

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

Consolidated Financial Statements
September 30, 2023
(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, 2023 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, 2023;
- the consolidated statement of operations and 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 significant accounting policies and other explanatory information.

Basis for qualified opinion

In common with many not-for-profit organizations, the Society derives revenue from cash donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue 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 provided by (used in) operating activities for the years ended September 30, 2023 and 2022, current assets as at September 30, 2023 and 2022 and net assets as at the beginning and the end of the years ended September 30, 2023 and 2022. Our audit opinion on the consolidated financial statements for the year ended September 30, 2022 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.

PricewaterhouseCoopers LLP
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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.

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

Vancouver, British Columbia
January 29, 2024

The British Columbia Society for the Prevention of Cruelty to Animals

Consolidated Statement of Financial Position

As at September 30, 2023

(in thousands of dollars)

					2023	2022
	Operating \$	Capital \$	Internally Restricted \$	Endowment \$	Total \$	Total \$
Assets						
Current assets						
Cash	1,810	-	-	-	1,810	1,287
Short-term investments (note 3)	18,946	4,512	1,347	-	24,805	22,710
Accounts receivable	1,020	-	-	-	1,020	551
Prepaid expenses	433	62	-	-	495	378
Supplies	635	-	-	-	635	751
	22,844	4,574	1,347	-	28,765	25,677
Capital assets (note 4)	-	29,218	-	-	29,218	30,423
Life insurance policies (note 8)	668	-	-	-	668	616
Long-term investments (note 3)	14,968	39,119	20,441	2,141	76,669	61,731
	38,480	72,911	21,788	2,141	135,320	118,447
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities (note 6)	4,843	-	-	-	4,843	4,752
Current portion of capital leases	-	472	-	-	472	480
	4,843	472	-	-	5,315	5,232
Capital leases	-	483	-	-	483	642
Deferred contributions (note 8)	32,793	-	-	-	32,793	34,429
Post-employment benefits payable (note 7)	319	-	-	-	319	326
	37,955	955	-	-	38,910	40,629
Net Assets						
Endowments (note 9)	-	-	-	2,141	2,141	1,976
Internally restricted	-	-	21,788	-	21,788	20,354
Externally restricted for capital	-	71,956	-	-	71,956	55,488
Unrestricted	525	-	-	-	525	-
	525	71,956	21,788	2,141	96,410	77,818
	38,480	72,911	21,788	2,141	135,320	118,447

Commitments (note 13)**Subsequent events** (note 15)**Approved by the Board of Directors**

DocuSigned by:

 B7FB E48940654BA...
 Catherine Ruby Director

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 DE747754F4FB40A...
 Victoria Brydon Director

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

The British Columbia Society for the Prevention of Cruelty to Animals

Consolidated Statement of Operations and Changes in Net Assets

For the year ended September 30, 2023

(in thousands of dollars)

					2023	2022
	Operating \$	Capital \$	Internally restricted \$	Endowment \$	Total \$	Total \$
Revenue						
Donations and fundraising	23,806	1,739	-	153	25,698	26,159
Legacies and life insurance	16,343	2,304	-	12	18,659	27,367
Sheltering, medical, clinical and social enterprise services	6,499	-	-	-	6,499	7,247
Lotteries and raffles	4,108	-	-	-	4,108	4,252
Government grants	-	12,000	-	-	12,000	-
Other grants	870	-	-	-	870	1,250
Kennelling and bylaw enforcement services	3,451	-	-	-	3,451	3,152
Changes in fair value of investments and interest income (note 3)	1,913	1,580	936	-	4,429	(3,666)
Gain on disposal of capital assets (note 4)	-	-	-	-	-	49
	56,990	17,623	936	165	75,714	65,810
Program expenses						
Sheltering, kennelling, bylaw enforcement and social enterprise services	19,925	-	144	-	20,069	16,655
Hospital and clinics	4,538	-	-	-	4,538	4,702
Veterinary care and spay and neuter	4,916	-	4	-	4,920	3,382
Animal protection (note 14)	5,151	-	-	-	5,151	4,577
Animal health and welfare	928	-	26	-	954	869
Humane education	1,181	-	-	-	1,181	1,187
Advocacy	1,952	-	10	-	1,962	1,770
	38,591	-	184	-	38,775	33,142
General expenses						
Administration and program support (note 10)	6,026	217	777	-	7,020	5,551
Revenue development	8,098	185	-	-	8,283	7,889
Bank charges and interest	718	-	-	-	718	751
Amortization of capital assets	-	2,649	-	-	2,649	2,456
	14,842	3,051	777	-	18,670	16,647
Net operating surplus	3,557	14,572	(25)	165	18,269	16,021
Net assets – September 30, 2022	-	55,488	20,354	1,976	77,818	61,797
Actuarial gain and plan amendments on accrued employee future benefits	35	-	-	-	35	-
Transfer of deferred contributions to capital net assets (note 11)	-	288	-	-	288	-
Interfund transfers (note 11)	(3,067)	1,608	1,459	-	-	-
Net assets – September 30, 2023	525	71,956	21,788	2,141	96,410	77,818

