

Muskoka Community Foundation
Financial Statements
For the year ended December 31, 2019

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BDO Canada LLP
239 Manitoba Street, Suite 1
Bracebridge ON P1L 1S2 Canada

Independent Auditor's Report

To the Board of Directors of Muskoka Community Foundation

Opinion

We have audited the accompanying financial statements of Muskoka Community Foundation, which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization'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 Organization'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 Organization 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.

We 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.

Chartered Professional Accountants, Licensed Public Accountants

Bracebridge, Ontario
May 25, 2020

Muskoka Community Foundation
Statement of Financial Position

December 31	Endowment Fund	Restricted Fund	Operating Fund	Total 2019	Total 2018
Assets					
Current					
Cash	\$ 27,343	\$ -	\$ 23,766	\$ 51,109	\$ 28,575
Accounts receivable	-	-	14,805	14,805	2,028
Prepaid expenses	-	-	1,366	1,366	1,366
	<u>27,343</u>	<u>-</u>	<u>39,937</u>	<u>67,280</u>	<u>31,969</u>
Investments, at market value (Note 2)	<u>995,248</u>	<u>169,317</u>	<u>(766)</u>	<u>1,163,799</u>	<u>994,439</u>
	<u>\$1,022,591</u>	<u>\$ 169,317</u>	<u>\$ 39,171</u>	<u>\$1,231,079</u>	<u>\$1,026,408</u>
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 5,001	\$ 5,001	\$ 4,086
Fund balances					
Fund balances (Notes 3 & 4)	<u>1,022,591</u>	<u>169,317</u>	<u>34,170</u>	<u>1,226,078</u>	<u>1,022,322</u>
	<u>\$1,022,591</u>	<u>\$ 169,317</u>	<u>\$ 39,171</u>	<u>\$1,231,079</u>	<u>\$1,026,408</u>

On behalf of the Board:

_____ Director

_____ Director

**Muskoka Community Foundation
Statement of Changes in Fund Balances**

For the year ended December 31	Endowment Fund	Restricted Fund	Operating Fund	Total 2019	Endowment Fund	Restricted Fund	Operating Fund	Total 2018
Fund balances , beginning of year	\$ 855,552	\$ 136,908	\$ 29,862	\$ 1,022,322	\$ 872,492	\$ 152,792	\$ 35,413	\$ 1,060,697
Excess (deficiency) of revenue over expenses for the year	167,039	32,409	4,308	203,756	(16,440)	(15,884)	(6,051)	(38,375)
Interfund transfers (Notes 3 & 4)	-	-	-	-	(500)	-	500	-
Fund balances , end of year	\$ 1,022,591	\$ 169,317	\$ 34,170	\$ 1,226,078	\$ 855,552	\$ 136,908	\$ 29,862	\$ 1,022,322

The accompanying notes are an integral part of these financial statements

**Muskoka Community Foundation
Statement of Operations**

For the year ended December 31	Endowment Fund	Restricted Fund	Operating Fund	Total 2019	Endowment Fund	Restricted Fund	Operating Fund	Total 2018
Revenue								
Donations								
Non-receipted	7,046	623	10,149	17,818	8,116	134	6,644	14,894
Receipted	75,907	215,262	6,275	297,444	11,500	43,250	3,800	58,550
Investment income	135,169	24,259	133	159,561	16,398	(329)	61	16,130
Administration fees (Note 5)	(21,393)	(4,455)	17,855	(7,993)	(18,954)	(3,359)	-	(22,313)
Community Engagement Projects - fees, sponsorships and grants	-	-	12,824	12,824	-	-	31,845	31,845
	196,729	235,689	47,236	479,654	17,060	39,696	42,350	99,106
Expenses								
Dues, fees, licences	-	-	450	450	-	-	450	450
Event expenses	-	-	8,544	8,544	-	-	7,164	7,164
Insurance	-	-	1,403	1,403	-	-	1,514	1,514
Office and general	-	-	4,056	4,056	-	-	11,748	11,748
Professional fees	-	-	5,428	5,428	-	-	4,620	4,620
Promotion	-	-	552	552	-	-	208	208
Rent	-	-	50	50	-	-	40	40
Telephone	-	-	800	800	-	-	750	750
Travel	-	-	68	68	-	-	333	333
Wages and benefits	-	-	21,421	21,421	-	-	21,454	21,454
Website design and maintenance	-	-	156	156	-	-	120	120
	-	-	42,928	42,928	-	-	48,401	48,401
Excess (deficiency) of revenues over expenses before grants disbursed	196,729	235,689	4,308	436,726	17,060	39,696	(6,051)	50,705
Grants disbursed	(29,690)	(203,280)	-	(232,970)	(33,500)	(55,580)	-	(89,080)
Excess (deficiency) of revenues over expenses for the year	\$ 167,039	\$ 32,409	\$ 4,308	\$ 203,756	\$ (16,440)	\$ (15,884)	\$ (6,051)	\$ (38,375)

