

**THE EVERGREENS FOUNDATION**

**Financial Statements**

**For the Year Ended December 31, 2025**

## INDEPENDENT AUDITORS' REPORT

To the Directors of The Evergreens Foundation

### *Opinion*

We have audited the financial statements of The Evergreens Foundation (the "Foundation") which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025, and the results of its operations and the changes in its net assets and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (the Board) are responsible for overseeing the Foundation's financial reporting process.

### *Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



*Auditors' Responsibility for the Audit of the Financial Statements (continues)*

- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta

March 20, 2026

**THE EVERGREENS FOUNDATION**  
**Statement of Financial Position**  
**As at December 31, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 2)	\$ 20,437,004	\$ 12,982,688
Accounts receivable (Note 3)	788,200	1,418,547
Prepays and deposits	156,735	327,672
Inventories	141,188	154,243
	<u>21,523,127</u>	14,883,150
TANGIBLE CAPITAL ASSETS (Note 4)	63,937,685	60,014,358
INTANGIBLE ASSETS (Note 5)	240,549	254,390
	<u>\$ 85,701,361</u>	<u>\$ 75,151,898</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 1,710,838	\$ 4,669,079
Security deposits	79,903	81,794
Deferred contributions - operating (Note 7)	115,650	574,280
Current portion of long term debt (Note 8)	340,982	185,067
	<u>2,247,373</u>	5,510,220
LONG TERM DEBT (Note 8)	20,660,171	12,421,123
DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS (Note 9)	67,257,564	62,478,391
	<u>90,165,108</u>	80,409,734
<b>NET ASSETS (DEFICIT)</b>		
Unrestricted net assets (deficit)	(5,634,794)	(6,469,622)
Invested in intangible and tangible capital assets	1,128,517	1,169,256
Internally restricted net assets	42,530	42,530
	<u>(4,463,747)</u>	<u>(5,257,836)</u>
	<u>\$ 85,701,361</u>	<u>\$ 75,151,898</u>

**APPROVED ON BEHALF OF THE BOARD:**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**THE EVERGREENS FOUNDATION**  
**Statement of Operations**  
**For the Year Ended December 31, 2025**

	2025	2024
<b>REVENUE</b>		
Rent	\$ 9,089,389	\$ 8,699,325
Member operating requisitions <i>(Note 10)</i>	6,948,191	5,173,096
Grants <i>(Note 11)</i>	2,527,846	2,534,980
Amortization - deferred contributions tangible capital assets <i>(Note 9)</i>	1,585,401	1,596,123
Member capital requisitions used for operating expenses <i>(Note 9)</i>	1,160,155	194,927
Interest	585,335	203,160
Management and administration fees	342,208	245,975
Non-resident services	178,705	154,166
Resident services	159,187	154,981
Insurance proceeds	124,106	-
Donations	86,112	111,245
Utilities recoveries	49,296	35,244
	<u>22,835,931</u>	<u>19,103,222</u>
<b>EXPENSES</b>		
Human resources	12,350,158	10,942,453
Operating	3,093,428	3,370,329
Maintenance	1,683,043	2,476,628
Administration	1,366,739	1,417,503
Utilities	1,143,994	1,244,657
Interest on long term debt	307,858	194,927
Taxes and land leases	2,469	6,295
Amortization	2,094,153	2,145,032
	<u>22,041,842</u>	<u>21,797,824</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 794,089</u>	<u>\$ (2,694,602)</u>

**THE EVERGREENS FOUNDATION**  
**Statement of Changes in Net Assets (Deficit)**  
**For the Year Ended December 31, 2025**

	Invested in Intangible			2025	2024
	Unrestricted Net Assets	and Tangible Capital Assets	Restricted Net Assets		
<b>BALANCE (DEFICIT), BEGINNING OF YEAR</b>	(6,469,622)	1,169,256	42,530	<b>(5,257,836)</b>	<b>(2,563,234)</b>
Excess (deficiency) of Revenue over Expenses	794,089	-	-	<b>794,089</b>	<b>(2,694,602)</b>
Internally funded tangible capital asset purchases	(14,424)	14,424	-	-	-
Amortization of tangible and intangible capital assets (net)	55,163	(55,163)	-	-	-
<b>BALANCE (DEFICIT), END OF YEAR</b>	<b>\$ (5,634,794)</b>	<b>\$ 1,128,517</b>	<b>\$ 42,530</b>	<b>\$ (4,463,747)</b>	<b>\$ (5,257,836)</b>

