



Financial Statements

Board of Cemetery Trustees of Greater Victoria

December 31, 2025

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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, 2025, 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, 2025, 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.

Victoria, Canada
April 14, 2026

Doane Grant Thornton LLP

Chartered Professional Accountants

Board of Cemetery Trustees of Greater Victoria
Statement of Financial Position

December 31

2025

2024

	Operating Fund	Capital Fund	Reserve Fund	Total	Total
Assets					
Current					
Cash and cash equivalents	\$ 1,344,897	\$ -	\$ 2,462,785	\$ 3,807,682	\$ 2,625,086
Accrued interest receivable	-	-	55,604	55,604	55,604
Accounts receivable	174,825	-	-	174,825	262,708
Inventory	107,834	-	-	107,834	125,831
Prepaid expenses	58,442	-	-	58,442	11,104
Short-term investments (Note 5)	-	-	19,627,530	19,627,530	17,416,476
Due from reserve fund (Note 9)	1,267,743	-	-	1,267,743	1,046,918
	<u>2,953,741</u>	<u>-</u>	<u>22,145,919</u>	<u>25,099,660</u>	<u>21,543,728</u>
Tangible capital assets (Note 7)	-	5,223,368	-	5,223,368	5,446,088
	<u>\$ 2,953,741</u>	<u>\$ 5,223,368</u>	<u>\$ 22,145,919</u>	<u>\$ 30,323,028</u>	<u>\$ 26,989,816</u>
Liabilities					
Current					
Accounts payable	\$ 551,239	\$ -	\$ -	\$ 551,239	\$ 566,152
Deferred revenue	78,461	-	-	78,461	-
Employee deductions payable	-	-	-	-	3,265
GST payable	46,338	-	-	46,338	35,036
Due to operating fund	-	-	1,267,743	1,267,743	1,046,918
Current portion of long-term debt (Note 8)	-	31,429	-	31,429	31,429
	<u>676,039</u>	<u>31,429</u>	<u>1,267,743</u>	<u>1,975,211</u>	<u>1,682,800</u>
Long term debt (Note 8)	-	243,402	-	243,402	330,962
Total liabilities	<u>676,039</u>	<u>274,831</u>	<u>1,267,743</u>	<u>2,218,613</u>	<u>2,013,762</u>
Fund Balances					
Externally restricted:					
Perpetual care	-	-	16,045,518	16,045,518	14,706,663
Pre-need trust	-	-	4,279,470	4,279,470	3,378,102
Internally restricted:					
Future development	-	-	358,205	358,205	177,943
Equipment replacement	-	-	90,884	90,884	36,639
Pre-need selling expense	-	-	104,100	104,100	89,783
Invested in tangible capital assets	-	4,948,537	-	4,948,537	5,083,698
Unrestricted	2,277,702	-	-	2,277,702	1,503,227
	<u>2,277,702</u>	<u>4,948,537</u>	<u>20,878,176</u>	<u>28,104,415</u>	<u>24,976,054</u>
	<u>\$ 2,953,741</u>	<u>\$ 5,223,368</u>	<u>\$ 22,145,919</u>	<u>\$ 30,323,028</u>	<u>\$ 26,989,816</u>

See accompanying notes to the financial statements.