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

The British Columbia Society for the Prevention of Cruelty to Animals
Consolidated Statement of Cash Flows
For the year ended September 30, 2023

(in thousands of dollars)

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Net operating surplus	18,269	16,021
Items not affecting cash		
Amortization of capital assets	2,649	2,456
Gain on disposal of capital assets	-	(49)
(Gain) loss on investments	(925)	6,915
	19,993	25,343
Changes in non-cash working capital items		
Deferred contributions	(1,688)	(11,769)
Transfer of deferred contributions to capital net assets	288	-
Accounts receivable	(469)	38
Prepaid expenses	(117)	34
Supplies	116	(122)
Actuarial gain and plan amendments on accrued employee future benefit	35	-
Accounts payable and accrued liabilities	91	848
Post-employment benefits	(7)	(119)
	18,242	14,253
Investing activities		
Purchase of capital assets	(1,140)	(909)
Proceeds on disposal of capital assets	-	49
Purchase of investments	(42,286)	(35,246)
Proceeds on sale of investments	26,179	22,922
	(17,247)	(13,184)
Financing activities		
Repayment of capital leases	(472)	(537)
Increase in cash during the year	523	532
Cash – Beginning of year	1,287	755
Cash – End of year	1,810	1,287

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

September 30, 2023

(in thousands of dollars)

1 Organization information

The British Columbia Society for the Prevention of Cruelty to Animals (the Society) is a charitable organization incorporated in 1895 by an Act of the Legislative Assembly of the Province of British Columbia, now called the Prevention of Cruelty to Animals Act, R.S. 372. The Society may form and establish branches at its discretion anywhere in British Columbia. 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.

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 complement those of the Society directly. Subsequent to the gift, the results of the Hospital are consolidated into those of the Society. As of September 30, 2023, the Hospital has discontinued its operations due the global market shortage of veterinarians and veterinary technicians. As a result, the wholly owned company is no longer considered a going concern under Canadian accounting standards.

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-three animal community centres, one education and adoption centre, a wild animal rehabilitation centre, two branches without facilities, and the results of the wholly owned subsidiary, the Hospital (see note 1 above).

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

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 British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

September 30, 2023

(in thousands of dollars)

The Internally Restricted Fund reports the Society's net assets that have been designated for specific purposes by the Society's Board of Directors (note 11).

The Endowment Fund reports contributions subject to externally imposed stipulations that the resources contributed be maintained permanently.

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 externally restricted fund is established, the revenue is recorded as a deferred contribution in the Operating Fund and recognized as revenue when the specified terms have been satisfied. Kennelling and bylaw enforcement, sheltering, medical, clinical and social enterprise services 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.

Unrestricted investment income is recorded as revenue when earned in the Operating Fund. If externally restricted for capital purposes, investment income is recorded as revenue when earned in the Capital Fund. If restricted for other purposes, investment income is allocated to the deferred contribution account in the Operating Fund and recognized as revenue in the Operating Fund when the related expenses have been incurred.

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

Investments

Investments consist of amounts invested in both individual securities and pooled fund units. The investments consist of short-term notes, guaranteed investment certificates, 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 and changes in net assets or in deferred contribution balances, as appropriate.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

September 30, 2023

(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.

Capital 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.

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 operations and changes in net assets.

Financial instruments

The Society's financial instruments consist of cash, short-term and long-term investments, accounts receivable, accounts payable and accrued liabilities and capital leases.

Cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities 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.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

September 30, 2023

(in thousands of dollars)

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 buildings and equipment and claims relating to contingencies.

3 Investments

	Fair value	
	2023	2022
	\$	\$
Cash and short-term deposits	5,378	5,534
Bonds and fixed income	46,902	47,060
Guaranteed investment certificates (redeemable)	16,488	-
Marketable equity securities (Canadian)	23,485	22,202
Marketable equity securities (US and international)	9,221	9,645
	<u>101,474</u>	<u>84,441</u>
Less: Long-term investments (non-current)	76,669	61,731
	<u>24,805</u>	<u>22,710</u>
Investment income consists of the following:		
	2023	2022
	\$	\$
Interest income and dividends	3,683	2,534
Realized loss on investments	(1,170)	(346)
Unrealized gain (loss) on investments	2,095	(6,569)
	<u>4,608</u>	<u>(4,381)</u>
Less: Restricted investment (loss) income allocated to deferred contributions	(1,538)	2,706
Add: Restricted investment income (loss) recognized as revenue	1,359	(1,991)
	<u>(179)</u>	<u>715</u>
	<u>4,429</u>	<u>(3,666)</u>

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

September 30, 2023

(in thousands of dollars)

4 Capital assets

			2023	2022
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	6,356	-	6,356	6,335
Buildings	36,554	17,851	18,703	19,951
Leasehold improvements	4,995	4,398	597	749
Shelter and medical equipment	2,794	1,857	937	952
Computer equipment and software	2,525	2,197	328	266
Furniture and equipment	176	115	61	74
Vehicles	92	81	11	18
Construction-in-progress	1,261	-	1,261	930
Capital leases on vehicles	3,861	2,897	964	1,148
	<u>58,614</u>	<u>29,396</u>	<u>29,218</u>	<u>30,423</u>

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

5 Credit facilities

As at September 30, 2023, 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 \$200 for the Society's credit cards and a maximum of \$250 in standby provisions relating to letters of guarantee. The remainder of \$1,550 is available for the Society's operations. The amount drawn against the operating line as at September 30, 2023 was \$nil (2022 – \$nil). The amount drawn against the standby provisions as at September 30, 2023 was \$nil (2022 – \$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 as at September 30, 2023 (2022 – \$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.

6 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, 2023, \$275 (2022 – \$236) is included within accounts payable and accrued liabilities.

The credit card facility used by the Society as at September 30, 2023 was \$58 (2022 – \$141).

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

September 30, 2023

(in thousands of dollars)

7 Post-employment benefits payable

Post-employment benefits payable of \$319 (2022 – \$326) include current service costs, interest, benefits paid and actuarial gains and losses. The most recent actuarial valuation was prepared by Mercer LLC as at September 30, 2021. The market value of plan assets is \$nil (2022 – \$nil). The significant actuarial assumptions adopted in measuring the Society's accrued benefit obligations include the discount rate of 5.70% (2022 – 4.95%) and rate of compensation increase of 2.00% (2022 – 2.00%).

8 Deferred contributions

	2023 \$	2022 \$
Balance – Beginning of year	34,429	46,145
Deferred contributions received	11,433	10,365
Deferred contributions recognized as revenue	(12,571)	(22,134)
Net transfers to capital fund	(551)	
Tax receipts issued for life insurance policy premiums	53	53
	<hr/>	<hr/>
Balance – End of year	32,793	34,429

The principal amount of the life insurance policies assuming they do not lapse is \$1,668 (2022 – \$1,668).

9 Endowments

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 \$112 was recorded in the Operating Fund for the year ended September 30, 2023 (2022 – loss of \$57).

10 Administration and program support

Administration and Program Support for the year ended September 30, 2023 was \$7,020 (2022 – \$5,551). Support costs include staffing and direct expenses of the departments which support all of the Society's programs and services. These departments include volunteer resources, human resources, communications, facilities, finance and information technology.

11 Interfund transfers

Interfund transfers include transfers from the Operating Fund to the Internally Restricted Fund for specific programs and strategic initiatives internally restricted by the Board of Directors, including \$nil (2022 – \$7,435) towards an operating reserve, \$150 (2022 – \$1,200) towards strategic initiatives, \$1,084 (2022 – \$9,569) towards facilities replacement and \$225 (2022 – \$nil) towards unrestricted capital asset additions; and \$1,608 (2022 – \$1,201) transfers between the Operating Fund and Capital Fund for externally restricted capital expenditures.

