

Suncor Energy Foundation

Statements of Cash Flows
For the period ended

	December 31, 2015 \$	December 31, 2014 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenditures	(12,381,555)	2,549,680
Net change in non-cash working capital	(82,252)	(37,721)
Net increase in cash and cash equivalents	(12,463,807)	2,511,959
Cash and cash equivalents - Beginning of year	24,514,320	22,002,361
Cash and cash equivalents - End of year	12,050,513	24,514,320

The composition of cash and cash equivalents is as follows:

	December 31, 2015	December 31, 2014
(Overdraft) / Cash	2,052,138	(485,680)
Guaranteed Investment Certificates	9,998,375	25,000,000
	12,050,513	24,514,320

**Suncor Energy Foundation
Notes to Financial Statements**

1. Purpose

Suncor Energy Foundation (the "Foundation") was incorporated under Part II of the Canada Corporations Act as a not-for-profit organization on November 8, 1996 and commenced active operations in April 1998. The Foundation was issued a certificate of continuance under the Canada Not-for-Profit Corporations Act on January 3, 2014. The Foundation is a registered charity under the Income Tax Act of Canada and accordingly, is exempt from corporate income tax.

The Foundation's purpose is to manage the contributions of Suncor Energy Inc. and its subsidiaries' (collectively "Suncor") to areas of corporate interest. Areas of corporate interest include Cultivating Community Leaders, Inspiring Innovation, Engaging Citizens, Building Skills, Local Relationship Investment and Knowledge and Collaborating on our Energy Future.

Suncor is the sole contributor to the Foundation and the Foundation is economically dependant on Suncor. The contributions from this entity are directed towards areas of corporate interest through Canadian registered charities.

The Foundation is also registered under the Charitable Fundraising Regulation of Alberta and has considered all required disclosures under Section 7(2) of Regulation in preparing the financial statements.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with accounting standards for not for profit organizations as set out in Part III of the Chartered Professional Accountants Handbook, as issued by the Canadian Accounting Standards Board.

Use of estimates

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles which require management to make assumptions and estimates that affect the reported amount of assets, liabilities, revenues and expenses. Actual amounts could differ from those estimates.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. 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.

Interest income is recognized as revenue in the period it is earned.

Cash and cash equivalents

Cash and cash equivalents include deposits with banks and short term investments with original maturity of less than 90 days.

Donated services

A portion of the Foundation's work is dependent on voluntary services. As a result of the difficulty in determining their value, these contributed services are not recognized in the financial statements.

Suncor Energy Foundation
Notes to Financial Statements

3. Financial Instruments

The Foundation initially measures financial assets and financial liabilities at their fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. The financial assets of the Foundation include cash and cash equivalents, interest receivable, prepaid expense and GST and other receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payable to Suncor Energy Services Inc. and payable to Suncor Energy Inc.

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration.

Credit risk

Credit risk arises from the potential that a counter party will fail to discharge its obligations. The Foundation does not consider that it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation does not consider that it is exposed to significant liquidity risk.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation does not consider that it is exposed to significant market risk.

Interest rate risk

The Foundation maintains its cash and cash equivalents in interest bearing accounts and term deposits, which are subject to interest rate changes depending on prevailing rates and the length of time the Foundation invests the related cash.

4. Pledged Donations

Long term pledged donations are often made; these pledged donations are not recorded in these financial statements. While future donations are expected to be funded through future contributions from Suncor, the Foundation does manage the risk associated with these pledged payments by holding short-term investments to mitigate any potential impact due to a decrease in funding from Suncor.

The amounts pledged at December 31, 2015 are comprised as follows:

2016	8,617,525
2017	3,259,000
2018	1,004,000
2019	400,000
2020	-
	<u>13,280,525</u>

Suncor Energy Foundation
Notes to Financial Statements

5. Related Party Transactions

Suncor Energy Inc. controls the Foundation by virtue of its ability to appoint all of the Foundation's Board of Directors (the "Board"). The Foundation's Board is comprised of Suncor senior leaders representing various business and functional units. In addition to being responsible for managing the Suncor contributions, the Board also sets the strategic direction of the Foundation, makes decisions on grant requests in excess of \$50,000 and evaluates the performance of the contributions made. During 2015 Suncor Energy Inc. contributed a total of \$4.5M to the Foundation (2014- \$19.53M).

