

SUNCOR ENERGY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2020



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INDEPENDENT AUDITORS' 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, 2020
- 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, 2020, 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.

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's 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 25, 2021

SUNCOR ENERGY FOUNDATION
STATEMENT OF FINANCIAL POSITON

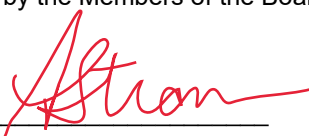
(stated in Canadian dollars)

As at December 31	Note	2020	2019
Assets			
Cash		11,705,767	11,254,281
Receivable from Suncor Energy Inc.		147	174
GST and other receivable		7,710	6,845
Total assets		11,713,624	11,261,300
Liabilities			
Payable to Suncor Energy Services Inc.	6	57,457	61,573
Total liabilities		57,457	61,573
Net assets			
Unrestricted net assets		2,256,167	1,799,727
Internally restricted - reserve fund	4	9,400,000	9,400,000
		11,656,167	11,199,727
Total liabilities and net assets		11,713,624	11,261,300

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 

SUNCOR ENERGY FOUNDATION
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

(stated in Canadian dollars)

For the year ended December 31	Note	2020	2019
Revenue			
Contributions	6	19,000,000	20,255,000
Interest income		167,634	228,774
Total revenue		19,167,634	20,483,774
Donations			
Community Resilience		7,151,751	6,062,388
Indigenous Peoples		3,929,780	3,330,725
Energy Future		1,880,000	2,274,500
SunCares		3,676,438	2,510,861
Place Based Priority		750,000	715,000
Suncor Energy Foundation Programs		250,000	250,000
Total donations		17,637,969	15,143,474
Administration expenses			
	6		
Salaries and benefits		838,687	808,069
Event projects		47,126	384,186
Professional services		59,328	57,980
Rentals - office space and furniture		104,924	76,490
Travel		2,979	34,331
Miscellaneous		8,681	16,183
Communications		11,500	800
Total administration expenses		1,073,225	1,378,039
Total expenditures		18,711,194	16,521,513
Excess of revenues over expenditures		456,440	3,962,261
Net assets - beginning of year		11,199,727	7,237,466
Net assets - end of year		11,656,167	11,199,727

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	2020	2019
Operating activities			
Excess of revenues over expenditures		456,440	3,962,261
Net change in non-cash working capital	7	(4,954)	(342,361)
Cash flow provided by operating activities		451,486	3,619,900
Cash - beginning of year		11,254,281	7,634,381
Cash - end of year		11,705,767	11,254,281

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

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020, WITH COMPARATIVE FIGURES FOR 2019**

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 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.

On January 30, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) outbreak a Public Health Emergency of International Concern and, on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. These measures have caused significant disruption to Suncor's business operations and a significant increase in economic uncertainty, with reduced demand for commodities leading to volatile prices and currency exchange rates, and a decline in long-term interest rates. The potential direct and indirect impacts of the economic downturn have been considered in the Foundation's estimates and assumptions at period end have been reflected in our results.

Market conditions had improved over the course of the third and early fourth quarters of 2020 as nations began re-opening their economies, but the recent resurgence of COVID-19 cases (including cases related to variants or mutations of the COVID-19 virus) in certain geographic areas, and the possibility that a resurgence may occur in other areas, has resulted in the re-imposition of certain restrictions noted above by local authorities. In addition, while vaccines are beginning to be distributed, there is uncertainty as to the timing, level of adoption, duration of efficacy and overall effectiveness of the vaccine against variants or mutations. As such, the COVID-19 pandemic continues to present challenges to the Foundation. The Foundation cannot reasonably estimate the length or severity of this pandemic but continues to monitor its impact on our operations.

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.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020, WITH COMPARATIVE FIGURES FOR 2019**

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.

Financial instruments

The Foundation's financial assets and liabilities are classified as amortized cost. Financial assets and liabilities are measured at fair value on initial recognition, which is typically the transaction price.

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.

Government Grants

Government grants are recognized when the Foundation has reasonable assurance that it has complied with the relevant conditions of the grant and that it will be received. The Foundation recognizes the grants that compensate the Foundation for expenses incurred against the financial statement line item that it is intended to compensate.

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.

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.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020, WITH COMPARATIVE FIGURES FOR 2019**

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 2019, except those related to COVID-19 (note 2).

