

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Financial Statements

For the Year Ended March 31, 2024

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Index to Financial Statements

Year Ended March 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 14
Alberta Afforability Grant (<i>Schedule 1</i>)	15

INDEPENDENT AUDITOR'S REPORT

To the Members of 4 Wing Military Family Resource Centre Society (MFRCS)

Qualified Opinion

We have audited the financial statements of 4 Wing Military Family Resource Centre Society (MFRCS) (the "organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the association derives revenue from fundraising & donation activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues are limited to the amounts recorded in the records of the association. Therefore, we were not able to determine whether any adjustments might be necessary donations, fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31st 2024 current assets and net assets as at March 31st 2024. Our audit opinion on the financial statements for the year ended March 31st 2024 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(continues)

Independent Auditor's Report to the Members of 4 Wing Military Family Resource Centre Society (MFRCS) *(continued)*

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(continues)

Independent Auditor's Report to the Members of 4 Wing Military Family Resource Centre Society
(MFRCS) *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta
June 28, 2024

Eleion Professional Stamp LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

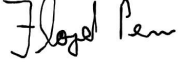
4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Statement of Financial Position

As at March 31, 2024

	2024	2023 <i>Restated</i>
ASSETS		
CURRENT		
Cash	\$ 327,222	\$ 511,393
Restricted cash (Note 3)	147,797	197,219
Short term investments (Note 5)	313,211	300,000
Accounts receivable (Note 4)	112,924	266,741
Inventory	42,619	45,106
Goods and services tax recoverable	1,465	9,318
Prepaid expenses	39,480	41,681
	984,718	1,371,458
PROPERTY AND EQUIPMENT (Note 6)	277,553	315,101
LONG TERM INVESTMENTS (Note 5)	1,017,755	504,046
RESTRICTED CASH (Note 3)	49,842	59,083
	\$ 2,329,868	\$ 2,249,688
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 40,160	\$ 92,793
Unearned revenue (Note 7)	66,140	63,347
Deferred revenue (Note 8)	144,801	197,219
Wages payable (Note 9)	193,712	179,715
Employee deductions payable	18,948	19,093
Pension contributions payable	4,574	4,580
	468,335	556,747
NET ASSETS		
Unrestricted	1,040,213	820,429
Invested in Capital Assets	280,790	315,102
Internally Restricted (Note 12)	506,039	506,039
Externally Restricted	34,491	51,371
	1,861,533	1,692,941
	\$ 2,329,868	\$ 2,249,688

ON BEHALF OF THE BOARD



Trustee

Director



Trustee

See notes to financial statements

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Statement of Revenues and Expenditures

Year Ended March 31, 2024

	Unrestricted		Externally Restricted				2024	2023 <i>Restated</i>
	General Fund 2024	Child Care 2024	MFS Fund 2024	4 Wing Fund 2024	AGLC 2024	Special Projects 2024		
REVENUES								
Fee for service	\$ 25,400	\$ 1,628,757	\$ -	\$ -	\$ -	\$ 3,136	\$ 1,657,293	\$ 1,545,152
Fundraising and sponsorships	294,305	20,052	-	-	54,278	-	368,635	304,130
Government grants	-	450,669	1,107,415	241,226	-	-	1,799,310	1,621,944
Interest earned	28,518	-	-	-	-	-	28,518	9,610
Other grants and subsidies	-	28,874	-	-	-	2,500	31,374	75,185
Other revenue	8,548	3,035	-	-	-	-	11,583	5,496
	<u>356,771</u>	<u>2,131,387</u>	<u>1,107,415</u>	<u>241,226</u>	<u>54,278</u>	<u>5,636</u>	<u>3,896,713</u>	<u>3,561,517</u>
EXPENSES								
Management and administration	425	3,917	211,937	38,154	45	-	254,478	161,269
Program Costs	59,179	132,271	271,076	55,423	4,110	5,636	527,695	556,702
Resource Development	53,949	-	-	-	315	-	54,264	75,556
Wages and benefits	10,609	2,002,823	625,713	147,649	51,339	-	2,838,133	2,643,955
Depreciation of capital assets	48,158	-	-	-	-	-	48,158	46,284
	<u>172,320</u>	<u>2,139,011</u>	<u>1,108,726</u>	<u>241,226</u>	<u>55,809</u>	<u>5,636</u>	<u>3,722,728</u>	<u>3,483,766</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 184,451	\$ (7,624)	\$ (1,311)	\$ -	\$ (1,531)	\$ -	\$ 173,985	\$ 77,751

