



Financial Statements

Board of Cemetery Trustees of Greater Victoria

December 31, 2024

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Independent auditor's report

To the members of the Board of Cemetery Trustees of Greater Victoria

Opinion

We have audited the financial statements of Board of Cemetery Trustees of Greater Victoria ("the Board"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Board of Cemetery Trustees of Greater Victoria as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Doane Grant Thornton LLP

Victoria, Canada
April 8, 2025

Chartered Professional Accountants

Board of Cemetery Trustees of Greater Victoria
Statement of Financial Position

December 31

2024

2023

	Operating Fund	Capital Fund	Reserve Fund	Total	Total
Assets					
Current					
Cash and cash equivalents	\$ 661,118	\$ -	\$ 1,963,968	\$ 2,625,086	\$ 2,505,477
Accrued interest receivable	-	-	55,604	55,604	83,918
Accounts receivable	262,708	-	-	262,708	197,813
Inventory	125,831	-	-	125,831	115,277
Prepaid expenses	11,104	-	-	11,104	82,157
Short-term investments (Note 5)	-	-	17,416,476	17,416,476	16,009,142
Due from reserve fund (Note 10)	1,046,918	-	-	1,046,918	931,988
	2,107,680	-	19,436,048	21,543,728	19,925,772
Tangible capital assets (Note 7)	-	5,446,088	-	5,446,088	5,579,564
	\$ 2,107,680	\$ 5,446,088	\$ 19,436,048	\$ 26,989,816	\$ 25,505,336
Liabilities					
Current					
Accounts payable	\$ 566,152	\$ -	\$ -	\$ 566,152	\$ 569,787
Employee deductions payable	3,265	-	-	3,265	2,983
GST payable	35,036	-	-	35,036	15,650
Due to operating fund	-	-	1,046,918	1,046,918	931,988
Demand Loan (Note 8)	-	-	-	-	484,305
Current portion of long-term debt (Note 9)	-	31,429	-	31,429	31,429
	604,453	31,429	1,046,918	1,682,800	2,036,142
Long term debt (Note 9)	-	330,962	-	330,962	414,352
Total liabilities	604,453	362,391	1,046,918	2,013,762	2,450,493
Fund Balances					
Externally restricted:					
Perpetual care	-	-	14,706,663	14,706,663	13,589,207
Pre-need trust	-	-	3,378,102	3,378,102	3,276,102
Internally restricted:					
Future development	-	-	177,943	177,943	83,611
Equipment replacement	-	-	36,639	36,639	(37,842)
Pre-need selling expense	-	-	89,783	89,783	142,536
Invested in tangible capital assets	-	5,083,698	-	5,083,698	4,649,479
Unrestricted	1,503,227	-	-	1,503,227	1,351,751
	1,503,227	5,083,698	18,389,130	24,976,054	23,054,843
	\$ 2,107,679	\$ 5,446,088	\$ 19,436,048	\$ 26,989,816	\$ 25,505,336

On behalf of the Board



Director



D Christopher Lawless (Apr 22, 2025 09:46 PDT)

Director

Board of Cemetery Trustees of Greater Victoria
Statement of Operations and Changes in Fund Balances - Operating Fund

