

Financial Statements of

THE DAVID SUZUKI FOUNDATION

And Independent Auditor's Report thereon

Year ended August 31, 2023



KPMG LLP

PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Members of The David Suzuki Foundation:

Report on the Financial Statements

Opinion

We have audited the financial statements of The David Suzuki Foundation (the "Foundation"), which comprise:

- the statement of financial position as at August 31, 2023
- the statement of operations for the year then ended
- the statement of 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 Foundation as at August 31, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 auditor's 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 auditor's 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 matter 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.

Reporting on Other Legal and Regulatory Requirements

As required by the *Societies Act (British Columbia)*, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
February 7, 2024

THE DAVID SUZUKI FOUNDATION

Statement of Financial Position

August 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 2,810,587	\$ 5,821,290
Investments at fair value (note 3)	5,332,936	3,165,922
Accounts receivable	1,192,580	451,679
Prepaid expenses	260,735	234,261
	<u>9,596,838</u>	<u>9,673,152</u>
Investments at fair value (note 3)	14,441,230	15,406,268
Tangible capital assets (note 4)	141,980	143,379
	<u>\$ 24,180,048</u>	<u>\$ 25,222,799</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 909,818	\$ 719,533
Deferred contributions (note 7)	1,814,686	1,335,672
	<u>2,724,504</u>	<u>2,055,205</u>
Net assets:		
Unrestricted	6,872,334	7,617,947
Sgiing.ala fund	5,570,965	6,541,003
Invested in tangible capital and intangible assets (note 8(a))	141,980	143,379
Endowment	8,870,265	8,865,265
	<u>21,455,544</u>	<u>23,167,594</u>
Commitments and contingencies (note 9)		
	<u>\$ 24,180,048</u>	<u>\$ 25,222,799</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

"Margot Young" Director

"Tara E Cullis" Director

THE DAVID SUZUKI FOUNDATION

Statement of Operations

Year ended August 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Recognition of restricted contributions (note 7,10)	\$ 4,099,314	\$ 4,187,988
Unrestricted contributions (note 10)	8,223,303	9,461,213
Fundraising events (note 10)	416,849	28,500
Investment income	712,813	350,661
Other	77,216	81,806
	<u>13,529,495</u>	<u>14,110,168</u>
Expenses:		
Programs (note 11):		
Climate Solutions	1,489,603	1,161,155
Renewable Communities	1,311,627	1,392,711
Rewilding Communities	1,187,279	850,220
Well Being Economies	346,119	680,850
Wild Nature	1,506,350	1,323,246
Mobilization & Engagement	1,179,532	897,621
General Programs & Strategic Approaches	5,186,438	3,681,524
	<u>12,206,948</u>	<u>9,987,327</u>
Fundraising and Donor relations (note 12)	2,536,057	2,201,180
Administration	1,227,115	1,133,407
	<u>15,970,120</u>	<u>13,321,914</u>
Excess (deficiency) of revenue over expenses before realized and unrealized gains on endowment fund investments	(2,440,625)	788,254
Realized and unrealized gains (losses) on endowment fund investments	723,575	(1,650,681)
Deficiency of revenue over expenses	<u>\$ (1,717,050)</u>	<u>\$ (862,427)</u>

See accompanying notes to financial statements.

THE DAVID SUZUKI FOUNDATION

Statement of Changes in Net Assets

Year ended August 31, 2023, with comparative information for 2022

Year ended August 31, 2023	Operating		Sgiing.ala fund	Invested in tangible capital and in tangible assets	Endowment	2023 Total
	Unrestricted	Internally restricted contingency reserve				
Net assets, beginning of year	\$ 7,617,947	\$ -	\$ 6,541,003	\$ 143,379	\$ 8,865,265	\$ 23,167,594
Investment in tangible capital and intangible assets (note 8(b))	(69,243)	-	-	69,243	-	-
Deficiency of revenue over expenses	(1,646,408)	-	-	(70,642)	-	(1,717,050)
Endowment contributions	-	-	-	-	5,000	5,000
Transfers: Sgiing.ala fund transfers (note 2(b)(ii))	970,038	-	(970,038)	-	-	-
Net assets, end of year	\$ 6,872,334	\$ -	\$ 5,570,965	\$ 141,980	\$ 8,870,265	\$ 21,455,544

