

Financial statements of

**Evergreen**

December 31, 2013

# Evergreen

December 31, 2013

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## **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, 2013, the statements of operations and changes in fund balances and 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, 2013 and 2012, current assets and fund balances as December 31, 2013 and 2012, and fund balances as at January 1, 2013 and 2012 and December 31, 2013 and 2012.

### **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, 2013, 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 25, 2014

# Evergreen

Statement of financial position  
as at December 31, 2013

	2013				2012			
	General Fund	Evergreen Brick Works Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Fund (Restated - Note 8)	Capital Assets Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Current assets								
Cash	1,361,529	100	350	1,361,979	2,966,906	32,300	127,505	3,126,711
Short-term investments	1,199,248	-	-	1,199,248	588,258	79,116	-	667,374
Accounts and pledges receivable (Note 4)	999,669	758,166	-	1,757,835	779,694	1,864,235	-	2,643,929
Prepaid expenses and other	239,588	-	-	239,588	225,163	-	-	225,163
	<b>3,800,034</b>	<b>758,266</b>	<b>350</b>	<b>4,558,650</b>	<b>4,560,021</b>	<b>1,975,651</b>	<b>127,505</b>	<b>6,663,177</b>
Pledges receivable (Note 4)	-	104,187	-	104,187	-	853,187	-	853,187
Deposits	-	500,000	-	500,000	-	500,000	-	500,000
Capital assets (Note 5)	-	45,083,093	878,793	45,961,886	-	48,269,548	388,735	48,658,283
	<b>3,800,034</b>	<b>46,445,546</b>	<b>879,143</b>	<b>51,124,723</b>	<b>4,560,021</b>	<b>51,598,386</b>	<b>516,240</b>	<b>56,674,647</b>
<b>Liabilities</b>								
Current liabilities								
Accounts payable and accrued liabilities (Note 6)	903,505	-	-	903,505	757,222	-	-	757,222
Deferred revenue	2,506,679	-	-	2,506,679	2,863,165	-	-	2,863,165
Current portion of long-term debt (Note 7)	-	3,905,484	71,339	3,976,823	-	2,461,932	40,116	2,502,048
	<b>3,410,184</b>	<b>3,905,484</b>	<b>71,339</b>	<b>7,387,007</b>	<b>3,620,387</b>	<b>2,461,932</b>	<b>40,116</b>	<b>6,122,435</b>
Deferred capital contributions (Note 8)	-	42,532,808	344,457	42,877,265	-	45,193,776	390,103	45,583,879
Long-term debt (Note 7)	-	1,661,490	83,174	1,744,664	-	5,569,500	27,807	5,597,307
	<b>3,410,184</b>	<b>48,099,782</b>	<b>498,970</b>	<b>52,008,936</b>	<b>3,620,387</b>	<b>53,225,208</b>	<b>458,026</b>	<b>57,303,621</b>
<b>Fund balances (Note 9)</b>	<b>389,850</b>	<b>(1,654,236)</b>	<b>380,173</b>	<b>(884,213)</b>	<b>939,634</b>	<b>(1,626,822)</b>	<b>58,214</b>	<b>(628,974)</b>
	<b>3,800,034</b>	<b>46,445,546</b>	<b>879,143</b>	<b>51,124,723</b>	<b>4,560,021</b>	<b>51,598,386</b>	<b>516,240</b>	<b>56,674,647</b>

