

**SUNCOR ENERGY FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**



KPMG LLP  
205 5th Avenue SW  
Suite 3100  
Calgary AB T2P 4B9  
Telephone (403) 691-8000  
Fax (403) 691-8008  
www.kpmg.ca

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Suncor Energy Foundation

### Opinion

We have audited the financial statements of Suncor Energy Foundation (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### **Other Matter – Comparative Information**

The financial statements for the year ended end December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 7, 2019.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

March 26, 2020

**SUNCOR ENERGY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**

*(stated in Canadian dollars)*

As at December 31	Note	2019	2018
<b>Assets</b>			
Cash		11,254,281	7,634,381
Receivable from Suncor Energy Inc.		174	1,343
GST and other receivable		6,845	10,809
<b>Total assets</b>		<b>11,261,300</b>	<b>7,646,533</b>
<b>Liabilities</b>			
Payable to Suncor Energy Services Inc.	6	61,573	375,998
Accounts payable and accrued liabilities	8	-	33,069
<b>Total liabilities</b>		<b>61,573</b>	<b>409,067</b>
<b>Net assets</b>			
Unrestricted net assets		1,799,727	1,637,466
Internally restricted - reserve fund	4	9,400,000	5,600,000
		<b>11,199,727</b>	<b>7,237,466</b>
<b>Total liabilities and net assets</b>		<b>11,261,300</b>	<b>7,646,533</b>

Pledged donations (Note 5)

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

Approved by the Members of the Board of Directors

Member 

Member   
 Member \_\_\_\_\_

**SUNCOR ENERGY FOUNDATION**  
**STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**

*(stated in Canadian dollars)*

For the year ended December 31	Note	2019	2018
<b>Revenue</b>			
Contributions	6	20,255,000	18,455,000
Interest income		228,774	108,517
<b>Total revenue</b>		<b>20,483,774</b>	<b>18,563,517</b>
<b>Donations</b>			
Community Resilience		6,062,388	5,635,914
Indigenous Peoples		3,330,725	4,086,780
Energy Future		2,274,500	2,854,900
SunCares		2,510,861	2,276,878
Place Based Priority		715,000	963,325
Suncor Energy Foundation Programs		250,000	-
<b>Total donations</b>		<b>15,143,474</b>	<b>15,817,797</b>
<b>Administration expenses</b>			
	6		
Salaries and benefits		808,069	724,154
Event projects		384,186	271,576
Professional services		57,980	62,763
Rentals - office space and furniture		76,490	62,043
Travel		34,331	12,608
Miscellaneous		16,183	9,298
Communications		800	707
<b>Total administration expenses</b>		<b>1,378,039</b>	<b>1,143,149</b>
<b>Total expenditures</b>		<b>16,521,513</b>	<b>16,960,946</b>
<b>Excess of revenues over expenditures</b>		<b>3,962,261</b>	<b>1,602,571</b>
<b>Net assets - beginning of year</b>		<b>7,237,466</b>	<b>5,634,895</b>
<b>Net assets - end of year</b>		<b>11,199,727</b>	<b>7,237,466</b>

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

**SUNCOR ENERGY FOUNDATION**  
**STATEMENTS OF CASH FLOWS**

*(stated in Canadian dollars)*

For the year ended December 31	Note	2019	2018
<b>Operating activities</b>			
Excess of revenues over expenditures		<b>3,962,261</b>	1,602,571
Net change in non-cash working capital	7	<b>(342,361)</b>	117,661
Cash flow provided by operating activities		<b>3,619,900</b>	1,720,232
Cash - beginning of year		<b>7,634,381</b>	5,914,149
<b>Cash - end of year</b>		<b>11,254,281</b>	7,634,381

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

## **SUNCOR ENERGY FOUNDATION NOTES TO THE 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 Community Resilience, Energy Future, Indigenous Peoples, SunCares, Place Based Priority and Suncor Energy Foundation Programs.

