

Financial Statements of

EVERGREEN

Year ended December 31, 2015



KPMG LLP
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

INDEPENDENT AUDITORS' 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, 2015, the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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

We were appointed auditors of Evergreen for the current year. We were not engaged to perform audit work on the prior year figures. In common with many not-for-profit organizations, Evergreen derives revenue from donations and certain community events. The predecessor auditors were unable to obtain satisfactory audit verification over the completeness of revenue from donations and community events. Accordingly, verification of these revenues for the year ended December 31, 2014 by the predecessor auditors was limited to the amounts recorded in the records of Evergreen. Therefore, the predecessor auditors were not able to determine, whether as at and for the year ended December 31, 2014, any adjustments might be necessary to donation revenue and excess (deficiency) of revenue over expenses reported in the statement of operations and changes in fund balances, excess (deficiency) of revenue over expenses reported in the statement of cash flows and current assets and fund balances reported in the statement of financial position. This caused the predecessor auditors to qualify their audit opinion on the financial statements as at and for the year ended December 31, 2014.

Our opinion on the financial statements as at and for the year ended December 31, 2015 is also modified because of the possible effects of this matter on the comparability of the current year's figures to the prior year's figures.

Qualified Opinion

In our opinion, except for the possible effects on the comparative information 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, 2015, 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.

Other Matter

The financial statements of Evergreen as at and for the year ended December 31, 2014 were audited by another auditor who expressed a qualified opinion on those financial statements on April 16, 2015 due to the matter described in the Basis for Qualified Opinion paragraph.

Chartered Professional Accountants, Licensed Public Accountants

April 28, 2016
Toronto, Canada

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Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015				2014			
	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total
Assets								
Current assets:								
Cash	\$ 447,936	\$ 4,791	\$ 50	\$ 452,777	\$ 958,489	\$ 4,791	\$ 350	\$ 963,630
Short-term investments	154,937	–	–	154,937	827,391	–	–	827,391
Accounts and pledges receivable (note 3)	1,218,507	18,750	–	1,237,257	1,123,876	115,687	–	1,239,563
Prepaid expenses and other	334,832	–	–	334,832	270,340	–	–	270,340
	2,156,212	23,541	50	2,179,803	3,180,096	120,478	350	3,300,924
Deposit	–	200,000	–	200,000	–	300,000	–	300,000
Capital assets (note 4)	–	38,824,712	1,099,650	39,924,362	–	41,775,964	1,052,711	42,828,675
	\$ 2,156,212	\$ 39,048,253	\$ 1,099,700	\$ 42,304,165	\$ 3,180,096	\$ 42,196,442	\$ 1,053,061	\$ 46,429,599
Liabilities								
Current liabilities:								
Accounts payable and accrued liabilities (note 5)	\$ 1,155,578	\$ –	\$ –	\$ 1,155,578	\$ 977,409	\$ –	\$ –	\$ 977,409
Deferred revenue	733,803	–	–	733,803	1,350,887	–	–	1,350,887
Current portion of long-term debt (note 6)	–	614,000	61,773	675,773	–	614,000	46,051	660,051
	1,889,381	614,000	61,773	2,565,154	2,328,296	614,000	46,051	2,988,347
Deferred capital contributions (note 7)	–	37,210,872	181,250	37,392,122	–	39,871,840	257,055	40,128,895
Long-term debt (note 6)	–	3,733,500	73,860	3,807,360	–	4,347,500	37,122	4,384,622
Fund balances	266,831	(2,510,119)	782,817	(1,460,471)	851,800	(2,636,898)	712,833	(1,072,265)
	\$ 2,156,212	\$ 39,048,253	\$ 1,099,700	\$ 42,304,165	\$ 3,180,096	\$ 42,196,442	\$ 1,053,061	\$ 46,429,599

See accompanying notes to financial statements.

