

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

Consolidated Financial Statements

September 30, 2024

(in thousands of dollars)



Independent auditor's report

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

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 The British Columbia Society for the Prevention of Cruelty to Animals and its subsidiary (together, the Society) as at September 30, 2024 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 September 30, 2024;
- 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
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for qualified opinion

In common with many not-for-profit organizations, the Society derives revenues from cash 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 revenues, surplus (deficit) of revenues over expenses and cash provided by (used in) operating activities for the years ended September 30, 2024 and 2023, current assets as at September 30, 2024 and 2023 and fund balances as at the beginning and the end of the years ended September 30, 2024 and 2023. Our audit opinion on the consolidated financial statements for the year ended September 30, 2023 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.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

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.

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.

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

Calgary, Alberta
April 7, 2025

The British Columbia Society for the Prevention of Cruelty to Animals
Consolidated Statement of Financial Position
All in \$000's
As at September 30, 2024

	2024	RESTATED 2023
ASSETS		
Current Assets		
Cash and cash equivalents	17,326	1,810
Short-term investments (Note 4)	5,829	24,805
Accounts receivable	1,165	1,020
Prepaid expenses	633	495
Supplies	545	635
	25,498	28,765
Capital assets (Note 6)	29,531	29,218
Life insurance policies (Note 10)	726	668
Long-term investments (Note 4)	85,271	76,669
	141,026	135,320
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	4,859	4,843
Current portion of capital leases	415	472
	5,274	5,315
Capital leases	585	483
Deferred contributions (Notes 10 and 11)	42,261	43,425
Post-employment benefits payable (Note 9)	319	319
	48,439	49,542
FUND BALANCES		
Externally Restricted		
Endowed (Note 14)	2,547	2,141
Capital (Notes 11 and 12)	26,234	27,578
Internally restricted (Note 12 and 13)	20,316	21,788
Invested in capital assets (Note 6)	28,531	28,263
Unrestricted	14,959	6,008
	92,587	85,778
	141,026	135,320

Commitments (Note 18)

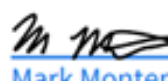
The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors



Catherine Ruby (Apr 9, 2025 13:28 PDT)

Board Treasurer



Mark Montemurro (Apr 9, 2025 13:31 PDT)

Board Chair

The British Columbia Society for the Prevention of Cruelty to Animals
Consolidated Statement of Operations
All in \$000's
For the year ended September 30, 2024

	2024					RESTATED 2023
	Operating	Capital	Internally Restricted	Endowed	Total	Total
REVENUES						
Donations and fundraising (Note 11)	22,657	635	-	244	23,536	24,889
Legacies and life insurance (Note 11)	18,146	261	-	162	18,569	16,374
Lotteries and raffles	4,519	-	-	-	4,519	4,108
Government grants (Note 11)	493	-	-	-	493	12,516
Other grants (Note 11)	410	-	-	-	410	956
Sheltering, hospitals and social enterprise	6,944	-	-	-	6,944	6,703
Municipal bylaws: enforcement and kenneling	3,316	-	-	-	3,316	3,451
Interest and dividend income (Note 5)	4,164	253	350	-	4,767	3,682
Gain on disposal of capital assets (Note 6)	-	80	-	-	80	-
Total Revenues	60,649	1,229	350	406	62,634	72,679
EXPENSES						
Program expenses						
Sheltering and bylaw enforcement	20,982	-	156	-	21,138	20,288
Veterinary hospitals and clinics	4,817	-	11	-	4,828	4,601
Medical care and spay neuter	5,252	-	1	-	5,253	5,299
Animal protection (Note 19)	5,087	-	-	-	5,087	4,820
Animal health and welfare	654	-	-	-	654	1,057
Humane education	1,479	-	72	-	1,551	1,181
Advocacy	2,573	-	131	-	2,704	1,909
Total Program Expenses	40,844	-	371	-	41,215	39,155
General expenses						
Administration and program support (Note 15)	6,830	137	494	-	7,461	6,922
Revenue development	9,234	189	155	-	9,578	8,720
Amortization of capital assets	-	2,528	-	-	2,528	2,649
Total General Expenses	16,064	2,854	649	-	19,567	18,291
Total Expenses	56,908	2,854	1,020	-	60,782	57,446
Surplus (deficit) of revenues over expenses before other items	3,741	(1,625)	(670)	406	1,852	15,233
Other items						
Change in fair market value of investments (Note 5)	4,704	253	-	-	4,957	891
Surplus (deficit) of revenues over expenses	8,445	(1,372)	(670)	406	6,809	16,124

