

Financial Statements of

THE DAVID SUZUKI FOUNDATION

Years ended August 31, 2013 and 2012



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INDEPENDENT AUDITORS' REPORT

To the Members of the David Suzuki Foundation

Report on Financial Statements

We have audited the accompanying financial statements of David Suzuki Foundation, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, the statements of operations, changes in net assets and cash flows for the years ended August 31, 2013 and August 31, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the David Suzuki Foundation as at August 31, 2013, August 31, 2012 and September 1, 2011 and its results of operations and its cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

KPMG LLP

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 single, long, horizontal stroke that tapers at both ends, resembling a flourish or a checkmark.

Chartered Accountants

December 5, 2013

Burnaby, Canada

THE DAVID SUZUKI FOUNDATION

Statements of Financial Position

August 31, 2013, August 31, 2012 and September 1, 2011

	August 31, 2013	August 31, 2012	September 1, 2011
Assets			
Current assets:			
Cash	\$ 110,476	\$ 265,095	\$ 530,336
Short-term investments (note 3)	955,584	78,047	398,265
Accounts receivable	292,972	554,197	487,892
Prepaid expenses	89,446	70,570	303,633
Note receivable (note 12)	25,603	-	-
	1,474,081	967,909	1,720,126
Note receivable (note 12)	124,397	-	-
Investments (note 3)	10,591,559	10,290,972	9,744,083
Capital assets (note 4(a))	991,455	1,271,844	1,447,826
	\$ 13,181,492	\$ 12,530,725	\$ 12,912,035
Liabilities and Net Assets			
Current liabilities:			
Bank indebtedness (note 5)	\$ -	\$ 196,744	\$ 3,431
Accounts payable and accrued liabilities (note 13)	759,609	544,935	591,964
Deferred contributions and revenue (note 6)	924,669	915,369	1,658,912
Capital lease obligation	924	31,963	31,963
	1,685,202	1,689,011	2,286,270
Capital lease obligation	-	3,286	37,149
Deferred capital contributions (note 4(b))	209,933	337,942	465,951
Net assets:			
Unrestricted	(85,800)	(492,865)	(520,584)
Internally restricted contingency reserve	5,000	5,000	5,000
Invested in capital assets (note 4(c))	780,598	898,653	912,763
Endowment:			
Externally restricted	8,163,589	8,063,589	7,909,811
Internally restricted	2,422,970	2,026,109	1,815,675
	11,286,357	10,500,486	10,122,665
Commitments (note 8)			
	\$ 13,181,492	\$ 12,530,725	\$ 12,912,035

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

THE DAVID SUZUKI FOUNDATION

Statements of Operations

Years ended August 31, 2013 and 2012

	2013	2012
Revenue:		
Recognition of restricted contributions (notes 6 and 15)	\$ 2,972,589	\$ 3,193,610
Unrestricted contributions (note 15)	5,253,725	4,672,835
Fundraising events (notes 7 and 15)	300,176	582,528
Investment income	273,065	295,316
Amortization of deferred capital contributions (note 4(d))	128,009	128,009
Other	66,041	56,312
	<u>8,993,605</u>	<u>8,928,610</u>
Expenses:		
Programs (note 11):		
Science & Policy	1,455,651	-
B.C. & Western Canada	907,325	-
Ontario & Northern Canada	855,183	-
Quebec & Atlantic Canada	1,024,987	896,308
Program Management	204,384	216,392
Communication	2,068,033	2,146,177
DSF 2.0 Project	-	57,438
Climate Change and Clean Energy	-	1,180,038
Terrestrial Conservation	-	914,061
Marine and Freshwater	-	915,016
Other	-	5,523
	<u>6,515,563</u>	<u>6,330,953</u>
Administration	527,127	372,145
Fundraising (note 7)	1,925,679	2,067,157
	<u>8,968,369</u>	<u>8,770,255</u>
Excess of revenue over expenses before change in fair value of investments	25,236	158,355
Unrealized change in fair value of investments	660,635	65,688
Excess of revenue over expenses	<u>\$ 685,871</u>	<u>\$ 224,043</u>

See accompanying notes to financial statements.