On behalf of the Board



Anne Brace

Treasurer



George Dark

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, 2013

	2013				2012			
	General Fund	Evergreen Brick Works Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Fund (Restated - Note 8)	Capital Assets Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Corporate donations and sponsorships	3,144,162	-	-	3,144,162	3,360,361	-	-	3,360,361
Government grants	1,867,893	-	-	1,867,893	1,718,717	-	-	1,718,717
Foundation grants	722,012	-	-	722,012	714,467	-	-	714,467
Individual donations	286,687	-	-	286,687	277,204	-	-	277,204
Donations-in-kind	16,133	-	-	16,133	2,127	-	-	2,127
Consulting and partnerships	1,164,410	-	-	1,164,410	1,518,163	-	-	1,518,163
Tickets and registrations	467,257	-	-	467,257	401,574	-	-	401,574
Tenant, parking and space rental	2,334,570	-	-	2,334,570	2,174,803	-	-	2,174,803
Retails sales and other	783,876	-	-	783,876	680,572	-	-	680,572
Other (Note 12)	77,329	-	-	77,329	-	-	-	-
	10,864,329	-	-	10,864,329	10,847,988	-	-	10,847,988
Amortization of deferred capital contributions (Note 8)	-	2,660,968	78,644	2,739,612	-	2,660,968	34,943	2,695,911
	10,864,329	2,660,968	78,644	13,603,941	10,847,988	2,660,968	34,943	13,543,899
<b>Expenses</b>								
Salaries and benefits	5,774,118	-	-	5,774,118	5,466,928	-	-	5,466,928
Cost of sales and services	655,917	-	-	655,917	652,251	-	-	652,251
Communications and marketing	276,299	-	-	276,299	242,047	-	-	242,047
Travel and meetings	81,441	-	-	81,441	84,679	-	-	84,679
Project and programs	1,257,440	-	-	1,257,440	1,686,490	-	-	1,686,490
Grants to schools and community groups	825,662	-	-	825,662	959,016	-	-	959,016
Office, administration and property	1,442,774	-	-	1,442,774	1,345,552	-	-	1,345,552
Interest	-	193,632	4,019	197,651	-	269,281	4,168	273,449
Amortization	-	3,186,455	161,423	3,347,878	-	3,231,237	238,715	3,469,952
	10,313,651	3,380,087	165,442	13,859,180	10,436,963	3,500,518	242,883	14,180,364
Excess (deficiency) of revenue over expenses	550,678	(719,119)	(86,798)	(255,239)	411,025	(839,550)	(207,940)	(636,465)
Fund balances, beginning of the year	939,634	(1,626,822)	58,214	(628,974)	1,483,905	(1,621,774)	145,360	7,491
Inter-fund transfers (Note 14)	(1,100,462)	691,705	408,757	-	(955,296)	834,502	120,794	-
<b>Fund balances, end of the year</b>	<b>389,850</b>	<b>(1,654,236)</b>	<b>380,173</b>	<b>(884,213)</b>	<b>939,634</b>	<b>(1,626,822)</b>	<b>58,214</b>	<b>(628,974)</b>

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

# Evergreen

## Statement of cash flows year ended December 31, 2013

	2013				2012			
	General Fund	Evergreen Brick Works Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Fund (Restated - Note 8)	Capital Assets Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating activities</b>								
Excess (deficiency) of revenue over expenses	550,678	(719,119)	(86,798)	(255,239)	411,025	(839,550)	(207,940)	(636,465)
Add (deduct) non-cash items								
Amortization of capital assets	-	3,186,455	161,423	3,347,878	-	3,231,237	238,715	3,469,952
Amortization of deferred capital contributions	-	(2,660,968)	(78,644)	(2,739,612)	-	(2,660,968)	(34,943)	(2,695,911)
Deferred capital contributions recognized as other revenue	-	-	-	-	-	-	-	-
Donations-in-kind revenue	(16,133)	-	-	(16,133)	(2,127)	-	-	(2,127)
Donated goods and services	16,133	-	-	16,133	2,127	-	-	2,127
	550,678	(193,632)	(4,019)	353,027	411,025	(269,281)	(4,168)	137,576
Add (deduct) changes in non-cash working capital balances								
Accounts and pledges receivable	(219,975)	1,106,069	-	886,094	813,740	658,322	-	1,472,062
Prepaid expenses and other	(14,425)	-	-	(14,425)	(7,807)	-	-	(7,807)
Accounts payable and accrued liabilities	146,283	-	-	146,283	87,551	(220,930)	-	(133,379)
Deferred revenue	(356,486)	-	-	(356,486)	(1,229,347)	-	-	(1,229,347)
	106,075	912,437	(4,019)	1,014,493	75,162	168,111	(4,168)	239,105
<b>Investing activities</b>								
Decrease (increase) in long-term receivable	-	749,000	-	749,000	-	1,026,923	-	1,026,923
(Increase) decrease in short-term investments	(610,990)	79,116	-	(531,874)	41,422	(79,116)	-	(37,694)
Capital assets additions	-	-	(651,481)	(651,481)	-	(234,447)	(375,886)	(610,333)
Deferred capital contributions received	-	-	32,998	32,998	-	-	425,045	425,045
	(610,990)	828,116	(618,483)	(401,357)	41,422	713,360	49,159	803,941
<b>Financing activities</b>								
(Repayment) issuance of long-term debt	-	(2,464,458)	86,590	(2,377,868)	-	(1,719,068)	(38,280)	(1,757,348)
Inter-fund transfers (Note 14)	(1,100,462)	691,705	408,757	-	(955,296)	834,502	120,794	-
	(1,100,462)	(1,772,753)	495,347	(2,377,868)	(955,296)	(884,566)	82,514	(1,757,348)
Net (decrease) increase in cash during the year	(1,605,377)	(32,200)	(127,155)	(1,764,732)	(838,712)	(3,095)	127,505	(714,302)
Cash, beginning of year	2,966,906	32,300	127,505	3,126,711	3,805,618	35,395	-	3,841,013
<b>Cash, end of year</b>	<b>1,361,529</b>	<b>100</b>	<b>350</b>	<b>1,361,979</b>	<b>2,966,906</b>	<b>32,300</b>	<b>127,505</b>	<b>3,126,711</b>

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

# Evergreen

## Notes to the financial statements

December 31, 2013

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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, and is registered as a charitable organization under the Income Tax Act (Canada). Evergreen's mission statement is inspiring action to green cities.

