

STRATEGIC CHARITABLE GIVING FOUNDATION

Interim Unaudited Financial Statements

For the Six-Month Period Ended June 30, 2023

STRATEGIC CHARITABLE GIVING FOUNDATION

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at

	June 30 2023 \$	December 31, 2022 (Audited) \$
Assets		
Current assets		
Cash	1,632,773	5,987,898
Due from brokers	1,526,676	3,848,795
	<u>3,159,449</u>	<u>9,836,693</u>
Investments (Note 3)	394,817,962	373,276,592
Investment in life insurance	7,595,786	7,586,654
	<u>405,573,197</u>	<u>390,699,939</u>
Total assets		
	<u>405,573,197</u>	<u>390,699,939</u>
Liabilities, Deferred Contributions and Fund Balance		
Current liabilities		
Accounts payable and accrued liabilities	578,569	588,236
Administration fees payable (Note 4a and 5)	788,242	752,394
Grants payable	13,920,510	1,491,905
Total liabilities	<u>15,287,321</u>	<u>2,832,535</u>
Deferred contributions	<u>7,595,786</u>	<u>7,586,654</u>
Fund balance	<u>382,690,090</u>	<u>380,280,750</u>
	<u>405,573,197</u>	<u>390,699,939</u>
Total liabilities, deferred contributions and fund balance		
	<u>405,573,197</u>	<u>390,699,939</u>

On behalf of the Board:

Nick Westlind – Chairman of the Board

Herman Facchinelli – Treasurer

See accompanying notes to the financial statements.

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STRATEGIC CHARITABLE GIVING FOUNDATION

STATEMENT OF OPERATIONS (Unaudited)

For the periods ended June 30

	2023	2022
	\$	Restated (Note 7) \$
Revenue		
Dividend and interest income from eligible mutual funds	1,652,185	1,669,492
Realized (loss)/gain	(1,418,919)	(516,059)
Other investment income	24,494	9,336
Total revenue	<u>257,760</u>	<u>1,162,769</u>
Expenses		
Charitable administration fees (Note 4a)	787,279	754,101
Commission on disposition of securities	6,481	8,052
Operating expenses (Note 4b)	146,840	181,006
Interest and bank charges	-	3,244
Total expenses	<u>940,600</u>	<u>946,403</u>
(Shortfall)/Excess of revenue over expenses before the following:	<u>(682,840)</u>	<u>216,366</u>
Donor contributions	14,193,012	11,192,939
Disbursements to charities	(27,862,175)	(25,053,827)
Change in unrealized gain/(loss)	<u>16,761,344</u>	<u>(55,175,163)</u>
Excess/(Shortfall) of revenue over expenses	<u><u>2,409,341</u></u>	<u><u>(68,819,685)</u></u>

See accompanying notes to the financial statements.

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STRATEGIC CHARITABLE GIVING FOUNDATION

STATEMENT OF CASH FLOWS (Unaudited)

For the periods ended June 30

	2023	2022
	\$	Restated (Note 7) \$
Cash provided by/(used in)		
Operating Activities		
Excess/(Shortfall) of revenue over expenses	2,409,341	(68,819,685)
Net change in non-cash items:		
Net realized loss (gain) on investments	1,418,919	516,059
Change in unrealized (gain) loss	(16,761,344)	55,175,163
Change in non-cash working capital	14,776,905	12,919,971
Net cash provided/(used) in operating activities	<u>1,843,821</u>	<u>(11,401,431)</u>
Financing Activities		
Deferred contributions	9,132	-
Net cash provided in financing activities	<u>9,132</u>	<u>-</u>
Investing Activities		
Purchase of investments	(64,042,765)	(39,702,168)
Proceeds from sale of investments	57,834,687	37,834,435
Net cash used in investing activities	<u>(6,208,078)</u>	<u>(1,867,733)</u>
Net decrease in cash during the period	<u>(4,355,125)</u>	<u>(2,076,225)</u>
Cash – beginning of period	5,987,898	4,032,150
Cash – end of period	<u>1,632,773</u>	<u>1,955,925</u>

See accompanying notes to the financial statements.