THE DAVID SUZUKI FOUNDATION

Statements of Changes in Net Assets

Year ended August 31, 2013	Operating			Invested in capital assets (note 4(c))	Endowment			2013 Totals
	Unrestricted	Internally restricted contingency reserve	Totals		Externally restricted	Internally restricted	Totals	
Net assets (deficit), beginning of year	\$ (492,865)	\$ 5,000	\$ (487,865)	\$ 898,653	\$ 8,063,589	\$ 2,026,109	\$ 10,089,698	\$ 10,500,486
Investment in capital assets	(92,926)	-	(92,926)	92,926	-	-	-	-
Excess (deficiency) of revenue over expenses	896,852	-	896,852	(210,981)	-	-	-	685,871
Endowment contributions	-	-	-	-	100,000	-	100,000	100,000
Transfers	(396,861)	-	(396,861)	-	-	396,861	396,861	-
Net assets (deficit), end of year	\$ (85,800)	\$ 5,000	\$ (80,800)	\$ 780,598	\$ 8,163,589	\$ 2,422,970	\$ 10,586,559	\$ 11,286,357

Year ended August 31, 2012	Operating			Invested in capital assets (note 4(c))	Endowment			2012 Totals
	Unrestricted	Internally restricted contingency reserve	Totals		Externally restricted	Internally restricted	Totals	
Net assets (deficit), beginning of year	\$ (520,584)	\$ 5,000	\$ (515,584)	\$ 912,763	\$ 7,909,811	\$ 1,815,675	\$ 9,725,486	\$ 10,122,665
Investment in capital assets	(202,469)	-	(202,469)	202,469	-	-	-	-
Excess (deficiency) of revenue over expenses	440,622	-	440,622	(216,579)	-	-	-	224,043
Endowment contributions	-	-	-	-	153,778	-	153,778	153,778
Transfers	(210,434)	-	(210,434)	-	-	210,434	210,434	-
Net assets (deficit), end of year	\$ (492,865)	\$ 5,000	\$ (487,865)	\$ 898,653	\$ 8,063,589	\$ 2,026,109	\$ 10,089,698	\$ 10,500,486

See accompanying notes to financial statements.

THE DAVID SUZUKI FOUNDATION

Statements of Cash Flows

Years ended August 31, 2013 and 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 685,871	\$ 224,043
Items not involving cash:		
Amortization of capital assets	332,189	332,253
Amortization of deferred capital contributions	(128,009)	(128,009)
Writedown of leasehold improvements	6,801	12,335
Reinvested distributions	(266,093)	(285,314)
Unrealized change in fair value of investments	(660,635)	(65,688)
Changes in non-cash operating working capital:		
Accounts receivable	261,225	(66,305)
Prepaid expenses	(18,876)	233,063
Note receivable	(150,000)	-
Accounts payable and accrued liabilities	214,674	(47,029)
Deferred contributions and revenue	9,300	(743,543)
	286,447	(534,194)
Investing:		
Purchase of capital assets	(58,601)	(168,606)
Acquisition of investments	(1,114,973)	(1,399,223)
Redemption of investments	863,577	1,523,554
	(309,997)	(44,275)
Financing:		
Increase (decrease) in bank indebtedness	(196,744)	193,313
Receipt of endowment contributions	100,000	153,778
Repayment of capital lease obligations	(34,325)	(33,863)
	(131,069)	313,228
Decrease in cash	(154,619)	(265,241)
Cash, beginning of year	265,095	530,336
Cash, end of year	\$ 110,476	\$ 265,095

See accompanying notes to financial statements.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements

Years ended August 31, 2013 and 2012

1. Operations:

The David Suzuki Foundation (the "Foundation") is incorporated under the Society Act (British Columbia) and, as a registered charity, 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.