Year ended August 31, 2022	Operating		Sgiing.ala fund	Invested in tangible capital and in tangible assets	Endowment	2022 Total
	Unrestricted	Internally restricted contingency reserve				
Net assets, beginning of year	\$ 7,162,049	\$ 500,000	\$ -	\$ 156,042	\$ 16,181,930	\$ 24,000,021
Investment in tangible capital and intangible assets (note 8(b))	(63,544)	-	-	63,544	-	-
Deficiency of revenue over expenses	(786,220)	-	-	(76,207)	-	(862,427)
Endowment contributions	-	-	-	-	30,000	30,000
Transfers: Internally restricted contingency reserve	500,000	(500,000)	-	-	-	-
Endowment transfers (note 2(b)(iv))	-	-	6,541,003	-	(6,541,003)	-
Strategic investments (note 17)	805,662	-	-	-	(805,662)	-
	1,305,662	(500,000)	6,541,003	-	(7,346,665)	-
Net assets, end of year	\$ 7,617,947	\$ -	\$ 6,541,003	\$ 143,379	\$ 8,865,265	\$ 23,167,594

See accompanying notes to financial statements.

THE DAVID SUZUKI FOUNDATION

Statement of Cash Flows

Year ended August 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (1,717,050)	\$ (862,427)
Items not involving cash:		
Amortization of tangible capital assets and intangible assets	70,642	76,207
Reinvested distribution	(461,789)	(252,851)
Realized and unrealized losses (gains) on investments	(740,187)	1,733,446
Changes in non-cash operating working capital:		
Accounts receivable	(740,901)	(97,631)
Prepaid expenses	(26,474)	(144,049)
Accounts payable and accrued liabilities	190,285	140,483
Deferred contributions	479,014	(939,186)
	(2,946,460)	(346,008)
Investments:		
Purchase of tangible capital assets	(69,243)	(63,544)
Financing:		
Receipt of endowment contributions	5,000	30,000
Decrease in cash	(3,010,703)	(379,552)
Cash, beginning of year	5,821,290	6,200,842
Cash, end of year	\$ 2,810,587	\$ 5,821,290

See accompanying notes to financial statements.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements

Year ended August 31, 2023

1. Operations:

The David Suzuki Foundation (the “Foundation”) was incorporated on September 14, 1990 under the *Society Act* (British Columbia). On January 9, 2017, the Foundation transitioned to the new *Societies Act* (British Columbia). As a registered charity, the Foundation is exempt from tax under the *Income Tax Act*.

The Foundation works, through science and education, to protect the diversity of nature and our quality of life now and for the future.

The Foundation relies on donations from individuals; charitable foundations; corporations and other supporters, subject to its ethical *Gift Acceptance Policy*. It does not accept direct funding from governments or contributions which could compromise the integrity of its programs.

2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and includes the following significant accounting policies:

(a) Basis of presentation:

The Foundation controls The David Suzuki Foundation, U.S.A. (“DSF USA”) by virtue of its ability to appoint DSF USA’s Board of Directors. DSF USA remains a separate legal entity. Management has chosen to disclose rather than to consolidate. Accordingly, the Foundation’s financial statements exclude the financial position and operating results of DSF USA. See note 13(a) for a summary of the financial position and operating results of DSF USA.

(b) Revenue recognition and net assets:

The Foundation follows the deferral method of accounting for contributions. Externally restricted contributions, other than endowment contributions, are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of tangible capital assets, are deferred and amortized into revenue based on the amortization rate for the related tangible capital assets.

Endowment contributions are presented as direct increases in endowment net assets.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reliably estimated and collection is reasonably assured.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

2. Significant accounting policies (continued):

(b) Revenue recognition and net assets (continued):

The net assets of the Foundation are presented and accounted for as follows:

(i) Unrestricted:

Unrestricted net assets relate to the Foundation's program delivery and administrative activities and are available to address both the operating requirements and contingency needs of the Foundation. During the year, the board approved a transfer of \$970,038 (2022 - \$500,000) to unrestricted net assets from the Sgiing.ala fund.

