

Financial statements of

**Evergreen**

December 31, 2014

# Evergreen

December 31, 2014

## Table of contents

Independent Auditor's Report .....	1-2
Statement of financial position .....	3
Statement of operations and changes in fund balances .....	4
Statement of cash flows .....	5
Notes to the financial statements .....	6-13

## **Independent Auditor's Report**

To the Directors of Evergreen

We have audited the accompanying financial statements of Evergreen, which comprise the statement of financial position as at December 31, 2014, the statements of operations and changes in fund balances and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

In common with many charitable organizations, Evergreen derives revenues from donations and certain community events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Evergreen. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2014 and 2013, current assets and fund balances as December 31, 2014 and 2013, and fund balances as at January 1, 2014 and 2013 and December 31, 2014 and 2013.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Evergreen as at December 31, 2014, 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.

*Deloitte LLP*

Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants  
April 16, 2015

# Evergreen

## Statement of financial position as at December 31, 2014

	2014				2013			
	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Current assets								
Cash	958,489	4,791	350	963,630	1,361,529	100	350	1,361,979
Short-term investments	827,391	-	-	827,391	1,199,248	-	-	1,199,248
Accounts and pledges receivable (Note 3)	1,123,876	115,687	-	1,239,563	999,669	758,166	-	1,757,835
Prepaid expenses and other	270,340	-	-	270,340	239,588	-	-	239,588
	<b>3,180,096</b>	<b>120,478</b>	<b>350</b>	<b>3,300,924</b>	<b>3,800,034</b>	<b>758,266</b>	<b>350</b>	<b>4,558,650</b>
Long-term receivable	-	-	-	-	-	104,187	-	104,187
Deposit	-	300,000	-	300,000	-	500,000	-	500,000
Capital assets (Note 4)	-	41,775,964	1,052,711	42,828,675	-	45,083,093	878,793	45,961,886
	<b>3,180,096</b>	<b>42,196,442</b>	<b>1,053,061</b>	<b>46,429,599</b>	<b>3,800,034</b>	<b>46,445,546</b>	<b>879,143</b>	<b>51,124,723</b>
<b>Liabilities</b>								
Current liabilities								
Accounts payable and accrued liabilities (Note 5)	977,409	-	-	977,409	903,505	-	-	903,505
Deferred revenue	1,350,887	-	-	1,350,887	2,506,679	-	-	2,506,679
Current portion of long-term debt (Note 6)	-	614,000	46,051	660,051	-	3,905,484	71,339	3,976,823
	<b>2,328,296</b>	<b>614,000</b>	<b>46,051</b>	<b>2,988,347</b>	<b>3,410,184</b>	<b>3,905,484</b>	<b>71,339</b>	<b>7,387,007</b>
Deferred capital contributions (Note 7)	-	39,871,840	257,055	40,128,895	-	42,532,808	344,457	42,877,265
Long-term debt (Note 6)	-	4,347,500	37,122	4,384,622	-	1,661,490	83,174	1,744,664
	<b>2,328,296</b>	<b>44,833,340</b>	<b>340,228</b>	<b>47,501,864</b>	<b>3,410,184</b>	<b>48,099,782</b>	<b>498,970</b>	<b>52,008,936</b>
<b>Fund Balances (Note 8)</b>	<b>851,800</b>	<b>(2,636,898)</b>	<b>712,833</b>	<b>(1,072,265)</b>	<b>389,850</b>	<b>(1,654,236)</b>	<b>380,173</b>	<b>(884,213)</b>
	<b>3,180,096</b>	<b>42,196,442</b>	<b>1,053,061</b>	<b>46,429,599</b>	<b>3,800,034</b>	<b>46,445,546</b>	<b>879,143</b>	<b>51,124,723</b>

On behalf of the Board



\_\_\_\_\_  
Anne Brace, Treasurer



\_\_\_\_\_  
Helen Burstyn, Chair, Board of Directors

The accompanying notes to the financial statements are an integral part of this financial statement.