Year ended December 31

	Cemetery		Crematorium		Mausoleum		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue								
Lot sales	\$ 1,808,100	\$ 1,871,810	\$ -	\$ -	\$ 377,308	\$ 356,273	\$ 2,185,408	\$ 2,228,082
Services	721,795	689,760	366,427	387,105	24,240	29,000	1,112,463	1,105,865
Memorializations	367,681	377,452	-	-	34,980	29,405	402,661	406,857
Other	18,282	12,255	162,147	215,725	-	-	180,430	227,980
Total Revenue	2,915,860	2,951,277	528,575	602,830	436,528	414,678	3,880,962	3,968,784
Expenses								
Direct								
Wages & benefits	1,973,351	1,884,706	258,146	247,808	6,704	6,392	2,238,201	2,138,906
Cost of goods sold	311,295	354,399	91,498	68,122	2,157	1,657	404,950	424,178
Operating expenses	392,971	424,659	17,898	191,590	10,434	10,132	421,303	626,381
Total Direct Expenditures	2,677,617	2,663,764	367,542	507,520	19,296	18,181	3,064,454	3,189,464
General and administration								
Office and general	320,860	362,358	-	-	-	-	320,860	362,358
Marketing	75,823	114,658	-	-	-	-	75,823	114,658
Total General Operating	396,683	477,016	-	-	-	-	396,683	477,016
Total Expenses	3,074,300	3,140,780	367,542	507,520	19,296	18,181	3,461,137	3,666,480
Surplus/(deficit) of revenues over expenses	(158,441)	(189,503)	161,033	95,310	417,232	396,497	419,825	302,304
Contributions from (to) other funds								
Future Development	(489,762)	(436,828)	(8,867)	(9,066)	-	-	(498,630)	(445,895)
Equipment Reserve	(128,497)	(127,646)	(908)	(1,135)	(383)	(479)	(129,788)	(129,260)
Perpetual Care Fund (earnings)	945,564	610,335	-	-	-	-	945,564	610,335
Capital fund	(495,565)	(286,356)	-	-	(89,929)	(77,554)	(585,494)	(363,910)
Surplus/(deficit) after contributions from (to) other funds	(326,701)	(429,999)	151,258	85,109	326,920	318,464	151,476	(26,426)
Fund balance, beginning of the year							1,351,750	1,378,176
Fund balance, end of the year							\$ 1,503,227	\$ 1,351,750

See accompanying notes to the financial statements.

Board of Cemetery Trustees of Greater Victoria
Statement of Operations and Changes in Fund Balances - Reserve Funds
 Year ended December 31

	Perpetual Care Reserve Fund		Future Development Reserve Fund		Equipment Replacement Reserve Fund		Pre-Need Fund				
							Internally Restricted		Externally Restricted		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Revenue											
Interest earned	\$ 368,006	\$ 401,020	\$ 30,341	\$ 36,622	\$ 2,125	\$ 2,823	\$ 1,197	\$ 3,394	\$ 289,841	\$ 107,656	
Unrealized gain(loss) on FMV of investments	491,124	575,175	-	-	-	-	-	-	-	-	-
Realized gain on investments	577,558	184,824	-	-	-	-	-	-	-	-	-
Realized gain (loss) on foreign exchange	-	24,492	-	-	-	-	-	-	-	-	-
Perpetual care provision	712,064	697,260	-	-	-	-	-	-	-	-	-
Sales of pre-need contracts	-	-	-	-	-	-	29,172	21,327	119,388	(30,486)	
Donation	-	-	1,500	565	-	-	-	-	-	-	-
	2,148,752	1,882,770	31,841	37,187	2,125	2,823	30,369	24,721	409,229	77,170	
Expenses											
Investment fees	99,804	94,218	-	-	-	-	-	-	-	-	-
Delivery of Pre-need goods and services	-	-	-	-	-	-	83,122	76,792	307,229	202,139	
	99,804	94,218	-	-	-	-	83,122	76,792	307,229	202,139	
Surplus of revenue over expenses	\$ 2,048,948	\$ 1,788,552	\$ 31,841	\$ 37,187	\$ 2,125	\$ 2,823	\$ (52,753)	\$ (52,071)	\$ 102,000	\$ (124,969)	
Interfund Transfers											
Contribution to Operating Fund	(945,564)	(610,335)	498,630	445,895	129,788	129,260	-	-	-	-	
Contribution to Capital Fund	-	-	(436,139)	(999,586)	(57,431)	(220,422)	-	-	-	-	
Contribution - Shady Creek	14,072	74,849	-	-	-	-	-	-	-	-	
Balance, beginning of the period	13,589,207	12,336,141	83,611	600,116	(37,842)	50,497	142,536	194,606	3,276,102	3,401,070	
Balance, end of the period	\$ 14,706,663	\$ 13,589,207	\$ 177,943	\$ 83,611	\$ 36,639	\$ (37,842)	\$ 89,783	\$ 142,536	\$ 3,378,102	\$ 3,276,101	
Fund balances consist of:											
Cash	1,088,800	\$ 1,291,521	740,284	\$ 718,668	90,868	\$ 16,915	44,015	\$ 90,438	\$ -	\$ -	
Receivable from (payable to) Operating Fund	(478,816)	(294,272)	(562,342)	(635,056)	(54,229)	(54,757)	45,768	52,098	-	-	
Investments	14,041,075	12,508,040	-	-	-	-	-	-	3,378,102	3,276,102	
Accrued interest receivable	55,604	83,918	-	-	-	-	-	-	-	-	
	\$ 14,706,663	\$ 13,589,207	\$ 177,943	\$ 83,611	\$ 36,639	\$ (37,842)	\$ 89,783	\$ 142,536	\$ 3,378,102	\$ 3,276,102	