4. Internally Restricted – Reserve Fund

A reserve of \$9,400,000 (2019 - \$9,400,000) 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, 2020 are as follows:

2021	7,987,700
2022	3,400,000
2023	2,750,000
2024	-
2025	-
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	14,137,700

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 2020, Suncor contributed a total of \$19.0 million to the Foundation (2019 - \$20.255 million).

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020, WITH COMPARATIVE FIGURES FOR 2019**

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:

	2020	2019
Salaries and benefits	838,414	696,767
Rentals – office space and furniture	104,924	76,490
Travel	-	1,413
Other	-	(43)
	943,338	774,627

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:

	2020	2019
Receivable from Suncor Energy Inc.	27	1,169
GST and other receivable	(865)	3,964
Payable to Suncor Energy Services Inc.	(4,116)	(314,425)
Accounts payable and accrued liabilities	-	(33,069)
	(4,954)	(342,361)

SUNCOR ENERGY FOUNDATION**SCHEDULE A****DONATIONS TO COMMUNITY RESILIENCE ORGANIZATIONS TO DECEMBER 31, 2020***(unaudited)**(stated in Canadian dollars)*

Alberta Children's Hospital Foundation	120,000
Ashoka Canada	400,000
Calgary Chamber Of Voluntary Organizations	75,000
Calgary Homeless Foundation	120,000
Capacity Canada	293,750
CAREERS: The Next Generation Foundation	75,000
Community Sector Council of Newfoundland and Labrador Inc.	350,000
Engineers Without Borders	125,000
Evergreen	375,000
FuseSocial Wood Buffalo Society	520,000
Imagine Canada	94,376
Memorial University of Newfoundland	250,000
Mount Royal University Foundation	105,500
Philanthropic Foundations Canada	13,125
Skills Canada Alberta	25,000
Social Innovation Institute	150,000
Tamarack Institute for Community Engagement	200,000
The Association Of Volunteer Centres Of Alberta	235,000
The Banff Centre	1,750,000
The Carold Institute	90,000
The Royal Conservatory of Music	350,000
The United Way of Fort McMurray	135,000
Toronto Association of Neighborhood Services	50,000
University of Waterloo	150,000
Vivo for Healthier Generations	200,000
Volunteer Centre of Calgary (Operating as PROPELLUS)	50,000
Women Building Futures Society	300,000
Wood Buffalo Community Foundation	550,000
	7,151,751

SUNCOR ENERGY FOUNDATION**SCHEDULE B****DONATIONS TO INDIGENOUS PEOPLES ORGANIZATIONS TO DECEMBER 31, 2020***(unaudited)**(stated in Canadian dollars)*

Aamjiwnaang First Nation	10,000
Actua	405,000
Alberta University of the Arts	45,000
Bow Valley College	75,000
Bridges Social Development	200,000
Calgary Public Library Foundation	400,000
Concordia University of Edmonton	75,000
First Light St. John's Friendship Centre	66,360
Indspire	575,000
Junior Achievement of Northern Alberta and The Northwest Territories Society	25,000
Junior Achievement of Southern Alberta	25,000
Mount Royal University Foundation	207,000
Pathways Health Centre for Children	25,000
Queen's University at Kingston	75,000
Reconciliation Canada - A New Way Forward Society	750,000
Right To Play International	100,000
Southern Alberta Institute of Technology	75,000
The Governors of The Univeristy of Calgary	25,000
The Lambton College Foundation	150,000
University of Saskatchewan	238,820
University Of Waterloo	372,600
Walpole Island First Nation	10,000
	3,929,780

SUNCOR ENERGY FOUNDATION

SCHEDULE C

DONATIONS TO ENERGY FUTURE ORGANIZATIONS TO DECEMBER 31, 2020

(unaudited)

(stated in Canadian dollars)

Academy for Sustainable Innovation Canada	100,000
Alberta Council for Environmental Education	175,000
Alberta Ecotrust Foundation	50,000
C4C Canada / Canada C4C	50,000
Clean Economy Fund	25,000
Inside Education Society of Alberta	40,000
Learning for a Sustainable Future	60,000
Ottawa Community Foundation / Fondation Communautaire d'Ottawa	130,000
Richard Ivey School of Business	50,000
Student Energy	100,000
The Governors of The University of Calgary	175,000
The Natural Step (Canada) Inc	500,000
The Pollution Probe Foundation	260,000
The Rockies Institute Ltd	105,000
University of Calgary	60,000
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	1,880,000