Suncor is the sole contributor to the Foundation and the Foundation is economically dependent 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 the 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. The Foundation has no significant 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

Cash includes deposits with banks.

#### 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 THE FINANCIAL STATEMENTS**

**Changes in accounting policies**

In March 2018, the Accounting Standards Board issued "Basis for Conclusions - Accounting Standards Improvements for Not-for-Profit Organizations" resulting in the introduction of new handbook sections in the Accounting Standards for Not-for-Profit Part III of the Handbook as follows:

**A.** Section 4433, Tangible capital assets held by not-for-profit organizations, which directs organizations to apply the accounting guidance of Section 3061, Property Plant and Equipment in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at January 1, 2019.

**B.** Section 4434, Intangible assets held by not-for-profit organizations, which directs organizations to annually assess intangible assets, and where applicable to record an impairment expenses should the net carrying value be higher than the asset's fair value or replacement cost.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairment of intangible assets that existed as at January 1, 2019.

**C.** Section 4441, Collections held by not-for-profit organizations, which defines a collection and directs organizations to record such assets on the statement of financial position at either cost or nominal value. It is anticipated that all collections will be accounted for using the same method, with the exception of organizations that opt to account for collections at cost, whereby the cost for certain collections either held or contributed cannot be determined. Such items are to be accounted for at a nominal value. In addition, collections are written down when there is evidence that the net carrying amount exceeds fair value.

Organizations are permitted to retrospectively capitalize collections at their cost or fair value at the date of acquisition, or fair value or replacement cost as at January 1, 2019, based on the most readily determinable value. In addition, an adjustment to opening net assets is permitted to recognize any partial impairment of the value of collections that existed as at January 1, 2019.

The amendments are effective for financial statements for fiscal years beginning on or after January 1, 2019. The implementation of these changes had no impact on the 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, receivable from Suncor Energy Inc., and GST and other receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and payable to Suncor Energy Services 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.

**SUNCOR ENERGY FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS**

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.

The Foundation is exposed to credit risk relating to cash. The risk is mitigated as cash are deposited with major Canadian bank.

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 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.

There has been no change to the risk exposure from 2018.

**4. Internally Restricted – Reserve Fund**

A reserve of \$9,400,000 (2018 - \$5,600,000) is internally restricted by the Board of Directors as a future operational reserve and must be held in cash or short-term investments.

**5. Pledged Donations**

Long term pledged donations are often made; these pledged donations are not recorded in the 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 cash to mitigate any potential impact due to a decrease in funding from Suncor.

The amounts pledged at December 31, 2019 are as follows:

2020	11,186,226
2021	7,262,700
2022	3,400,000
2023	2,750,000
2024	-
	<hr/>
	24,598,926

**SUNCOR ENERGY FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS**

**6. Related Party Transactions**

Suncor 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 2019, Suncor contributed a total of \$20.255 million to the Foundation (2018 - \$18.455 million).

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

	<b>2019</b>	2018
Salaries and benefits	<b>696,767</b>	715,310
Rentals – office space and furniture	<b>76,490</b>	62,043
Travel	<b>1,413</b>	4,894
Other	<b>(43)</b>	(798)
	<b>774,627</b>	781,449

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

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

**7. Non-Cash Working Capital**

The increase in non-cash working capital is comprised of the following:

	<b>2019</b>	2018
Receivable from Suncor Energy Inc.	<b>1,169</b>	-
GST and other receivable	<b>3,964</b>	(5,685)
Payable to Suncor Energy Services Inc.	<b>(314,425)</b>	149,043
Accounts payable and accrued liabilities	<b>(33,069)</b>	(25,697)
	<b>(342,361)</b>	117,661

**8. Government Remittances**

Accounts payable and accrued liabilities include government remittances payable of \$nil (2018 - \$nil).