See accompanying notes to the financial statements.

Board of Cemetery Trustees of Greater Victoria
Statement of Operations and Changes in Fund Balances - Capital Fund

Year ended December 31

	2024	2023
Revenue		
Actualial adjustment to debt	\$ 51,961	\$ 47,990
Expenses		
Amortization	627,046	552,151
Interest on demand load	11,261	45,021
Interest on long-term debt	58,500	46,125
(Gain) Loss on disposal of tangible capital assets	-	(24,900)
	696,806	618,397
Deficiency of revenue over expenses	(644,845)	(570,407)
Interfund transfers		
Contribution from Future Development	436,139	999,586
Contribution from Equipment	57,431	220,422
Contribution from Operating Fund - Mausoleum	58,500	46,125
Contribution from Operating Fund - Mausoleum loan principal	31,429	31,429
Contribution from Operating Fund - Section T loan interest	11,261	43,435
Contribution from Operating Fund - Section T loan principal	484,305	242,921
	1,079,064	1,583,918
Fund balance, beginning of the year	4,649,479	3,635,967
Fund balance, end of the year	\$ 5,083,698	\$ 4,649,479

See accompanying notes to the financial statements.

Board of Cemetery Trustees of Greater Victoria
Statement of Cash Flows - Operating Fund

Year ended December 31

2024**2023**

Cash provided by (used in)

Operating activities

Excess of revenues over expenses	\$	419,825	\$	302,304
Changes in non-cash working capital balances, net				
Accounts receivable		(81,137)		186,483
Inventory		(10,554)		4,712
Prepaid expenses		71,053		(6,714)
Accounts payable		(4,400)		86,348
GST payable		19,386		16,303
Employee deductions payable		282		(82)
Due to/from reserve funds		(117,630)		(43,756)
		296,825		545,598
Contributions from (to) other funds				
Equipment replacement		(129,788)		(129,260)
Future development		(498,630)		(445,895)
Perpetual care		945,564		610,335
Capital		(565,788)		(363,910)
		(248,642)		(328,730)
Net increase in cash and cash equivalents		48,183		216,868
Cash and cash equivalents, beginning of year		612,936		396,068
Cash and cash equivalents, end of year	\$	661,118		612,936

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

1. Board of Cemetery Trustees of Greater Victoria

The Board of Cemetery Trustees of Greater Victoria (the "Board") was established pursuant to an agreement made between the City of Victoria and the District of Saanich on March 16, 1922. The Board is incorporated with the B.C. Corporate Registry as a not-for-profit organization, and thus is treated as a not-for-profit organization for income tax purposes.

The City of Victoria and the District of Saanich maintain their interest in the Board by appointing three (3) trustees from each stakeholder municipality.

The Board is registered with and licensed by Consumer Protection BC as a Place of Interment Operator and a Crematorium Operator.

2. Purpose of the Board

The Board *'operating as'* Royal Oak Burial Park, Crematorium and Mausoleum *'the Burial Park'* is responsible in an oversight capacity for the development, operation, and maintenance of the Burial Park.