(ii) Sgiing.ala fund:

The Sgiing.ala fund is an internally restricted board designated fund designed to support the Foundation's mission. Transfers made to or from the Sgiing.ala fund are in accordance with the Board direction as approved during the annual budget process and are as described in the *Financial Management Policy*. During the year, the transfers from the Sgiing.ala fund totaled \$970,038 (including \$563,007 which came from the transfer from the Strategic Investment Funds (see note 17)) to unrestricted net assets. During 2022, endowment transfers of \$6,541,003 were made into the Sgiing.ala fund.

(iii) Invested in tangible capital and intangible assets:

Invested in tangible capital and intangible assets represents the net book value of tangible capital and intangible assets, less any debt, unamortized deferred capital contributions or other obligations relating to the assets.

(iv) Endowment:

Income from endowment funds as determined by policy is used to fund the activities of the Foundation.

Externally restricted endowments are restricted by donors to be maintained in perpetuity.

Transfers made to the externally restricted endowment fund are in accordance with the *Endowment Funds Expenditure Policy* and includes realized capital gains on certain endowments. During 2022, endowment transfers of \$6,541,003 including \$432,324 in amounts that were determined to be unrestricted and having been previously classified as externally restricted, were made to the Sgiing.ala fund. Additionally, \$805,662 from the internally restricted endowment fund were transferred to strategic investments. There were no endowment transfers during the year.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

2. Significant accounting policies (continued):

(c) Donated services and assets:

A large number of individuals volunteer time and expertise to the Foundation. However, since no objective basis exists for recording and assigning fair values, no amount has been reflected in the financial statements relating to these volunteered services.

Contributions of assets, supplies, and services, that would otherwise have been purchased, are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined.

(d) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis as follows:

Asset	Rate
Computer hardware	4 years
Office furniture and equipment	10 years
Telecommunications equipment	6 years
Teleconferencing equipment	5 years

Leasehold improvements are amortized on a straight-line basis over the lesser of their useful lives of 10-years or the term of the lease.

Amortization expense of tangible capital assets is included within administration expenses on the Statement of Operations.

When conditions indicate that a tangible capital asset no longer contributes to the Foundation's ability to provide services, or the value of future economic benefits or service potential associated with the asset is less than its net carrying value, the excess of its carrying amount over its fair value or replacement cost will be recognized as an expense in the Statement of Operations.

(e) Intangible assets:

Intangible assets developed or acquired to be used in the provision of services by the Foundation are recorded at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis as follows:

Asset	Rate
Computer software	3 years

The carrying amount, amortization and estimated useful lives of intangible assets are reviewed annually.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

2. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost unless Management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets recorded at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The Foundation does not hold any financial derivatives as at August 31, 2023.

(g) Allocated expenses:

Program costs include an allocation of administrative costs. The allocation of administrative costs is based on the number of employees in program departments.

(h) Measurement uncertainty:

The preparation of financial statements requires Management to make estimates and assumptions that affect the amounts and disclosures reported in financial statements and accompanying notes. Areas of Management estimate include the determination of useful lives of tangible capital and intangible assets for amortization and valuation of accounts receivable and investments. Actual results could differ from these estimates.

(i) Asset retirement obligation:

The Foundation recognizes a future asset retirement obligation as a liability in the year in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets based on Management's best estimate of the expenditure required to settle the obligation. The Foundation concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

2. Significant accounting policies (continued):

(i) Asset retirement obligation (continued):

The amount of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a risk-free interest rate based on Management's best estimate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year, to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

Changes in the obligation due to the passage of time are recognized as an operating expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset.

3. Investments at fair value:

The Foundation's policy is to hold investments screened for environmental and social responsibility, and exclude any investment in entities involved in the extraction, production and transportation of fossil fuels. The Foundation's investment manager screens investments on behalf of the Foundation.

The Foundation holds investments covering the endowment balance and the Sgiing.ala fund. All investments in excess of this amount are classified as current since investments are convertible to cash at Management's discretion.

