

EVERGREEN
Financial Statements
For the year ended December 31, 2024

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Financial Statements
For the year ended December 31, 2024

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Independent Auditor's Report

To the Directors of Evergreen

Opinion

We have audited the financial statements of Evergreen (the "Organization"), which comprise the statement of financial position as at December 31, 2024, the statements of operations, changes in fund balances 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 the Organization as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Organization 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 audit opinion.

Other Matter

The financial statements for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 14, 2024.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

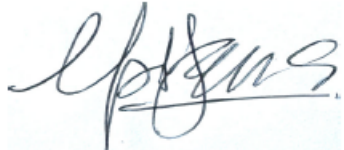
BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 4, 2025

EVERGREEN
Statement of Financial Position

December 31	2024					2023				
	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total
Assets										
Current										
Cash and cash equivalents	\$ -	\$ -	\$ 31,946	\$ -	\$ 31,946	\$ 1,138,340	\$ -	\$ 1,100,235	\$ -	\$ 2,238,575
Accounts and pledges receivable (Note 3)	2,783,861	-	348,927	-	3,132,788	1,723,618	-	318,721	-	2,042,339
Prepaid expenses	632,074	-	-	-	632,074	682,041	-	-	-	682,041
Due (to) from funds	(953,339)	-	953,339	-	-	-	-	-	-	-
	2,462,596	-	1,334,212	-	3,796,808	3,543,999	-	1,418,956	-	4,962,955
Capital assets (Note 4)	-	13,832,615	11,886,336	2,037,194	27,756,145	-	16,608,391	12,140,869	2,094,768	30,844,028
	\$ 2,462,596	\$ 13,832,615	\$ 13,220,548	\$ 2,037,194	\$ 31,552,953	\$ 3,543,999	\$ 16,608,391	\$ 13,559,825	\$ 2,094,768	\$ 35,806,983
Liabilities and Fund Balances										
Current										
Bank indebtedness (Note 5)	\$ 445,000	\$ -	\$ -	\$ -	\$ 445,000	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	1,833,139	-	27,833	-	1,860,972	1,575,447	-	61,858	18,779	1,656,084
Deferred revenue (Note 8)	1,032,049	-	1,372,955	6,129	2,411,133	1,517,313	-	1,423,674	43,905	2,984,892
Current portion of obligation under capital lease (Note 6)	-	-	-	99,390	99,390	-	-	-	107,745	107,745
	3,310,188	-	1,400,788	105,519	4,816,495	3,092,760	-	1,485,532	170,429	4,748,721
Deferred capital contributions (Note 7)	-	13,262,160	11,799,487	840,440	25,902,087	-	15,923,128	12,038,211	905,865	28,867,204
Obligation under capital lease (Note 6)	-	-	-	186,840	186,840	-	-	-	286,220	286,220
	3,310,188	13,262,160	13,200,275	1,132,799	30,905,422	3,092,760	15,923,128	13,523,743	1,362,514	33,902,145
Funds										
Fund balances (Note 9)	(847,592)	570,455	20,273	904,395	647,531	451,239	685,263	36,082	732,254	1,904,838
	\$ 2,462,596	\$ 13,832,615	\$ 13,220,548	\$ 2,037,194	\$ 31,552,953	\$ 3,543,999	\$ 16,608,391	\$ 13,559,825	\$ 2,094,768	\$ 35,806,983

On behalf of the Board:



Upton Jeans, Treasurer



Andy Chisholm, Chair, Board of Directors

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

EVERGREEN
Statement of Changes in Fund Balances

For the year ended December 31	2024					2023				
	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total
Fund balances , beginning of year	\$ 451,239	\$ 685,263	\$ 36,082	\$ 732,254	\$ 1,904,838	\$ 1,194,694	\$ 800,071	\$ 51,893	\$ 519,783	\$ 2,566,441
Deficiency of revenue over expenses	(773,896)	(114,808)	(15,809)	(352,794)	(1,257,307)	(230,746)	(114,808)	(15,811)	(300,238)	(661,603)
Interfund transfers (Note 11)	(524,935)	-	-	524,935	-	(512,709)	-	-	512,709	-
Fund balances , end of year	\$ (847,592)	\$ 570,455	\$ 20,273	\$ 904,395	\$ 647,531	\$ 451,239	\$ 685,263	\$ 36,082	\$ 732,254	\$ 1,904,838
Comprised of:										
Unrestricted	\$ (1,272,592)	\$ -	\$ -	\$ -	\$ (1,272,592)	\$ (123,761)	\$ -	\$ -	\$ -	\$ (123,761)
Internally restricted (Note 9)	425,000	-	-	-	425,000	575,000	-	-	-	575,000
Invested in capital assets	-	570,455	20,273	904,395	1,495,123	-	685,263	36,082	732,254	1,453,599
	\$ (847,592)	\$ 570,455	\$ 20,273	\$ 904,395	\$ 647,531	\$ 451,239	\$ 685,263	\$ 36,082	\$ 732,254	\$ 1,904,838

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

EVERGREEN
Statement of Operations

For the year ended December 31

2024

2023

	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total
Revenue										
Donations, grants and sponsorships	\$ 8,854,393	\$ -	\$ -	\$ -	\$ 8,854,393	\$ 8,977,786	\$ -	\$ -	\$ -	\$ 8,977,786
Program services and fees	12,613,502	-	-	-	12,613,502	10,767,151	-	-	-	10,767,151
	21,467,895	-	-	-	21,467,895	19,744,937	-	-	-	19,744,937
Amortization of deferred capital contributions (Note 7)	-	2,660,968	1,711,893	155,755	4,528,616	-	2,660,968	1,744,825	106,361	4,512,154
	21,467,895	2,660,968	1,711,893	155,755	25,996,511	19,744,937	2,660,968	1,744,825	106,361	24,257,091
Expenses										
National Programs:										
Salaries and benefits	2,444,649	-	-	-	2,444,649	2,707,694	-	-	-	2,707,694
Program costs	1,385,010	-	-	-	1,385,010	1,840,997	-	-	-	1,840,997
Communications and marketing	655,002	-	-	-	655,002	603,059	-	-	-	603,059
	4,484,661	-	-	-	4,484,661	5,151,750	-	-	-	5,151,750
Evergreen Brick Works ("EBW") Programs:										
Salaries and benefits	4,415,297	-	-	-	4,415,297	3,831,190	-	-	-	3,831,190
Cost of sales, services and programs	6,694,275	-	-	-	6,694,275	5,176,100	-	-	-	5,176,100
Property management	2,542,710	-	-	-	2,542,710	1,785,218	-	-	-	1,785,218
Communications and marketing	780,190	-	-	-	780,190	699,105	-	-	-	699,105
	14,432,472	-	-	-	14,432,472	11,491,613	-	-	-	11,491,613
Administration and Fundraising:										
Office and administration	2,369,382	-	-	-	2,369,382	2,503,841	-	-	-	2,503,841
Fundraising	955,276	-	-	-	955,276	828,479	-	-	-	828,479
Interest	-	-	-	19,243	19,243	-	-	-	24,443	24,443
Amortization	-	2,775,776	1,727,702	489,306	4,992,784	-	2,775,776	1,760,636	382,156	4,918,568
	3,324,658	2,775,776	1,727,702	508,549	8,336,685	3,332,320	2,775,776	1,760,636	406,599	8,275,331
	22,241,791	2,775,776	1,727,702	508,549	27,253,818	19,975,683	2,775,776	1,760,636	406,599	24,918,694
Deficiency of revenue over expenses	\$ (773,896)	\$ (114,808)	\$ (15,809)	\$ (352,794)	\$ (1,257,307)	\$ (230,746)	\$ (114,808)	\$ (15,811)	\$ (300,238)	\$ (661,603)