# Evergreen

## Statement of operations and changes in fund balances year ended December 31, 2014

	2014				2013			
	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Donations, grants and sponsorships	6,829,080	-	-	6,829,080	6,036,887	-	-	6,036,887
Evergreen Brick Works programs (Note 11)	4,508,742	-	-	4,508,742	3,663,032	-	-	3,663,032
Program services and fees	1,199,299	-	-	1,199,299	1,164,410	-	-	1,164,410
	<b>12,537,121</b>	-	-	<b>12,537,121</b>	10,864,329	-	-	10,864,329
Amortization of deferred capital contributions (Note 7)	-	2,660,968	87,402	2,748,370	-	2,660,968	78,644	2,739,612
<b>Total revenue</b>	<b>12,537,121</b>	<b>2,660,968</b>	<b>87,402</b>	<b>15,285,491</b>	10,864,329	2,660,968	78,644	13,603,941
<b>Expenses</b>								
National programs								
Salaries and benefits	2,864,003	-	-	2,864,003	2,523,963	-	-	2,523,963
Program costs	1,360,379	-	-	1,360,379	946,068	-	-	946,068
Grants	947,950	-	-	947,950	825,662	-	-	825,662
Communications and marketing	667,509	-	-	667,509	621,953	-	-	621,953
	<b>5,839,841</b>	-	-	<b>5,839,841</b>	4,917,646	-	-	4,917,646
Evergreen Brick Works programs								
Salaries and benefits	1,826,801	-	-	1,826,801	1,429,237	-	-	1,429,237
Cost of sales, services and programs	1,262,130	-	-	1,262,130	806,682	-	-	806,682
Property management	1,037,332	-	-	1,037,332	1,143,431	-	-	1,143,431
	<b>4,126,263</b>	-	-	<b>4,126,263</b>	3,379,350	-	-	3,379,350
Administration and fundraising								
Salaries and benefits	1,507,795	-	-	1,507,795	1,489,287	-	-	1,489,287
Office and general	662,440	-	-	662,440	527,368	-	-	527,368
Interest	-	140,005	6,535	146,540	-	193,632	4,019	197,651
Amortization	-	2,951,252	239,412	3,190,664	-	3,186,455	161,423	3,347,878
	<b>2,170,235</b>	<b>3,091,257</b>	<b>245,947</b>	<b>5,507,439</b>	2,016,655	3,380,087	165,442	5,562,184
<b>Total expenses</b>	<b>12,136,339</b>	<b>3,091,257</b>	<b>245,947</b>	<b>15,473,543</b>	10,313,651	3,380,087	165,442	13,859,180
Excess (deficiency) of revenue over expenses	400,782	(430,289)	(158,545)	(188,052)	550,678	(719,119)	(86,798)	(255,239)
Fund balances, beginning of the year	389,850	(1,654,236)	380,173	(884,213)	939,634	(1,626,822)	58,214	(628,974)
Inter-fund transfers (Note 12)	61,168	(552,373)	491,205	-	(1,100,462)	691,705	408,757	-
<b>Fund Balances, end of the year</b>	<b>851,800</b>	<b>(2,636,898)</b>	<b>712,833</b>	<b>(1,072,265)</b>	389,850	(1,654,236)	380,173	(884,213)

The accompanying notes to the financial statements are an integral part of this financial statement.

# Evergreen

## Statement of cash flows year ended December 31, 2014

	2014				2013			
	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating activities</b>								
Excess (deficiency) of revenue over expenses	400,782	(430,289)	(158,545)	(188,052)	550,678	(719,119)	(86,798)	(255,239)
Add (deduct) non-cash items:								
Amortization of capital assets	-	2,951,252	239,412	3,190,664	-	3,186,455	161,423	3,347,878
Amortization of capital contributions	-	(2,660,968)	(87,402)	(2,748,370)	-	(2,660,968)	(78,644)	(2,739,612)
Donations-in-kind revenue	(28,049)	-	-	(28,049)	(16,133)	-	-	(16,133)
Donated goods and services	28,049	-	-	28,049	16,133	-	-	16,133
	400,782	(140,005)	(6,535)	254,242	550,678	(193,632)	(4,019)	353,027
Add (deduct) changes in non-cash working capital balances:								
Accounts and pledges receivable	(124,207)	642,479	-	518,272	(219,975)	1,106,069	-	886,094
Prepaid expenses and other	(30,752)	-	-	(30,752)	(14,425)	-	-	(14,425)
Accounts payable and accrued liabilities	73,904	-	-	73,904	146,283	-	-	146,283
Deferred revenue	(1,155,792)	-	-	(1,155,792)	(356,486)	-	-	(356,486)
	(836,065)	502,474	(6,535)	(340,126)	106,075	912,437	(4,019)	1,014,493
<b>Investing activities</b>								
Decrease in long-term receivable	-	104,187	-	104,187	-	749,000	-	749,000
Deposit	-	200,000	-	200,000	-	-	-	-
Decrease (increase) in short-term investments	371,857	-	-	371,857	(610,990)	79,116	-	(531,874)
Capital assets recoveries (additions)	-	355,877	(413,330)	(57,453)	-	-	(651,481)	(651,481)
Deferred capital contributions received	-	-	-	-	-	-	32,998	32,998
	371,857	660,064	(413,330)	618,591	(610,990)	828,116	(618,483)	(401,357)
<b>Financing activities</b>								
Repayment of long-term debt	-	(605,474)	(71,340)	(676,814)	-	(2,464,458)	86,590	(2,377,868)
Interfund transfers	61,168	(552,373)	491,205	-	(1,100,462)	691,705	408,757	-
	61,168	(1,157,847)	419,865	(676,814)	(1,100,462)	(1,772,753)	495,347	(2,377,868)
Net (decrease) increase in cash during the year	(403,040)	4,691	-	(398,349)	(1,605,377)	(32,200)	(127,155)	(1,764,732)
Cash, beginning of year	1,361,529	100	350	1,361,979	2,966,906	32,300	127,505	3,126,711
<b>Cash, end of year</b>	<b>958,489</b>	<b>4,791</b>	<b>350</b>	<b>963,630</b>	<b>1,361,529</b>	<b>100</b>	<b>350</b>	<b>1,361,979</b>

