

**To:** Mayor Avis & Members of Council  
**FROM:** Laurie Witherspoon, Treasurer  
**DATE:** June 17, 2014  
**SUBJECT:** 2013 Child Care – Audited Statement of Revenue & Expenses

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## **BACKGROUND**

Attached is the audited Statement of Revenue and Expenses for the Town of Fort Frances Child Care Programs for the year ended December 13, 2013 as provided by BDO Canada LLP, along with their invoice in the amount of \$2,825.00 (including HST).

The audited Statement of Revenue and Expenses is a requirement of the Rainy River District Social Services Area Board for Child Care funding.

## **RECOMMENDATION**

The Administration & Finance Executive Committee recommends that Council accept the Town of Fort Frances Child Care Programs audited Statement of Revenue and Expenses for the fiscal year ending December 31, 2013 and further that the submitted invoice in the amount of \$2,500.00 plus HST be paid.

<p>Council Approval of This Report Will agree to the Administration &amp; Finance Executive Committee recommendation to accept the Town of Fort Frances Child Care Programs audited Statement of Revenue &amp; Expenses for the year ended December 31, 2013 and further that the invoice for audited services be paid.</p>
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**Town of Fort Frances**  
**Child Care Department**  
For the year ended December 31, 2013

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## Independent Auditor's Report on Statement of Revenue and Expenses

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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, 2013, 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 Financial Statements

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, 2013, 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 statements may not be suitable for another purpose.

*BDO CANADA LLP*

Chartered Accountants, Licensed Public Accountants  
Fort Frances, Ontario  
May 28, 2014

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

For the year ended December 31

2013

## Revenue

Grant revenue - operating	- Fort Frances Children's Complex	
	- Core service delivery	\$ 312,384
	- Fee subsidy	282,392
	- Capacity building	11,531
	- Extended school program	3,939
	- Best Start Hub	122,811
	- Day Care Resource Teacher	108,515
		<hr/> 841,572
Grant revenue - capital	- Fort Frances Children's Complex	
	- Core service delivery	107,971
	- Health and safety	52,000
	- Play-based equipment	7,900
		<hr/> 167,871
User fees		<hr/> 191,438
Other revenue and recoveries		<hr/> 191
Total revenue		<hr/> 1,201,072

## Operating Expenses

Fort Frances Children's Complex	
Advertising	1,449
Audit	1,704
Accounting and bookkeeping	20,000
Buildings and yard	43,665
Training and development	10,051
Equipment and leases	1,995
Events and activities	7,176
Food and meals	40,416
Insurance	2,284
Office supplies and expenses	1,463
Telephone and internet	3,216
Information technology	45
Repairs and maintenance	21,471
Teaching supplies	5,269
Memberships, licenses and extended school purchases	6,411
Small capital purchases	37,570
Salaries, wages and benefits	658,967
	<hr/> \$ 863,152

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

For the year ended December 31

2013

Operating Expenses (continued)

Carried forward	\$ 863,152
Best Start Hub	
Advertising	427
Accounting and bookkeeping	3,100
Buildings and yard	12,148
Equipment and leases	665
Events and activities	740
Food and meals	391
Insurance	994
Office supplies and expenses	1,519
Telephone and internet	979
Repairs and maintenance	5,861
Teaching supplies	1,064
Memberships and licenses	382
Salaries, wages and benefits	102,473
	<u>130,743</u>
Day Care Resource Teacher	
Accounting and bookkeeping	4,100
Training and development	5,268
Food and meals	412
Office supplies and expenses	423
Telephone and internet	537
Teaching supplies	697
Memberships and licenses	501
Salaries, wages and benefits	100,698
	<u>112,636</u>
Total operating expenses	<u>1,106,531</u>
Capital expenses capitalized for Town of Fort Frances accounting purposes	
Fort Frances Children's Complex	131,115
Total department expenses	<u>1,237,646</u>
Deficiency of revenue over expenses	<u>\$ (36,574)</u>

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

**For the year ended December 31, 2013**

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**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.



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

May 31, 2014

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

Attention: Mr. Mark McCaig

Invoice **87823110**  
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, 2013, as  
required by the Rainy River District Social Services Board.

	\$2,500.00
HST	325.00
Total	<u>\$2,825.00</u>

Accounts are due when rendered  
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days  
1825-KFF3035-5