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

EVERGREEN
Statement of Cash Flows

For the year ended December 31

2024

2023

	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total	General Fund	EBW Capital Asset Fund	EBW Infrastructure Improvements Capital Asset Fund	Capital Asset Fund	Total
Cash and cash equivalents provided by (used in)										
Operating activities										
Deficiency of revenue over expenses	\$ (773,896)	\$ (114,808)	\$ (15,809)	\$ (352,794)	\$ (1,257,307)	\$ (230,746)	\$ (114,808)	\$ (15,811)	\$ (300,238)	\$ (661,603)
Adjustments required to reconcile net income with net cash provided by operating activities										
Amortization of capital assets	-	2,775,776	1,727,702	489,306	4,992,784	-	2,775,776	1,760,636	382,156	4,918,568
Amortization of deferred capital contributions	-	(2,660,968)	(1,711,893)	(155,755)	(4,528,616)	-	(2,660,968)	(1,744,825)	(106,361)	(4,512,154)
	(773,896)	-	-	(19,243)	(793,139)	(230,746)	-	-	(24,443)	(255,189)
Changes in non-cash working capital balances										
Accounts and pledges receivable	(1,060,243)	-	(30,206)	-	(1,090,449)	(197,316)	-	(239,598)	39,650	(397,264)
Prepaid expenses and other	49,967	-	-	-	49,967	(100,684)	-	-	-	(100,684)
Due (to) from funds	953,339	-	(953,339)	-	-	-	-	-	-	-
Accounts payable and accrued liabilities	257,692	-	(34,025)	(18,779)	204,888	(1,774,010)	-	(27,569)	(123,103)	(1,924,682)
Deferred revenue	(485,264)	-	(50,719)	(37,776)	(573,759)	(989,546)	-	(170,939)	(148,811)	(1,309,296)
	(1,058,405)	-	(1,068,289)	(75,798)	(2,202,492)	(3,292,302)	-	(438,106)	(256,707)	(3,987,115)
Financing activities										
Bank indebtedness	445,000	-	-	-	445,000	-	-	-	-	-
Repayment of obligation under capital lease	-	-	-	(107,735)	(107,735)	-	-	-	(114,119)	(114,119)
Interfund transfers	(524,935)	-	-	524,935	-	(512,709)	-	-	512,709	-
Deferred capital contributions received	-	-	1,473,169	90,330	1,563,499	-	-	1,167,190	486,627	1,653,817
	(79,935)	-	1,473,169	507,530	1,900,764	(512,709)	-	1,167,190	885,217	1,539,698
Investing activities										
Increase in short-term investments	-	-	-	-	-	127,412	-	-	-	127,412
Capital asset additions	-	-	(1,473,169)	(431,732)	(1,904,901)	-	-	(1,167,190)	(821,226)	(1,988,416)
	-	-	(1,473,169)	(431,732)	(1,904,901)	127,412	-	(1,167,190)	(821,226)	(1,861,004)
Decrease in cash during the year	(1,138,340)	-	(1,068,289)	-	(2,206,629)	(3,677,599)	-	(438,106)	(192,716)	(4,308,421)
Cash and cash equivalents, beginning of year	1,138,340	-	1,100,235	-	2,238,575	4,815,939	-	1,538,341	192,716	6,546,996
Cash and cash equivalents, end of year	\$ -	\$ -	\$ 31,946	\$ -	\$ 31,946	\$ 1,138,340	\$ -	\$ 1,100,235	\$ -	\$ 2,238,575

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

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Notes to Financial Statements

December 31, 2024

1. Nature of Organization

(a) Incorporation and Objects

Evergreen (the "Organization") was incorporated without share capital under the Canada Corporations Act on April 5, 1991 and was continued under the Canada Not-for-profit Corporations Act on December 12, 2013. Evergreen is registered as a charitable organization under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

(b) National Programs

Evergreen collaborates across sectors, community leaders and placemakers to change how we build our cities through better public places. We work with communities to test ideas on the ground and create great public spaces for people and planet.