Suncor Energy Services Inc. a wholly owned subsidiary of Suncor Energy Inc. provides office supplies and facilities, IT services, employees, accounting services and use of the company airplane to the Foundation. During the year, the Foundation recorded expenses related to these services, which are recorded in the financial statements as follows:

	2015	2014
Salaries and Benefits	786,034	833,822
Travel	963	48,157
Rentals - office space and furniture	70,253	69,377
Other	4,532	112
	<u>861,783</u>	<u>951,468</u>

These transactions were completed in the normal course of operations on normal market terms and are measured at the exchange amount.

Receivables and payables from/to the related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

6. Government Remittances

Accounts payable and accrued liabilities include government remittances payable of \$nil (2014 - \$nil).

Suncor Energy Foundation

Schedule A

Donations to Inspiring Innovation Organizations to December 31, 2015

(unaudited)

	\$
Aboriginal Friendship Centre of Calgary	11,500
Beakerhead Creative Society	250,000
Bridges Social Development	5,000
Calgary Chamber of Voluntary Organizations	5,500
Centre for Affordable Water & Sanitation Technology (CAWST)	75,000
City of Calgary	100,000
Decidedly Jazz Danceworks	250,000
Engineers Without Borders Canada	150,000
Learning Through the Arts	180,000
Memorial University of Newfoundland	75,000
Mount Royal University	5,000
One Yellow Rabbit Theatre Association	25,000
Queen's University At Kingston	7,500
Success Beyond Limits Education Program Inc.	15,000
The Banff Centre	1,504,025
The Circle On Philanthropy and Aboriginal Peoples In Canada	15,000
The Royal Conservatory of Music	320,000
University of Waterloo (The Waterloo Institute for Social Innovation and Resilience)	75,000
	3,068,525

Suncor Energy Foundation

Schedule B

Donations to Building Skills & Knowledge Organizations to December 31, 2015
(unaudited)

	\$
Actua	600,000
Alberta School of Business, University of Alberta	150,000
Calgary Science Centre and Creative Kids Museum Society	50,000
Canada Company	50,000
Canadian Institute for Advanced Research Foundation	3,000
CAREERS: The Next Generation Foundation (CAREERS)	180,000
City of Edmonton Community Services, Edmonton Valley Zoo	50,000
DiscoverE	25,000
Indspire	700,000
Inside Education Society of Alberta	40,000
Lambton College and The Lambton College Foundation	150,000
Lambton Kent District School Board	53,127
Learning for a Sustainable Future	60,000
Let's Talk Science / Parlons Sciences	25,000
Mount Royal University	100,000
Northland School Division 61	2,005
Queen's School of Business Centre for Responsible Leadership	100,000
Queen's University at Kingston	2,500
Richard Ivey School of Business, The University of Western Ontario	325,000
Riverwatch Institute of Alberta	75,000
SAIT Polytechnic	100,000
Skills Canada Alberta	33,000
Skills Competences Canada - Ontario	15,000
St. Clair Secondary School (part of the Lambton Kent District School Board)	1,033
The Edmonton Community Foundation Priv Act	5,000
The Fort McMurray Catholic Board of Education	4,745
The Keyano College Foundation	250,000
The Lambton College of Applied Arts and Technology	733
The Riverwood Conservancy	110,000
The Royal Conservatory of Music	3,440
The University of Alberta	250,000
The University of Calgary	160,000
University of Calgary - The Native Centre, NAPI Ambassador Program	25,000
University of Calgary Haskayne School of Business	335,000
Women Building Futures Society	300,000
Youth Fusion / Fusion Jeunesse	25,000
	4,358,584

Suncor Energy Foundation

Schedule F

Donations to Local Rel Investment Organizations to December 31, 2015

(unaudited)

	\$
2015 Western Canada Summer Games	500,000
Action Secours Vie D'espoir	20,000
ACTION SECOURS VIE D'ESPOIR	2,000
Action Secours, Vie d'Espoir	2,500
Alberta Conservation Association	600,000
Carrefour Familial Les Pitchou	6,000
Centre D'action Bénévole de Montréal	7,500
Centre d'Aide et de Développement de la Famille de l'Est de Montréal	3,000
Credit Valley Conservation Foundation	6,000
Cuisine Collective À Toute Vapeur	15,500
Cuisine Collective À Toute Vapeur	2,500
Fort McMurray Family Crisis Society	35,000
Je Réussis	17,000
La Petite Maison de la Miséricorde	5,000
Linking Generations Society of Alberta	6,000
L'unité D'intervention Mobile L'anonyme Inc.	15,000
Philanthropic Foundations Canada	3,690
The Hub Family Resource Centre	50,000
The Lawrence House Centre for the Arts	2,500
Township of Adelaide-Metcalf	25,000
Trec Charitable Foundation	15,000
Walpole Island First Nation	20,000
	1,359,190