The accompanying notes are an integral part of these financial statements

Muskoka Community Foundation Statement of Cash Flows

For the year ended December 31	2019	2018
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 203,756	\$ (38,375)
Adjustments for		
Investment income earned on externally invested funds	(159,428)	(16,069)
Administrative fees charged to externally invested funds	25,848	22,313
	<u>70,176</u>	<u>(32,131)</u>
Changes in non-cash working capital balances		
Accounts receivable	(12,777)	6,656
Prepaid expenses	-	634
Accounts payable and accrued liabilities	916	45
	<u>58,315</u>	<u>(24,796)</u>
Investing activities		
Withdrawals from externally invested funds	76,134	79,466
Transfers to externally invested funds	(139,258)	(150,232)
	<u>(63,124)</u>	<u>(70,766)</u>
Decrease in cash during the year	(4,809)	(95,562)
Cash, beginning of year	28,575	124,137
Cash, end of year	\$ 23,766	\$ 28,575

The accompanying notes are an integral part of these financial statements

Muskoka Community Foundation

Notes to Financial Statements

December 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

i) Nature of Operations

The Muskoka Community Foundation (the "Foundation") is incorporated without share capital under the laws of Ontario. The objective of the Foundation is to connect philanthropy with community needs and opportunities to make the District Municipality of Muskoka a better place to live, work, learn and grow.

The Foundation is a public foundation registered under the Income Tax Act (Canada) and, as such, is exempt from income tax and able to issue donation receipts for income tax purposes.

ii) Basis of Accounting

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

iii) Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions.

The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with restricted purposes are expended for the purpose for which they were provided.

For financial reporting purposes the accounts have been classified into the following funds:

The Endowment Fund comprises the resources that are required by the donor to be maintained by the Foundation on a permanent basis. The Endowment Fund is increased by the proportionate share of investment returns allocated to the Endowment Fund capital, less amounts allocated to grants and administrative and investment fees. The Board also has a policy to transfer certain donations to the Endowment Fund where there is no current intention of making the original donation available for grants (internally endowed Restricted Term Funds).

The Restricted Fund comprises the resources that are to be used for specific purposes as specified by the donor or project funder. This fund includes restricted Flowthrough funds which are not restricted as to the timeframe in which capital may be spent. It is generally expected that the capital of these funds will be granted within one to two years of its donation, although it may be granted immediately, in whole or in part.

The Operating Fund comprises the unrestricted resources available for the Foundation's immediate operating purposes. The use of these funds is at the discretion of the Foundation's Board.

iv) Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowments are recognized as revenue in the Endowment Fund.

Net investment income earned on Endowment Fund and Restricted Fund resources is recognized as revenue of the Endowment Fund and the Restricted Fund. Other unrestricted net investment income is recognized as revenue of the Operating Fund when earned.

Muskoka Community Foundation Notes to Financial Statements

December 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

v) **Financial Instruments**

Financial Instruments are recorded at fair value at initial recognition.

In subsequent years, equities traded in an active market are reported at fair value, with any change in fair value reported in income of the applicable fund. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist.

vi) **Grants**

Grants are recorded when they have been duly approved in accordance with the Foundation's Board policies and any terms and conditions have been met by the grantee.

vii) **Interfund Transfers**

Interfund transfers include amounts transferred as directed by fund holders or as approved by the Board.

viii) **Contributed Services**

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

ix) **Foreign Currency Translation**

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the year end date. Gains and losses on translation of monetary assets and liabilities are included in net income.

x) **Tangible Capital Assets**

Tangible capital assets are not recorded in the statement of financial position. Tangible capital assets are expensed in the year they are acquired.