(c) Evergreen Brick Works' Programs:

Evergreen Brick Works ("EBW") showcases the way great public space positively impacts the health of people and our planet. Located on a unique natural and industrial site, EBW is a destination for community seekers to enjoy a natural refuge, while sampling a rich offering of programs and services.

In 2009, Evergreen secured the land and existing structures of the Don Valley Brick Works at a nominal amount from the City of Toronto, under a 21 year lease, which expires on March 2, 2030.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Fund Accounting

The General Fund reflects general fundraising, investing, programming and administrative activities and reports on unrestricted resources available for immediate use.

The EBW Capital Assets Fund reflects restricted funds arising from fundraising, investing and administrative activities associated with the building of EBW.

The EBW Infrastructure Improvements Capital Assets Fund reflects restricted funds arising from fundraising, investment and administrative activities associated with the capital redevelopment of buildings and outdoor spaces at EBW.

The Capital Assets Fund reflects other capital assets purchased and used in Evergreen.

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Notes to Financial Statements

December 31, 2024

2. Significant Accounting Policies (Continued)

(b) Revenue Recognition

Evergreen follows the deferral method of accounting for contributions which include donations, sponsorships and grants. Unrestricted contributions are recognized as revenue when received or receivable. Revenue is recognized when the amount to be received can be reasonably estimated and collection is assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Revenue received that relates to future periods is recorded as deferred revenue.

Donations-in-kind are recorded at the fair market value that Evergreen would otherwise have paid for such goods and services. Donated securities are sold as soon as they are received and the proceeds recorded as revenue or deferred capital contributions.

Pledges are recognized as receivable when an agreement exists, and when the amount can be reasonably estimated and ultimate collection is reasonably assured.

Program services and fees include short-term facility rental, parking, workshops, camp, classes, consulting engagements and retail sales, which are recognized when goods and services are provided. Additionally, rental revenue, including contractual rent increases during the term of a lease, is recognized as revenue on the straight-line basis over the term of the lease.

(c) Cash and Cash Equivalents

Evergreen considers deposits in banks and guaranteed investment certificates with maturity expirations of three months or less as cash and cash equivalents.

(d) Financial Instruments

Financial instruments are recorded at fair value at initial recognition. In subsequent periods, all financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

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Notes to Financial Statements

December 31, 2024

2. Significant Accounting Policies (Continued)

(e) Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to Evergreen's ability to provide goods and services, or that the value to future economic benefits or service potential associated with the capital assets are less than their net carrying amounts.

Amortization is recorded on the straight-line basis over the estimated useful lives of the assets as follows:

Building and leasehold improvements	Remaining term of land lease at the date asset is put into use
Furniture and fixtures	5 years
Computers and office equipment	3 - 5 years
Equipment under capital leases	3 - 5 years
Vehicles and property management equipment	10 years
Site improvements	3 years
Licenses	3 years

(f) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and accounts payable and accrued liabilities. Actual results could differ from those estimates.

(g) Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital leases are amortized on a straight-line basis over the term of the lease.

EVERGREEN Notes to Financial Statements

December 31, 2024

3. Accounts and Pledges Receivable

Accounts and pledges receivable consist of the following balances:

	2024	2023
Accounts receivable - General Fund		
Accounts and other receivables	\$ 2,638,518	\$ 1,542,051
Recoverable sales tax	42,708	73,150
Unamortized tenant inducement	102,635	108,417
	<u>\$ 2,783,861</u>	<u>\$ 1,723,618</u>
Pledges receivable		
EBW Infrastructure Improvements Capital Assets Fund	<u>\$ 348,927</u>	<u>\$ 318,721</u>

4. Capital Assets

EBW Capital Assets Fund

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building and leasehold improvements	\$ 53,261,801	\$ 39,429,186	\$ 13,832,615	\$ 16,608,391
Furniture and fixtures	867,436	867,436	-	-
	\$ 54,129,237	\$ 40,296,622	\$ 13,832,615	\$ 16,608,391

