

Town of Fort Frances
Child Care Department
For the year ended December 31, 2015

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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, 2015, and notes, comprising the significant accounting policy and other explanatory information. 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, 2015, 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 (Note 1) which describes 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
April 27, 2016

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

For the year ended December 31

2015

Revenue

Government transfers - operating	- Fort Frances Children's Complex	
	- Core service delivery (Note 2)	\$ 452,643
	- Fee subsidy (Note 2)	338,095
	- Capacity building (Note 2)	36,926
	- Provincial wage enhancement (Note 2)	19,541
	- Best start hub (Note 2)	107,629
	- Day care resource teacher (Note 2)	105,484
		<u>1,060,318</u>
Government transfers - capital	- Fort Frances Children's Complex	
	- Capital retrofit	10,317
	- Health and safety	3,536
	- Transformation	507
		<u>14,360</u>
User fees		<u>236,452</u>
Total revenue		<u>1,311,130</u>

Operating Expenses

Fort Frances Children's Complex	
Advertising	844
Audit	967
Accounting and bookkeeping	27,100
Buildings and yard	51,876
Training and development	20,202
Equipment and leases	1,060
Events and activities	7,785
Food and meals	54,443
Insurance	2,740
Office supplies and expenses	5,611
Information technology	5,665
Repairs and maintenance	12,898
Teaching supplies	36,594
Memberships, licenses and extended school purchases	2,336
Salaries, wages and benefits	818,900
Vehicle expenses	811
	<u>\$ 1,049,832</u>

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

For the year ended December 31

2015

Operating Expenses (continued)

Carried forward	\$ 1,049,832
Best Start Hub	
Accounting and bookkeeping	3,100
Buildings and yard	16,171
Events and activities	2,861
Food and meals	541
Insurance	681
Office supplies and expenses	1,019
Telephone and internet	386
Repairs and maintenance	1,007
Teaching supplies	734
Memberships and licenses	98
Salaries, wages and benefits	80,653
Vehicle expenses	378
	<u>107,629</u>
Day Care Resource Teacher	
Accounting and bookkeeping	2,000
Training and development	1,466
Office supplies and expenses	147
Telephone and internet	717
Teaching supplies	3,936
Memberships and licenses	150
Salaries, wages and benefits	97,994
	<u>106,410</u>
Total operating expenses	<u>1,263,871</u>
Capital expenses capitalized for Town of Fort Frances accounting purposes	
Fort Frances Children's Complex	31,393
Total department expenses	<u>1,295,264</u>
Excess of revenue over expenses	<u>\$ 15,866</u>

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

For the year ended December 31, 2015

1. 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.

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

For the year ended December 31, 2015

2. Schedule of Government Transfers

	Core service delivery	Fee subsidy	Capacity building	Provincial wage enhancement	Best start hub	Day care resource teacher	Capital
Base funding	\$ 404,162	\$ 338,095	\$ -	\$ 20,394	\$ 118,286	\$ 104,018	\$ 14,360
Other funding	-	-	-	-	3,300	-	-
Deferred funding from prior years	48,481	-	36,926	-	-	1,466	-
Estimated recovery	-	-	-	(853)	(13,957)	-	-
Revenue reported on the statement of revenue and expenses	\$ 452,643	\$ 338,095	\$ 36,926	\$ 19,541	\$ 107,629	\$ 105,484	\$ 14,360