On behalf of the Board:



Anne Brace, Treasurer



Helen Burstyn, Chair, Board of Directors

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Statement of Operations and Changes in Fund Balances

Year ended December 31, 2015, with comparative information for 2014

	2015				2014			
	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total
Revenue:								
Donations, grants and sponsorships	\$ 7,971,911	\$ -	\$ -	\$ 7,971,911	\$ 6,829,080	\$ -	\$ -	\$ 6,829,080
Program services and fees	6,426,384	-	-	6,426,384	5,708,041	-	-	5,708,041
	14,398,295	-	-	14,398,295	12,537,121	-	-	12,537,121
Amortization of deferred capital contributions (note 7)	-	2,660,968	87,505	2,748,473	-	2,660,968	87,402	2,748,370
	14,398,295	2,660,968	87,505	17,146,768	12,537,121	2,660,968	87,402	15,285,491
Expenses:								
National programs:								
Salaries and benefits	2,530,986	-	-	2,530,986	2,850,708	-	-	2,850,708
Program costs	3,129,882	-	-	3,129,882	2,413,491	-	-	2,413,491
Communications and marketing	665,929	-	-	665,929	670,536	-	-	670,536
	6,326,797	-	-	6,326,797	5,934,735	-	-	5,934,735
Evergreen Brick Works programs:								
Salaries and benefits	2,236,765	-	-	2,236,765	1,861,262	-	-	1,861,262
Cost of sales, services and programs	2,310,938	-	-	2,310,938	1,327,327	-	-	1,327,327
Property management	883,164	-	-	883,164	1,040,478	-	-	1,040,478
	5,430,867	-	-	5,430,867	4,229,067	-	-	4,229,067
Administration and fundraising:								
Office and administration	1,267,112	-	-	1,267,112	1,010,905	-	-	1,010,905
Fundraising	1,142,557	-	-	1,142,557	961,632	-	-	961,632
Interest	-	137,333	6,942	144,275	-	140,005	6,535	146,540
Amortization	-	2,951,252	272,114	3,223,366	-	2,951,252	239,412	3,190,664
	2,409,669	3,088,585	279,056	5,777,310	1,972,537	3,091,257	245,947	5,309,741
	14,167,333	3,088,585	279,056	17,534,974	12,136,339	3,091,257	245,947	15,473,543
Excess (deficiency) of revenue over expenses	230,962	(427,617)	(191,551)	(388,206)	400,782	(430,289)	(158,545)	(188,052)
Fund balance, beginning of year	851,800	(2,636,898)	712,833	(1,072,265)	389,850	(1,654,236)	380,173	(884,213)
Interfund transfers (note 11)	(815,931)	554,396	261,535	-	61,168	(552,373)	491,205	-
Fund balances, end of year	\$ 266,831	\$ (2,510,119)	\$ 782,817	\$ (1,460,471)	\$ 851,800	\$ (2,636,898)	\$ 712,833	\$ (1,072,265)

See accompanying notes to financial statements.

