

Town of Fort Frances
Office Lease Agreement - OPP
For the year ended December 31, 2017

	Contents
Independent Auditor's Report	2
Financial Information	
Statement of Operating Costs	3
Note to Statement of Operating Costs	4



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BDO Canada LLP
607 Portage Avenue
Fort Frances ON P9A 0A7 Canada

Independent Auditor's Report on Statement of Operating Costs

To the Council of the
Town of Fort Frances

We have audited the accompanying Statement of Operating Costs for the Town of Fort Frances for the year ended December 31, 2017, and the significant accounting policy. The Statement of Operating Costs has been prepared by management based on Schedules D and F of the Office Lease Agreement - OPP between the Town of Fort Frances and her Majesty the Queen in Right of Ontario as represented by the Minister of Economic Development, Employment and Infrastructure dated June 5, 2001, and the lease extension and amending agreement dated June 1, 2016, for 320 Portage Avenue, in the Town of Fort Frances.

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement in accordance with Schedules D and F of the Office Lease Agreement - OPP between the Town of Fort Frances and her Majesty the Queen in Right of Ontario as represented by the Minister of Economic Development, Employment and Infrastructure dated June 5, 2001, and the lease extension and amending agreement dated June 1, 2016, for 320 Portage Avenue, in the Town of Fort Frances, and for such control as management determines is necessary to enable the preparation of the Statement 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 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 from 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 Operating Costs for the Town of Fort Frances for the year ended December 31, 2017, is prepared, in all material respects, in accordance with Schedules D and F of the Office Lease Agreement - OPP between the Town of Fort Frances and her Majesty the Queen in Right of Ontario as represented by the Minister of Economic Development, Employment and Infrastructure dated June 5, 2001, and the lease extension and amending agreement dated June 1, 2016, for 320 Portage Avenue, in the Town of Fort Frances.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the Basis of Accounting note to the financial information, which describes the basis of accounting. The Statement is prepared to assist the Town of Fort Frances to meet the requirements of Schedules D and F of the Office Lease Agreement - OPP between the Town of Fort Frances and her Majesty the Queen in Right of Ontario as represented by the Minister of Economic Development, Employment and Infrastructure dated June 5, 2001, and the lease extension and amending agreement dated June 1, 2016, for 320 Portage Avenue, in the Town of Fort Frances. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Council of the Town of Fort Frances and the tenant of 320 Portage Avenue and should not be distributed to or used by parties other than the Council of the Town of Fort Frances and the tenant of 320 Portage Avenue.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Fort Frances, Ontario
March 26, 2018

**Town of Fort Frances
Office Lease Agreement - OPP
Statement of Operating Costs**

For the year ended December 31, 2017	Total Building	Policing 30%	OPP 46%
Cleaning Expenses			
Contract services	\$ 64,719	\$ 32,360	\$ 14,885
Supplies and materials	5,571	1,671	769
Trash removal	915	275	126
Other (O.P.P. janitorial advertising)	1,867	560	258
	73,072	34,866	16,038
Maintenance			
Elevator contracts/materials	2,012	604	278
HVAC contracts/materials	4,281	1,284	591
Electrical contracts/materials	2,758	827	380
Plumbing	4,167	1,250	575
Fire and life safety	1,884	565	260
Other	3,333	1,000	460
	18,435	5,530	2,544
Utilities			
Electricity	49,635	14,891	6,851
Gas	14,554	4,366	2,008
Water and sewer	1,528	458	211
	65,717	19,715	9,070
Roads/Grounds/Security			
R/G payroll benefits	21,186	6,356	2,924
Other	2,588	776	357
	23,774	7,132	3,281
Administrative			
Management fees	9,670	2,901	1,334
Professional fees	1,456	1,456	1,456
	11,126	4,357	2,790
Sub-total	192,124	71,600	33,723
Building Insurance			
Total building insurance	10,956	5,174	2,380
Total	\$ 203,080	\$ 76,774	\$ 36,103

**Town of Fort Frances
Office Lease Agreement - OPP
Note to Statement of Operating Costs**

For the year ended December 31, 2017

Significant Accounting Policy

Basis of Accounting

The Statement of Operating Costs has been prepared on an accrual basis of accounting using the recognition and measurement principles of Canadian public sector accounting standards and only includes those expenses related to 320 Portage Avenue, Fort Frances, Ontario, as permitted under the terms and conditions of the Office Lease Agreement - OPP between the Town of Fort Frances and her Majesty the Queen in Right of Ontario as represented by the Minister of Economic Development, Employment and Infrastructure dated June 5, 2001.



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BDO Canada LLP
607 Portage Avenue
Fort Frances ON P9A 0A7 Canada

March 28, 2018

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

Attention: Ms. Laurie Lindberg

Invoice **89298172**
Electronic Banking Account No. 151360322599
HST Registration No. 131585366RT0043

For Professional Services

Preparing and auditing Statement of Operating Costs relating to the lease agreement between the Town of Fort Frances and the Ontario Provincial Police together with any necessary supporting schedules for the year ended December 31, 2017. \$1,360.00

Administration, technology and disbursement fee:	81.60
Our Fee	\$1,441.60
HST	187.41
Total	<u>\$1,629.01</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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