#### *Evergreen Brick Works*

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. Change in financial statement presentation

In 2013, Evergreen adopted fund accounting to separately disclose the activities of certain funds maintained by Evergreen. Evergreen believes fund accounting provides reliable and more relevant information. The prior year's comparative amounts have been reclassified to conform to the current year's presentation.

### 3. 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 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 a straight-line basis over the term of the lease.



# Evergreen

## Notes to the financial statements

December 31, 2013

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### 3. 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 approximate 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 7).
- 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 lending agreements, as described in Note 7.
- 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 a straight-line basis over the estimated useful lives of the assets as follows:

Building and leasehold improvements	16 years, being the remaining term of the land lease after completion of the Evergreen Brick Works project
Furniture and fixtures	5 years
Computer 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, 2013

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#### 4. Accounts and pledges receivable

Accounts and pledges receivable consist of the following balances:

	2013	2012
	\$	\$
Evergreen Brick Works Fund		
Pledges receivable	758,166	1,864,235
General fund		
Accounts and other receivables	784,491	657,948
Recoverable sales tax	174,896	55,401
Unamortized tenant inducement	40,282	66,345
	<b>999,669</b>	<b>779,694</b>

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

	\$	\$
2013	-	1,864,235
2014	758,166	749,000
2015	104,187	104,187
	<b>862,353</b>	<b>2,717,422</b>
Less: current portion	<b>(758,166)</b>	<b>(1,864,235)</b>
Long-term portion	<b>104,187</b>	<b>853,187</b>

#### 5. Capital assets

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

	2013		2012	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Buildings and leaseholds	53,617,678	(8,895,653)	44,722,025	47,733,297
Furniture and fixtures	867,436	(517,395)	350,041	523,528
Vehicles and property management equipment	16,964	(5,937)	11,027	12,723
	<b>54,502,078</b>	<b>(9,418,985)</b>	<b>45,083,093</b>	<b>48,269,548</b>

# Evergreen

## Notes to the financial statements

December 31, 2013

### 5. Capital assets (continued)

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

	2013		2012	
	Cost	Accumulated amortization	Net book value	
	\$	\$	\$	
Buildings and leaseholds	277,269	(11,034)	266,235	47,111
Furniture and fixtures	231,698	(24,623)	207,075	50,797
Computers and office equipment	970,514	(745,255)	225,259	246,310
Equipment under capital lease	291,093	(148,176)	142,917	26,755
Vehicles and property management equipment	46,749	(9,442)	37,307	17,762
	<b>1,817,323</b>	<b>(938,530)</b>	<b>878,793</b>	<b>388,735</b>

### 6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2013	2012
	\$	\$
Accounts payable and other	901,082	754,777
Government remittances	2,423	2,445
	<b>903,505</b>	<b>757,222</b>

Included in Accounts payable and accrued liabilities is a liability of \$50,000 (2012 - \$50,000) for paid leave to be taken during 2014 by a current employee, in accordance with his employment contract.

### 7. Long-term debt

	2013	2012
	\$	\$
i) Construction facilities	4,807,474	7,173,932
ii) Sustainable energy loan	759,500	857,500
iii) Obligation under capital lease	154,513	67,923
Total credit facilities	<b>5,721,487</b>	<b>8,099,355</b>
Less: current portion		
Construction facilities	3,807,484	2,363,932
Sustainable energy loan	98,000	98,000
Obligation under capital lease	71,339	40,116
Current portion of long-term debt	<b>3,976,823</b>	<b>2,502,048</b>
Long-term debt	<b>1,744,664</b>	<b>5,597,307</b>

# Evergreen

## Notes to the financial statements

December 31, 2013

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

- i) As at December 31, 2013, construction facilities are comprised of a \$7.0 million credit facility from a Canadian chartered financial institution, bearing interest at the Prime Rate of the Canadian chartered financial institution; (2012 - \$7.0 million credit facility from a Canadian chartered financial institution, bearing interest at the Prime Rate of the Canadian chartered financial institution; and \$4.52 million credit facility from a Canadian chartered financial institution, bearing interest at the Prime Rate of the Canadian chartered financial institution, plus 1.25%)

On January 13, 2012, Evergreen renegotiated its credit facilities with a Canadian chartered financial institution. Under the terms of the new credit facilities, its \$7.0 million must be reduced by \$3.8 million by December 31, 2014, with full repayment by December 31, 2015. These repayment terms are currently being renegotiated.