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
All in \$000's
For the year ended September 30, 2024

					2024	RESTATED 2023
	Operating	Capital	Internally Restricted	Endowed	Total	Total
Fund balances, beginning of year						
(Restated – Note 3)	6,008	55,841	21,788	2,141	85,778	69,619
Surplus (deficit) of revenue over expenses	8,445	(1,372)	(670)	406	6,809	16,124
Actuarial gain and plan amendments on accrued employee future benefits	-	-	-	-	-	35
Interfund transfers (Note 16)	506	296	(802)	-	-	-
Fund balances, end of year	14,959	54,765	20,316	2,547	92,587	85,778

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
All in \$000's
For the year ended September 30, 2024

	2024	RESTATED 2023
Cash provided by (used in)		
OPERATING ACTIVITIES		
Surplus of revenues over expenses	6,809	16,124
Changes in non-cash items:		
Amortization of capital assets	2,528	2,649
Gain on disposal of capital assets	(80)	-
Change in fair market value of investments	(4,957)	(891)
	4,300	17,882
Changes in non-cash working capital:		
Deferred contributions	(1,235)	712
Accounts receivable	(145)	(469)
Prepaid expenses	(138)	(117)
Supplies	90	116
Actuarial gain and plan amendments on accrued employee future benefit	-	35
Accounts payable and accrued liabilities	17	91
Post-employment benefits	-	(7)
	2,889	18,243
INVESTING ACTIVITIES		
Purchase of capital assets	(2,395)	(1,140)
Proceeds on disposal of capital assets	94	-
Purchase of investments	(110,778)	(42,286)
Proceeds on sale of investments	126,121	26,179
	13,042	(17,247)
FINANCING ACTIVITIES		
Repayment of capital leases	(415)	(472)
Net change in cash	15,516	523
Cash and Cash Equivalents, beginning of year	1,810	1,286
Cash and Cash Equivalents, end of year	17,326	1,810
Cash and Cash Equivalents consist of:		
Cash	9,241	1,810
Cash Equivalents	8,085	-
Cash and Cash Equivalents, end of year	17,326	1,810

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
All in \$000's
For the year ended September 30, 2024

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 animal community centres, one education and adoption centre, and a wild animal rehabilitation centre and the results of the wholly owned subsidiary, the Burnaby Veterinary Hospital, which has been consolidated on a liquidation basis.

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 and the allocation of fund balances for internally and externally restricted purposes. The Capital Fund reports the Society's property that has been funded by restricted capital contributions and amounts transferred from the Operating Fund. The Internally Restricted Fund reports 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.

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 specified terms have been satisfied. 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 and interest income which is restricted is treated as such. Interest and dividend income which is unrestricted is recorded as Interest and dividend income in the Operating Fund. Changes in fair market value of unrestricted investments are recorded as changes in fair market value in the Operating Fund under other items.

d) Donated goods and services

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.

The British Columbia Society for the Prevention of Cruelty to Animals
Notes to Consolidated Financial Statements
All in \$000's
For the year ended September 30, 2024

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 market value are included in the consolidated statement of operations.

g) 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.

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:

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 statement of operations. Write-downs are not subsequently reversed. Construction-in-progress are not amortized until the assets are put into use.

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

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

All in \$000's

For the year ended September 30, 2024

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 operations.

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 capital leases. Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, benefits payable and capital leases are initially measured at fair value and subsequently carried at amortized cost. Short-term and long-term investments are initially measured and subsequently carried at fair 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.

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.

3. RESTATEMENT OF COMPARATIVE FIGURES

The consolidated financial statements for the comparative year ended September 30, 2023, have been restated for the following reasons:

a) Change in policy

In the year ended September 30, 2024, the Society updated its Restricted Gift Policy to clarify that interest and investment income earned on restricted funds is unrestricted income. This change helps the Society allocate its financial resources in each of the regions that it serves. As part of this update, the Society concluded that investment income that had previously been deferred was unrestricted and should have been recognized as income at the time it was earned.

b) Improved presentation quality

In fiscal 2024, the Society made a series of changes to the financial statement presentation to improve the clarity and quality of information presented to the readers. These changes include presenting changes in market value of investments from dividend and interest income, allocating bank and transaction charges to respective program areas, and presenting investments in capital assets separately from unspent donor restricted capital donations within the statement of changes in fund balances. New note disclosure has been included on internally and externally restricted resources allocated for upcoming capital projects (Note 12) and donor-restricted gifts (Note 11).