**SUNCOR ENERGY FOUNDATION****SCHEDULE A****DONATIONS TO COMMUNITY RESILIENCE ORGANIZATIONS TO DECEMBER 31, 2019***(unaudited)**(stated in Canadian dollars)*

Actua	197
Alberta Children's Hospital Foundation	120,000
Ashoka Canada	266
Calgary Chamber Of Voluntary Organizations	75,000
Calgary Homeless Foundation	120,000
Canada Company	50,000
Capacity Canada	387,500
CAREERS: The Next Generation	100,000
Community Sector Council of Newfoundland and Labrador Inc.	300,000
Edmonton Chamber of Voluntary Organizations	140
Engineers Without Borders	189
Evergreen	375,000
Fusesocial Wood Buffalo Society	500,626
Imagine Canada	92,990
Jump Math	89,599
Junior Achievement of Newfoundland and Labrador	25,000
Memorial University of Newfoundland	310,000
Mount Royal University Foundation	103,300
Nose Creek Sports and Recreation Association	200,000
Philanthropic Foundations Canada	30,000
Pillar Nonprofit Network	422
Reconciliation Canada	1,500
Tamarack Institute for Community Engagement	200,000
The Association Of Volunteer Centres Of Alberta	235,000
The Banff Centre	1,300,000
The Carold Institute	90,000
The Natural Step (Canada) Inc	258
The Royal Conservatory of Music	350,000
The United Way of Fort McMurray	95,000
University of Calgary	60,401
Volunteer Centre of Calgary (Operating as PROPELLUS)	50,000
Women Building Futures Society	300,000
Wood Buffalo Community Foundation	500,000
	<b>6,062,388</b>

**SUNCOR ENERGY FOUNDATION**

**SCHEDULE B**

**DONATIONS TO INDIGENOUS PEOPLES ORGANIZATIONS TO DECEMBER 31, 2019**

*(unaudited)*

*(stated in Canadian dollars)*

---

Actua	390,000
Alberta College of Art and Design	45,000
Alberta Recreation And Parks Association	30,000
Bridges Social Development	200,000
Evergreen	375,000
Indspire	575,000
Junior Achievement of Southern Alberta	25,000
Mount Royal University	200,000
Queen's University at Kingston	75,000
Reconciliation Canada - A New Way Forward Society	750,000
Right To Play International	100,000
University of Calgary	25,000
University Of Waterloo	530,725
Walpole Island First Nation	10,000

---

**3,330,725**

---

**SUNCOR ENERGY FOUNDATION**  
**SCHEDULE C**  
**DONATIONS TO ENERGY FUTURE ORGANIZATIONS TO DECEMBER 31, 2019**

*(unaudited)*

*(stated in Canadian dollars)*

---

Aamjiwnaang First Nation	10,000
Alberta Council for Environmental Education	225,000
Alberta Ecotrust Foundation	50,000
Clean Economy Fund	150,000
Engineers Without Borders	200,000
Green Learning Canada Foundation	60,000
Inside Education Society of Alberta	40,000
Learning for a Sustainable Future	60,000
Ottawa Community Foundation	150,000
Pollution Probe Foundation	260,000
Student Energy	100,000
The Natural Step (Canada) Inc	500,000
The Rockies Institute Ltd	49,500
University of Calgary	235,000
University of Western Ontario	185,000
	<hr/>
	<b>2,274,500</b>

---

**SUNCOR ENERGY FOUNDATION**  
**SCHEDULE D**  
**DONATIONS TO SUNCARES ORGANIZATIONS TO DECEMBER 31, 2019**  
*(unaudited)*  
*(stated in Canadian dollars)*