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

**THE EVERGREENS FOUNDATION**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 794,089	\$ (2,694,602)
Items not affecting cash:		
Amortization	2,094,153	2,145,032
Forgiveness of long term debt <i>(Note 8)</i>	(90,664)	(90,664)
Amortization of capital contributions <i>(Note 9)</i>	(1,585,401)	(1,596,123)
	<u>1,212,177</u>	<u>(2,236,357)</u>
Change in non-cash working capital		
Accounts receivables	630,347	(956,722)
Prepaid expenses	170,937	(154,932)
Inventory	13,055	18,884
Accounts payable and accrued liabilities	(2,958,241)	2,126,691
Security deposits	(1,891)	(5,912)
Deferred contributions - operations	(458,630)	282,130
	<u>(2,604,423)</u>	<u>1,310,139</u>
Cash flows from (used) operating activities	<u>(1,392,246)</u>	<u>(926,218)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(6,122,179)	(13,977,078)
Proceeds on disposal of tangible capital assets	118,538	-
	<u>(6,003,641)</u>	<u>(13,977,078)</u>
Cash flows used by investing activities	<u>(6,003,641)</u>	<u>(13,977,078)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(275,970)	(15,602)
Deferred contributions - tangible capital assets	6,364,576	9,604,665
Long term term debt proceeds received	8,761,597	-
	<u>14,850,203</u>	<u>9,589,063</u>
Cash flows from financing activities	<u>14,850,203</u>	<u>9,589,063</u>
<b>INCREASE IN CASH FLOWS</b>	<b>7,454,316</b>	<b>(5,314,233)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>12,982,688</b>	<b>18,296,921</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 20,437,004</b>	<b>\$ 12,982,688</b>

## **NATURE OF OPERATIONS**

The Evergreens Foundation (the "Foundation") is an organization operating with a goal of providing affordable accommodations to Albertans. The Foundation is a not-for-profit organization and is exempt from income taxes. The Foundation is also established as a management body by Provincial Ministerial Order and is governed by the *Alberta Housing Act* and its regulations. The Foundation manages and operates seniors' lodges and subsidized housing in Edson, Evansburg, Grande Cache, Hinton, Wildwood and Jasper. The facility in Evansburg is operated as a joint care facility with the Good Samaritan Society.

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Presentation

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

The Foundation's financial statements reflect the assets, liabilities, revenues and expense, and cash flows of the reporting entity. The entity is comprised of all the operations that are owned or controlled by the Foundation which includes the lodge operations, Social Housing operations, and the McPherson project which manages housing operations for low-income individuals.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes items that are readily convertible to known amounts of cash, are subject to an insignificant change in value, and have a maturity of three months or less at acquisition.

(c) Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. 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 if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for tangible capital assets are recorded as deferred contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the tangible capital assets acquired by the contribution.

Rental revenue is recognized monthly once collection is reasonably assured.

(d) Inventory

Inventory is comprised of food and supplies and is valued at the lower of cost and net realizable. Cost is determined using the weighted average method.

(CONT'D)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Tangible Capital Assets

Tangible capital assets are stated at cost, which includes carrying costs, less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Tangible capital assets are amortized over their estimated useful lives using the following rates and methods:

Buildings	4%	Declining balance
Automotive equipment	30%	Declining balance
Computer equipment	50%	Declining balance
Equipment	20%	Declining balance
Land improvements	20%	Declining balance
Leasehold improvements	10 years	Straight-line

(f) Intangible Assets

Intangible assets consists of website development and software development. Intangible assets are measured at cost less accumulated amortization and are amortized using the straight-line method over the estimated useful life of 10 years.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization. All estimates are reviewed periodically and adjustments are made as appropriate in the year they become known.

(h) Financial Instruments

*Measurement of financial instruments*

The Foundation initially measures its financial assets and financial liabilities at fair value, and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, short term debt, security deposits and long term debt.

The Foundation has no financial assets measured at fair value.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(CONT'D)

**THE EVERGREENS FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(i) Allocation of Expenses

The costs of each site include items directly attributable to each project. The Foundation also incurs a number of general support expenses that are common to the administration of the Foundation and each of its sites.

