Cruelty to Animals

## Notes to Consolidated Financial Statements

December 31, 2018

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(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:

	\$
2019	965
2020	796
2021	532
2022	245
2023	42
	<hr/>
	2,580
	<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 2018 totalled \$30 (2017 – \$30).

### 13 Subsequent events

Effective January 1, 2019, the Society has changed its year-end from December 31st to September 30th. For 2019, financial statements will report the results of operations for the nine months to September 30, 2019 and the financial position as at September 30, 2019.

Effective January 1, 2019, the Society has changed its revenue recognition policy from the deferral method of accounting for contributions to the restricted fund method of accounting for contributions. Restricted contributions for which a corresponding restricted fund is presented will be recognized as revenue of that fund in the period received or when receivable. Restricted contributions for which no corresponding restricted fund is presented will be recognized in the general fund in accordance with the deferral method. Endowment contributions will be recognized as revenue of the endowment fund in the period received or when receivable.



# 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, 2018

Schedule A

(in thousands of dollars)

	<b>2018</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Land	4,799	-	4,799
Buildings	21,955	11,226	10,729
Leasehold improvements including buildings on unowned land	5,320	4,385	935
Shelter and medical equipment	1,696	761	935
Computer equipment and software	1,709	1,357	352
Furniture and equipment	76	58	18
Vehicles	108	72	36
Construction-in-progress	9,444	-	9,444
Intangible assets	200	140	60
Capital leases on vehicles	1,740	492	1,248
	<b>47,047</b>	<b>18,491</b>	<b>28,556</b>
			<b>2017</b>
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
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
Construction-in-progress	2,086	-	2,086
Intangible assets	200	100	100
Capital leases on vehicles	1,190	201	989
	<b>38,668</b>	<b>16,805</b>	<b>21,863</b>

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

# British Columbia Society for the Prevention of Cruelty to Animals

## Consolidated Schedule of Post-Employment Benefits Payable

For the year ended December 31, 2018

Schedule B

(in thousands of dollars)

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Post-employment benefits payable - Beginning of year	492	520
Current service cost	18	17
Interest cost	15	17
Benefits paid	(137)	(45)
Actuarial loss (gain)	132	(17)
	<hr/>	<hr/>
Post-employment benefits payable - End of year	520	492
	<hr/>	<hr/>
Change in plan assets		
Employer contributions	137	45
Benefits paid	(137)	(45)
	<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:

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
At beginning of year		
Discount rate	3.20	3.20
Rate of compensation increase	2.00	2.00
At end of year		
Discount rate	3.10	3.20
Rate of compensation increase	2.00	2.00

The most recent actuarial valuation was prepared by Mercer LLC as of December 31, 2018.