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STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

1. Organization and Objective of the Strategic Charitable Giving Foundation

The Strategic Charitable Giving Foundation (the "Foundation") was formed on March 17, 2006, with operations commencing on July 4, 2006, as a non-profit charitable organization. It is registered as a public foundation with the Canada Revenue Agency and with the Quebec Ministry of Revenue. It is exempt from income taxes provided certain requirements under the Income Tax Act (Canada) ("Tax Act") are met. As such, it can issue charitable donation receipts. The Foundation was previously incorporated under the Canada Corporations Act and was continued under the Canadian Not-For-Profit Corporations Act in April 2013.

The Foundation manages and administers the assets of the three charitable giving fund programs (individually the "Program" or collectively the "Programs") developed by each of Mackenzie Financial Corporation ("Mackenzie"), Quadrus Investment Services Ltd. ("Quadrus") and Investors Group Inc. ("Investors Group"). Mackenzie is the Foundation's charitable administration provider. The charitable giving funds, also known as donor-advised funds, are dedicated to helping donors increase and sustain their charitable giving. The objective of the Foundation is to receive and maintain charitable giving funds and to apply all or part of the principal and income from those funds to eligible charities. The program stipulates that in year one of a contribution, a maximum of 25% of the contribution can be disbursed. Thereafter, there are no maximum restrictions.

A Board of Directors (the "Board") governs the Foundation. A majority of the Board is independent of Mackenzie, Quadrus, Investors Group, and their affiliates. The Board has sole discretion over each donor advised account (individually an "Account" and collectively the "Accounts") in the Programs and the activities relating to these Accounts. Although the Board has ultimate authority over each Account, it will generally act on the recommendations of the donor (or parties authorized by the donor) with respect to naming the Account, appointing a financial advisor for the Account, investing among the eligible Mackenzie, Quadrus and Investors Group funds, making grants to eligible charities and recommending how the Account will be managed after the donor's lifetime.

These financial statements reflect the combined assets of donor advised funds in the Programs developed within the Foundation.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of The Chartered Professional Accountants Canada Handbook.

(a) Use of judgment, estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(b) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Donor contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations of assigned insurance policies from living donors, including subsequent donated premiums, are treated as deferred contributions when received and recognized as a contribution in the year the death benefit becomes payable to the Foundation.

(c) 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 recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

2. Significant Accounting Policies (cont'd)

(c) Financial instruments (cont'd)

The fair value of investments as at the financial reporting period end is determined as follows:

- (i) Donations of securities are recorded at their market value on the date received by the Foundation. The Foundation is subject to equity and other risks pending the sale of donated securities. Donations of assigned life insurance policies are recorded at their cash surrender value on the date the Foundation becomes the named beneficiary of the policy; the cash surrender value is updated annually. Donations of cash and net proceeds from the sale of donated securities are invested in eligible mutual funds.
- (ii) Mutual fund securities for the applicable series are valued on a business day at the price calculated by the manager of such mutual fund in accordance with the constating documents of such mutual fund.

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Where no closing bid price is available the last sale or close price is used. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their fair value as determined by Mackenzie.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. 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.

(d) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Income from investments other than a mutual fund is recognized on an accrual basis. Interest income is accrued based on the number of days the investment is held during the year. Dividends are accrued as of the ex-dividend date. Gains or losses on the sale of investments, including any foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from a mutual fund are included in interest income, dividend income or realized gains (losses) on sale of investments, as applicable.