The Foundation allocates certain of its general and support expense proportionately based on the number of units at each site. The allocation is applied consistently each year.

(j) Contributed Services

The Foundation records the value of contributed services to the extent these services would otherwise be purchased. Values are established by reference to the fair value of services being provided.

Contributed services are recorded in the statement of operations as revenue and the corresponding expenses in the appropriate project and object category.

There were no contributed services in either the current year or the prior year.

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**2. CASH AND CASH EQUIVALENTS**

	<u>2025</u>	<u>2024</u>
Operating accounts	\$ 20,241,152	\$ 12,750,692
Temporary investments	109,588	136,014
Security deposits	86,264	95,982
	<u>\$ 20,437,004</u>	<u>\$ 12,982,688</u>

Temporary investments are comprised of 31 to 90 day notice on demand savings accounts and a \$90,000 Guaranteed Investment Certificate bearing interest at rates ranging from 3.95% to 4.16%.

Security deposits received from tenants are kept in a separate bank account as required by the *Residential Tenancies Act*.

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**3. ACCOUNTS RECEIVABLE**

	<u>2025</u>	<u>2024</u>
Trade	\$ 517,417	\$ 927,845
Goods and Services Tax	270,783	490,702
	<u>\$ 788,200</u>	<u>\$ 1,418,547</u>

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**THE EVERGREENS FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2025**

**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net Book Value	
			2025	2024
Land	\$ 539,981	\$ -	\$ 539,981	\$ 539,981
Buildings	74,118,154	12,607,648	61,510,506	57,683,983
Equipment	3,842,599	2,429,831	1,412,768	1,486,483
Automotive equipment	843,082	459,946	383,136	194,610
Leasehold improvements	200,195	117,871	82,324	96,544
Land improvement	15,000	8,088	6,912	8,640
Computer equipment	37,387	35,329	2,058	4,117
	<b>\$ 79,596,398</b>	<b>\$ 15,658,713</b>	<b>\$ 63,937,685</b>	<b>\$ 60,014,358</b>

Included in buildings cost is \$22,372,017 (2024 - \$17,762,746) of work in progress that is not being amortized as these projects were not completed at December 31.

**5. INTANGIBLE ASSETS**

	Cost	Accumulated Amortization	Net Book Value	
			2025	2024
Software	299,176	59,592	239,584	239,584
Website	100,684	99,719	965	14,806
	<b>\$ 399,860</b>	<b>\$ 159,311</b>	<b>\$ 240,549</b>	<b>\$ 254,390</b>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2025	2024
Accrued payroll	\$ 950,064	\$ 822,630
Trade	552,899	3,676,736
Alberta Social Housing Corporation	207,875	169,713
	<b>\$ 1,710,838</b>	<b>\$ 4,669,079</b>

**7. DEFERRED CONTRIBUTIONS - OPERATING**

Deferred contributions for operating represent unspent externally restricted resources for operating expenses that will be incurred in the future.

Deferred contributions are comprised of the following amounts:

	2025	2024
Social Housing operating reserve	\$ 102,300	\$ 57,708
Other	13,350	1,850
Age Well At Home Program grant	-	385,988
Alberta Social Housing Corporation - capital maintenance	-	128,734
	<b>\$ 115,650</b>	<b>\$ 574,280</b>

**THE EVERGREENS FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2025**

**8. LONG TERM DEBT**

	<u>2025</u>	<u>2024</u>
Canada Mortgage and Housing Corporation loan consisting of a repayable portion of up to \$10,768,686 and a forgivable portion of up to \$1,813,270. The loan bears interest at a fixed rate of 1.82% per annum, repayable in monthly instalments of principal and interest of \$31,513, maturing July of 2031. An equal portion of the principal amount of the forgivable portion shall be forgiven on each anniversary of the date of the final advance of the loan. The loan is secured by a 1st ranking priority mortgage over a real property in Hinton, Alberta with a carrying value of \$35,741,484.	<b>\$ 12,199,720</b>	\$12,475,690
Canada Mortgage and Housing Corporation loan consisting of a repayable portion of up to \$7,765,042 and a forgivable portion of up to \$900,000. The loan bears interest at a fixed rate of 3.65% per annum maturing August of 2035. Payments are interest-only until the date of occupancy or July 1, 2026, whichever occurs first. The loan is secured by a 1st ranking priority mortgage over a real property in Grande Cache, Alberta with a carrying value of \$21,030,700.	<b>8,688,933</b>	18,000
Canada Mortgage and Housing Corporation (CMHC) loan repayable on the maturity date which is the the earlier of the date on which the Foundation receives project financing, the third anniversary of the effective date, or the date the Foundation notifies CMHC that the project has been discontinued. Interest will commence on the thirtieth day following the maturity date at a rate of prime rate plus 2.00%.	<u>112,500</u>	<u>112,500</u>
	<b>21,001,153</b>	12,606,190
Amounts payable within one year	<u>(340,982)</u>	<u>(185,067)</u>
	<b>\$ 20,660,171</b>	<b>\$ 12,421,123</b>

