

Town of Fort Frances
Child Care Department
For the year ended December 31, 2016

	Contents
Independent Auditor's Report	2
Financial Information	
Statement of Revenue and Expenses	3
Notes to Statement of Revenue and Expenses	5



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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, 2016, 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, 2016, 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
May 15, 2017

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

For the year ended December 31

2016

Revenue

Government transfers - operating - Fort Frances Children's Complex	
- Core service delivery (Note 2)	\$ 500,590
- Fee subsidy (Note 2)	332,783
- Provincial wage enhancement (Note 2)	37,349
- Best start hub (Note 2)	121,470
- Day care resource teacher (Note 2)	106,312
	<u>1,098,504</u>
User fees	328,172
Other revenue	889

Total revenue	<u>1,427,565</u>
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Operating Expenses

Fort Frances Children's Complex	
Advertising	556
Audit	2,725
Accounting and bookkeeping	30,000
Buildings and yard - rental costs and utilities	63,980
Buildings and yard - other	13,952
Training and development	16,930
Equipment and leases	1,852
Events and activities	8,081
Food and meals	65,531
Insurance	1,925
Office supplies and expenses	5,313
Repairs and maintenance	11,223
Teaching supplies	28,529
Memberships, licenses and extended school purchases	2,247
Small capital purchases	4,517
Salaries, wages and benefits	985,339
Vehicle expenses	256
	<u>\$ 1,242,956</u>

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

For the year ended December 31

2016

Operating Expenses (continued)

Carried forward	\$ 1,242,956
Best Start Hub	
Advertising	238
Accounting and bookkeeping	3,500
Buildings and yard	6,382
Events and activities	2,600
Food and meals	1,236
Insurance	602
Office supplies and expenses	1,180
Telephone and internet	466
Repairs and maintenance	1,658
Teaching supplies	3,245
Memberships and licenses	108
Salaries, wages and benefits	101,662
Vehicle expenses	304
	<u>123,181</u>
Day Care Resource Teacher	
Accounting and bookkeeping	2,500
Training and development	4,323
Office supplies and expenses	326
Telephone and internet	913
Teaching supplies	3,291
Memberships and licenses	-
Salaries, wages and benefits	96,377
	<u>107,730</u>
Total operating expenses	<u>1,473,867</u>
Capital expenses capitalized for Town of Fort Frances accounting purposes	
Fort Frances Children's Complex	8,548
Total department expenses	<u>1,482,415</u>
Deficiency of revenue over expenses	<u>\$ (54,850)</u>

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

For the year ended December 31, 2016

2. Schedule of Government Transfers

	Core service delivery	Fee subsidy	Provincial wage enhancement	Best start hub	Day care resource teacher
Base funding	\$ 500,590 \$	332,783 \$	39,995 \$	104,213 \$	106,312
Other funding	-	-	-	3,300	-
Deferred funding from prior years	-	-	-	13,957	-
Estimated recovery	-	-	(2,646)	-	-
Revenue reported on the statement of revenue and expenses	\$ 500,590 \$	332,783 \$	37,349 \$	121,470 \$	106,312