The Board are also trustees for: a Pre-Need Trust Account, a Perpetual Care Reserve Fund, an Operating Fund, Equipment Replacement Reserve Fund, Future Development Reserve Fund and a Capital Fund.

The Board is required to maintain the Pre-Need Trust Account and the Perpetual Care Reserve Fund in compliance with legislation and regulation set out in the Cremation, Interment and Funeral Services Act of B.C. and the Business Practices and Consumer Protection Act of B.C.

3. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Fund accounting

Board of Cemetery Trustees of Greater Victoria follows the restricted fund method of accounting for contributions.

The Perpetual Care Reserve Fund provides for the perpetual care costs of the cemetery. Perpetual Care Reserve Fund investment income is used, as permitted by legislation, at the discretion of the Board of Trustees, to fund these costs.

The Equipment Replacement Reserve Fund provides for the purchase of new tools and equipment. The Board's policy provides for an annual transfer from the Operating Fund to the Equipment Replacement Reserve Fund of an amount equal to the amortization recorded on tools and equipment.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

3. Summary of significant accounting policies (continued)

Fund accounting (continued)

The Future Development Reserve Fund provides for the development of new sites within the cemetery. The Board's policy provides for an annual transfer from the Operating Fund to the Future Development Reserve Fund of an amount based on the amortization recorded on buildings, sprinkler systems and signage, and an allocated amount from site extensions and site development costs based on the number of grave sites sold during the year. No transfer of funds is recorded for amortization of the mausoleum.

The Pre-need Fund accounts for payments of goods and services which have been sold in advance of the requirement to deliver them. These funds are externally restricted, and the contractual arrangement requires the funds to be held in trust until such time as the goods have been delivered or the services performed. The interest received on these trust funds is the property of the Board to allocate to operations as determined reasonable. The applicable interest on pre-need contracts is recognized in the Pre-need Fund when it is earned and is currently allocated by the Board upon the redemption of each individual contract. The Board is permitted by the Business Practices and Consumer Protection Act to deduct from pre-need contracts a 20% 'pre-need selling expense'. These funds have been internally restricted to be used to offset funding shortfalls that occur through the provision of pre-paid goods and services.

The Capital Fund reports the assets, liabilities, revenues, and expenditures related to the Board's tangible capital assets.

Financial instrument policy

The Board considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Board accounts for the following as financial instruments:

- Cash and cash equivalents
- Trade and other receivables
- Inventory
- Short-term investments
- Accounts payable and accrued liabilities
- Debt

Financial instruments in arm's length transactions

Initial measurement

The Board initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Subsequent measurement

In subsequent periods, financial asset with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and assessed for indicators of impairment at each reporting date. Financing fees and transaction costs related to the origination, acquisition, issuance or assumption of financial assets and financial liabilities, subsequently measured at cost or amortized cost, are included as part of the adjusted fair value of the financial asset or financial liability on initial measurement. Subsequent to initial measurement the fees and costs are amortized into net income on a straight-line basis over the term of the related debt. All other transaction costs are recognized in net income in the period incurred

Financial instruments in related party transactions

Initial measurement

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Board does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value. Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Subsequent measurement

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Board initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Board has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Cash and cash equivalents

Cash and cash equivalents in the Operating and Reserve Funds include cash on hand as well as cash held in financial institutions, and other deposits with a maturity of less than 90 days.

Short term investments

Short term investments include investments in short term bonds, actively quoted fixed income and equity investments that are highly liquid and readily convertible to cash. All short-term investments are presented at fair value as actively quoted on the market. Investment income is recorded as revenue in the period earned.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

3. Summary of significant accounting policies (continued)

Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

The Burial Park site and site development costs are amortized on the basis of grave sites sold during the year. Developed sections with a cost of \$543,122 (2023: \$539,049) are fully amortized.

Automatic sprinkler systems are amortized on a straight-line basis over the estimated useful lives of the assets, being 20 years.