(e) Foreign exchange

Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Operations – Realized gains (losses).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

3. Investments

As at June 30, 2023

Number of units / shares	Name of Mutual Funds	Fair value	Average cost	Unrealized Gain/(Loss)
	Eligible Mutual Funds	\$	\$	\$
	Mackenzie			
482,859	Mackenzie Balanced ETF Portfolio	5,213,138	5,258,731	(45,593)
451,307	Mackenzie Bluewater Canadian Growth Balanced	6,690,420	6,279,137	411,283
53,050	Mackenzie Conservative ETF Portfolio	531,439	539,102	(7,663)
45,514	Mackenzie Conservative Income ETF Portfolio	450,203	443,946	6,257
1,918,395	Mackenzie Global Strategic Income Fund	22,158,577	24,257,519	(2,098,942)
22,744	Mackenzie Global Sustainable Balanced Fund	234,680	238,576	(3,896)
1,408,210	Mackenzie Growth ETF Portfolio	17,015,694	16,422,769	592,925
1,722,863	Mackenzie Income Fund	7,800,256	9,550,944	(1,750,688)
22,857	Mackenzie Ivy Canadian Balanced Fund	286,757	266,465	20,292
571,906	Mackenzie Ivy Global Balanced Fund	7,952,929	7,747,466	205,463
1,805,439	Mackenzie Moderate Growth ETF Portfolio	20,189,517	20,172,726	16,791
16,094	Mackenzie Monthly Income Balanced Portfolio	152,963	163,886	(10,923)
2,023	Mackenzie Monthly Income Conservative Portfolio	17,530	20,075	(2,545)
608,865	Mackenzie Strategic Income Fund	6,807,036	7,739,363	(932,327)
6,072,999	Symmetry Balanced Portfolio	74,322,438	74,291,904	30,534
204,678	Symmetry Conservative Income Portfolio	2,022,080	2,059,450	(37,370)
317,471	Symmetry Conservative Portfolio	3,517,384	3,681,384	(164,000)
445,720	Symmetry Growth Portfolio	6,211,419	6,208,638	2,781
1,897,567	Symmetry Moderate Growth Portfolio	23,393,329	24,548,271	(1,154,942)
		204,967,789	209,890,352	(4,922,563)
	Canada Life			
17,548	Canada Life Advanced Portfolio	332,398	318,103	14,295
539,590	Canada Life Balanced Portfolio	8,470,598	8,373,201	97,397
2,944	Canada Life Canadian Fixed Income Balanced Fund II	43,810	46,000	(2,190)
1,225	Canada Life Conservative Portfolio	15,005	15,057	(52)
185,395	Canada Life Moderate Portfolio	2,310,933	2,410,756	(99,823)
106,661	Canada Life Strategic Income Fund II	987,890	1,195,030	(207,140)
860,730	Canada Life Strategic Income Fund	10,477,501	11,041,010	(563,509)
		22,638,135	23,399,157	(761,022)
	Investors Group			
2,154,160	IG Core Portfolio - Income Focus	24,320,736	24,971,078	(650,342)
1,771,837	IG Core Portfolio - Income Balanced	21,055,162	20,613,441	441,721
850,576	IG Core Portfolio - Balanced	10,437,357	10,745,249	(307,892)
4,423,962	IG Mackenzie Dividend Fund	66,516,233	64,342,820	2,173,413
1,113,573	IG Managed Risk Portfolio - Balanced	13,277,321	13,300,617	(23,296)
2,807,774	IG Managed Risk Portfolio - Income Balanced	31,564,560	30,685,515	879,045
		167,171,369	164,658,720	2,512,649

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

3. Investments (cont'd)

As at June 30, 2023

Number of units / shares	Name of Mutual Funds / Securities	Fair value	Average cost	Unrealized Gain/(Loss)
Ineligible Mutual Funds		\$	\$	\$
Other Mutual Funds / Equities / Bonds				
437	Mackenzie Ivy European I-SC	9,092	9,092	—
40	Loblaws Companies Ltd	4,851	4,851	—
45	Apple Inc.	11,559	11,559	—
70	Apollo Global Management Inc	7,120	7,120	—
40	Intact Financial Corp	8,047	8,047	—
		40,669	40,669	—
Total Investments		394,817,962	397,988,898	(3,170,936)

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

3. Investments (cont'd)

As at December 31, 2022 (Audited)