c) Revenue recognition

The Society receives donations with a variety of restrictions, some that allow funds only to be used for capital projects and others where the donor's restrictions allow for the funds to be used for either capital or specific operating purposes. During

The British Columbia Society for the Prevention of Cruelty to Animals
Notes to Consolidated Financial Statements
All in \$000's
For the year ended September 30, 2024

the year the Society determined that certain restricted donations in prior periods that permitted funds to be used for either Capital or operating purposes had been accounted for as revenue within the Capital Fund when they should have been treated as deferred contributions in the Operating Fund. Prior period comparatives have been restated to reflect this change. The changes were made to better align with the requirements of applicable accounting standards only and do not impact, in any way, how the Society makes decisions as to the use of donated funds which remains focused on ensuring that the donor's wishes are honoured to the fullest extent possible.

The impact of the changes above on the comparative balances for the year ended September 30, 2023, is summarized in the tables below:

Statement of Financial Position

	As previously reported	Adjustment	As restated
LIABILITIES:			
Deferred contributions	32,793	10,632	43,425
FUND BALANCES:			
Externally restricted for capital	71,956	(44,378)	27,578
Invested in capital assets	-	28,263	28,263
Unrestricted	525	5,483	6,008

Statement of Operations

	As previously reported	Adjustment	As restated
REVENUES:			
Donations and fundraising	25,698	(809)	24,889
Legacies and life insurance	18,659	(2,285)	16,374
Sheltering, medical, clinical and social enterprise	6,499	204	6,703
Government grants	12,000	516	12,516
Other grants	870	86	956
Interest and dividend income	-	3,682	3,682
Change in fair value of investments	-	891	891
Investment income	4,429	(4,429)	-
EXPENSES:			
Sheltering and bylaw enforcement	20,069	219	20,288
Veterinary hospitals and clinics	4,538	63	4,601
Medical care and spay and neuter	4,920	379	5,299
Animal protection	5,151	(331)	4,820
Animal health and welfare	954	103	1,057
Advocacy	1,962	(53)	1,909
Bank charges and interest	718	(718)	-
Administration and program support	7,020	(98)	6,922
Revenue development	8,283	437	8,720

The British Columbia Society for the Prevention of Cruelty to Animals
Notes to Consolidated Financial Statements
All in \$000's
For the year ended September 30, 2024

Statement of Changes in Fund Balances

	A previously reported	Adjustment	As restated
Opening fund balances	77,818	(8,199)	69,619
Surplus (deficiency) of revenue over expenses	18,269	(2,145)	16,124
Transfer of deferred contributions to capital net assets	288	(288)	-
Actuarial gain and plan amendments on accrued employee future benefits	35	-	35
Closing fund balances	96,410	(10,623)	85,778

Statement of Cash Flows

	As previously reported	Adjustment	As restated
OPERATING ACTIVITIES:			
Net operating surplus	18,269	(2,145)	16,124
Change in fair value of investments	(925)	34	(891)
Deferred contributions	(1,688)	2,400	712
Transfers of deferred contributions to capital net assets	288	(288)	-

4. INVESTMENTS

	2024	2023
Cash and short-term deposits	17	5,378
Bonds and fixed income	5,904	46,902
Guaranteed investment certificates (redeemable)	43,395	16,488
Guaranteed investment certificates (non-redeemable)	26,003	-
Marketable equity securities (Canadian)	4,414	23,485
Marketable equity securities (US and international)	3,933	9,221
Private real estate	4,048	-
Mortgages	3,386	-
	91,100	101,474
Short-term investments	5,829	24,805
Long-term investments	85,271	76,669
	91,100	101,474

The British Columbia Society for the Prevention of Cruelty to Animals
Notes to Consolidated Financial Statements
All in \$000's
For the year ended September 30, 2024

5. INVESTMENT INCOME

	2024	Restated 2023
Interest and dividend income	4,767	3,682
Change in fair market value of investments:		
Realized gain (loss) on investments	3,655	(1,170)
Unrealized gain on investments	1,315	2,095
Restricted investment income (loss) allocated to deferred contributions	(13)	(1,538)
Restricted investments income (loss) recognized as revenue	-	1,504
	<u>4,957</u>	<u>891</u>
	9,724	4,573