Except for the mausoleum building and licenses, other buildings, tools, equipment, and signage are amortized using the declining balance method at a rate of 5% for the administration building and 20% for all other assets in this group.

The Niche Columbaria are being amortized on the basis of niches sold during the year Niche Columbaria with a cost of \$274,816 (2023: \$274,816) are fully amortized.

The mausoleum is being amortized on the basis of crypts and niches sold during the year.

The well and composting site are amortized using the declining balance method at the rate of 8%.

The maps are amortized using the declining balance method at the rate of 10%.

The charge for amortization is made to the Capital Fund.

The site development costs referred to as "general" relate to survey and inspection costs incurred when acquiring property from Broadmead Farms.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Employee future benefits

The Board and its employees contribute to the Municipal Pension Plan (the "Plan"), The Plan is governed by a board of trustees, and administered by the Pension Corporation of BC, who makes payment of pension benefits on behalf of employers and employees to whom the plan applied. The Plan is a multi-employer defined benefit plan.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

3. Summary of significant accounting policies (continued)

Employee future benefits (continued)

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for which findings are available (March 31, 2023 – completed every three years) has determined that the Plan has a surplus of \$4.491 million.

The Plan's liability or surplus rests with the Plan and does not belong to the Board. As such, defined contribution plan accounting is applied to this benefit plan and the costs of these employee future benefits is recognized as an expense in the year that contributions are made.

Revenue recognition

The board follows the restricted fund method of accounting for contributions.

Sale of interment rights and at need goods and services are recognized as revenue of the operating fund if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations and other contributions are recognized as described below.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on the resources of the restricted funds is recognized as revenue in the appropriate restricted fund in the period in which the income is earned. Other investment income is recognized as revenue in the Operating Fund.

Revenue from the sale of pre-need services are recognized upon redemption of the service.

Allocation of office overhead expenses

Office overhead expenses are allocated between the cemetery, the crematorium, and the mausoleum by considering the level of activity of each operation and pro-rating accordingly.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

3. Summary of significant accounting policies (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates include the collectability of accounts receivable, valuation of inventory, valuations of short-term investments, accruals of accounts payable and the useful life of tangible capital assets.

4. Financial instruments

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Board's financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. The following analysis provides information about the Board's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk with respect to accounts receivable and investments. Accounts receivable arise from sales of services. Management believes that the carrying amount of accounts receivable approximates their fair value. Management believes that the institutions that hold the investments are financially sound and therefore minimal credit risk exists with respect to these financial instruments. The credit risk regarding cash and term deposits is considered to be negligible because they are held by a reputable financial institution with an investment grade external credit rating.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its long-term debt, demand loan and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board is exposed to market risk as the value of investments will fluctuate with prevailing market conditions. This risk is mitigated as investment holdings are part of a managed portfolio for which there are established guidelines for investment mix and risk tolerance.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

4. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Board manages exposure through its normal operating and financing activities. The Board holds bonds which are subject to interest rate risk. Management mitigates this risk by holding bonds to maturing where possible. The Board is also exposed to interest rate risk upon the renewal of its long-term debt. Management does not believe that the impact of interest rate fluctuations will be significant. Interest revenue earned on its fixed income investments is known at the time the investment is purchased. Interest earned at variable rates on cash deposits are not a significant source of revenue.

5. Investments

	<u>2024</u>	<u>2023</u>
Perpetual Care Fund:		
Bonds (Cost: \$2,934,502)	\$ 3,437,970	\$ 2,707,615
Equity investments (Cost: \$9,265,768)	<u>10,603,104</u>	<u>9,800,425</u>
	14,041,074	12,508,040
Pre-Need Trust Fund		
Pooled investment fund (Cost: \$3,230,075)	3,375,402	-
Individual G.I.C.s	-	3,033,349
Cash	-	<u>242,753</u>
	<u>3,375,402</u>	<u>3,401,070</u>
	\$ 17,416,476	\$ 15,909,110

Investments are reported at fair value based on quoted prices at year end. Interest rates vary from 2.92% to 8.0%. These investments mature at various dates from 2023 to 2030. The Board's portfolio of pre-need trust funds and the perpetual care fixed income and equity investments are held in trust and are held in brokerage accounts maintained at major Canadian financial institutions. At December 31, 2024 the Board also held cash resources of \$1,088,800 (2023: \$482,892) pending future investments.