See notes to financial statements

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Statement of Changes in Net Assets

Year Ended March 31, 2024

	Unrestricted	Invested in Capital Assets	Internally Restricted	Externally Restricted	Total 2024	Total 2023 <i>Restated</i>
NET ASSETS - BEGINNING OF YEAR	\$ 820,429	\$ 315,102	\$ 506,039	\$ 51,371	\$ 1,692,941	\$ 1,615,190
Excess of revenues over expenses	176,827	-	-	(2,842)	173,985	77,751
Amortization transferred to capital asset fund	48,159	-	-	-	48,159	46,284
Amortization transferred from general fund	-	(48,159)	-	-	(48,159)	(46,284)
Property and equipment purchases transferred to capital asset fund	(5,202)	-	-	(14,038)	(19,240)	(18,248)
Property and equipment purchases transferred from externally restricted funds	-	14,038	-	-	14,038	13,393
Property & equipment donated	-	(5,393)	-	-	(5,393)	-
Property and equipment purchases transferred from unrestricted funds	-	5,202	-	-	5,202	4,855
NET ASSETS - END OF YEAR	\$ 1,040,213	\$ 280,790	\$ 506,039	\$ 34,491	\$ 1,861,533	\$ 1,692,941

See notes to financial statements

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)**Statement of Cash Flows
Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Cash receipts from members and funders	\$ 4,000,904	\$ 3,489,601
Cash paid to suppliers and employees	(3,708,670)	(3,392,229)
Goods and services tax	7,853	1,389
	<u>300,087</u>	<u>98,761</u>
Cash flow from operating activities		
INVESTING ACTIVITIES		
Purchase of property and equipment	(16,002)	(18,249)
Investment in GICs	(526,919)	(429,777)
	<u>(542,921)</u>	<u>(448,026)</u>
Cash flow used by investing activities		
DECREASE IN CASH FLOW	(242,834)	(349,265)
Cash - beginning of year	<u>767,695</u>	<u>1,116,960</u>
CASH - END OF YEAR	\$ 524,861	\$ 767,695
CASH CONSISTS OF:		
Cash	\$ 327,222	\$ 511,393
Restricted cash	147,797	197,219
Restricted cash - long term	49,842	59,083
	<u>\$ 524,861</u>	<u>\$ 767,695</u>

See notes to financial statements

1. PURPOSE OF THE ORGANIZATION

4 Wing Military Family Resource Centre Society (MFRCS) ("the Society") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. As a registered charity the society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society provides programs and services that promote the well-being of military families and the surrounding community under the vision "Community Strength through Family Strength".

The mission of the Society is to enable a mission ready force by addressing the challenges faced by Canadian Forces members and their families that result from military service, and to work for the general betterment of life for military families withing 4 Wing's area of responsibility. The Society assesses the needs of the community and responds with a professional and consistent system of support, programs, services, and activities. This community-based system of family support is to be aimed at promoting health and social well-being.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and restricted cash

Cash includes cash only. Restricted cash includes amounts that are restricted for specific use.

Short term and Long term investments

Short-term investments are carried at amortized cost and consist of GICs with original maturities beyond three months and less than twelve months at the purchase date.

Restricted short term investments include GICs and are valued at cost plus accrued interest. The carrying amounts approximate fair value as they are renewed on an annual basis.

Investments that are classified as long term includes GICs with the maturity dates beyond one calendar year or they are restricted internally to be held for other than current purposes.

Inventory

Inventory consists of materials and supplies to be consumed in the rendering of services, in addition to promotional items for sale or giveaway. Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition - Fund accounting

4 Wing Military Family Resource Centre Society (MFRCS) follows the restricted fund method of accounting for contributions.

The Society maintains the following funds:

The General Fund accounts for the society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants outside of those reported under the restricted Military Family Services ("MFS") and 4 Wing Cold Lake ("4 Wing") Fund. Revenues for restricted contributions are reported under the general fund when the related expenses are incurred.

The MFS Fund reports the core funding received from Military Family Services (MFS) net of expenses incurred under the externally restricted use of proceeds.

The 4 Wing Fund reports the core funding received from 4 Wing Cold Lake net of expenses incurred under the externally restricted use of proceeds.