Number of units / shares	Name of Mutual Funds	Fair value	Average cost	Unrealized Gain/(Loss)
	Eligible Mutual Funds	\$	\$	\$
	Mackenzie			
298,421	Mackenzie Balanced ETF Portfolio	3,042,442	3,313,688	(271,246)
437,966	Mackenzie Bluewater Canadian Growth Balanced	6,069,913	6,038,370	31,543
16,336	Mackenzie Conservative ETF Portfolio	157,089	173,699	(16,610)
134,249	Mackenzie Conservative Income ETF Portfolio	1,282,554	1,287,741	(5,187)
1,870,455	Mackenzie Global Strategic Income Fund	21,377,661	23,949,920	(2,572,259)
23,427	Mackenzie Global Sustainable Balanced Fund	226,302	245,841	(19,539)
989,665	Mackenzie Growth ETF Portfolio	11,050,905	11,494,691	(443,786)
1,746,228	Mackenzie Income Fund	7,623,350	9,462,646	(1,839,296)
24,338	Mackenzie Ivy Canadian Balanced Fund	284,901	282,820	2,081
577,997	Mackenzie Ivy Global Balanced Fund	7,495,959	7,832,339	(336,380)
589,514	Mackenzie Moderate Growth ETF Portfolio	6,180,785	6,647,075	(466,290)
17,036	Mackenzie Monthly Income Balanced Portfolio	160,942	173,707	(12,765)
1,989	Mackenzie Monthly Income Conservative Portfolio	17,137	19,784	(2,647)
449,040	Mackenzie Private Global Income Balanced Pool	5,411,002	5,813,416	(402,414)
669,818	Mackenzie Private Income Balanced Pool	8,067,123	8,902,542	(835,419)
611,141	Mackenzie Strategic Income Fund	6,751,661	7,807,235	(1,055,574)
6,149,316	Symmetry Balanced Portfolio	72,259,731	75,594,683	(3,334,951)
243,189	Symmetry Conservative Income Portfolio	2,304,385	2,420,301	(115,916)
276,093	Symmetry Conservative Portfolio	3,060,387	3,350,061	(289,674)
281,596	Symmetry Growth Portfolio	3,697,560	4,030,035	(332,475)
2,115,358	Symmetry Moderate Growth Portfolio	24,469,748	27,020,183	(2,550,435)
		190,991,537	205,860,777	(14,869,240)
	Canada Life			
17,674	Canada Life Advanced Portfolio	315,970	320,321	(4,351)
561,660	Canada Life Balanced Portfolio	8,384,340	8,706,022	(321,682)
3,104	Canada Life Canadian Fixed Income Balanced Fund II	45,404	48,517	(3,113)
192,649	Canada Life Moderate Portfolio	2,312,791	2,503,730	(190,939)
108,165	Canada Life Strategic Income Fund II	984,682	1,218,526	(233,844)
894,405	Canada Life Strategic Income Fund	10,583,148	11,480,417	(897,269)
		22,626,335	24,277,533	(1,651,198)
	Investors Group			
1,969,126	IG Core Portfolio - Income Focus	21,697,732	22,975,998	(1,278,266)
1,798,371	IG Core Portfolio - Income Balanced	20,607,870	20,908,663	(300,793)
792,638	IG Core Portfolio - Balanced	9,353,371	10,071,564	(718,193)
4,296,448	IG Mackenzie Dividend Fund	63,060,265	63,261,150	(200,885)
1,097,000	IG Managed Risk Portfolio - Balanced	12,458,822	13,110,182	(651,360)
2,884,815	IG Managed Risk Portfolio - Income Balanced	31,230,724	31,493,068	(262,344)
		158,408,784	161,820,625	(3,411,841)

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

3. Investments (cont'd)

As at December 31, 2022 (Audited)