6. Contributions from perpetual care fund earnings

The investment income earned on the Perpetual Care Reserve Fund investments was \$368,006 (2023: \$401,020) in the current year. Realized capital gains earned on the sale of Perpetual Care Reserve Fund investments was \$577,558 (2023: \$184,824) in the current year. The Board has authority under the Cremation, Interment and Funeral Services Act, to retain all Care Fund earnings for application towards annual maintenance costs. During the current year, the Board retained \$945,564 (2023: \$610,335) for current maintenance costs.

Board of Cemetery Trustees of Greater Victoria Notes to the Financial Statements

December 31, 2024

7. Tangible capital assets

			<u>2024</u>	<u>2023</u>
<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>	
<u>Cemetery Site</u>				
Original site, at nominal value	\$ 1	\$ -	\$ 1	\$ 1
Extensions	<u>415,546</u>	<u>-</u>	<u>415,546</u>	<u>415,546</u>
	415,547	-	415,547	415,547
<u>Infrastructure</u>				
Infrastructure	<u>706,502</u>	<u>386,347</u>	<u>320,155</u>	<u>329,272</u>
	706,502	386,347	320,155	329,272
<u>Cemetery Land</u>				
Casket interment	4,645,685	2,334,391	2,311,294	2,340,674
Cremation interment	571,935	477,051	94,884	169,037
Little Spirits Garden	<u>496,484</u>	<u>-</u>	<u>496,484</u>	<u>496,484</u>
	5,714,104	2,811,442	2,902,662	3,006,194
<u>Buildings</u>				
Mausoleum	1,933,855	1,211,058	722,797	768,078
All other buildings	<u>1,272,590</u>	<u>582,569</u>	<u>690,021</u>	<u>593,210</u>
	3,206,445	1,793,627	1,412,817	1,361,287
<u>Tools and Equipment</u>				
Tools and Equipment	<u>2,408,947</u>	<u>2,014,040</u>	<u>394,907</u>	<u>467,264</u>
	<u>2,408,947</u>	<u>2,014,040</u>	<u>394,907</u>	<u>467,264</u>
	<u>\$ 12,451,545</u>	<u>\$ 7,005,456</u>	<u>\$ 5,446,088</u>	<u>\$ 5,579,564</u>

During fiscal 2024, project costs of \$282,260 were incurred as development continued in Forest Edge and Centennial Ridge. This balance is included in Casket interment. \$2,198 was spent on Cremation interment. During fiscal 2024, project costs of \$18,050 were incurred for Roadways and \$133,631 were incurred for office upgrades and operation yard. These balances are included in Infrastructure and Other buildings. Equipment purchased during the year totalled \$57,432.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

8. Demand loans

There are no outstanding demand loans with the Bank of Montreal.

A non-revolving / fixed rate term loan for the development of Section T Phase III. The loan bears interest at the Bank's prime lending rate plus 0.5%, interest is calculated monthly. During the year, the balance of the loan \$464,597 was paid off. The balance of the loan cannot exceed a total of \$1,900,000. As at December 31, 2024, the loan had a balance of \$nil (2023: \$484,304.87).