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Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015				2014			
	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund	Total
Cash provided by (used in):								
Operating activities:								
Excess (deficiency) or revenue over expenses	\$ 230,962	\$ (427,617)	\$ (191,551)	\$ (388,206)	\$ 400,782	\$ (430,289)	\$ (158,545)	\$ (188,052)
Items not involving cash:								
Amortization of capital assets	–	2,951,252	272,114	3,223,366	–	2,951,252	239,412	3,190,664
Amortization of deferred capital contributions	–	(2,660,968)	(87,805)	(2,748,773)	–	(2,660,968)	(87,402)	(2,748,370)
	230,962	(137,333)	(7,242)	86,387	400,782	(140,005)	(6,535)	254,242
Change in non-cash operating working capital:								
Accounts and pledges receivable	(94,631)	96,937	–	2,306	(124,207)	642,479	–	518,272
Prepaid expenses and other	(64,492)	–	–	(64,492)	(30,752)	–	–	(30,752)
Accounts payable and accrued liabilities	178,169	–	–	178,169	73,904	–	–	73,904
Deferred revenue	(617,084)	–	–	(617,084)	(1,155,792)	–	–	(1,155,792)
	(367,076)	(40,396)	(7,242)	(414,714)	(836,065)	502,474	(6,535)	(340,126)
Financing activities:								
Repayment of long-term debt	–	(614,000)	(52,040)	(666,040)	–	(605,474)	(71,340)	(676,814)
Interfund transfers	(815,931)	554,396	261,535	–	61,168	(552,373)	491,205	–
	(815,931)	(59,604)	209,495	(666,040)	61,168	(1,157,847)	419,865	(676,814)
Investing activities:								
Decrease in short-term investments	672,454	–	–	672,454	371,857	–	–	371,857
Deposit returned	–	100,000	–	100,000	–	200,000	–	200,000
Capital assets recoveries (additions)	–	–	(214,553)	(214,553)	–	355,877	(413,330)	(57,453)
Deferred capital contributions received	–	–	12,000	12,000	–	–	–	–
Decrease in long-term receivable	–	–	–	–	–	104,187	–	104,187
	672,454	100,000	(202,553)	569,901	371,857	660,064	(413,330)	618,591
Increase (decrease) in cash	(510,553)	–	(300)	(510,853)	(403,040)	4,691	–	(398,349)
Cash, beginning of year	958,489	4,791	350	963,630	1,361,529	100	350	1,361,979
Cash, end of year	\$ 447,936	\$ 4,791	\$ 50	\$ 452,777	\$ 958,489	\$ 4,791	\$ 350	\$ 963,630
Supplemental cash flow information:								
Capital assets acquired through obligations under capital leases (note 6)	\$ –	\$ –	\$ 104,500	\$ 104,500	\$ –	\$ –	\$ –	\$ –

See accompanying notes to financial statements.

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Notes to Financial Statements

Year ended December 31, 2015

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.

Evergreen's mission statement is "Inspiring action to green cities".

(b) 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.

(c) 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 has 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.

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Notes to Financial Statements (continued)

Year ended December 31, 2015

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 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.

(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 a signed 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 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.

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Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Significant accounting policies (continued):

(c) 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.

(d) 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	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	4 years
Vehicles and property management equipment	7 - 10 years
Site improvements	3 years

(e) Use of estimates:

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

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Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Accounts and pledges receivable:

Accounts and pledges receivable consist of the following balances:

	2015	2014
General Fund:		
Accounts and other receivables	\$ 1,079,797	\$ 1,098,182
Recoverable sales tax	43,379	27,388
Allowance for doubtful accounts	—	(20,000)
Unamortized tenant inducement	95,331	18,306
	<u>\$ 1,218,507</u>	<u>\$ 1,123,876</u>
Evergreen Brick Works Capital Assets Fund:		
Pledges receivable	\$ 18,750	\$ 115,687

4. Capital assets:

Capital assets of the Evergreen Brick Works Capital Assets Fund comprise the following:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Building and leasehold improvements	\$ 53,261,801	\$ 14,447,789	\$ 38,814,012	\$ 41,590,080
Furniture and fixtures	867,436	864,370	3,066	176,553
Vehicles and property management equipment	16,964	9,330	7,634	9,331
	<u>\$ 54,146,201</u>	<u>\$ 15,321,489</u>	<u>\$ 38,824,712</u>	<u>\$ 41,775,964</u>

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Notes to Financial Statements (continued)

Year ended December 31, 2015

4. Capital assets (continued):

Capital assets of the Capital Assets Fund comprise the following:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Building and leasehold improvements	\$ 519,741	\$ 67,709	\$ 452,032	\$ 431,140
Furniture and fixtures	395,655	107,988	287,667	225,194
Computers and office equipment	645,767	506,664	139,103	248,445
Equipment under capital leases	395,594	232,395	163,199	97,681
Vehicles and property management equipment	65,295	21,574	43,721	50,251
Site improvements	16,713	2,785	13,928	–
	\$ 2,038,765	\$ 939,115	\$ 1,099,650	\$ 1,052,711

5. Accounts payable and accrued liabilities:

There are no government remittances payable in 2015 and 2014.