On September 1, 2011, the Foundation adopted Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CICA Handbook ("Part III"). These are the first financial statements prepared in accordance with Part III.

In accordance with the transitional provisions in Part III, the Foundation has adopted the changes retrospectively. The Foundation did not make use of any of the exemptions allowed under the standards for first time adoption of Part III. The transition date is September 1, 2011 and all comparative information provided has been presented by applying Part III.

There were no changes to the statement of financial position at September 1, 2011 resulting from the transition to the Part III.

A summary of transitional adjustments recorded to net assets and excess of revenue over expenses is provided in note 16.

2. Significant accounting policies:

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

(a) 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 capital assets are deferred and amortized into revenue based on the amortization rate for the related capital assets.

Endowment contributions are presented as direct increases in 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)

Years ended August 31, 2013 and 2012

2. Significant accounting policies (continued):

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

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

(i) Unrestricted:

Unrestricted net assets represent unrestricted contributions net of expenses.

(ii) Internally restricted contingency reserve:

The internally restricted contingency reserve is comprised of funds restricted for contingency or other specific purposes as designated by the Foundation's Board of Directors.

(iii) Invested in capital assets:

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

(iv) Endowment:

Externally restricted endowments are restricted by donors to be maintained in perpetuity. Internally restricted endowments are comprised of amounts that the Board, by resolution, has internally restricted by transfer to the fund. The internally restricted endowment funds can, at the discretion of the Board, be used to fund the operations of the Foundation. Income from endowment funds is used to fund the activities of the Foundation.

(b) 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.

(c) Capital assets:

Capital assets are recorded at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following annual rates:

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

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

2. Significant accounting policies (continued):

(c) Capital assets (continued):

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

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

(d) Use of estimates:

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. Significant areas of management estimate include the determination of useful lives of capital assets for amortization and the related recognition of deferred capital contributions, valuation of accounts receivable, the recorded values of investments and related investment income or losses, and provisions for contingencies. Actual results could differ from these estimates.

(e) Financial instruments:

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

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Investments in equity funds, bond funds, and asset-backed commercial paper are carried at fair value. All other financial instruments are carried at cost or amortized cost.

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.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

2. Significant accounting policies (continued):

(e) Financial instruments (continued):

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, 2013.

3. Investments:

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

	August 31, 2013	August 31, 2012	September 1, 2011
Equity funds	\$ 5,569,458	\$ 4,515,817	\$ 3,989,506
Bond funds	4,781,569	4,764,728	4,632,979
Treasury bills, cash and equivalents	731,897	655,558	1,135,444
Asset-Backed Commercial Paper	464,219	432,916	384,419
	11,547,143	10,369,019	10,142,348
Current portion	955,584	78,047	398,265
Non-current portion	\$ 10,591,559	\$ 10,290,972	\$ 9,744,083

Asset-Backed Commercial Paper (ABCP) is a type of commercial paper secured by specific financial assets.

The Foundation holds investments covering the endowment balance and the internally restricted contingency reserve. For the year ended August 31, 2013, all investments in excess of this amount are classified as current given investments are convertible to cash at management discretion.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

4. Capital assets and net assets invested in capital assets:

(a) Capital assets:

August 31, 2013	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 105,194	\$ 60,252	\$ 44,942
Computer software	75,207	58,507	16,700
Office furniture and equipment	201,047	139,217	61,830
Leasehold improvements	951,864	371,531	580,333
Telecommunications equipment	110,560	57,353	53,207
Teleconferencing equipment	744,602	510,159	234,443
	<u>\$ 2,188,474</u>	<u>\$ 1,197,019</u>	<u>\$ 991,455</u>