Number of units / shares	Name of Mutual Funds / Securities	Fair value	Average cost	Unrealized Gain/(Loss)
	Ineligible Mutual Funds	\$	\$	\$
	Other Mutual Funds / Equities			
800	Algonquin Power and Utilities	7,160	7,160	—
223	ATS Corporation	9,107	9,107	—
730	Bank of Montreal	82,583	82,583	—
130	Bank of Nova Scotia	8,507	8,507	—
120	Brookfield Corp CL-A LVS	5,110	5,110	—
165	Brookfield Renew Egy LPU	6,110	6,110	—
40	Brookfield Ren-A-EXC SV W/I	1,691	1,691	—
34	Canadian National Railway	5,543	5,543	—
239	Capital Group Global Equity Fund SER F NL	10,000	10,000	—
200	Cymbria Corp CL-A	11,302	11,302	—
2,593	Dynamic Canadian Dividend Fund Ser F NL	55,000	55,000	—
11,197	Dynamic Dividend Fund	210,389	210,389	—
1,327	Dynamic Global Infrastructure Fund FE	27,660	27,660	—
1,833	Dynamic Global Yield Private Pool Series A - FE	19,078	19,078	—
5,000	ECN Capital Corp	13,800	13,800	—
1,391	Edgepoint Global Growth & Income Portfolio Series A FE	34,200	34,200	—
119	Enbridge Inc	6,287	6,287	—
375	Fidelity Canadian Large Cap Class Ser B FE	10,547	10,547	—
4,139	Fidelity Global Asset Allocation Private Pool Ser B - FE	42,538	42,538	—
2,701	Fidelity Northstar Balanced Fund SER B FE	34,438	34,438	—
18	IG FI U.S. Large Cap Equity Class U	500	500	—
55	IG Franklin Bissett Canadian EQ Class U	1,000	1,000	—
64	IG JPMorgan Emerging Markets Class U	1,000	1,000	—
685	IG Mackenzie European Equity Fund U	10,000	10,000	—
61	IG Mackenzie European Mid-Cap EQ Class U	1,000	1,000	—
39	IG Mackenzie Global Health Care Class SR U NL	1,000	1,000	—
26	IG Mackenzie Global Science & Tech Class U	1,000	1,000	—
56	IG Mackenzie International Small Cap CL F	1,000	1,000	—
30	IG Putnam U.S. Growth Fund U	1,000	1,000	—
429	Invesco EQC Canadian Premier Equity Fund Ser F NL	12,064	12,064	—
105	iProfile Active Allocation Private Pool IV Ser I NL	1,120	1,120	—
164	iProfile Active Allocation Private Pool Ser I NL	1,556	1,556	—
127	iProfile Alternatives Private Pool Ser I NL	1,249	1,249	—
3,045	iProfile Canadian Equity Private Class Ser I NL	49,086	49,086	—
158	iProfile Canadian Equity Private Pool Ser I NL	4,034	4,034	—
45	iProfile Emerging Markets Private Class	664	664	—
20	iProfile Emerging Markets Private Pool Ser I NL	671	671	—
241	iProfile ETF Private Pool Ser I NL	2,382	2,382	—
882	iProfile Fixed Income Private Pool Ser I NL	9,577	9,577	—
99	iProfile International Equity Private Class	1,566	1,566	—
178	iProfile International Equity Private Pool Ser I NL	1,970	1,970	—
212	iProfile Low Volatility Private Pool Ser I NL	2,151	2,151	—
2,233	iProfile U.S. Equity Pool I	54,455	54,455	—
42	iProfile U.S. Equity Private Class	1,319	1,319	—
1,697	Mackenzie Corporate Bond Ser F NL	6,823	6,823	—

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

3. Investments (cont'd)

As at December 31, 2022 (Audited)

Number of units / shares	Name of Mutual Funds / Securities	Fair value	Average cost	Unrealized Gain/(Loss)
Ineligible Mutual Funds (cont'd)		\$	\$	\$
Other Mutual Funds / Equities (cont'd)				
1,339	Manulife Dividend Income Fund FE	18,358	18,358	—
2,525	Manulife Financial Corporation	60,423	60,423	—
3,550	Manulife Global Balanced Fund FE	60,709	60,709	—
1,401	Manulife U.S. Dividend Income Fund FE	19,088	19,088	—
100	Microsoft Corporation	33,262	33,262	—
4,000	Nuvista Energy Ltd	49,520	49,520	—
180	Royal Bank of Canada	22,988	22,988	—
86	Sec Technology Spdr SBI	14,478	14,478	—
203	Sentry Small/Mid Cap Income Fund FE	5,000	5,000	—
1,474	Signature High Income Fund FE	17,696	17,696	—
349	Signature Select Canadian Fund FE	10,000	10,000	—
767	Sun Life Financial	48,155	48,155	—
150	TC Energy Corp	8,166	8,166	—
2,018	TD Dividend Growth Fund ISC	82,377	82,377	—
2,900	Whitecap Resource Inc New	30,479	30,479	—
		1,249,936	1,249,936	—
Total Investments		373,276,592	393,208,871	(19,932,279)