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net	2023 Net
Land	6,356	-	6,356	6,356
Buildings	36,643	19,411	17,232	18,703
Leasehold improvements	4,987	4,445	542	597
Shelter and medical equipment	2,762	1,879	883	937
Computer equipment and software	2,525	2,387	138	328
Furniture and equipment	172	124	48	61
Vehicles	92	87	5	11
Construction-in-progress	3,369	-	3,369	1,261
Capital leases on vehicles	4,141	3,183	958	964
	<u>61,047</u>	<u>31,516</u>	<u>29,531</u>	<u>29,218</u>

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

Fund balance invested in capital assets

	2024	2023
Capital assets	29,531	29,218
Short-term capital leases	(415)	(472)
Long-term capital leases	(585)	(483)
	<u>28,531</u>	<u>28,263</u>

The British Columbia Society for the Prevention of Cruelty to Animals
Notes to Consolidated Financial Statements
All in \$000's
For the year ended September 30, 2024

7. CREDIT FACILITIES

As at September 30, 2024, 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. No amounts have been drawn to date on the above facilities. 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: a general assignment of book debts and a general security agreement over all present and future personal property with appropriate insurance coverage payable to the bank.

8. 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, 2024, \$176 (2023 – \$275) is included within accounts payable and accrued liabilities. The credit card facility used by the Society as of September 30, 2024 was \$ 166 (2023 – \$58).

9. POST-EMPLOYMENT BENEFITS PAYABLE

Post-employment benefits payable of \$ 319 (2023 – \$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, 2021.

10. DEFERRED CONTRIBUTIONS

	2024	Restated 2023
Balance, beginning of year	43,425	42,639
Deferred contributions received	11,014	11,899
Deferred contributions recognized as revenue	(12,235)	(11,166)
Tax receipts issued for life insurance policy premiums	57	53
Balance, end of year	42,261	43,425

The principal amount of the life insurance policies assuming they do not lapse is \$1,768 (2023 – \$1,668).

11. 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 are recorded as Externally Restricted for Capital or as Deferred Contributions, depending on the nature of their restriction.

The British Columbia Society for the Prevention of Cruelty to Animals
Notes to Consolidated Financial Statements
All in \$000's
For the year ended September 30, 2024

12. INTERNALLY RESTRICTED FUND

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 16). The fund balance of the Internally Restricted Fund at September 30, 2024, 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 12). The operating reserve fund is based on a non-profit industry best practice of 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.

	2024	Restated 2023
Capital reserve (Note 12)	10,253	10,897
Operating reserve	8,131	7,781
Strategic Priorities Fund	1,932	3,110
	20,316	21,788

13. 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 16: Interfund Transfers and Note 13: Internally Restricted Fund.)

	2024	Restated 2023
Externally restricted: Capital gifts	26,234	27,578
Deferred Contributions: Multi-use restricted gifts	22,157	12,384
Internally restricted: Capital reserve	10,253	10,897
	58,644	50,859

14. ENDOWED FUND

The endowments are included in long-term investments. Earnings from the endowments are to be used for the purposes specified by the donors. The capital is permanently endowed to the Society. Investment income from endowments, net of expenses, totalling \$347 was recorded in the Operating Fund for the year ended September 30, 2024 (2023 - \$112). Investment income totalling \$13 was recorded in Deferred Contributions for the year ended September 30, 2024 (2023 - \$3).

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15. ADMINISTRATION AND PROGRAM SUPPORT

Administration and program support for the year ended September 30, 2024 was \$ 7,461 (2023 – \$6,922). 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, finance and information technology.

16. INTERFUND TRANSFERS

Interfund transfers relate to the change in the Restricted Gift Policy, as described in Note 3a. Investment income previously restricted in the Internally Restricted Fund was transferred to the Operating Fund totalling \$802 (2023 – nil). In addition, \$296 (2023 - \$1,608) was transferred from the Operating Fund to the Capital Fund for the purposes of funding the acquisition of capital assets, expenditures in the capital fund and the capital leases.

17. 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 4). 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. 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 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.

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

18. COMMITMENTS

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

2025	823
2026	543
2027	409
2028	185
2029 and thereafter	15
	<hr/>
	1,975

Of \$1,975 committed leases, the Society has capital lease obligations and financial charges of \$1,123, payable within five years, on leased vehicles.

19. 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, 2024:

Animal protection as presented in statement of operations	5,087
Sheltering and bylaw enforcement	1,901
Veterinary hospitals and clinics	467
Animal medical care and spay and neuter	934
Animal health and welfare, advocacy and animal helpline	1,113
Administration and program support	744
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	10,246

These amounts have been determined based on hours of support time (10%), proportion of animal intake (12%) and volume of calls received (40%).