

Financial Statements of

EVERGREEN

And Independent Auditor's Report thereon

Year ended December 31, 2023

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Evergreen

Opinion

We have audited the financial statements of Evergreen (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, 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 auditor's report.

We are independent of the Entity 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 the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. A horizontal line is drawn underneath the signature, starting from the left and extending to the right, ending under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 14, 2024

EVERGREEN

Statement of Financial Position

December 31, 2023, with comparative information for 2022

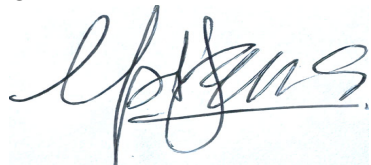
| | 2023 | | | | | 2022 | | | | |
|--|--------------|-------------------------|---|---------------------|---------------|--------------|-------------------------|---|---------------------|---------------|
| | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total |
| Assets | | | | | | | | | | |
| Current assets: | | | | | | | | | | |
| Cash and cash equivalents | \$ 1,138,340 | \$ — | \$ 1,100,235 | \$ — | \$ 2,238,575 | \$ 4,815,939 | \$ — | \$ 1,538,341 | \$ 192,716 | \$ 6,546,996 |
| Short-term investments | — | — | — | — | — | 127,412 | — | — | — | 127,412 |
| Accounts and pledges receivable (note 3) | 1,723,618 | — | 318,721 | — | 2,042,339 | 1,526,302 | — | 79,123 | 39,650 | 1,645,075 |
| Prepaid expenses and other | 682,041 | — | — | — | 682,041 | 581,357 | — | — | — | 581,357 |
| | 3,543,999 | — | 1,418,956 | — | 4,962,955 | 7,051,010 | — | 1,617,464 | 232,366 | 8,900,840 |
| Capital assets (note 4) | — | 16,608,391 | 12,140,869 | 2,094,768 | 30,844,028 | — | 19,384,167 | 12,734,315 | 1,655,698 | 33,774,180 |
| | \$ 3,543,999 | \$ 16,608,391 | \$ 13,559,825 | \$ 2,094,768 | \$ 35,806,983 | \$ 7,051,010 | \$ 19,384,167 | \$ 14,351,779 | \$ 1,888,064 | \$ 42,675,020 |

Liabilities and Fund Balances

| | | | | | | | | | | |
|--|--------------|---------------|---------------|--------------|---------------|--------------|---------------|---------------|--------------|---------------|
| Current liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 1,575,447 | \$ — | \$ 61,858 | \$ 18,779 | \$ 1,656,084 | \$ 3,349,457 | \$ — | \$ 89,427 | \$ 141,882 | \$ 3,580,766 |
| Deferred revenue | 1,517,313 | — | 1,423,674 | 43,905 | 2,984,892 | 2,506,859 | — | 1,594,613 | 192,716 | 4,294,188 |
| Current portion of long-term debt (note 5) | — | — | — | 107,745 | 107,745 | — | — | — | 114,109 | 114,109 |
| | 3,092,760 | — | 1,485,532 | 170,429 | 4,748,721 | 5,856,316 | — | 1,684,040 | 448,707 | 7,989,063 |
| Deferred capital contributions (note 6) | — | 15,923,128 | 12,038,211 | 905,865 | 28,867,204 | — | 18,584,096 | 12,615,846 | 525,599 | 31,725,541 |
| Long-term debt (note 5) | — | — | — | 286,220 | 286,220 | — | — | — | 393,975 | 393,975 |
| Fund balances (note 7) | 451,239 | 685,263 | 36,082 | 732,254 | 1,904,838 | 1,194,694 | 800,071 | 51,893 | 519,783 | 2,566,441 |
| Guarantees (note 9) | — | — | — | — | — | — | — | — | — | — |
| | \$ 3,543,999 | \$ 16,608,391 | \$ 13,559,825 | \$ 2,094,768 | \$ 35,806,983 | \$ 7,051,010 | \$ 19,384,167 | \$ 14,351,779 | \$ 1,888,064 | \$ 42,675,020 |

See accompanying notes to financial statements.