On behalf of the Board

Jim Cambridge

Director

Chris Lawless

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	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue								
Lot sales	\$ 1,778,482	\$ 1,760,481	\$ -	\$ -	\$ 291,205	\$ 377,308	\$ 2,069,687	\$ 2,137,789
Services	741,873	721,795	446,065	366,427	28,315	24,240	1,216,253	1,112,463
Memorializations	365,096	367,681	-	-	35,725	34,980	400,821	402,661
Other	103,918	65,902	301,661	162,147	-	-	405,578	228,049
Sub-Total Revenue	2,989,369	2,915,860	747,726	528,575	355,245	436,528	4,092,340	3,880,962
Total Revenue	2,989,369	2,915,860	747,726	528,575	355,245	436,528	4,092,340	3,880,962
Expenses								
Direct								
Wages & benefits	1,971,200	1,973,351	259,292	258,146	6,712	6,704	2,237,203	2,238,201
Cost of goods sold	278,548	311,295	88,320	91,498	1,260	2,157	368,129	404,950
Operating expenses	497,111	392,971	14,678	17,898	18,303	10,434	530,092	421,303
Total Direct Expenditures	2,746,858	2,677,617	362,290	367,542	26,275	19,296	3,135,423	3,064,454
General and administration								
Office and general	383,449	320,860	-	-	-	-	383,449	320,860
Marketing	39,980	75,823	-	-	-	-	39,980	75,823
Total General Operating	423,429	396,683	-	-	-	-	423,429	396,683
Total Expenses	3,170,288	3,074,300	362,290	367,542	26,275	19,296	3,558,853	3,461,137
Surplus/(deficit) of revenues over expenses	(180,919)	(158,441)	385,436	161,033	328,970	417,232	533,487	419,825
Contributions from (to) other funds								
Future Development	(585,062)	(489,762)	9,056	(8,867)	-	-	(576,006)	(498,630)
Equipment Reserve	(112,148)	(128,497)	726	(908)	307	(383)	(111,115)	(129,788)
Perpetual Care Fund (earnings)	1,018,038	945,564	-	-	-	-	1,018,038	945,564
Capital fund	-	(495,565)	-	-	(89,929)	(89,929)	(89,929)	(585,494)
Surplus/(deficit) after contributions from (to) other funds	139,910	(326,701)	395,217	151,258	239,348	326,920	774,476	151,476
Fund balance, beginning of the year							1,503,227	1,351,750
Fund balance, end of the year							\$ 2,277,702	\$ 1,503,227

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				
	Fund		Reserve Fund		Reserve Fund		Internally Restricted		Externally Restricted		
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Revenue											
Interest earned	\$ 467,767	\$ 368,006	\$ -	\$ -	\$ 2,945	\$ 2,125	\$ 821	\$ 1,197	\$ 822,231	\$ 289,841	
Unrealized gain(loss) on FMV of investments	706,700	491,124	-	-	-	-	-	-	-	-	-
Realized gain on investments	550,271	577,558	-	-	-	-	-	-	-	-	-
Perpetual care provision	744,825	712,064	-	-	-	-	-	-	-	-	-
Sales of pre-need contracts	-	-	-	-	-	-	78,066	29,172	296,471	119,388	
Development income	-	-	20,073	30,341	-	-	-	-	-	-	-
Donation	-	-	900	1,500	-	-	-	-	-	-	-
	2,469,564	2,148,752	20,973	31,841	2,945	2,125	78,887	30,369	1,118,702	409,229	
Expenses											
Investment fees	112,671	99,804	-	-	-	-	-	-	-	-	-
Delivery of Pre-need goods and services	-	-	-	-	-	-	64,570	83,122	217,334	307,229	
	112,671	99,804	-	-	-	-	64,570	83,122	217,334	307,229	
Surplus of revenue over expenses	2,356,893	2,048,948	20,973	31,841	2,945	2,125	14,317	(52,753)	901,368	102,000	
Interfund Transfers											
Contribution to/from Operating Fund	(1,018,038)	(945,564)	576,006	498,630	111,115	129,788	-	-	-	-	
Contribution to Capital Fund	-	-	(416,717)	(436,139)	(59,815)	(57,431)	-	-	-	-	
Contribution - Shady Creek	-	14,072	-	-	-	-	-	-	-	-	
Balance, beginning of the period	14,706,663	13,589,207	177,943	83,611	36,639	37,842	89,783	142,536	3,378,102	3,276,102	
Balance, end of the period	16,045,518	14,706,663	358,205	177,943	90,884	36,639	104,100	89,783	4,279,470	3,378,102	
Fund balances consist of:											
Cash	1,399,374	1,088,800	853,724	740,284	169,907	90,868	39,780	44,015	-	-	
Receivable from (payable to) Operating Fund	(757,521)	(478,816)	(495,519)	(562,342)	(79,024)	(54,229)	64,321	45,768	-	-	
Investments	15,348,060	14,041,075	-	-	-	-	-	-	4,279,470	3,378,102	
Accrued interest receivable	55,604	55,604	-	-	-	-	-	-	-	-	
	\$ 16,045,518	\$ 14,706,663	\$ 358,205	\$ 177,943	\$ 90,884	\$ 36,639	\$ 104,100	\$ 89,783	\$ 4,279,470	\$ 3,378,102	