Investments in pooled funds are held by an investment manager and measured at fair value. Investments consist of:

	2023	2022
Equity funds	\$ 6,446,259	\$ 6,070,680
Bond funds	6,068,467	5,028,208
Treasury bills, cash and equivalents	7,259,440	7,473,302
	19,774,166	18,572,190
Current portion	5,332,936	3,165,922
Long-term portion	\$ 14,441,230	\$ 15,406,268

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

4. Tangible capital assets:

August 31, 2023	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 320,631	\$ 199,495	\$ 121,136
Office furniture and equipment	21,574	13,011	8,563
Leasehold improvement	1,091,673	1,091,673	-
Telecommunications equipment	151,496	139,215	12,281
	<u>\$ 1,585,374</u>	<u>\$ 1,443,394</u>	<u>\$ 141,980</u>

August 31, 2022	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 314,695	\$ 200,669	\$ 114,026
Office furniture and equipment	28,630	19,745	8,885
Leasehold improvement	1,091,673	1,091,673	-
Telecommunications equipment	151,496	131,028	20,468
	<u>\$ 1,586,494</u>	<u>\$ 1,443,115</u>	<u>\$ 143,379</u>

Amortization for the year amounted to \$70,642 (2022 - \$76,207).

5. Intangible assets:

August 31, 2023	Cost	Accumulated amortization	Net book value
Computer software	\$ 253,904	\$ 253,904	\$ -

August 31, 2022	Cost	Accumulated amortization	Net book value
Computer software	\$ 253,904	\$ 253,904	\$ -

Amortization for the year amounted to nil (2022 - nil). The intangible assets, while fully amortized, are still used by the Foundation.

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$21,900 (2022 - \$14,231).

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

7. Deferred contributions:

Deferred contributions represent unspent amounts which have been externally restricted for the delivery of specified programs. Changes in the balance during the year are as follows:

	2023	2022
Balance, beginning of year	\$ 1,335,672	\$ 2,274,858
Restricted contributions received during the year	4,578,328	3,248,802
Amounts spent and recognized as revenue	(4,099,314)	(4,187,988)
Balance, end of year	\$ 1,814,686	\$ 1,335,672

8. Net assets invested in tangible capital and intangible assets:

(a) Net assets invested in capital and intangible assets is calculated as follows:

	2023	2022
Tangible capital assets	\$ 141,980	\$ 143,378

(b) Changes in net assets invested in tangible capital and intangible assets is calculated as follows:

	2023	2022
Deficiency of revenue over expenses:		
Amortization of tangible capital and intangible assets	\$ (70,642)	\$ (76,207)
Net changes in invested in tangible capital and intangible assets:		
Acquisition of tangible capital and intangible assets	69,243	63,544
	\$ (1,399)	\$ (12,663)

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

9. Commitments and contingencies:

The Foundation is committed pursuant to premise lease obligations for payments concluding December 2033, as follows:

2024	\$	724,759
2025		534,276
2026		437,591
2027		454,176
2028		397,308
Thereafter		2,013,304
		<hr/>
	\$	4,561,414

Certain of leases contain provisions which, at the discretion of the landlord, the Foundation may have an obligation to restore the facilities to their original condition at the end of the lease term. Based on the nature and extent of the leasehold improvements performed, Management does not believe there will be significant restoration costs incurred at the end of the lease. Accordingly, no asset retirement obligation has been recorded in the Foundation.

10. Contributions and fundraising revenue:

Revenue recognition related to unrestricted contributions, recognition of restricted contributions, and fundraising events was originally received from the following major sources:

	2023	2022
Business and employee groups	\$ 1,010,434	\$ 693,703
Foundations	4,023,586	3,886,042
Individual donors	7,511,378	8,576,731
Other	194,068	521,225
	<hr/>	<hr/>
	\$ 12,739,466	\$ 13,677,701

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

11. Allocated expenses and comparative information:

During the year expenses were allocated and presented by program rather than region to better reflect the work being performed within the organization.

Comparative information was adjusted to conform with the presentation adopted in the current year, including a reallocation of prior year administrative expenses by employee within each program (note 2(g)).