Muskoka Community Foundation Notes to Financial Statements

December 31, 2019

2. Investments

In 2019, funds managed by the Toronto Foundation were transferred to TD Private Investment Counsel ("TD Wealth") with the same objectives for investment management as the management objectives of the Toronto Foundation.

All of the investments of the Foundation are managed by the TD Wealth under an Investment Pooling Agreement. TD Wealth's objective for investments under its management is to generate a total return that achieves the granting objectives, recovers the costs of administering the funds, protects the purchasing power of the capital, and establishes a reserve for future market declines.

Investment income (loss) earned on the investments held by the TD Wealth in this pool is allocated to the Funds based on monthly market values.

Investments held in TD Wealth are measured at market value and consist of the following:

Asset Class	2019	2018
Cash and cash equivalents	1 %	4 %
Fixed income securities	31 %	36 %
Canadian equities	35 %	20 %
U.S. equities	33 %	37 %
Other foreign equities	- %	3 %
	100 %	100 %

The Foundation has a policy with the objective of protecting the real value of the endowments by limiting the amount of income made available for spending (granting and operating costs) and requiring the reinvestment into the Endowment Fund of income not made available. An amount representing 2% (2018 - 2%) of the market value of most of the Fund balances was made available to cover investment management fees and program and administrative expenses.

Administrative fees charged by TD Wealth are 1.35% on the first \$1,000,000 and 1.10% on the next \$1,000,000.

The Foundation is subject to currency risk, interest rate risk and other price risk with respect to investments held in pooled funds managed by TD Wealth.

Muskoka Community Foundation Notes to Financial Statements

December 31, 2019

3. Endowment Fund

The Endowment Fund, which is externally endowed in perpetuity, consists of the following:

i) Donor Advised Funds

Funds where grants are distributed to charitable organizations designated by the donors at the time the Fund is established or advised annually by the donors.

ii) Community Funds

Funds where grants have been designated for operations by the donors.

	Balance beginning of year	Contributions Received	Investment Income	Grants Disbursed	Administration Fees	Interfund Transfer	Balance end of year
Donor Advised Funds							
Cowan Family Fund	\$ 368,954	\$ -	\$ 57,332	\$ (12,000)	\$ (8,975)	\$ -	\$ 405,311
Dara's Fund at Muskoka Community Foundation	58,821	7,530	9,506	(2,090)	(1,453)	-	72,314
Stan Darling Environmental Education Fund	198,015	100	29,647	(6,600)	(4,832)	-	216,330
Goodwin Family Fund	34,352	10,000	5,820	(1,000)	(956)	-	48,216
Lowden Family Fund	171,616	27,543	28,286	(6,000)	(4,401)	-	217,044
Uffelmann Family Fund	-	27,344	-	-	-	-	27,344
Peggy Clark Guiry Fund	-	10,409	705	(2,000)	(188)	-	8,926
	831,758	82,926	131,296	(29,690)	(20,805)	-	995,485
Community Funds							
Administration Fund	23,794	29	3,872	-	(589)	-	27,106
	\$ 855,552	\$ 82,955	\$ 135,168	\$ (29,690)	\$ (21,394)	\$ -	\$ 1,022,591

Interfund Transfers

During the 2018 fiscal year, the Foundation received direction to transfer \$500 from a donor advised fund to the Council of 50 within the Operating Fund.

Muskoka Community Foundation
Notes to Financial Statements

December 31, 2019

4. Restricted Fund

The Restricted Fund consists of the following amounts available for restricted purposes. Grants are distributed at the discretion of the Foundation's Board for the Smart & Caring Muskoka Fund.

	Balance beginning of year	Contributions	Investment Income	Grants	Administration Fees	Balance end of year
South and Central Almaguin Educational Award Fund	\$ 19,224	\$ 19,510	\$ 4,106	\$ (20,000)	\$ (822)	\$ 22,018
Youth Citizenship and Service Fund	86,932	-	13,545	(3,700)	(2,609)	94,168
Flowthrough funding	-	156,836	-	(156,836)	-	-
Smart & Caring Muskoka Fund	30,552	624	5,934	(15,744)	(872)	20,494
Muskoka Youth Mental Health	200	38,916	673	(7,000)	(152)	32,637
	\$ 136,908	\$ 215,886	\$ 24,258	\$ (203,280)	\$ (4,455)	\$ 169,317