9. Long-term debt

	<u>2024</u>	<u>2023</u>
Loan from Municipality of Saanich bearing interest at 2.25% per annum, repayable in semi-annual payments of \$60,679 on June 3rd and \$29,250 on December 3rd. The loan matures on June 3, 2028. The loan is subject to a rate review every 5 to 10 years with the most recent review done in 2018.	\$ 377,391	\$ 460,781
Less - Deposit: Acquisition of the long-term debt required the payment of a deposit to the Municipal Finance Authority. This deposit is repayable, without interest, to the Board upon payment in full of the principal of the debt.	<u>(15,000)</u>	<u>(15,000)</u>
	362,391	445,781
Amounts payable within one year	<u>(31,429)</u>	<u>(31,429)</u>
	<u>\$ 330,962</u>	<u>414,352</u>

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

9. Long-term debt (continued)

Principal repayments are approximately:

2025	87,559
2026	91,937
2027	96,534
2028	<u>86,360</u>
	\$ <u>362,391</u>

Debt principal is reported net of repayments and actuarial gains or losses. The gross debt issued at December 31, 2024 is \$1,500,000 (2023: \$1,500,000). The original loan was secured by Saanich through the Municipal Finance Authority.

The loan agreement with Saanich provides that the Board will be bound by the terms of the MFA borrowing. The MFA debt is issued on a sinking fund basis, where the MFA invests the Board's sinking fund principal payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period. Actuarial adjustments on debt represent the repayment and/or forgiveness of debt by the MFA using surplus investment income generation by the principal repayments. If at any time the scheduled payments provided for in the agreement are not sufficient to meet the obligations in respect of such borrowing, the resulting deficiency becomes a liability of the Board.

Board of Cemetery Trustees of Greater Victoria Notes to the Financial Statements

December 31, 2024

10. Interfund transfers

	2024	2023
Equipment Replacement Reserve Fund		
Equipment contributions from operating fund	\$ 129,788	\$ 129,260
Operating Fund		
Amortization on tools/equipment	(129,788)	(129,260)
	\$ -	\$ -

A contribution to transfer amortization for tools and equipment from the Operating Fund to the Equipment Replacement Reserve Fund.

Future Development Reserve Fund		
Lot sale contributions from operating	\$ 498,630	\$ 445,895
Operating Fund		
Amortization of land and building	(498,630)	(445,895)
	\$ -	\$ -

A contribution to transfer amortization for lot sales from Operating Fund to the Future Development Reserve Fund.

Operating Fund		
Care fund contribution to operating	\$ (945,564)	\$ (610,335)
Perpetual Care Reserve Fund		
Interest income and realized gains in care reserve	945,564	610,335
	\$ -	\$ -

A contribution to transfer interest and other realized investment income from the Perpetual Care Reserve Fund to the Operating Fund to contribute towards general maintenance, upkeep and operations.

Capital Fund		
Capital additions made to burial park	\$ 436,139	\$ 999,586
Future Development Reserve Fund		
Development contributions to capital	(436,139)	(999,586)
	\$ -	\$ -

A contribution to transfer development additions from the Future Development Reserve Fund to the Capital Fund.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2024

10. Interfund transfers (continued)

	<u>2024</u>	<u>2023</u>
Operating Fund		
Contributions to capital	\$ (565,788)	\$ (363,910)
Future Development Reserve Fund		
Mausoleum loan principal payments	31,429	31,429
Mausoleum loan interest	58,500	46,125
Section T Phase III loan principal payments	464,598	242,921
Section T Phase III loan interest	<u>11,261</u>	<u>43,435</u>
	<u>\$ -</u>	<u>\$ -</u>

A contribution to transfer total interest and principal payments made to service debt relating to the mausoleum from the Operating Fund to the Capital Fund.

Equipment Replacement Reserve Fund		
Equipment fund contribution to capital	\$ (57,431)	\$ (284,908)
Capital Fund		
Tools and equipment transfer payments	-	28,497
Office equipment transfer payments	-	6,838
Building transfer payments	-	26,500
Vehicle and heavy equipment transfer payments	<u>57,431</u>	<u>223,073</u>
	<u>\$ -</u>	<u>\$ -</u>

A contribution to transfer costs associated with the purchase of tangible capital assets from the Equipment Replacement Reserve Fund to the Capital Fund.

11. Statement of cash flows

A statement of cash flows has not been included for the Capital or Reserve Funds as management has determined that those cash flows are readily apparent from the statement of operations.

12. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.