The accompanying notes to the financial statements are an integral part of this financial statement.

# Evergreen

## Notes to the financial statements

December 31, 2014

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### 1. Nature of organization

#### *Incorporation and objects*

Evergreen was incorporated without share capital under the Canada Corporations Act on April 5, 1991, was continued under the Canada Not-For-Profit Corporations Act on December 12, 2013, and is registered as a charitable organization under the Income Tax Act (Canada).

Evergreen's mission statement is *inspiring action to green cities*.

#### *National programs*

Evergreen engages Canadians in creating greener, more sustainable cities. Evergreen works with diverse partners from all sectors to build, support, test and scale bold new ideas to solve pressing urban issues. Working with a national network of community and institutional partners, Evergreen has helped to transform over 4,000 school grounds into natural learning grounds, engage over 100,000 volunteers in stewarding public greenspaces, and create collaborative strategies that advance how we plan and build more sustainable cities.

#### *Evergreen Brick Works' programs*

Evergreen Brick Works is a centre for experiencing the relationship between nature, culture and community. Located on a unique natural and industrial heritage site, it is a destination for families and individuals to enjoy a natural refuge, while sampling a rich offering of programs and services.

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

### 2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPOs"). The most significant accounting policies are summarized below. Evergreen follows the deferral method of accounting for donations, sponsorships and grants.

#### *Fund accounting*

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

The Evergreen Brick Works Capital Assets fund reflects restricted funds arising from fundraising, investing and administrative activities associated with the building of Evergreen Brick Works.

The Capital Assets fund reflects capital assets purchased and used in the organization.

#### *Revenue recognition*

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Revenues received that relate to future periods are 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.

Evergreen recognizes revenue from short-term facility rental, parking, workshops, camp, classes and retail sales when goods and services are provided.

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.



# Evergreen

## Notes to the financial statements

December 31, 2014

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### 2. Significant accounting policies (continued)

#### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when Evergreen becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost. The cost of financial instruments approximates their fair value due to their short-term nature.

#### *Financial risks*

Evergreen manages its financial risks as follows:

- 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.
- 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 by having credit facilities in place (Note 6).
- 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 tenants' financial viability, and by maintaining an allowance for potential credit losses.
- 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 6.
- Currency risk is the risk that financial assets and liabilities will fluctuate relative to the Canadian dollar. Evergreen does not have any financial assets or liabilities denominated in a foreign currency.

#### *Capital assets*

Capital assets are stated at cost less accumulated amortization. Amortization is recorded on the straight-line basis over the estimated useful lives of the assets as follows:

Building and leasehold improvements	19 years, being the remaining term of the land lease after completion of the Evergreen Brick Works project
Furniture and fixtures	5 years
Computers and office equipment	3 - 5 years
Equipment under capital leases	4 years
Vehicles and property management equipment	7 - 10 years

#### *Deferred capital contributions*

Deferred capital contributions represent the unamortized amount of donations and grants received and pledges received and receivable to acquire and/or construct capital assets. Deferred capital contributions are amortized to revenue over the same period as the expected life of the capital assets to which they relate.

#### *Income taxes*

Evergreen is a registered charity under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

#### *Pledges receivable*

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

# Evergreen

## Notes to the financial statements

December 31, 2014

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### 2. Significant accounting policies (continued)

#### Estimates

The preparation of Evergreen's financial statements in conformity with ASNPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include deferred revenue, deferred capital contributions and amortization of capital assets.