6. Long-term debt:

	2015	2014
Evergreen Brick Works Capital Assets Fund		
Credit facility (a)	\$ 3,784,000	\$ 4,300,000
Sustainable energy loan (b)	563,500	661,500
	4,347,500	4,961,500
Less current portion:		
Credit facility	516,000	516,000
Sustainable energy loan	98,000	98,000
	614,000	614,000
	\$ 3,733,500	\$ 4,347,500

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Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Long-term debt (continued):

	2015	2014
Capital Assets Fund		
Obligation under capital leases (c)	\$ 135,633	\$ 83,173
Less current portion:		
Obligation under capital leases	61,773	46,051
	<u>\$ 73,860</u>	<u>\$ 37,122</u>

- (a) On December 19, 2014, Evergreen entered into a credit facility with a Canadian chartered financial institution for \$4.3 million, bearing interest at the Canadian chartered financial institution prime rate plus 0.5%. The facility includes monthly principal repayments of \$43,000 over eight 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, the 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.

Repayments are due as follows:

2016	\$ 516,000
2017	516,000
2018	516,000
2019	516,000
2020	516,000
Thereafter	1,204,000
	<u>\$ 3,784,000</u>

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Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Long-term debt (continued):

- (b) 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 10-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:

2016	\$ 98,000
2017	98,000
2018	98,000
2019	98,000
2020	98,000
Thereafter	73,500
	<u>\$ 563,500</u>

The loan is secured against certain specific equipment of Evergreen.

- (c) Lease payments are calculated on the lease base rate of the third parties.

Minimum annual lease payments are as follows:

2016	\$ 66,669
2017	28,624
2018	28,624
2019	21,471
	<u>145,388</u>
Less amount representing interest	9,755
	<u>135,633</u>
Less current portion	61,773
	<u>\$ 73,860</u>

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Notes to Financial Statements (continued)

Year ended December 31, 2015

7. Deferred capital contributions:

Evergreen 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 and pledges received to date from the campaign. The amortization of deferred capital 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:

	2015	2014
Balance, beginning of year	\$ 39,871,840	\$ 42,532,808
Amortization	(2,660,968)	(2,660,968)
Balance, end of year	\$ 37,210,872	\$ 39,871,840

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

	2015	2014
Balance, beginning of year	\$ 257,055	\$ 344,457
Capital contributions received	12,000	—
Amortization	(87,805)	(87,402)
Balance, end of year	\$ 181,250	\$ 257,055

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.

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Notes to Financial Statements (continued)

Year ended December 31, 2015

9. Commitments:

Evergreen has future minimum annual commitments under long-term contracts for office space and equipment as follows:

2016	\$	63,000
2017		43,000
2018		43,000
2019		33,000
2020		3,000
	\$	185,000

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. Interfund transfers:

2015	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund
Long-term debt repayment	\$ (666,040)	\$ 614,000	\$ 52,040
Deferred capital contributions received	12,000	—	(12,000)
Borrowing of long-term debt	104,500	—	(104,500)
Pledges collected, net of cash retained	96,937	(96,937)	—
Deposit collected	100,000	(100,000)	—
Purchase of capital assets	(319,053)	—	319,053
Interest payment	(144,275)	137,333	6,942
	\$ (815,931)	\$ 554,396	\$ 261,535

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Notes to Financial Statements (continued)

Year ended December 31, 2015

11. Interfund transfers (continued):

2014	General Fund	Evergreen Brick Works Capital Assets Fund	Capital Assets Fund
Long-term debt repayment	\$ (676,814)	\$ 605,474	\$ 71,340
Pledges collected, net of cash retained	642,479	(642,479)	—
Long-term receivable collected	99,496	(99,496)	—
Deposit collected	200,000	(200,000)	—
Purchase of capital assets	(57,453)	(355,877)	413,330
Interest payment	(146,540)	140,005	6,535
	\$ 61,168	\$ (552,373)	\$ 491,205

12. 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 2014. 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 6).

(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.

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Notes to Financial Statements (continued)

Year ended December 31, 2015

12. Financial risks (continued):

(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 6.

(e) Currency risk:

Currency risk is the risk that financial assets and liabilities will fluctuate relative to the Canadian dollar. From time to time, Evergreen makes purchases in foreign currencies. As at December 31, 2015, Evergreen does not have any financial assets or liabilities denominated in a foreign currency.

13. Comparative information:

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