On behalf of the Board:



Upton Jeans, Treasurer



Andy Chisholm, Chair, Board of Directors

EVERGREEN

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | | | | | 2022 | | | | |
|---|---------------------|-------------------------|---|---------------------|---------------------|-------------------|-------------------------|---|---------------------|-------------------|
| | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total |
| Revenue: | | | | | | | | | | |
| Donations, grants and sponsorships | \$ 8,977,786 | \$ — | \$ — | \$ — | \$ 8,977,786 | \$ 9,214,613 | \$ — | \$ — | \$ — | \$ 9,214,613 |
| Pandemic government assistance (note 8) | — | — | — | — | — | 782,513 | — | — | — | 782,513 |
| Program services and fees | 10,767,151 | — | — | — | 10,767,151 | 10,532,686 | — | — | — | 10,532,686 |
| | 19,744,937 | — | — | — | 19,744,937 | 20,529,812 | — | — | — | 20,529,812 |
| Amortization of deferred capital contributions (note 6) | — | 2,660,968 | 1,744,825 | 106,361 | 4,512,154 | — | 2,660,968 | 1,927,371 | 52,752 | 4,641,091 |
| | 19,744,937 | 2,660,968 | 1,744,825 | 106,361 | 24,257,091 | 20,529,812 | 2,660,968 | 1,927,371 | 52,752 | 25,170,903 |
| Expenses: | | | | | | | | | | |
| National programs: | | | | | | | | | | |
| Salaries and benefits | 2,707,694 | — | — | — | 2,707,694 | 3,145,468 | — | — | — | 3,145,468 |
| Program costs | 1,840,997 | — | — | — | 1,840,997 | 2,335,830 | — | — | — | 2,335,830 |
| Communications and marketing | 603,059 | — | — | — | 603,059 | 682,524 | — | — | — | 682,524 |
| | 5,151,750 | — | — | — | 5,151,750 | 6,163,822 | — | — | — | 6,163,822 |
| Evergreen Brick Works ("EBW") programs: | | | | | | | | | | |
| Salaries and benefits | 3,831,190 | — | — | — | 3,831,190 | 2,776,379 | — | — | — | 2,776,379 |
| Cost of sales, services and programs | 5,176,100 | — | — | — | 5,176,100 | 5,388,071 | — | — | — | 5,388,071 |
| Property management | 1,785,218 | — | — | — | 1,785,218 | 1,573,283 | — | — | — | 1,573,283 |
| Communications and marketing | 699,105 | — | — | — | 699,105 | 461,051 | — | — | — | 461,051 |
| | 11,491,613 | — | — | — | 11,491,613 | 10,198,784 | — | — | — | 10,198,784 |
| Administration and fundraising: | | | | | | | | | | |
| Office and administration | 2,503,841 | — | — | — | 2,503,841 | 2,459,860 | — | — | — | 2,459,860 |
| Fundraising | 828,479 | — | — | — | 828,479 | 904,691 | — | — | — | 904,691 |
| Interest | — | — | — | 24,443 | 24,443 | — | 18,625 | — | 12,284 | 30,909 |
| Amortization | — | 2,775,776 | 1,760,636 | 382,156 | 4,918,568 | — | 2,775,775 | 1,804,195 | 284,530 | 4,864,500 |
| | 3,332,320 | 2,775,776 | 1,760,636 | 406,599 | 8,275,331 | 3,364,551 | 2,794,400 | 1,804,195 | 296,814 | 8,259,960 |
| | 19,975,683 | 2,775,776 | 1,760,636 | 406,599 | 24,918,694 | 19,727,157 | 2,794,400 | 1,804,195 | 296,814 | 24,622,566 |
| Excess (deficiency) of revenue over expenses | \$ (230,746) | \$ (114,808) | \$ (15,811) | \$ (300,238) | \$ (661,603) | \$ 802,655 | \$ (133,432) | \$ 123,176 | \$ (244,062) | \$ 548,337 |

See accompanying notes to financial statements.