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

2025

2024

Revenue

Actualial adjustment to debt	<u>\$ 56,130</u>	<u>\$ 51,961</u>
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Expenses

Amortization	699,253	627,046
Interest on demand load	-	11,261
Interest on long-term debt	58,500	58,500
(Gain) Loss on disposal of tangible capital assets	-	-
	<u>757,753</u>	<u>696,806</u>

Deficiency of revenue over expenses

<u>(701,622)</u>	<u>(644,845)</u>
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Interfund transfers

Contribution from Future Development	416,717	436,139
Contribution from Equipment	59,815	57,431
Contribution from Operating Fund - Mausoleum	58,500	58,500
Contribution from Operating Fund - Mausoleum loan principal	31,429	31,429
Contribution from Operating Fund - Section T loan interest	-	11,261
Contribution from Operating Fund - Section T loan principal	-	484,305
	<u>566,461</u>	<u>1,079,065</u>

Fund balance, beginning of the year

<u>5,083,698</u>	<u>4,649,479</u>
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Fund balance, end of the year

<u>\$ 4,948,537</u>	<u>\$ 5,083,698</u>
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See accompanying notes to the financial statements.

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

Year ended December 31

2025

2024

Cash provided by (used in)

Operating activities

Excess of revenues over expenses	\$ 533,487	\$ 419,825
Changes in non-cash working capital balances, net		
Accounts receivable	87,883	(81,137)
Inventory	17,997	(10,554)
Prepaid expenses	(47,338)	71,053
Accounts payable	(18,105)	(4,401)
Deferred revenue	78,461	-
GST payable	11,796	19,386
Employee deductions payable	(3,265)	282
Due to/from reserve funds	(218,125)	(117,630)
	<u>442,791</u>	<u>296,824</u>
Contributions from (to) other funds		
Future development	(576,006)	(498,630)
Equipment replacement	(111,115)	(129,788)
Perpetual care	1,018,038	945,564
Capital	(89,929)	(565,788)
	<u>240,988</u>	<u>(248,642)</u>
Net increase in cash and cash equivalents	683,779	48,182
Cash and cash equivalents, beginning of year	<u>661,118</u>	<u>612,936</u>
Cash and cash equivalents, end of year	<u>\$ 1,344,897</u>	<u>\$ 661,118</u>

See accompanying notes to the financial statements.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2025

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, 2025

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, 2025

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.

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 \$835,200 (2024: \$543,122) 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 (2024: \$274,816) are fully amortized.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2025

3. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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.

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.

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.

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.

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.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2025

3. Summary of significant accounting policies (continued)

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.

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.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2025

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, 2025.

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.

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.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2025

5. Investments

	<u>2025</u>	<u>2024</u>
Perpetual Care Fund		
Bonds (Cost: \$3,336,177)	\$ 3,421,234	\$ 3,437,970
Equity investments (Cost: \$9,752,341)	<u>11,926,826</u>	<u>10,603,104</u>
	15,348,060	14,041,074
Pre-Need Trust Fund		
Pooled investment fund (Cost: \$3,339,544)	<u>4,279,470</u>	3,375,402
	4,279,470	<u>3,375,402</u>
	\$ 19,627,530	\$ 17,416,476

Investments are reported at fair value based on quoted prices at year end. Interest rates vary from 1.5% to 6.5%. These investments mature at various dates from 2026 to 2048. 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, 2025 the Board also held cash resources of \$665,208 (2024: \$1,088,800) pending future investments.