SUNCOR ENERGY FOUNDATION**SCHEDULE D****DONATIONS TO SUNCARES ORGANIZATIONS TO DECEMBER 31, 2020***(unaudited)**(stated in Canadian dollars)*

BC Interior Community Foundation	2,000
Bluewater Health Foundation	20,000
Boys and Girls Club of St. John's	20,000
Calgary Counselling Centre	5,000
Calgary Legal Guidance Society	10,000
Canadian Mental Health Association	40,000
Canadian Online Giving Foundation	2,439,900
Centraide du Grand Montréal	69,304
Community Foundations of Canada	62,000
Community Foundation of Lethbridge and Southwestern Alberta	2,000
Edmonton Community Foundation	10,000
Edmonton's Food Bank	10,000
FuseSocial Wood Buffalo Society	40,000
Greater Vancouver Food Bank	10,000
Inn from the Cold Society	7,000
Institute for Advancements in Mental Health	20,000
Jewish Family and Child Service	100
London Community Foundation	4,000
Maison Dalauze	20,000
Maison L'Echelon Inc.	10,000
Markaz-ul-Islam Congregation of Fort McMurray	6,500
Moisson Rimouski-Neigette Inc.	2,000
Multi Generational Housing and Community Centre	20,000
Nanaimo Community Foundation	2,000
Newfoundland and Labrador Education Foundation Inc.	10,000
NorthLife Fellowship Baptist Church	30,000
North York Women's Shelter	2,000
Northern Lights Regional Health Centre	6,500
Oakville Community Foundation	2,000
Ottawa Community Foundation	2,000
Petite Maison de la Miséricorde	10,000
Prince George Community Foundation	2,000
Pro Bono Law Alberta	10,000
Saskatoon Community Foundation	2,000
SHARE Family & Community Services	10,000
Strathcona Food Bank Association	10,000
The Calgary Foundation	20,000
The Canadian Red Cross	50,000
The Community Food Sharing Association	10,000
The Salvation Army of Fort McMurray	40,000
The Scott Mission	10,000
The Sharing Place of Toronto Inc.	10,000
The South Saskatchewan Community Foundation Inc.	2,000
The Winnipeg Foundation	2,000
The Wood's Homes Foundation	10,000
Thompson Nicola Cariboo United Way	1,000
Thrive, CYN St. John's, Inc.	10,000
Thunder Bay Community Association	2,000
Trillium Health Partners Foundation	20,000

SUNCOR ENERGY FOUNDATION

SCHEDULE D

DONATIONS TO SUNCARES ORGANIZATIONS TO DECEMBER 31, 2020

(unaudited)

(stated in Canadian dollars)

United Way Alberta Capital Region	49,129
United Way Central And Northern Vancouver Island	1,000
United Way Elgin Middlesex	2,000
United Way Halton & Hamilton	12,610
United Way of Calgary And Area	130,169
United Way of Fort McMurray and Wood Buffalo	135,777
United Way of Greater Toronto	145,423
United Way of Lethbridge & South Western Alberta Society	2,000
United Way of Newfoundland And Labrador Inc.	31,691
United Way of Northern British Columbia	2,000
United Way of Regina	2,000
United Way of Sarnia-Lambton	20,162
United Way of Saskatoon And Area	1,000
United Way of The Lower Mainland	15,597
United Way of Thunder Bay	1,000
United Way of Winnipeg	2,577
Wood Buffalo Food Bank Association	7,000
	3,676,438

SUNCOR ENERGY FOUNDATION
SCHEDULE E
DONATIONS TO PLACE BASED PRIORITY ORGANIZATIONS TO DECEMBER 31, 2020

(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
Junior Achievement of Newfoundland and Labrador	25,000
La Maison Dalauze	1,000
L'Unité d'intervention mobile l'anonyme inc.	4,000
Linking Generations Society	6,000
Multicultural Association of Wood Buffalo	50,000
Northern Lights Regional Health Foundation	200,000
Regional Municipality of Wood Buffalo	50,000
The Riverwood Conservancy	85,000
The Trans Canada Trail Foundation	30,000
Youth Fusion/Fusion Jeunesse	75,000
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	750,000

SUNCOR ENERGY FOUNDATION

SCHEDULE F

DONATIONS TO SUNCOR ENERGY FOUNDATION PROGRAM ORGANIZATIONS TO DECEMBER 31, 2020

(unaudited)

(Stated in Canadian dollars)

Community Foundations of Canada	250,000
	250,000