Alberta Adolescent Recovery Centre	75,000
Alberta Cancer Foundation	100
Alberta Children's Hospital Foundation	4,000
Alzheimer Society of Alberta and Northwest Territories	200
Alzheimer Society of Canada	100
Animal Justice Canada	7,500
BC Cancer Foundation	100
Brain Tumour Foundation of Canada	100
British Columbia's Children's Hospital Foundation	100
Calgary Humane Society For Prevention Of Cruelty To Animals	300
Calvary United Church	100
Camp Oochigeas	100
Canadian Cancer Society	1,000
Canadian Online Giving Foundation	516,659
Centraide Bas Saint-laurent	1,000
Centraide du Grand Montréal	155,062
Children's Treatment Centre Foundation of Chatham-Kent	100
First Baptist Church	100
Fondation Sante Sud de Lanaudiere	100
Friends of the Mississauga Library	1,000
Gawad Kalinga Canada	100
Heart And Stroke Foundation Of Canada	100
Inn from the Cold Society	20,000
Iris Kirby House	10,000
Learning Disabilities Society	100
Northern Lights Regional Health Centre	5,000
Oakville Hospital Foundation	100
Oxford County Animal Rescue	100
Parkinson Montreal-Laval	100
Recovery Acres (Calgary) Society	300
Royal Canadian Legion Sarnia #62	20,000
Schizophrenia Society	100
Societe Canadienne de la Sclerose en plaques	100
Special Olympics Alberta	75,000
St Joseph's Hospice Resource Centre	300
St Vincent de Paul St Teresas	10,000
STARS Foundation	100
Stollery Children's Hospital Foundation	100
Stoney Creek Historical Society	100
The Burin Peninsula Health Care Foundation	100
The Childrens Wish Foundation	100
The Great Commission Foundation	400
The Mustard Seed Foundation	100
Thompson Nicola Cariboo United Way	1,000
Toronto Vegetarian Food Bank	7,500
Tyndale St Georges Foundation	5,000
United Way Alberta Capital Region	104,005

**SUNCOR ENERGY FOUNDATION**

**SCHEDULE D**

**DONATIONS TO SUNCARES ORGANIZATIONS TO DECEMBER 31, 2019**

*(unaudited)*

*(stated in Canadian dollars)*

United Way Central And Northern Vancouver Island	1,000
United Way Elgin Middlesex	2,000
United Way Halton & Hamilton	37,178
United Way of Calgary And Area	449,113
United Way of Fort McMurray and Wood Buffalo	450,139
United Way of Greater Toronto	348,750
United Way of Lethbridge & South Western Alberta Society	2,000
United Way of Newfoundland And Labrador Inc	69,022
United Way of Northern British Columbia	2,000
United Way of Regina	2,000
United Way of Sarnia-Lambton	64,294
United Way of Saskatoon And Area	1,000
United Way of The Lower Mainland	44,439
United Way of Thunder Bay	1,000
United Way of Winnipeg	4,000
University of British Columbia	300
Women Building Futures Society	10,000
	<hr/>
	<b>2,510,861</b>



**SUNCOR ENERGY FOUNDATION**  
**SCHEDULE E**  
**DONATIONS TO PLACE BASED PRIORITY ORGANIZATIONS TO DECEMBER 31, 2019**

*(unaudited)*

*(Stated in Canadian dollars)*

Action Secours, Vie d'Espoir	5,500
Beakerhead Creative Society	200,000
Carrefour Familial les Pitchou	1,000
Centre d'Aide et de Developpement de la Famille de l'Est de Montreal (C.A.D.F.E.M.) Inc	2,000
Cuisine Collective àToute Vapeur	10,500
Je Reussis	5,000
L'Unité d'intervention mobile l'anonyme inc.	4,000
Linking Generations Society	6,000
Maison Dalauze	1,000
Multicultural Association of Fort McMurray	50,000
Northern Lights Regional Health Foundation	200,000
Pathways Health Centre For Children	25,000
Regional Municipality of Wood Buffalo	50,000
The Riverwood Conservancy	85,000
The Trans Canada Trail Foundation	20,000
Youth Fusion/Fusion Jeunesse	50,000
	<b>715,000</b>

**SUNCOR ENERGY FOUNDATION**

**SCHEDULE F**

**DONATIONS TO SUNCOR ENERGY FOUNDATION PROGRAM ORGANIZATIONS TO DECEMBER 31, 2019**

*(unaudited)*

*(Stated in Canadian dollars)*

Community Foundations of Canada	250,000
	<b>250,000</b>