6. Contributions from perpetual care fund earnings

The investment income earned on the Perpetual Care Reserve Fund investments was \$467,767 (2024: \$368,006) in the current year. Realized capital gains earned on the sale of Perpetual Care Reserve Fund investments was \$550,271 (2024: \$577,558) 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 \$1,018,038 (2024: \$945,564) for current maintenance costs.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2025

7. Tangible capital assets

			<u>2025</u>	<u>2024</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	415,547	-	415,547	415,546
	415,548	-	415,548	415,547
<u>Infrastructure</u>				
Infrastructure	789,639	414,293	375,346	320,155
	789,639	414,293	375,346	320,155
<u>Cemetery Land</u>				
Casket interment	4,830,947	2,788,361	2,042,586	2,311,294
Cremation interment	636,135	507,882	128,253	94,884
Little Spirits Garden	496,484	-	496,484	496,484
	5,963,566	3,296,243	2,667,323	2,902,662
<u>Buildings</u>				
Mausoleum	1,933,855	1,244,717	689,137	722,797
All other buildings	1,356,709	624,302	732,407	690,021
	3,290,564	1,869,019	1,421,544	1,412,817
<u>Tools and Equipment</u>				
Tools and Equipment	2,468,762	2,125,155	343,608	394,907
	2,468,762	2,125,155	343,608	394,907
	<u>\$ 12,928,079</u>	<u>\$ 7,704,710</u>	<u>\$ 5,223,368</u>	<u>\$ 5,446,088</u>

During fiscal 2025, project costs of \$185,261 were incurred as development continued in Forest Edge and Centennial Ridge. This balance is included in Casket interment. \$64,200 was spent on Cremation interment. During fiscal 2025, project costs of \$83,137 were incurred for Roadways and \$92,483 were incurred for office upgrades and operation yard. These balances are included in Infrastructure and Other buildings. Equipment purchased during the year totalled \$67,315.

Board of Cemetery Trustees of Greater Victoria

Notes to the Financial Statements

December 31, 2025

8. Long-term debt

	<u>2025</u>	<u>2024</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.	\$ 289,832	\$ 377,391
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>
	274,832	362,391
Amounts payable within one year	<u>(31,429)</u>	<u>(31,429)</u>
	\$ 243,403	<u>330,962</u>
Principal repayments are approximately:		
2026	91,937	
2027	96,534	
2028	<u>101,360</u>	
	\$ 289,831	

Debt principal is reported net of repayments and actuarial gains or losses. The gross debt issued in 2003 was \$1,500,000.00 and the balance at December 31, 2025 is \$289,831.57 (2024: \$377,390.72). The loan is 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, 2025

9. Interfund transfers

	<u>2025</u>	<u>2024</u>
Equipment Replacement Reserve Fund		
Equipment contributions from operating fund	\$ 111,115	\$ 129,788
Operating Fund		
Amortization on tools/equipment	<u>(111,115)</u>	<u>(129,788)</u>
	<u>\$ -</u>	<u>\$ -</u>

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	\$ 576,006	\$ 498,630
Operating Fund		
Amortization of land and building	<u>(576,006)</u>	<u>(498,630)</u>
	<u>\$ -</u>	<u>\$ -</u>

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

Operating Fund		
Care fund contribution to operating	\$ (1,018,038)	\$ (945,564)
Perpetual Care Reserve Fund		
Interest income and realized gains in care reserve	<u>1,018,038</u>	<u>945,564</u>
	<u>\$ -</u>	<u>\$ -</u>

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	\$ 416,717	\$ 436,139
Future Development Reserve Fund		
Development contributions to capital	<u>(416,717)</u>	<u>(436,139)</u>
	<u>\$ -</u>	<u>\$ -</u>

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, 2025

9. Interfund transfers (continued)

	<u>2025</u>	<u>2024</u>
Operating Fund		
Contributions to capital	\$ (89,929)	\$ (565,788)
Future Development Reserve Fund		
Mausoleum loan principal payments	31,429	31,429
Mausoleum loan interest	58,500	58,500
Section T Phase III loan principal payments	-	464,598
Section T Phase III loan interest	-	11,261
	<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	\$ (59,815)	\$ (57,431)
Capital Fund		
Tools and equipment transfer payments	-	-
Office equipment transfer payments	-	-
Building transfer payments	-	-
Vehicle and heavy equipment transfer payments	59,815	57,431
	<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.

10. 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.

11. Comparative figures

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