Muskoka Community Foundation Notes to Financial Statements

December 31, 2019

5. Administrative Fees

During the year administration fees were charged to the Endowment Fund and Restricted Fund as follows:

	2019	2018
Administration fees charged to the Endowment Fund		
Charged by the Operating Fund	\$ 7,068	\$ 6,569
Charged by the Toronto Foundation	-	1,766
Charged by TD Wealth	14,325	10,619
	21,393	18,954
Administration fees charged to the Restricted Fund		
Charged by the Operating Fund	2,085	1,585
Charged by the Toronto Foundation	-	115
Charged by the TD Wealth	2,370	1,659
	4,455	3,359
	\$ 25,848	\$ 22,313

6. Subsequent Event

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the organization, its funders and donors. As a result, management anticipates a temporary decline in donation revenue and has postponed an essential fundraiser.

COVID-19 has also had a significant effect on the financial markets. The Foundation's investments in equity instruments measured at fair value are reported in these financial statements at their values on December 31, 2019. The Foundation's equity portfolio is likely experiencing declining in values.

Given the daily evolution of the COVID-19 out break and the global responses to curb its spread, the Organization is not able to fully estimate the future effects of the COVID-19 outbreak on its operations.

June 5, 2020

Muskoka Community Foundation
440 Ecclestone Drive
Bracebridge, ON
P1L 1Z6

Dear Mrs. DeCaro:

Re: Muskoka Community Foundation

The following items have been provided for your records:

1. 1 copy of the report to those charged with governance
2. 12 copies of the financial statements for the year ended December 31, 2019.
3. 1 copy of the T3010 Registered Charity Information Return.
4. 1 copy of the management's representation letter.

The following items have been enclosed and require your attention:

1. A copy of year end adjusting journal entries which should be posted in your accounting system.
2. Management letter.

Other Information

We will look after filing your T3010 Registered Charity Information Return with Canada Revenue Agency, after it has been reviewed, approved and signed by you.

Note that Section F of the return includes a privacy statement that must be reviewed by you before the return is filed. When preparing the return, we have indicated that you have reviewed the privacy statement. If you file the return without reviewing the privacy statement, we will not be responsible for any issues that arise.

The enclosed return and attachments have been prepared on the basis of information provided to us.

If you have any questions concerning the above, please do not hesitate to call.

Yours truly,

Nicole M. White, C.P.A., C.A.
Partner
BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants

Muskoka Community Foundation

Year End: December 31, 2019

Adjusting Journal Entries

Date: 01/01/2019 To 12/31/2019

CLIENT COPY

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
1	12/31/2019	Restricted Funds:30100 Administration Endowm	30100				1.48
1	12/31/2019	Restricted Funds:30300 Stan Darling EE Endow	30300			11,318.33	
1	12/31/2019	Restricted Funds:30400 S & L Lowden Endowm	30400			6,720.10	
1	12/31/2019	Restricted Funds:30500 Dara's Fund at Musk. C	30500				6,679.15
1	12/31/2019	Restricted Funds:30700 Goodwin Family Fund	30700				8,978.95
1	12/31/2019	Restricted Funds:30800 Cowan Family Fund	30800			14,562.28	
1	12/31/2019	Restricted Funds:30801 Net Asset Transfers En	30801				500.00
1	12/31/2019	Operating Fund	35000				16,441.13
To allocate 2018 income to open balance for endowment funds							
2	12/31/2019	Restricted Funds:30200 Smart and Caring Fund	30200			4,374.23	
2	12/31/2019	Restricted Funds:30600 Youth Citizenship & Se	30600			12,293.30	
2	12/31/2019	Restricted Funds 30650 - MUS Youth Mental	30650				200.00
2	12/31/2019	Restricted Funds:30900 South&Central Almagui	30900				583.89
2	12/31/2019	Operating Fund	35000				15,883.64
To allocate 2018 income to opening balacnes restricted funds							
3	12/31/2019	Operating Fund	35000				500.00
3	12/31/2019	Net Asset Transfers Operating	35001			500.00	
Adjust open balance operating							
4	12/31/2019	TD Wealth Fund Investment	13160	M. 02		159,427.29	
4	12/31/2019	Investment Income:43100 II Admin Endowment f	43100	M. 02			3,872.19
4	12/31/2019	Investment Income:43200 II Smart & Caring Fun	43200	M. 02			5,934.13
4	12/31/2019	Investment Income:43300 II Stan Darling EE En	43300	M. 02			29,646.63
4	12/31/2019	Investment Income:43400 II S&L Lowden Endow	43400	M. 02			28,285.85
4	12/31/2019	Investment Income:43500 II South&Central Alma	43500	M. 02			4,106.47
4	12/31/2019	Investment Income:43600 II Youth Citizenship&	43600	M. 02			13,545.20
4	12/31/2019	Investment Income:43700 II Dara's Fund at MCF	43700	M. 02			9,505.82
4	12/31/2019	Investment Income:43800 II Cowan Family Fund	43800	M. 02			57,332.33
4	12/31/2019	Investment Income:43900 II Goodwin Family Fur	43900	M. 02			5,820.30
4	12/31/2019	Investment Income:44100 II Peggy Clark Fund	44100	M. 02			705.36
4	12/31/2019	Investment Income:44200 II Mental Health Awar	44200	M. 02			673.01
To record investment income for the year							
5	12/31/2019	TD Wealth Fund Investment	13160	M. 02		8,072.19	
5	12/31/2019	Adminstrative Fee Income	40110	M. 02			8,072.19
to reallocate client entry recording MCF fee income 2018							
6	12/31/2019	TD Wealth Fund Investment	13160	M. 2			500.00
6	12/31/2019	Restricted Funds:30801 Net Asset Transfers En	30801	M. 2		500.00	
6	12/31/2019	Net Asset Transfers Operating	35001	M. 2			500.00
6	12/31/2019	Non-Receipted Donations:41500 NR - Cowan F	41501	M. 2		500.00	
To record withdrawal from Cowen fund re MCF council of 50, approved by board and then move income by transfer of net assets							
7	12/31/2019	TD Wealth Fund Investment	13160	M. 2			76,134.00
7	12/31/2019	Non-Receipted Donations:41200 NR Smart & C	41201	M. 2		15,744.00	
7	12/31/2019	Non-Receipted Donations:41300 NR Stan Darlir	41301	M. 2		6,600.00	

05/26/2020
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Prepared by EB 04/22/2020	Combined Rev NW 04/24/2020	Gen Rev	EQCR
4th Level Rev	Tax Rev	IS Audit Rev	HST Resource