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

3. Investments (cont'd)

The Foundation holds investments in eligible mutual funds which are subject to currency risk, interest rate risk and other price risk. These risks will also impact future cash flow streams of the Foundation, including dividend and interest income, gains and losses and administration fees.

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Foundation's reporting currency, fluctuates due to changes in exchange rates.

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

The Foundation manages these risks by holding a diverse portfolio of eligible mutual funds. Each fund is actively managed by a team of professional, experienced portfolio advisors, who monitor the funds' positions and market events daily, and diversify the Funds' portfolios within the constraints of each Fund's investment objective.

The Foundation does not enter into any derivative instrument arrangements for hedging or speculative purposes.

There has been no change to the risk exposure from 2022.

4. Related Party Transactions

(a) Charitable administration fees

The charitable administration fee is payable to Mackenzie, a related party, and is chargeable to all Accounts under the Mackenzie, Investors Group and Canada Life Programs at a fixed rate of 0.55% of the Account Balance.

In addition to the charitable administration fees charged by the Foundation, the Foundation's investments in eligible mutual funds are also subject to management fees and operating expenses charged by those mutual funds.

(b) Operating expenses

Under the Charitable Administration Services Agreement (the "Agreement") between the Foundation and Mackenzie, Mackenzie arranges for the provision of other services for the Foundation and includes such items as: external auditor and legal fees, regulatory filing fees, insurance and printing of the annual report. These operating expenses are paid by Mackenzie from the charitable administration fees chargeable to the Accounts.

Also included in operating expenses are managements fees paid to Mackenzie for certain high net worth mutual fund series offered under the Mackenzie Program for qualifying donors of \$146,523 (2022 – \$150,479). Rather than collecting a management fee directly from the mutual fund, Mackenzie collects a management fee by redeeming securities from these mutual fund series. The proceeds from these redemptions are payable to Mackenzie by the Foundation.

5. Administration Fee Payable

Included in administration fee payable are government remittances payable of \$28,409 (December 31, 2022 – \$28,468) related to harmonized sales taxes payable.

6. Program Enhancements

(a) 2023 Program Enhancements

For the period ended June 30, 2023, no program enhancements were implemented.

(b) 2022 Program Enhancements

For the year ended December 31, 2022, no program enhancements were implemented.

STRATEGIC CHARITABLE GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

7. Restatement of Prior Year Information

The Foundation no longer records contributions directly to net assets as the contributions are not permanently endowed based on amended Program Guidelines. As such, all donations received in 2022 and 2023 are recognized as donor contributions in the Statement of Changes in Operations and Fund Balances. Comparative information has been restated and reclassified on the statements accordingly.

Below summarizes the impact of the restatement in the comparative figures:

	As previously reported, June 30, 2022	Adjustment	As restated, June 30, 2022
	\$	\$	\$
STATEMENT OF OPERATIONS			
Donor contributions	–	11,192,939	11,192,939
Excess/(Shortfall) of revenue over expenses	(80,012,624)	11,192,939	(68,819,685)
Liabilities, Deferred Contributions and Fund Balance			
Endowment contributions	11,192,939	(11,192,939)	–
Endowment fund balance, opening	432,181,805	(432,181,805)	–
Unrestricted fund balance, opening	(21,462,473)	432,181,805	410,719,332
Endowment fund balance, ending	443,374,744	(443,374,744)	–
Unrestricted fund balance, ending	(101,475,097)	443,374,744	341,899,647