

Town of Fort Frances
Child Care Department
For the year ended December 31, 2014

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Independent Auditor's Report on Statement of Revenue and Expenses

To the Council of the
Town of Fort Frances

We have audited the accompanying Statement of Revenue and Expenses for the Town of Fort Frances - Child Care Department for the year ended December 31, 2014, and the significant accounting policy. The Statement of Revenue and Expenses has been prepared by management based on the basis of accounting described in the significant accounting policy attached to the Statement of Revenue and Expenses.

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement of Revenue and Expenses in accordance with the basis of accounting described in the significant accounting policy attached to the Statement, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement of Revenue and Expenses 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 the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Statement 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 Statement.

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

Opinion

In our opinion, the financial information in the Statement of Revenue and Expenses for the Town of Fort Frances - Child Care Department for the year ended December 31, 2014, is prepared, in all material respects, in accordance with the basis of accounting described in the significant accounting policy attached to the Statement of Revenue and Expenses.

Basis of Accounting

Without modifying our opinion, we draw attention to the significant accounting policy attached to the Statement of Revenue and Expenses which describe the basis of accounting. The Statement of Revenue and Expenses is prepared to assist the Town of Fort Frances to meet the requirements of the Rainy River District Social Services Administration Board. As a result, the financial information may not be suitable for another purpose.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants
Fort Frances, Ontario
May 12, 2015

Town of Fort Frances Child Care Department Statement of Revenue and Expenses

For the year ended December 31

2014

Revenue

Grant revenue - operating	- Fort Frances Children's Complex	
	- Core service delivery	\$ 491,466
	- Fee subsidy	354,838
	- Capacity building	24,094
	- Best Start Hub	121,586
	- Day Care Resource Teacher	107,049
		<u>1,099,033</u>

Grant revenue - capital	- Fort Frances Children's Complex	
	- Core service delivery	35,316
	- Health and safety	2,000
	- Play-based equipment	12,690
		<u>50,006</u>

User fees	<u>173,408</u>
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Other revenue and recoveries	<u>91</u>
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Total revenue	<u>1,322,538</u>
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Operating Expenses

Fort Frances Children's Complex	
Advertising	366
Audit	2,544
Accounting and bookkeeping	22,100
Buildings and yard	43,584
Training and development	13,604
Equipment and leases	997
Events and activities	6,595
Food and meals	48,210
Insurance	2,514
Office supplies and expenses	5,116
Telephone and internet	1,753
Information technology	40
Repairs and maintenance	16,440
Teaching supplies	20,811
Memberships, licenses and extended school purchases	6,314
Small capital purchases	15,551
Salaries, wages and benefits	738,807
Vehicle expenses	1,435
	<u>\$ 946,781</u>

Town of Fort Frances
Child Care Department
Statement of Revenue and Expenses
(Continued)

For the year ended December 31

2014

Operating Expenses (continued)

Carried forward	\$ 946,781
Best Start Hub	
Advertising	61
Accounting and bookkeeping	3,100
Buildings and yard	17,593
Equipment and leases	332
Events and activities	532
Food and meals	661
Insurance	636
Office supplies and expenses	869
Telephone and internet	503
Repairs and maintenance	3,751
Teaching supplies	2,583
Memberships and licenses	90
Salaries, wages and benefits	90,658
Vehicle expenses	217
	<u>121,586</u>
Day Care Resource Teacher	
Accounting and bookkeeping	2,000
Training and development	5,932
Food and meals	-
Office supplies and expenses	219
Telephone and internet	644
Teaching supplies	937
Memberships and licenses	300
Salaries, wages and benefits	97,340
	<u>107,372</u>
Total operating expenses	<u>1,175,739</u>
Capital expenses capitalized for Town of Fort Frances accounting purposes	
Fort Frances Children's Complex	34,455
Total department expenses	<u>1,210,194</u>
Excess of revenue over expenses	<u>\$ 112,344</u>

**Town of Fort Frances
Child Care Department
Note to Statement of Revenue and Expenses**

For the year ended December 31, 2014

Significant Accounting Policy

Basis of Accounting

The Statement of Revenue and Expenses has been prepared to comply with the financial accounting and reporting requirements of the Rainy River District Social Services Administration Board. The basis of accounting underlying the Statement of Revenue and Expenses are Canadian public sector accounting standards (PSAB). The Statement only includes those revenues and expenses related to the operation of the Town of Fort Frances Child Care Department. The Statement is in accordance with PSAB except for the following material departures as required by the financial accounting and reporting requirements of the Rainy River District Social Services Administration Board:

- a) Tangible capital asset additions capitalized by the Town of Fort Frances have been included on the Statement of Revenue and Expenses.
- b) Amortization expense related to the amortization of tangible capital assets has been excluded from the Statement of Revenue and Expenses.



Tel: 807 274 9848
Fax: 807 274 5142
www.bdo.ca

BDO Canada LLP
375 Scott Street
Fort Frances ON P9A 1H1 Canada

May 15, 2015

Town of Fort Frances
320 Portage Avenue
Fort Frances ON P9A 3P9

Attention: Mr. Mark McCaig

Invoice **88157740**
Electronic Banking Account No. 151360322599
HST Registration No. 131585366RT0043

For Professional Services

Preparing and auditing the Statement of Revenue and Expenses for the Town of Fort Frances - Child Care Department for the year ended December 31, 2014, as required by the Rainy River District Social Services Board. \$2,500.00

Administration, technology and disbursement fee.	125.00
Our Fee	\$2,625.00
HST	341.25
Total	<u>\$2,966.25</u>

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days
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