Principal payments are due as follows:

2026	\$ 340,982
2027	409,778
2028	417,960
2029	426,522
2030	435,198
Thereafter	<u>18,970,713</u>
	<b>\$ <u>21,001,153</u></b>

**THE EVERGREENS FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2025**

**9. DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS**

Deferred contributions related to tangible capital assets represent restricted contributions with which some of the Foundation's tangible capital assets were purchased. The changes in the deferred contributions balance for the year are as follows:

	<u>2025</u>	<u>2024</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 62,478,391</b>	<b>\$ 54,469,849</b>
Add: Contributions received		
Member capital requisitions	7,000,000	7,000,000
Alberta Seniors Housing	225,000	900,273
CMHC Affordable Housing Fund	150,000	-
Age Well at Home grant	130,000	20,000
Donations	39,900	134,414
M.D. of Greenview No. 16 capital grant	-	1,000,000
Interest	-	763,182
	<u>7,544,900</u>	<u>9,817,869</u>
Less: Amounts recognized as revenue		
Amortization of capital contributions	(1,585,401)	(1,596,123)
Long term debt interest	(307,858)	(194,927)
Capital maintenance	(852,298)	-
Other	(20,170)	(18,277)
	<u>(2,765,727)</u>	<u>(1,809,327)</u>
<b>BALANCE, END OF YEAR</b>	<b>\$ 67,257,564</b>	<b>\$ 62,478,391</b>
	<u>2025</u>	<u>2024</u>
Deferred contributions - tangible capital assets	\$ 43,384,206	\$ 47,526,895
Unexpended capital allocations	23,873,358	14,951,496
	<u>\$ 67,257,564</u>	<u>\$ 62,478,391</u>

**10. MEMBER OPERATING REQUISITIONS**

The Foundation operates at a deficit which is funded by member operating requisitions as follows:

	<u>2025</u>	<u>2024</u>
Yellowhead County	\$ 3,281,161	\$ 2,458,241
M.D. of Greenview No. 16	1,880,435	1,400,415
Municipality of Jasper	618,489	446,099
Town of Hinton	575,407	430,140
Town of Edson	397,140	300,671
Parkland County	195,559	137,530
	<u>\$ 6,948,191</u>	<u>\$ 5,173,096</u>

**THE EVERGREENS FOUNDATION**  
**Notes to Financial Statements**  
**December 31, 2025**

**11. GRANTS**

	<u>2025</u>	<u>2024</u>
Alberta Senior Housing Corporation - lodge assistance	\$ 1,254,690	\$ 1,296,189
Age Well at Home grant	384,635	259,889
Alberta Government - wildfire funding	277,974	693,653
Alberta Senior Housing Corporation - senior housing assistance	265,691	33,092
Alberta Senior Housing Corporation - capital maintenance	153,734	96,266
Canada Mortgage and Housing Corporation loan forgiveness	90,664	90,664
COVID-19 Provincial assistance	38,784	54,227
Red Cross - fire prevention	34,026	-
Other	17,648	1,000
Municipality of Jasper - bussing operations	10,000	10,000
	<u>\$ 2,527,846</u>	<u>\$ 2,534,980</u>

**12. FINANCIAL INSTRUMENTS**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2025.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from tenants. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Foundation has a significant number of tenants which minimizes concentration of credit risk

(b) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its cash and cash equivalents. Interest rate risk on the Foundation's long-term debt is managed through fixed interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they come due. The Foundation is exposed to this risk mainly in respect of its receipt of member requisition and other related sources and expects to continue to meet future requirements through these revenue sources.