Administrative costs were allocated to the program departments as follows:

	2023	2022
Climate Solutions	\$ 232,496	\$ 209,538
Renewable Communities	371,994	361,928
Rewilding Communities	209,247	209,538
Well Being Economies	92,998	114,293
Wild Nature	325,495	247,635
Mobilization and Engagement	325,495	209,538
General Programs and Strategic Approaches	1,261,525	761,193
	<u>\$ 2,819,250</u>	<u>\$ 2,113,663</u>

12. Fundraising and Donor relations expenses:

Fundraising and Donor relations expenses include \$150,120 (2022 - \$12,978) related to the cost of fundraising events.

13. Related organizations:

Transactions with related parties are entered into at amounts that are considered to be fair value and are measured at the exchange amount.

(a) The Foundation controls the David Suzuki Foundation, U.S.A. ("DSF USA") by virtue of its ability to appoint DSF USA's Board of Directors. DSF USA is a registered charity in the United States of America and is exempt from income tax.

Financial information relating to DSF USA has not been consolidated in these financial statements. DSF USA remained substantially inactive during the year.

Summarized financial information of DSF USA is as follows:

In CAD \$	2023	2022
	(Unaudited)	(Unaudited)
Excess of revenue over expenses before distribution to the Foundation	\$ 41,240	\$ 54,424
Total assets	\$ 269,210	\$ 228,795
Total liabilities	269,210	228,795
Total net assets	\$ -	\$ -

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

13. Related organizations (continued):

(a) (continued):

DSF USA had the following transactions with the Foundation during the year ended August 31, 2023.

In CAD \$	2023	2022
Revenue received by Foundation from DSF USA	\$ 41,240	\$ 54,424
Accounts receivable from DSF USA at year-end	269,210	228,795

(b) During the year, the Foundation paid \$90,389 (2022 - \$71,521) to New Data Enterprises Ltd. ("New Data"), a corporation of which one of the shareholders is a Board member of the Foundation, for the use of staff resources for scheduling, liaison and other support services, and received \$24,606 (2022 - \$27,198) from New Data for the use of office space at the Foundation.

(c) The David Suzuki Institute/Institut David Suzuki ("DSI"), a not-for-profit corporation, is related to the Foundation by virtue of a Board member in common. There have been no transactions since March 1, 2021.

14. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Foundation believes that it is not exposed to material liquidity risks.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to the accounts receivable. The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The Foundation believes that it is not exposed to material credit risks.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Year ended August 31, 2023

14. Financial risks (continued):

(c) Financial and market risks:

Financial and market risks are the risks that changes in financial, or market conditions impair the value of the Foundation's assets, or that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation's investments are managed by an investment manager in accordance with the Foundation's investment policy. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk and the Foundation's investments in pooled funds are subject to risks arising from changes in market conditions.

There have been no significant changes in risk exposure from the prior year.

15. Credit facility:

The Foundation has an available credit facility of \$450,000, which bears interest at the Canadian prime rate plus 1.00%. The credit facility is secured by an assignment of investments and a General Security Agreement over assets held by the Foundation. The credit facility includes certain financial covenants. As at August 31, 2023, no amount was outstanding (2022 - nil).

16. Annual remuneration:

Remuneration of \$75,000 or more paid to the top ten employees and contractors for services totaled \$1,973,353 (2022 - \$1,810,921) for the year ended August 31, 2023. The Foundation did not pay any of its Directors remuneration for their services on the Board of Directors.

17. Strategic investments:

In 2018, the Board approved strategic investments of up to \$1,830,000 over 3-years from the internally restricted endowment funds, for the purpose of investing in technologies, acquisitions, and other operational efficiencies. In 2020, the Board approved strategic investments of up to \$2,000,000 for the purpose of investing in projects related to the Foundation's Rewilding Communities, Wellbeing Economies and Empowering People in Place programs.

As at August 31, 2022 the amounts of \$192,286 from Strategic Investment 1.0 and \$1,451,375 from Strategic Investment 2.0 remained unspent, totaling \$1,643,661. These remaining funds were reallocated into the Sgiing.ala fund by board direction.

During the year ended August 31, 2023, \$563,007 (2022 - \$805,662) had been spent out in accordance with these strategic initiatives. The remaining unspent balance is \$1,080,654 as at August 31, 2023.