EBW Infrastructure Improvements Capital Assets Fund

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building and leasehold improvements	\$ 21,099,717	\$ 9,213,381	\$ 11,886,336	\$ 12,140,869
Equipment under capital lease	354,271	354,271	-	-
	\$ 21,453,988	\$ 9,567,652	\$ 11,886,336	\$ 12,140,869

EVERGREEN Notes to Financial Statements

December 31, 2024

4. Capital Assets (Continued)

Capital Assets Fund

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building and leasehold improvements	\$ 2,131,913	\$ 877,754	\$ 1,254,159	\$ 1,337,308
Furniture and fixtures	891,688	640,013	251,675	116,190
Computers and office equipment	1,045,068	956,556	88,512	172,713
Equipment under capital leases	182,215	112,453	69,762	87,080
Vehicles and property management equipment	554,919	242,495	312,424	348,304
Site improvements	171,428	110,766	60,662	33,173
Licenses	1,303,752	1,303,752	-	-
	\$ 6,280,983	\$ 4,243,789	\$ 2,037,194	\$ 2,094,768

Included in total capital assets are assets under construction amounting to \$2,907,930 (2023 - \$1,565,682) which are not being amortized until such time that they are available for use.

5. Bank indebtedness

The Organization has a credit facility for a \$2,000,000 line of credit (2023 - \$1,000,000) bearing interest at the Canadian chartered financial institution prime rate plus 1.0%. As at year end \$445,000 (2023 - \$Nil) has been drawn. In addition, the Organization has a \$500,000 (2023 - \$500,000) revolving lease line of credit, from which \$162,620 (2023 - \$229,606) was drawn as at year end.

The facilities are secured by a general security agreement, assignment of rents, a \$12,750,000 mortgage on property at 550 Bayview Ave, Toronto, ON, and insurance naming the Bank as first mortgagee.

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Notes to Financial Statements

December 31, 2024

6. Obligation Under Capital Lease

Capital Assets Fund

	<u>2024</u>	<u>2023</u>
Obligation under capital leases, implicit interest rate ranging from 2.00% to 6.21%, maturing from September 2026 to November 2027 (2023 - September 2024 to November 2027), repayable in monthly installments ranging from \$1,105 to \$4,381 of principal plus interest, secured by related assets	\$ 286,230	\$ 393,965
Less current portion:	<u>99,390</u>	<u>107,745</u>
	<u>\$ 186,840</u>	<u>\$ 286,220</u>

Minimum annual lease payments are as follows:

2025	\$ 109,511
2026	106,196
2027	<u>88,229</u>
	303,936
Less: imputed interest	<u>17,706</u>
Less: current portion	<u>99,390</u>
	<u>\$ 186,840</u>

7. Deferred Capital Contributions

Evergreen completed an initial redevelopment of EBW in 2010, which cost \$55,000,000. To fund this phase, Evergreen raised \$50,600,000 million. Since then, they have raised and invested an additional \$21,400,000 (2023 - \$19,800,000), for further infrastructure improvements at the site.

EBW Capital Assets Fund

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 15,923,128	\$ 18,584,096
Amortization	<u>(2,660,968)</u>	<u>(2,660,968)</u>
Balance, end of year	<u>\$ 13,262,160</u>	<u>\$ 15,923,128</u>

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Notes to Financial Statements

December 31, 2024

7. Deferred Capital Contributions (Continued)

EBW Infrastructure Improvements Capital Asset Fund

	<u>2024</u>	<u>2023</u>
Balance , beginning of year	\$ 12,038,211	\$ 12,615,846
Capital contributions received/committed	1,473,169	1,167,190
Amortization	<u>(1,711,893)</u>	<u>(1,744,825)</u>
Balance, end of year	<u>\$ 11,799,487</u>	<u>\$ 12,038,211</u>

Capital Assets Fund

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 905,865	\$ 525,599
Capital contributions received	90,330	486,627
Amortization	<u>(155,755)</u>	<u>(106,361)</u>
Balance , end of year	<u>\$ 840,440</u>	<u>\$ 905,865</u>

Included in total deferred capital contributions are contributions related to assets under construction amounting to \$2,907,930 (2023 - \$1,565,682) for which no amortization has yet been taken.