### 3. Accounts and pledges receivable

Accounts and pledges receivable consist of the following balances:

	2014	2013
	\$	\$
Evergreen Brick Works Capital Assets Fund		
Pledges receivable	115,687	758,166
General fund		
Accounts and other receivables	1,098,182	784,491
Recoverable sales tax	27,388	174,896
Allowance for doubtful accounts	(20,000)	-
Unamortized tenant inducement	18,306	40,282
	<b>1,123,876</b>	<b>999,669</b>

The long-term pledges receivable balance is due as follows:

	\$	\$
2014	-	758,166
2015	115,687	104,187
	<b>115,687</b>	<b>862,353</b>
Less: current portion	(115,687)	(758,166)
Long-term portion	-	104,187

### 4. Capital assets

Capital assets of the Evergreen Brick Works Capital Assets fund are comprised of the following:

	2014		2013	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Buildings and leaseholds	53,261,801	(11,671,721)	41,590,080	44,722,025
Furniture and fixtures	867,436	(690,883)	176,553	350,041
Vehicles and property management equipment	16,964	(7,633)	9,331	11,027
	<b>54,146,201</b>	<b>(12,370,237)</b>	<b>41,775,964</b>	<b>45,083,093</b>

# Evergreen

## Notes to the financial statements

December 31, 2014

#### 4. Capital assets (continued)

Capital assets of the Capital Assets Fund are comprised of the following:

	2014		2013
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Buildings and leaseholds	465,635	(34,495)	431,140
Furniture and fixtures	283,301	(58,107)	225,194
Computers and office equipment	618,681	(370,236)	248,445
Equipment under capital lease	291,093	(193,412)	97,681
Vehicles and property management equipment	65,295	(15,044)	50,251
	<b>1,724,005</b>	<b>(671,294)</b>	<b>1,052,711</b>

#### 5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2014	2013
	\$	\$
Accounts payable and other	977,409	901,082
Government remittances	-	2,423
	<b>977,409</b>	<b>903,505</b>

Included in accounts payable and accrued liabilities is a liability of \$50,000 (2013 - \$50,000) for paid leave to be taken during 2015 by a current employee, in accordance with his employment contract.

#### 6. Long-term debt

	2014	2013
	\$	\$
i) Credit facilities	4,300,000	4,807,474
ii) Sustainable energy loan	661,500	759,500
iii) Obligation under capital leases	83,173	154,513
Total credit facilities	<b>5,044,673</b>	<b>5,721,487</b>
Less: current portion		
Credit facilities	516,000	3,807,484
Sustainable energy loan	98,000	98,000
Obligation under capital leases	46,051	71,339
Current portion of long-term debt	<b>660,051</b>	<b>3,976,823</b>
Long-term debt	<b>4,384,622</b>	<b>1,744,664</b>

# Evergreen

## Notes to the financial statements

December 31, 2014

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### 6. Long-term debt (continued)

- i) As at December 31, 2014, credit facilities are comprised of a \$4.3 million credit facility from a Canadian chartered financial institution, bearing interest at the Canadian chartered financial institution Prime Rate + 0.5%; (2013 - \$7.0 million credit facility from a Canadian chartered financial institution, bearing interest at the Prime Rate of the Canadian chartered financial institution).

On December 19, 2014, Evergreen renegotiated its credit facilities with a Canadian chartered financial institution. The terms of the new credit facilities include monthly principal repayments of \$43,000 over 8 years and four months, with final payment due on April 15, 2023.

The credit facilities are secured by a general security agreement; collateral leasehold mortgage in the amount of \$12.75 million; first ranking assignment of planning approvals, permits and licenses, development agreements and contracts, project plans and specifications and certificates and land surveys in favour of a Canadian chartered financial institution; and an agreement between a Canadian Chartered financial institution, City of Toronto, Toronto & Region Conservation Authority ("TRCA") and Evergreen. The City of Toronto and TRCA have provided a guarantee of up to \$4.6 million.

In 2014, Evergreen incurred interest costs of \$140,005 (2013 - \$193,491) relating to the credit facilities.

- ii) On November 22, 2010, Evergreen entered into a Sustainable Energy Funds Loan Agreement with the City of Toronto for \$980,000. The loan is a ten year, interest-free facility with quarterly repayments of \$24,500 which commenced on October 1, 2011 and is subordinate to the above-noted facilities. Repayments are due as follows:

	\$
2015	98,000
2016	98,000
2017	98,000
2018	98,000
2019	98,000
Thereafter	171,500
	<u>661,500</u>

The loan is secured against certain specific equipment of Evergreen.