The Alberta Gaming Liquor and Cannabis Commission (AGLC) Fund reports the restricted contributions received and reported to the AGLC. These funds are also maintained in a separate bank accounts as per AGLC directive.

The Special Projects (SP) Fund reports the operations of programs funded through restricted contributions which do not belong to any of the above funds. These projects are comparable in both the nature of their operations and the restrictions placed on their funding.

Revenues are recognized in the following ways:

Fees for service income is recognized as revenue when amounts are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Any amounts received prior to services being rendered are recorded as deferred revenue, and are only recognized once the service has been rendered.

Fundraising and sponsorship income is recognized as revenue when amounts are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest earned is comprised on interest earned on GIC investments. This income is recognized as revenue when it is earned.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(continues)

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

Equipment	10%
Leasehold improvements	10%

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. When the fair value of donated materials and services cannot be reasonably determined they are not reflected in the financial statements.

When a fair value can be reasonably estimated and when the contributed materials or services are used in the normal course of operations, they are expensed and the associated contribution revenue is recognized.

3. RESTRICTED CASH

Current restricted cash is comprised of cash received that is restricted for a specific purpose by the related funder. Multiple funders are included in this account.

Long term restricted cash is comprised of contributions received from the Alberta Gaming, Liquor and Cannabis Commission (AGLC) that are maintained in a separate account and subject to external restriction. These funds are maintained in a separate savings account per AGLC directive.

	<u>2024</u>	<u>2023</u>
Restricted cash - current	\$ 147,797	\$ 197,219
Restricted cash - long term	49,842	59,083
	<u>\$ 197,639</u>	<u>\$ 256,302</u>

4. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
4 Wing Funding	\$ 42,414	\$ 143,125
Government of Alberta - Subsidy	70,303	110,303
CFMWS	-	214
Child Care Customers	207	2,774
Military Family Support Society	-	10,325
	<u>\$ 112,924</u>	<u>\$ 266,741</u>

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Notes to Financial Statements

Year Ended March 31, 2024

5. INVESTMENTS

	<u>2024</u>	<u>2023</u>
	\$ -	\$ -
Non-redeemable GIC bearing fixed annual interest of 5.15%, maturing November 25, 2024	313,211	-
Non-redeemable GIC bearing fixed annual interest of 4.44%, maturing November 30, 2023	-	300,000
TOTAL - SHORT TERM INVESTMENTS	313,211	300,000
Non-redeemable GIC bearing annual fixed interest of 0.93% maturing September 26, 2024	176,822	175,168
Non-redeemable GIC bearing fixed annual interest of 4.15% maturing August 5, 2024	208,300	200,000
Non-redeemable GIC bearing fixed annual interest of 2.60%, maturing April 25, 2025	132,633	128,878
Non-redeemable GIC bearing fixed annual interest of 4.25%, maturing March 11, 2029	500,000	-
TOTAL - LONG TERM INVESTMENTS	1,017,755	504,046

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 245,980	\$ 124,392	\$ 121,588	\$ 130,350
Leasehold improvements	252,246	96,281	155,965	184,751
	\$ 498,226	\$ 220,673	\$ 277,553	\$ 315,101

7. UNEARNED REVENUE

	<u>2024</u>	<u>2023</u>
Event deposits	\$ 7,356	\$ 7,863
Childcare fees	1,214	5,484
Childcare deposits	51,500	50,000
Prepaid childcare grants	4,720	-
Refundable registration deposit	1,350	-
	\$ 66,140	\$ 63,347

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)

Notes to Financial Statements

Year Ended March 31, 2024

8. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
<u>MFS</u>		
Core Funding		
Opening balance	\$ 167,793	\$ 267,724
Funds received	939,622	921,104
Funds utilized	<u>(1,107,415)</u>	<u>(1,021,035)</u>
	-	167,793
Supplemental - Contingency Training		
Opening balance	27,790	-
Funds received	-	27,790
Funds Utilized	<u>(12,008)</u>	<u>-</u>
	15,782	27,790
Rural Grant - Supplemental Child Care		
Funds utilized		
Funds received	10,000	-
Funds utilized	-	-
	10,000	-
	<u>25,782</u>	<u>195,583</u>
<u>Cenovus RCAF Funding</u>		
Opening balance	-	-
Funds received	125,000	-
Funds utilized	<u>(5,981)</u>	<u>-</u>
	119,019	-
<u>True Patriot Love</u>		
Opening balance	1,636	-
Funds received	-	25,000
Funds utilized	<u>(1,636)</u>	<u>(23,364)</u>
	-	1,636
	<u>\$ 144,801</u>	<u>\$ 197,219</u>