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

September 30, 2023

(in thousands of dollars)

Where the external restriction provides for either operating or capital use, the Society may transfer funds according to highest need. In fiscal 2023, the Society transferred \$1,030 (2022 - \$nil) from deferred contributions to capital net assets and \$742 (2022 - \$nil) from capital net assets to deferred contributions.

12 Financial instruments and risk management

- 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.

- 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 short-term deposits and fixed income investments. Management frequently reviews the interest rates to mitigate risk and uses professional investment management services.

- 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.

- 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 third parties and British Columbia municipalities under animal control contracts.

- Liquidity risk exposure

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

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

The British Columbia Society for the Prevention of Cruelty to Animals
Notes to Consolidated Financial Statements
September 30, 2023

(in thousands of dollars)

13 Commitments

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

	\$
2024	1,228
2025	828
2026	551
2027	344
2028	126
	<u>3,077</u>

Of \$3,077 committed leases, the Society has capital lease obligations and financial charges of \$1,635, payable within five years, on leased vehicles.

14 Animal protection services program 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 net assets 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, 2023:

	\$
Program/general	
Animal protection as presented in statement of operations and changes in net assets	5,151
Sheltering, kennelling, bylaw enforcement and social enterprise services	2,741
Hospitals and clinics	435
Veterinary care and spay and neuter	906
Animal health and welfare	11
Advocacy and volunteer development	131
Administration and program support	611
Revenue development	808
	<u>10,794</u>

These amounts have been determined based on hours of support time (10%), proportion of animal intake (17%) and volume of calls received (42%).

The British Columbia Society for the Prevention of Cruelty to Animals

Notes to Consolidated Financial Statements

September 30, 2023

(in thousands of dollars)

15 Subsequent events

Subsequent to year-end, due to a number of ongoing concerns related to the structural integrity of the Vernon community animal centre, the BC SPCA made the difficult decision to permanently close the facility effective November 17, 2023. The BC SPCA remains committed to serving the animal welfare needs for the City of Vernon and surrounding communities through other regionally based programs and services such as animal protection, youth education and community support initiatives, and through increased capacity at neighbouring animal centres in Shuswap and Kelowna. The closure does not have a material financial impact on the operations of the Society. Capital assets with a remaining useful life have been distributed to other BC SPCA community animal centres.

Certificate Of Completion

Envelope Id: 1EF195836F1944AFBE56C94063B6A150	Status: Completed
Subject: Complete with DocuSign: BC SPCA Updated FS for Signature	
Source Envelope:	
Document Pages: 16	Signatures: 2
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Amy Perron
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	18 York Street
	Toronto, ON M5J 2T8
	amy.l.perron@pwc.com
	IP Address: 134.238.192.163

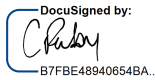
Record Tracking

Status: Original	Holder: Amy Perron	Location: DocuSign
3/2/2024 12:16:30 AM	amy.l.perron@pwc.com	

Signer Events

Catherine Ruby
 Catherine.ruby@collingwood.org
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

 B7FBE48940654BA...

Timestamp

Sent: 3/2/2024 12:19:35 AM
 Viewed: 3/4/2024 1:45:35 PM
 Signed: 3/4/2024 1:46:21 PM

Signature Adoption: Drawn on Device
 Using IP Address: 64.114.34.58

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

Victoria Brydon
 vbrydon@spca.bc.ca
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 DE747754F4FB40A...

Sent: 3/2/2024 12:19:36 AM
 Viewed: 3/4/2024 4:39:56 PM
 Signed: 3/4/2024 4:40:13 PM

Signature Adoption: Pre-selected Style
 Using IP Address: 209.121.41.246

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Emily Thorner
 ethorner@spca.bc.ca
 Security Level: Email, Account Authentication (None)

COPIED

Sent: 3/2/2024 12:19:36 AM
 Viewed: 3/4/2024 1:44:40 PM

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/2/2024 12:19:36 AM
Certified Delivered	Security Checked	3/4/2024 4:39:56 PM
Signing Complete	Security Checked	3/4/2024 4:40:13 PM
Completed	Security Checked	3/4/2024 4:40:13 PM

Payment Events	Status	Timestamps
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