- iii) Evergreen has entered into capital lease arrangements with third parties, one of which expired during 2014. The other two will expire in 2016, at the end of the three year term. Lease payments are calculated on the lease base rate of the third parties.

Minimum annual lease payments are as follows:

	\$
2015	49,591
2016	38,047
	<u>87,638</u>
Less: amount representing interest	(4,465)
	83,173
Less: current portion	(46,051)
	<u>37,122</u>

# Evergreen

## Notes to the financial statements

December 31, 2014

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### 7. Deferred capital contributions

As at December 31, 2014, Evergreen has raised \$50.6 million (2013 - \$50.6 million) to fund the \$55 million redevelopment of the Evergreen Brick Works. Deferred capital contributions represent the unamortized amount of donations and grants received and pledges receivable to date from the campaign. The amortization of deferred contributions is recorded as revenue in the Statement of Operations and Changes in Fund Balances.

The changes in the deferred capital contributions balance for the Evergreen Brick Works Capital Assets Fund are as follows:

	2014	2013
	\$	\$
Balance, beginning of year, January 1	42,532,808	45,193,776
Amortization for the year	(2,660,968)	(2,660,968)
Balance, end of year, December 31	<b>39,871,840</b>	42,532,808

The changes in the deferred capital contributions balance for the Other Funded Capital Assets fund are as follows:

	2014	2013
	\$	\$
Balance, beginning of year, January 1	344,457	390,102
Capital contributions received during the year	-	32,999
Amortization for the year	(87,402)	(78,644)
Balance, end of year, December 31	<b>257,055</b>	344,457

### 8. Flood reserve

During 2011, Evergreen agreed with the City of Toronto and TRCA to set aside and maintain during the term of the lease, separate from its operating funds, an amount of not less than \$100,000 to be released and paid to the City of Toronto and TRCA for cleanup and remediation of the leased premises in the event of a flood. This amount is included in the General Fund.

### 9. Commitments

	2014	2013
	\$	\$
Office equipment	14,916	3,729
Leased premises	57,189	4,766
	<b>72,105</b>	8,495

There are no commitments after 2016.

# Evergreen

## Notes to the financial statements

December 31, 2014

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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.

### 11. Other income

On May 28, 2013 and July 9, 2013 Evergreen experienced flooding of the Evergreen Brick Works site. Evergreen submitted two insurance claims for the flood for items lost. Details of the net amount from the claims, which are included in Evergreen Brick Works programs revenue, are as follows:

	2014	2013
	\$	\$
Insurance proceeds	-	393,422
Flood deductible paid	-	(200,000)
Expenses related to the flood	-	(116,093)
	-	77,329

### 12. Inter-fund transfers

During the year, the Evergreen Brick Works Capital Assets fund transferred \$552,373 to the general fund representing pledges collected net of long-term debt repayments (2013 - the general fund transferred \$691,705 to the Evergreen Brick Works Capital Assets fund for the repayment of long term debt) and the general fund transferred \$491,205 (2013 - \$408,757) to the capital assets fund for the purchase of unfunded capital assets.

### 13. Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current period.

# Evergreen

## Notes to the financial statements

December 31, 2014

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### 13. Comparative amounts (continued)

	December 31, 2013	
	As reclassified	As previously stated
	\$	\$
Statement of operations and changes in fund balances		
General fund		
Revenue		
Corporate donations and sponsorships	-	3,144,162
Government grants	-	1,867,893
Foundation grants	-	722,012
Individual donations	-	286,687
Donations-in-kind	-	16,133
Consulting and partnerships	-	1,164,410
Tickets and registrations	-	467,257
Tenant, parking and space rental	-	2,334,570
Retails sales and other	-	783,876
Other	-	77,329
Donations, grants and sponsorships	6,036,887	-
Evergreen Brick Works programs	3,663,032	-
Program services and fees	1,164,410	-
	<u>10,864,329</u>	<u>10,864,329</u>
General fund		
Expenses		
Salaries and benefits	-	5,774,118
Cost of sales and services	-	655,917
Communications and marketing	-	276,299
Travel and meetings	-	81,441
Project and programs	-	1,257,440
Grants to schools and community groups	-	825,662
Office, administration and property	-	1,442,774
National programs		
Salaries and benefits	2,523,963	-
Program costs	946,068	-
Grants	825,662	-
Communications and marketing	621,953	-
Evergreen Brick Works programs		
Salaries and benefits	1,429,237	-
Cost of sales, services and programs	806,682	-
Property management	1,143,431	-
Administration and fundraising		
Salaries and benefits	1,489,287	-
Office and general	527,368	-
	<u>10,313,651</u>	<u>10,313,651</u>