H90

Muskoka Community Foundation

Year End: December 31, 2019

Adjusting Journal Entries

Date: 01/01/2019 To 12/31/2019

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
7	12/31/2019	Non-Received Donations:41400 NR S&L Lowden Er	41401	M. 2		6,000.00	
7	12/31/2019	Non-Received Donations:41500 NR - Cowan Family	41501	M. 2		12,000.00	
7	12/31/2019	Non-Received Donations:41600 NR Youth Citizenship	41601	M. 2		3,700.00	
7	12/31/2019	Non-Received Donations:41700 NR Donation C	41701	M. 2		2,090.00	
7	12/31/2019	Non-Received Donations:41800 NR South&Central	41801	M. 2		20,000.00	
7	12/31/2019	Non-Received Donations:41950 Goodwin Family	41951	M. 2		1,000.00	
7	12/31/2019	Non-Received Donations:41961 NR Peggy Clarke	41962	M. 2		2,000.00	
7	12/31/2019	Non-Received Donations:41970 Mus. Youth Mental Health	41971	M. 2		7,000.00	
<p>To record grant disbursements from TD investment account, transfers for which were posted by client to transfer accounts</p>							
8	12/31/2019	Other Receivable	12110	M. 02		9,241.74	
8	12/31/2019	Other Receivable	12110	M. 02		2,241.06	
8	12/31/2019	TD Wealth Fund Investment	13160	M. 02			2,241.06
8	12/31/2019	Administrative Fee Income	40110	M. 02			9,241.74
<p>To record admin fee income to MCF</p>							
9	12/31/2019	Non-Received Donations:41010 NR MCF Operating	41010				2,514.21
9	12/31/2019	Non-Received Donations:41100 NR Admin. Expenses	41100			451.55	
9	12/31/2019	Non-Received Donations:41200 NR Smart & Caring	41200				37.30
9	12/31/2019	Non-Received Donations:41700 NR Donation C	41700			982.50	
9	12/31/2019	Non-Received Donations:41961 NR Peggy Clarke	41961				1.00
9	12/31/2019	Non-Received Donations:41970 Mus. Youth Mental Health	41970			20,834.76	
9	12/31/2019	Received Donations:42030 Mus. Youth Mental Health	42030				20,816.30
9	12/31/2019	Received Donations:42400 RD S&L Lowden Er	42400			600.00	
9	12/31/2019	Received Donations:42950 South&Central Almshouse	42950			500.00	
<p>to balance contributions to agree to M.02-1</p>							
10	12/31/2019	Non-Received Donations:41900 NR Other Donations	41900			13,590.00	
10	12/31/2019	Received Donations:42900 RD Other Donations	42900				13,590.00
10	12/31/2019	Grants Disbursed:52200 GD Smart & Caring Funds	52200				800.00
10	12/31/2019	Grants Disbursed:52900 GD Other Flow Through	52900			800.00	
<p>Adjust grants disbursed related to flow through funds per email from Lynn</p>							
11	12/31/2019	Administrative Fee Income	40110				2,241.06
11	12/31/2019	Grants Disbursed:52900 GD Other Flow Through	52900			2,241.06	
<p>To adjust flow through funds for MCF fees e-mail from Lynn</p>							
12	12/31/2019	BMO Nesbitt Burns Fees	50221				1,250.00
12	12/31/2019	Grants Disbursed:52900 GD Other Flow Through	52900			1,250.00	
<p>Reallocate portion of Nesbitt Burns fee to flowthrough</p>							
13	12/31/2019	Accrued Liabilities	20005	CC. 02			700.00
13	12/31/2019	Operating Expenses:50900 Professional Fees:50902	50902	CC. 02		700.00	
<p>To increase accrual for BDO fee</p>							
						347,834.39	347,834.39

05/26/2020
1:32 PM

Prepared by EB 04/22/2020	Combined Rev NW 04/24/2020	Gen Rev	EQCR
4th Level Rev	Tax Rev	IS Audit Rev	HST Resource

H90-1

Muskoka Community Foundation

Year End: December 31, 2019

Adjusting Journal Entries

Date: 01/01/2019 To 12/31/2019

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
		Net Income (Loss)	203,756.76				

05/26/2020
1:32 PM

Prepared by EB 04/22/2020	Combined Rev NW 04/24/2020	Gen Rev	EQCR
4th Level Rev	Tax Rev	IS Audit Rev	HST Resource

H90-2

Muskoka Community Foundation
440 Ecclestone Drive
Bracebridge, ON P1L 1Z6

May 25, 2020

BDO Canada LLP
Chartered Professional Accountants
239 Manitoba Street, Suite 1
Bracebridge, Ontario
P1L 1S2

This representation letter is provided in connection with your audit of the financial statements of Muskoka Community Foundation for the year ended December 31, 2019, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated March 13, 2020, for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
- All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- We have reviewed and approved all journal entries recommended by the practitioners during the audit. A list of the journal entries is attached to the representation letter.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

General Representations

- Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.
- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.

Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.
- To the extent that our normal procedures and controls related to our financial statement close process at any of our locations were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises.
- Other than as disclosed in note 6 to the financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in the financial statements.

- Disclosures included in the financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impacts.

Yours truly,

X

Signature

Position

Signature

Position

Muskoka Community Foundation
 Summary of Unadjusted Misstatements
 December 31, 2019

Description of Misstatement	Identified Misstatements	Projections of Identified Misstatements	Estimates	Proposed Adjustments			
				Assets Dr(Cr)	Liabilities Dr(Cr)	Opening R/E Dr(Cr)	Income Dr(Cr)
Prepaid Insurance				508	-		(508)
Accrued payroll account not clearing regularly					274		(274)
2018 admin fees owing from restricted to operating not booked on operating side						(8,072)	8,072
Likely Aggregate Misstatements Before Effect of Previous Year's Errors and Estimates	-	-	-	508	274	(8,072)	7,290
Effect of Previous Year's Errors				-	-	12	(12)
Likely Aggregate Misstatements				508	274	(8,060)	7,278

Details of why no adjustment has been made to the financial statements for the above items: balances in total are not material