EVERGREEN

Statement of Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | | | | | 2022 | | | | |
|---|-----------------|----------------------------|---|---------------------------|--------------|-----------------|----------------------------|---|---------------------------|--------------|
| | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total |
| Fund balances, beginning of year | \$ 1,194,694 | \$ 800,071 | \$ 51,893 | \$ 519,783 | \$ 2,566,441 | \$ 1,196,003 | \$ 226,878 | \$ 10,294 | \$ 584,929 | \$ 2,018,104 |
| Excess (deficiency) of revenue over expenses | (230,746) | (114,808) | (15,811) | (300,238) | (661,603) | 802,655 | (133,432) | 123,176 | (244,062) | 548,337 |
| Interfund transfers (note 10) | (512,709) | — | — | 512,709 | — | (803,964) | 706,625 | (81,577) | 178,916 | — |
| Fund balances, end 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 |
| Comprised of: | | | | | | | | | | |
| Unrestricted | \$ (123,761) | \$ — | \$ — | \$ — | \$ (123,761) | \$ 572,194 | \$ — | \$ — | \$ — | \$ 572,194 |
| Internally restricted (note 7) | 575,000 | — | — | — | 575,000 | 622,500 | — | — | — | 622,500 |
| Invested in capital assets | — | 685,263 | 36,082 | 732,254 | 1,453,599 | — | 800,071 | 51,893 | 519,783 | 1,371,747 |
| | \$ 451,239 | \$ 685,263 | \$ 36,082 | \$ 732,254 | \$ 1,904,838 | \$ 1,194,694 | \$ 800,071 | \$ 51,893 | \$ 519,783 | \$ 2,566,441 |

See accompanying notes to financial statements.

EVERGREEN

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | | | | | 2022 | | | | |
|---|--------------|-------------------------|---|---------------------|--------------|--------------|-------------------------|---|---------------------|--------------|
| | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total | General Fund | EBW Capital Assets Fund | EBW Infrastructure Improvements Capital Assets Fund | Capital Assets Fund | Total |
| Cash provided by (used in): | | | | | | | | | | |
| Operating activities: | | | | | | | | | | |
| Excess (deficiency) or revenue over expenses | \$ (230,746) | \$ (114,808) | \$ (15,811) | \$ (300,238) | \$ (661,603) | \$ 802,655 | \$ (133,432) | \$ 123,176 | \$ (244,062) | \$ 548,337 |
| Items not involving cash: | | | | | | | | | | |
| Amortization of capital assets | – | 2,775,776 | 1,760,636 | 382,156 | 4,918,568 | – | 2,775,775 | 1,804,195 | 284,530 | 4,864,500 |
| Amortization of deferred capital contributions | – | (2,660,968) | (1,744,825) | (106,361) | (4,512,154) | – | (2,660,968) | (1,927,371) | (52,752) | (4,641,091) |
| | (230,746) | – | – | (24,443) | (255,189) | 802,655 | (18,625) | – | (12,284) | 771,746 |
| Change in non-cash operating working capital: | | | | | | | | | | |
| Accounts and pledges receivable | (197,316) | – | (239,598) | 39,650 | (397,264) | 192,295 | – | (64,123) | (39,650) | 88,522 |
| Prepaid expenses and other | (100,684) | – | – | – | (100,684) | (198,283) | – | – | – | (198,283) |
| Accounts payable and accrued liabilities | (1,774,010) | – | (27,569) | (123,103) | (1,924,682) | 1,469,680 | – | 89,427 | 141,882 | 1,700,989 |
| Deferred revenue | (989,546) | – | (170,939) | (148,811) | (1,309,296) | (1,431,660) | – | 1,594,613 | 192,716 | 355,669 |
| | (3,292,302) | – | (438,106) | (256,707) | (3,987,115) | 834,687 | (18,625) | 1,619,917 | 282,664 | 2,718,643 |
| Financing activities: | | | | | | | | | | |
| Repayment of long-term debt | – | – | – | (114,119) | (114,119) | – | (688,000) | – | (73,468) | (761,468) |
| Interfund transfers | (512,709) | – | – | 512,709 | – | (803,964) | 706,625 | (81,577) | 178,916 | – |
| Deferred capital contributions received/committed | – | – | 1,167,190 | 486,627 | 1,653,817 | – | – | 380,073 | 367,903 | 747,976 |
| | (512,709) | – | 1,167,190 | 885,217 | 1,539,698 | (803,964) | 18,625 | 298,496 | 473,351 | (13,492) |
| Investing activities: | | | | | | | | | | |
| Increase in short-term investments | 127,412 | – | – | – | 127,412 | (300) | – | – | – | (300) |
| Capital assets additions | – | – | (1,167,190) | (821,226) | (1,988,416) | – | – | (380,072) | (563,299) | (943,371) |
| | 127,412 | – | (1,167,190) | (821,226) | (1,861,004) | (300) | – | (380,072) | (563,299) | (943,671) |
| Increase (decrease) in cash and cash equivalents | (3,677,599) | – | (438,106) | (192,716) | (4,308,421) | 30,423 | – | 1,538,341 | 192,716 | 1,761,480 |
| Cash and cash equivalents, beginning of year | 4,815,939 | – | 1,538,341 | 192,716 | 6,546,996 | 4,785,516 | – | – | – | 4,785,516 |
| Cash and cash equivalents, end of year | \$ 1,138,340 | \$ – | \$ 1,100,235 | \$ – | \$ 2,238,575 | \$ 4,815,939 | \$ – | \$ 1,538,341 | \$ 192,716 | \$ 6,546,996 |
| Supplemental cash flow information: | | | | | | | | | | |
| Capital assets acquired through obligations under capital leases (note 5) | \$ – | \$ – | \$ – | \$ – | \$ – | \$ – | \$ – | \$ – | \$ 481,974 | \$ 481,974 |
| Contributed capital assets | – | – | – | – | – | – | – | 14,652 | – | 14,652 |