August 31, 2012	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 128,629	\$ 87,303	\$ 41,326
Computer software	72,428	45,589	26,839
Office furniture and equipment	200,100	123,007	77,093
Leasehold improvements	944,737	271,931	672,806
Telecommunications equipment	109,435	39,020	70,415
Teleconferencing equipment	744,603	361,238	383,365
	<u>\$ 2,199,932</u>	<u>\$ 928,088</u>	<u>\$1,271,844</u>

September 1, 2011	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 115,138	\$ 80,897	\$ 34,241
Computer software	90,785	49,613	41,172
Office furniture and equipment	191,341	107,281	84,060
Leasehold improvements	860,045	172,406	687,639
Telecommunications equipment	102,491	21,360	81,131
Teleconferencing equipment	733,225	213,642	519,583
	<u>\$ 2,093,025</u>	<u>\$ 645,199</u>	<u>\$1,447,826</u>

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

4. Capital assets and net assets invested in capital assets (continued):

(b) Change in deferred capital contributions is calculated as follows:

	2013	2012
Balance, beginning of year	\$ 337,942	\$ 465,951
Amount amortized to revenue in the year	(128,009)	(128,009)
Balance, end of year	\$ 209,933	\$ 337,942

(c) Net assets invested in capital assets is calculated as follows:

	August 31, 2013	August 31, 2012	September 1, 2011
Capital assets	\$ 991,455	\$ 1,271,844	\$ 1,447,826
Amounts financed by:			
Capital leases	(924)	(35,249)	(69,112)
Capital contributions	(209,933)	(337,942)	(465,951)
	\$ 780,598	\$ 898,653	\$ 912,763

(d) Change in net assets invested in capital assets is calculated as follows:

	2013	2012
Deficiency of revenue over expenses:		
Amortization of capital assets	\$ (332,189)	\$ (332,253)
Write-down of leasehold improvement	(6,801)	(12,335)
Amortization of deferred capital contributions	128,009	128,009
	(210,981)	(216,579)
Net change in invested in capital assets:		
Acquisition of capital assets	58,601	168,606
Repayment of capital lease	34,325	33,863
	92,926	202,469
	\$ (118,055)	\$ (14,110)

5. Bank indebtedness:

The Foundation has a revolving bank line of credit available in the maximum amount of \$450,000 that bears interest at the bank's prime rate + 1% per annum.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

6. Deferred revenue:

Deferred revenue represents unspent contributions which have been externally restricted for the delivery of specified programs. Changes in deferred revenue during the year are as follows:

	2013	2012
Balance, beginning of year	\$ 915,369	\$ 1,658,912
Contributions received during the year	2,983,639	2,631,074
Amounts spent and recognized as revenue	(2,972,589)	(3,193,610)
Contribution forfeited and repaid	-	(82,226)
Amounts received related to future events	1,750	3,500
Amounts recognized relating to events	(3,500)	(102,281)
Balance, end of year	\$ 924,669	\$ 915,369

7. Fundraising expenses:

Fundraising expenses include \$152,895 (2012 - \$247,908) related to fundraising events.

8. Commitments:

The Foundation is committed pursuant to premises lease obligations for payments in the next five years as follows:

2014	\$ 566,645
2015	581,117
2016	542,586
2017	549,809
2018	273,280
	\$ 2,513,437

9. 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 and is exempt from income tax.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

9. Related organizations (continued):

(a) (continued):

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

	August 31, 2013	August 31, 2012	September 1, 2011
Excess of revenue over expenses	\$ 26,693	\$ 2,269	\$ 7,512
Total assets	\$ 31,524	\$ 4,831	\$ 22,542
Total liabilities	31,524	4,831	-
Total net assets	\$ -	\$ -	\$ 22,542

DSF USA had the following transactions with the Foundation during the year ended August 31, 2013.