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 up to \$7.5 million.

In 2013, Evergreen incurred interest costs of \$193,491 (2012 - \$257,994) relating to the construction 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. Repayments are due as follows:

	\$
2014	98,000
2015	98,000
2016	98,000
2017	98,000
2018	98,000
Thereafter	269,500
	<u>759,500</u>

The loan is secured against certain specific equipment of Evergreen.

- iii) On September 3, 2010, Evergreen entered into a capital lease arrangement with a Canadian chartered financial institution. The lease has a four year term and payments are calculated on the four year lease base rate of the Canadian chartered financial institution.

On September 17, 2013, Evergreen entered into a capital lease arrangement with a Canadian chartered financial institution. The lease has a three year term and payments are calculated on the three year lease base rate of the Canadian chartered financial institutions.

On September 24, 2013, Evergreen entered into a capital lease arrangement with a third party corporation. The lease has a three year term and payments are calculated on the three year lease base rate of the corporation.

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## Notes to the financial statements

December 31, 2013

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

iii) (continued)

Minimum annual lease payments are as follows:

	\$
2014	77,890
2015	49,591
2016	38,048
	<hr/> 165,529
Less: amount representing interest	(11,016)
	<hr/> 154,513
Less: current portion	(71,339)
	<hr/> <hr/> 83,174

### 8. Deferred capital contributions

As at December 31, 2013, Evergreen has raised \$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.

During the year, Evergreen adjusted the balance of the deferred capital contributions. Previously, amounts amortized to revenue from deferred capital contributions represented the equivalent amount of the amortization expense, even though Evergreen is not actively fundraising for the \$4.4 million shortfall. Commencing in 2013, the amount of the deferred capital contribution is based on the amount of deferred capital contributions received and pledges receivable. This method has been applied retrospectively and has resulted in changes to the following financial statement balances of the Evergreen Brick Works Fund.

	December 31, 2012	
	As amended	As previously stated
	\$	\$
<b>Statement of financial position</b>		
Accounts and pledges receivable	1,864,235	621,813
Pledges receivable - long-term	853,187	-
Deferred capital contributions	45,193,776	41,508,551
<b>Statement of operations and changes in fund balances</b>		
Other revenue	-	269,281
Amortization of deferred capital contributions	2,660,968	3,231,237
Fund balances, beginning of year	(1,621,774)	(871,708)
Fund balances, end of year	(1,626,822)	37,206

# Evergreen

## Notes to the financial statements

December 31, 2013

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### 8. Deferred capital contributions (continued)

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

	2013	2012
	\$	\$
Balance, beginning of year, January 1	45,193,776	47,854,744
Amortization for the year	(2,660,968)	(2,660,968)
<b>Balance, end of year, December 31</b>	<b>42,532,808</b>	<b>45,193,776</b>

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

	2013	2012
	\$	\$
Balance, beginning of year, January 1	390,102	-
Capital contributions received during the year	32,999	425,045
Amortization for the year	(78,644)	(34,943)
<b>Balance, end of year, December 31</b>	<b>344,457</b>	<b>390,102</b>

### 9. 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.

### 10. Commitments

	2014	2015	2016	2017	2018	Thereafter
	\$	\$	\$	\$	\$	\$
Office equipment	14,916	14,916	3,729	-	-	-
Leased premises	37,256	40,643	3,387	-	-	-
	52,172	55,559	7,116	-	-	-

### 11. 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.

# Evergreen

## Notes to the financial statements

December 31, 2013

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### 12. Other income

On May 28, 2013 and July 9, 2013 Evergreen experienced flooding of the Evergreen Brickworks site. Evergreen submitted two insurance claims for the flood for items lost. Details of the net amount from the claims are as follows:

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

### 13. Comparative amounts

The following amounts have been reclassified in order to conform to the current financial statement presentation.

	December 31, 2012	
	As amended	As previously stated
	\$	\$
Statement of operations and changes in fund balances		
Revenue		
Tickets and registrations	401,574	-
Tenant, parking and space rental	2,174,803	-
Events and rentals	-	2,576,377
	<u>2,576,377</u>	<u>2,576,377</u>
Expenses		
Office, administration and property (2012 - Office and property)	1,345,552	1,566,868
Cost of sales and services (2012 - Contracts and support services)	652,251	1,418,880
Project and programs (2012 - Project and event fees)	1,686,490	971,994
Interest expense	273,449	-
	<u>3,957,742</u>	<u>3,957,742</u>

### 14. Inter-fund transfers

During the year, the general fund transferred \$691,705 (2012 - \$834,502) to the Evergreen Brick Works fund for the repayment of long term debt and transferred \$408,757 (2012 - \$120,794) to the capital assets fund for the purchase of unfunded capital assets.