See accompanying notes to financial statements.

EVERGREEN

Notes to Financial Statements

Year ended December 31, 2023

1. Nature of organization:

(a) Incorporation and objects:

Evergreen 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 heritage 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 by management 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.

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Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

The EBW Infrastructure Improvements Capital Assets Fund reflects restricted funds arising from fundraising, investing 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.

(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.

Evergreen recognizes revenue from short-term facility rental, parking, workshops, camp, classes, consulting engagements 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.

(c) Cash and cash equivalents:

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

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Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(d) 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.

(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 of 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) Pandemic government assistance:

Evergreen has applied for financial assistance under available government incentive programs. Pandemic government assistance is recognized as revenue during the year in which expenses are incurred. There was nil (2022 - \$782,513) pandemic government assistance received in year.

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Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(g) 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. Actual results could differ from those estimates.

3. Accounts and pledges receivable:

Accounts and pledges receivable consist of the following balances:

| | 2023 | 2022 |
|-------------------------------------|---------------------|---------------------|
| Accounts receivable - General Fund: | | |
| Accounts and other receivables | \$ 1,542,051 | \$ 1,230,859 |
| Recoverable sales tax | 73,150 | 188,808 |
| Unamortized tenant inducement | 108,417 | 106,635 |
| | <u>1,723,618</u> | <u>1,526,302</u> |
| Pledges receivable: | | |
| EBW Infrastructure Improvements | | |
| Capital Assets Fund | 318,721 | 79,123 |
| Capital Assets Fund | — | 39,650 |
| | <u>318,721</u> | <u>118,773</u> |
| | <u>\$ 2,042,339</u> | <u>\$ 1,645,075</u> |

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Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Capital assets:

EBW Capital Assets Fund

| | | | 2023 | 2022 |
|---|---------------|-----------------------------|-------------------|-------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Building and leasehold improvements | \$ 53,261,801 | \$ 36,653,410 | \$ 16,608,391 | \$ 19,384,167 |
| Furniture and fixtures | 867,436 | 867,436 | — | — |
| Vehicles and property management equipment | 16,964 | 16,964 | — | — |
| | \$ 54,146,201 | \$ 37,537,810 | \$ 16,608,391 | \$ 19,384,167 |

EBW Infrastructure Improvements Capital Assets Fund

| | | | 2023 | 2022 |
|--|---------------|-----------------------------|-------------------|-------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Building and leasehold improvements | \$ 19,626,546 | \$ 7,485,677 | \$ 12,140,869 | \$ 12,690,031 |
| Equipment under capital lease | 354,271 | 354,271 | — | 44,284 |
| | \$ 19,980,817 | \$ 7,839,948 | \$ 12,140,869 | \$ 12,734,315 |

EVERGREEN

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Capital assets (continued):

Capital Assets Fund

| | | | 2023 | 2022 |
|--|--------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Building and leasehold improvements | \$ 1,999,615 | \$ 662,307 | \$ 1,337,308 | \$ 954,859 |
| Furniture and fixtures | 702,950 | 586,760 | 116,190 | 144,696 |
| Computers and office equipment | 1,042,445 | 869,732 | 172,713 | 243,035 |
| Equipment under capital leases | 161,198 | 74,118 | 87,080 | — |
| Vehicles and property management equipment | 545,187 | 196,883 | 348,304 | 289,392 |
| Site improvements | 120,286 | 87,113 | 33,173 | 23,716 |
| Licenses | 1,303,752 | 1,303,752 | — | — |
| | \$ 5,875,433 | \$ 3,780,665 | \$ 2,094,768 | \$ 1,655,698 |

Included in total capital assets are assets under construction amounting to \$1.6 million (2022 - \$0.4 million) which are not being amortized until such time that they are available for use.