8. Deferred Revenue

General Fund

	<u>2024</u>	<u>2023</u>
Fundraising	\$ 483,227	\$ 863,959
Program services & fees	133,260	91,721
Event deposits	400,743	553,255
Gift cards and miscellaneous other	<u>14,819</u>	<u>8,378</u>
Balance, end of year	<u>\$ 1,032,049</u>	<u>\$ 1,517,313</u>

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8. Deferred Revenue (Continued)

EBW Infrastructure Improvements Capital Asset Fund

	<u>2024</u>	<u>2023</u>
Fundraising	<u>\$ 1,372,955</u>	<u>\$ 1,423,674</u>

Capital Assets Fund

	<u>2024</u>	<u>2023</u>
Fundraising	<u>\$ 6,129</u>	<u>\$ 43,905</u>

9. Internally Restricted Reserve

Pursuant to Evergreen's reserve policy, the Board of Directors has internally restricted the following amounts which are a part of the General Fund:

- (a) \$Nil (2023 - \$150,000) for flood clean-up and maintenance of the Brick Works site anticipated in the coming years. \$150,000 was used during 2024 as a result of a flood.
 - (b) \$425,000 (2023 - \$425,000) for required capital and maintenance of the Brick Works site anticipated in the coming years.
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10. Guarantees

Indemnity has been provided to all directors and/or officers of Evergreen for various items including, but not limited to, all costs to settle suits or actions due to association with Evergreen, subject to certain restrictions. Evergreen has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The insurance coverage has a limit of \$5,000,000 for the policy covered. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of Evergreen, the maximum amount of any potential future payment cannot be reasonably estimated.

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11. Interfund Transfers

Interfund transfers reflect payment by the General Fund of unfunded transactions in the EBW Capital Assets Fund, the EBW Infrastructure Improvement Capital Fund and the Capital Assets Fund. Interfund transfers comprise the following:

	2024			
	General Fund	EBW Capital Assets Fund	EBW Infrastructure Improvements Capital Assets Fund	Capital Assets Fund
Funding of long-term debt and interest repayments from operations	\$ (126,978)	\$ -	\$ -	\$ 126,978
Net funding of capital asset purchases	(341,402)	-	-	341,402
Transfer to (from) general fund	(56,555)	-	-	56,555
	\$ (524,935)	\$ -	\$ -	\$ 524,935

	2023			
	General Fund	EBW Capital Assets Fund	EBW Infrastructure Improvements Capital Assets Fund	Capital Assets Fund
Funding of long-term debt and interest repayments from operations	\$ (138,562)	\$ -	\$ -	\$ 138,562
Net funding of capital asset purchases	(334,599)	-	-	334,599
Transfer to (from) general fund	(39,548)	-	-	39,548
	\$ (512,709)	\$ -	\$ -	\$ 512,709

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12. Financial Risks

It is management's opinion that Evergreen is exposed to the following in respect to certain financial instruments held. The risk exposure has not changed unless noted below. Evergreen manages its financial risks as follows:

(a) **Market Risk:**

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market prices. Evergreen manages this risk by selling donated securities upon receipt and holding funds in cash or invested in money market funds.

(b) **Liquidity Risk:**

Liquidity risk is the risk that Evergreen will not be able to fund its obligations as they come due, including being able to liquidate assets in a timely manner at a reasonable price. Evergreen manages this risk through a combination of holding short-term investments in publicly traded money market funds and they have credit facilities in place (Note 5).

(c) **Credit Risk:**

Credit risk is the possibility that other parties may default on their financial obligations. Evergreen manages its credit risk by issuing credit to a diverse debtor base, examining potential tenant's financial viability, and by maintaining an allowance for potential credit losses.

(d) **Interest Rate Risk:**

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. Evergreen manages this risk on short-term investments by investing in short-term money market funds which limits the exposure to this risk. For credit facilities, this risk is managed through Evergreen's borrowing agreements, as described in Note 5.