9. WAGES PAYABLE

	<u>2024</u>	<u>2023</u>
Salaries Payable	\$ 52,567	\$ 49,179
Banked Overtime Payable	11,335	15,792
Vacation Payable	<u>129,810</u>	<u>114,744</u>
	<u>\$ 193,712</u>	<u>\$ 179,715</u>

10. IN-KIND CONTRIBUTIONS

During the year, the Society received measurable donated goods and services totaling \$16,955 (2023 -\$42,750)

11. ECONOMIC DEPENDENCE

The organization receives the majority of their annual funding in addition to cost-free infrastructure through various agreements represented by Military Family Services (MFS). Should the core provisions of these agreements substantially change, management is of the opinion that the society's offerings would need to be revised in order to continue functioning as a going concern. Funding from MFS makes up 28% of their total revenue in 2024 (2023 - 28%).

12. INTERNALLY RESTRICTED OPERATIONAL RESERVE FUND

The internally restricted net assets consist of amounts that have been internally restricted by way of the board directive to cover future shortages should there be significant changes to the Society's funding. The balance of internally restricted net assets is \$506,039 (2023 - \$506,039).

13. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2024.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its term deposits.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

15. RESTATEMENT

During the course of preparation of 2024 fiscal year it was discovered that there were overpayments received of the Alberta Affordability Grant paid and received in the 2023 Fiscal Year. As such, the 2023 net assets in in the general fund were overstated and the liabilities were conversely understated. The overpayment received was paid back to the Alberta Government on March 20th 2024.

It also came to our attention that 2018 expenses were closed to the general fund as opposed to being closed to AGLC and special projects, the net assets have now been reallocated to their appropriate funds.. The effects of this are isolated to the presentation of net assets.

The effects of the restatement are outlined below:

	2023 Originally Reported	Change	2023 Restated
Statement of net assets:			
Child care revenue - Affordability Grant	\$ 694,540	\$ (30,760)	\$ 663,780
Excess(deficiency) of revenues over expenditures	27,570	(30,760)	(3,190)
AGLC fund net assets	82,225	(30,851)	51,374
Special projects fund net assets	4,239	(4,239)	-
General fund net assets	785,249	35,180	820,429
	-	-	-
Statement of financial position:			
Accounts payable	62,029	30,760	92,789
Unrestricted net assets	816,011	(30,760)	785,251

4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)
Alberta Affordability Grant (Schedule 1)
Year Ended March 31, 2024

	<i>March 31</i> 2024 <i>ELC</i>	<i>March 31</i> 2024 <i>Annex</i>	<i>March 31</i> 2024 <i>Total</i>
INCOME			
Alberta Afordability Grant	\$ 401,723	\$ 356,245	\$ 770,118
Cost Increase Funding (CRIF)	30,905	23,927	54,831
Total	432,628	380,172	824,949
ELIGIBLE EXPENSES			
Payroll Expenses	990,010	887,934	1,867,944
Benefits	73,075	64,803	137,878
Insurance	1,386	1,229	2,615
Program Supplies	13,630	12,087	25,717
Grocery & Cleaning	31,680	28,094	59,774
Utilities	2,946	2,613	5,560
Non- Capital Equipment	6,195	5,494	11,688
Office Expenses	2,954	2,619	5,573
Total	1,121,876	1,004,873	2,116,749
Deficiency of income over eligible expenses	\$ (689,248)	\$ (624,701)	\$ (1,291,800)

The organization receives the Alberta Affordability Grant for use in supporting the childcare centre(s) within MFRCS. The funding subsidizes childcare costs by assisting with expenses in the following areas:

- Wages
- Rent
- Liability Insurance
- Utilities

The funding is allocated at a specified amount set by the Alberta Government based on age on per child basis. It has come to our attention that since there are two separate childcare programs where children may be enrolled in both there were instances where funding was previously duplicated and required to be paid back. The above schedule splits the income received between both programs on a percentage basis to ensure funding is not duplicated going forward. The allocation base has been determined as 53% towards ELC & 47% for the Annex.