5. Long-term debt:

On May 17, 2017, Evergreen entered into a credit facility for a \$1,000,000 line of credit, bearing interest at the Canadian chartered financial institution prime rate plus 1.0%. As at December 31, 2023 and 2022, no amount has been drawn.

Capital Assets Fund:

| | 2023 | 2022 |
|---------------------------------|------------|------------|
| Obligation under capital leases | \$ 393,965 | \$ 508,084 |
| Less current portion: | | |
| Obligation under capital leases | 107,745 | 114,109 |
| | \$ 286,220 | \$ 393,975 |

EVERGREEN

Notes to Financial Statements (continued)

Year ended December 31, 2023

5. Long-term debt (continued):

Lease payments are calculated on the lease base rate of the third parties.

Minimum annual lease payments are as follows:

| | | |
|-----------------------------------|----|---------|
| 2024 | \$ | 122,165 |
| 2025 | | 109,511 |
| 2026 | | 106,196 |
| 2027 | | 88,229 |
| | | 426,101 |
| Less amount representing interest | | 32,136 |
| | | 393,965 |
| Less current portion | | 107,745 |
| | \$ | 286,220 |

6. Deferred capital contributions:

Evergreen undertook an initial \$55 million redevelopment of EBW which was completed in 2010. Evergreen raised \$50.6 million to fund this phase of redevelopment and has since raised and invested an additional \$19.8 million (2022 - \$18.6 million) towards further infrastructure improvements at the site.

EBW Capital Assets Fund

| | 2023 | 2022 |
|----------------------------|---------------|---------------|
| Balance, beginning of year | \$ 18,584,096 | \$ 21,245,064 |
| Amortization | (2,660,968) | (2,660,968) |
| Balance, end of year | \$ 15,923,128 | \$ 18,584,096 |

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Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Deferred capital contributions (continued):

EBW Infrastructure Improvements Capital Assets Fund

| | 2023 | 2022 |
|--|---------------|---------------|
| Balance, beginning of year | \$ 12,615,846 | \$ 14,148,492 |
| Capital contributions received/committed | 1,167,190 | 394,725 |
| Amortization | (1,744,825) | (1,927,371) |
| Balance, end of year | \$ 12,038,211 | \$ 12,615,846 |

Capital Assets Fund

| | 2023 | 2022 |
|--------------------------------|------------|------------|
| Balance, beginning of year | \$ 525,599 | \$ 210,448 |
| Capital contributions received | 486,627 | 367,903 |
| Amortization | (106,361) | (52,752) |
| Balance, end of year | \$ 905,865 | \$ 525,599 |

Included in total deferred capital contributions are contributions related to assets under construction amounting to \$1.6 million (2022 - \$0.4 million) for which no amortization has yet been taken.

7. Internally restricted reserve:

Pursuant to Evergreen's reserve policy, the Board of Directors has internally restricted the following:

- (a) \$150,000 (2022 - \$150,000) for flood clean-up as required to comply with Evergreen's lease agreement with the City of Toronto and Toronto & Region Conservation Authority.
- (b) \$425,000 (2022 - \$472,500) for required capital and maintenance of the Brick Works site anticipated in the coming years.

In 2022, the Board of Directors approved the purchase of a new chiller resulting in the transfer of \$47,500 (2022 - \$227,500) to the Capital Asset Fund during the year.

EVERGREEN

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Pandemic government assistance:

In 2022, Evergreen applied for and received \$782,513 of financial support from Federal and Provincial programs developed to assist businesses facing hardship as a result of the COVID-19 outbreak.

9. 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.

10. Interfund transfers:

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

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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Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Interfund transfers:

2022:

| | 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 | \$ (792,377) | \$ 706,625 | \$ — | \$ 85,752 |
| Net funding of capital asset purchases | (93,164) | — | — | 93,164 |
| Transfer to (from) general fund | 81,577 | — | (81,577) | — |
| | \$ (803,964) | \$ 706,625 | \$ (81,577) | \$ 178,916 |

11. Financial risks:

It is management's opinion that Evergreen is exposed to the following risks in respect to certain financial instruments held. The risk exposure has not changed since 2022 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 by having credit facilities in place (note 5).

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Notes to Financial Statements (continued)

Year ended December 31, 2023

11. Financial risks:

(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 tenants' 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.

12. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.