The Foundation mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting.

**13. ECONOMIC DEPENDENCE**

The Foundation is economically dependent on its member municipalities to fund its annual operations and capital projects through member requisitions.

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**14. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Foundation participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP serves about 304,000 members and 444 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Foundation is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount. Employees of the Foundation are required to make current service contributions to the LAPP of 7.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 10.65% on pensionable earnings above this amount.

Total current service contributions by the Foundation to the LAPP in 2025 were \$702,781 (2024 - \$594,753). Total current service contributions by the employees of the Foundation to the LAPP in 2025 were \$619,351 (2024 - \$526,443).

At December 31, 2024, the Plan disclosed an actuarial surplus of \$19.557 billion (2023 - \$15.057 billion)

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**15. CONTRACTUAL OBLIGATIONS**

(a) Office Lease

The Foundation leases premises under a long term lease that expires on August 14, 2028. Under the lease, the Foundation is required to pay a base rent of \$5,867 plus GST for the first five-year term and \$6,217 plus GST for the second five-year term. In addition to the above base rent, the Foundation must pay for its proportionate share of, property taxes, maintenance and other related costs for the leased premises at \$2.50 plus GST per square foot.

(b) Sunshine Place Management Services

The Foundation has engaged the Good Samaritan Society (the "GSS") to provide senior housing services at the Foundation's Sunshine Place in Evansburg. The annual fee of services is mutually agreed between the Foundation and the GSS prior the beginning of each calendar year, adjusted on the basis of actual monthly occupancy. The contract expires on January 31, 2028.

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**THE EVERGREENS FOUNDATION**  
**Financial Statements of Operations by Programs**  
**December 31, 2025**

	LODGES		SOCIAL HOUSING		MCPHERSON		TOTAL
	2025	2024	2025	2024	2025	2024	
<b>REVENUE</b>							
Rent	\$ 7,838,113	\$ 7,369,792	\$ 1,241,227	\$ 1,322,460	\$ 10,049	\$ 7,073	\$ 9,089,389
Member operating requisitions	6,948,191	5,173,096	-	-	-	-	6,948,191
Grants	1,984,181	2,122,156	543,665	412,974	-	-	2,527,846
Amortization of capital funding	1,585,401	1,596,123	-	-	-	-	1,585,401
Member capital requisitions	1,160,155	194,927	-	-	-	-	1,160,155
Interest	575,502	186,811	8,089	13,083	1,744	3,266	194,927
Management and administration fees	241,448	157,552	100,760	88,423	-	-	342,208
Non-resident services	178,705	154,166	-	-	-	-	178,705
Resident services	79,992	65,329	52,195	64,040	27,000	25,462	159,187
Insurance proceeds	124,106	-	-	-	-	-	124,106
Donations	86,112	111,245	-	-	-	-	86,112
Utilities recoveries	34,787	19,671	13,309	14,633	1,200	940	49,296
	<b>20,836,693</b>	<b>17,150,868</b>	<b>1,959,245</b>	<b>1,915,613</b>	<b>39,993</b>	<b>36,741</b>	<b>22,835,931</b>
<b>EXPENSES</b>							
Human resources	11,821,822	10,692,319	526,086	247,884	2,250	2,250	12,350,158
Operating	2,875,293	2,774,474	210,183	587,550	7,952	8,305	3,093,428
Maintenance	1,263,499	1,672,211	415,107	771,529	4,437	32,888	1,683,043
Administration	1,152,089	1,248,233	214,026	168,810	624	460	1,366,739
Utilities	831,570	849,319	308,006	389,903	4,418	5,435	1,143,994
Interest on long term debt	307,858	194,927	-	-	-	-	307,858
Taxes and land leases	419	2,718	-	-	2,050	3,577	2,469
Amortization	2,094,153	2,145,032	-	-	-	-	2,094,153
	<b>20,346,703</b>	<b>19,579,233</b>	<b>1,673,408</b>	<b>2,165,676</b>	<b>21,731</b>	<b>52,915</b>	<b>22,041,842</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 489,990</b>	<b>\$ (2,428,365)</b>	<b>\$ 285,837</b>	<b>\$ (250,063)</b>	<b>\$ 18,262</b>	<b>\$ (16,174)</b>	<b>\$ 794,089</b>
							<b>\$ (2,694,602)</b>

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