	August 31, 2013	August 31, 2012	September 1, 2011
Revenue received by Foundation from DSF USA	\$ 26,693	\$ 2,269	\$ 7,512
Accounts receivable from DSF USA (CDN \$) at year end	31,524	4,831	22,542

- (b) During the year, the Foundation paid \$48,119 (2012 - \$58,242) 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 administrative staff resources for scheduling, liaison and other administrative support services, and received \$10,244 (2012 - \$6,854) from New Data for the use of office space at the Foundation.
- (c) During the year, the Foundation recognized revenues of \$16,250 (2012 - \$15,000) for accounting services provided to Réalité Climatique Canada/Climate Reality Canada ("RCC"), a registered charity significantly influenced by the Foundation through representation on the charity's board of directors, management oversight and administrative support. At August 31, 2013, the Foundation's accounts receivable included \$2,452 (August 31, 2012 - \$34,903; September 1, 2011 - \$47,581) due from the RCC.
- (d) During the year, The David Suzuki Institute/Institut David Suzuki ("DSI"), a not-for-profit corporation related to the Foundation by virtue of a board member in common, paid the Foundation \$11,203 (2012 - \$9,054) for administrative support. At August 31, 2013, the Foundation's accounts receivable included \$11,203 (August 31, 2012 - \$9,054; September 1, 2011 - nil) from DSI.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

10. Allocated expenses:

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

General support costs were allocated to the program departments as follows:

	2013	2012
Science & Policy	\$ 235,759	\$ -
B.C. & Western Canada	106,092	-
Ontario & Northern Canada	144,992	-
Quebec & Atlantic Canada	150,886	126,912
Communications	393,483	351,578
Climate Change and Clean Energy	-	128,626
Terrestrial Conservation	-	109,761
Marine and Freshwater	-	120,051
Total	\$ 1,031,212	\$ 836,928

11. Reorganization of Programs:

On September 1, 2012, the Foundation reorganized its programs to respond to regional issues more effectively. Science and policy functions performed in the Climate Change and Clean Energy and Marine and Freshwater departments were transferred to a new Science & Policy department, and new regional offices were established for the Ontario & Northern Canada and British Columbia & Western Canada regions. The scope of DSF Quebec was expanded to include Quebec & Atlantic Canada.

12. Note receivable:

In the current year, the Foundation advanced \$150,000 to an unrelated third party to support public education in exchange for a promissory note, repayable by August 31, 2018 and paying interest at 3.5% per annum. The note is secured on certain assets of the third party.

13. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$432 (2012 - \$881).

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

14. Financial risks and concentration of credit risk:

(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. There has been no change to the risk exposures from 2012.

(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.

(c) Financial risks:

The Foundation uses an investment manager to manage its investments in pooled funds (note 2(e)). 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. The risk associated with investments is managed through the Foundation's established investment policy.

(d) 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's investments in pooled funds are subject to risks arising from changes in market conditions.

The Foundation believes that it is exposed to market risks arising from its financial instruments but believes that it is not exposed to material credit or liquidity risks.

THE DAVID SUZUKI FOUNDATION

Notes to Financial Statements (continued)

Years ended August 31, 2013 and 2012

15. Revenue by source:

Unrestricted contributions, recognition of restricted contributions, and fundraising event revenue totalled \$8,526,490 for the year ended August 31, 2013 (2012 - \$8,448,973). Revenue was recognized from the following major sources:

	2013	2012
Business and employee groups	\$ 1,297,051	\$ 1,195,890
Foundations	2,546,136	2,201,075
Individual donors	4,621,461	4,824,649
Other	61,842	227,359
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	\$ 8,526,490	\$ 8,448,973

16. Transitional adjustments:

Excess of revenue over expenses:

As a result of the retrospective application of Canadian Accounting Standards for Not-for-Profit Organizations, the Foundation recorded the following adjustments to excess of revenue over expenses for the year ended August 31, 2012:

Excess of revenue over expenses:	
As previously reported under Canadian generally accepted accounting principles for year ended August 31, 2012	\$ 158,355
Increase to investment income as a result of recognizing unrealized gains on financial instruments recorded at fair value on the Statement of Operations	65,688
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Restated for the year ended August 31, 2012	\$ 224,043