

# Canadian Forces Morale and Welfare Services

Financial statements

Unaudited – See independent practitioner's review engagement report

March 31, 2025



Shape the future  
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# Independent practitioner's review engagement report

To the Members of the Non-Public Property Oversight and Advisory Board of  
**Canadian Forces Morale and Welfare Services**

We have reviewed the financial statements of **Canadian Forces Moral and Welfare Services** [the "Organization"] which comprise the statement of financial position as at March 31, 2025, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

## **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

## **Practitioner's responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Ottawa, Canada  
December 4, 2025

*Ernst & Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants



## Canadian Forces Morale and Welfare Services

### Statement of financial position

As at March 31

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	2025	2024
	\$	\$
	<i>[restated – note 12]</i>	
<b>Assets</b>		
<b>Current</b>		
Cash	150	350
Accounts receivable <i>[note 4]</i>	27,658,589	21,595,712
Prepaid expenses	5,651,356	5,393,501
Due from Canadian Forces Central Fund <i>[note 5]</i>	—	945,132
<b>Total current assets</b>	<b>33,310,095</b>	27,934,695
Capital assets, net <i>[note 6]</i>	780,711	1,154,243
	<b>34,090,806</b>	29,088,938
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 7]</i>	8,863,395	5,223,450
Deferred revenue	2,737	1,406,868
Other liabilities	6,161	115,989
Due to Canadian Forces Central Fund <i>[note 5]</i>	19,022,087	—
<b>Total current liabilities</b>	<b>27,894,380</b>	6,746,307
Deferred contributions for capital assets and prepaid expenses <i>[note 6]</i>	6,196,426	6,137,842
<b>Total liabilities</b>	<b>34,090,806</b>	12,884,149
<b>Net assets</b>		
Internally restricted <i>[note 8]</i>		
Personnel [Public]	—	16,204,789
<b>Total net assets</b>	<b>—</b>	16,204,789
	<b>34,090,806</b>	29,088,938

See accompanying notes

Approved on behalf of the Non-Public Property Oversight and Advisory Board:



\_\_\_\_\_  
Dave Patel  
Chief Financial Officer

## Canadian Forces Morale and Welfare Services

### Statement of operations

Year ended March 31

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	2025	2024
	\$	\$
	<i>[restated – note 12]</i>	
<b>Revenue</b>		
User fees and contributions <i>[note 5]</i>		
Canadian Forces Central Fund	23,675,816	4,842,000
Donations-in-kind	375,818	—
SISIP Financial	—	18,036,357
CANEX	—	3,462,377
Pension administration	—	165,000
Bases/wings/messes	—	157,213
Department of National Defence ["DND"]		
C109 – Morale and Welfare	119,941,695	111,787,700
C108 – Military Family Services	43,857,636	46,196,896
C190 – Deployed Operations	6,682,881	4,611,654
Cost recoveries from other parts of DND	—	23,019,357
Other government departments	—	4,926,351
Deferral of contributions <i>[note 6]</i>	(551,629)	(2,641,123)
Amortization of deferred contributions for capital assets <i>[note 6]</i>	493,047	384,804
	<b>194,475,264</b>	<b>214,948,586</b>
<b>Expenses</b>		
Personnel	122,989,924	119,101,857
IT hardware, software and licensing	16,271,328	11,492,270
Contract services	4,526,531	10,365,740
Travel	3,198,556	11,620,369
Depreciation	543,927	554,245
Insurance	180,249	79,631
Facilities	923,261	1,161,684
Other	6,766,823	4,784,341
Capitalization of prepaid expenses <i>[note 6]</i>	(381,235)	(2,641,123)
Capitalization of capital assets <i>[note 6]</i>	(170,394)	
	<b>154,848,970</b>	<b>156,519,014</b>
Excess of revenue over expenses before the undernoted	39,626,294	58,429,572
Distributions <i>[note 11]</i>	(39,626,294)	(53,062,518)
<b>Excess of revenue over expenses for the year</b>	<b>—</b>	<b>5,367,054</b>

See accompanying notes

See schedules A and B for a breakdown between Public and Non-Public Property ["NPP"] components

## Canadian Forces Morale and Welfare Services

### Statement of changes in net assets

Year ended March 31

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	<b>2025</b>			
	<b>Balance, beginning of year</b>	<b>Excess of revenue over expenses for the year</b>	<b>Transfers</b>	<b>Balance, end of year</b>
	\$	\$	\$	\$
Unrestricted	—	—	—	—
Internally restricted <i>[note 8]</i>				
Personnel [Public]	16,204,789	—	(16,204,789)	—
	<b>16,204,789</b>	<b>—</b>	<b>(16,204,789)</b>	<b>—</b>
	<b>2024</b>			
	<b>Balance, beginning of year</b>	<b>Excess of revenue over expenses for the year</b>	<b>Transfers</b>	<b>Balance, end of year</b>
	\$	\$	\$	\$
Unrestricted	—	5,367,054	(5,367,054)	—
Internally restricted <i>[note 8]</i>				
Personnel [Public]	10,837,735	—	5,367,054	16,204,789
	<b>10,837,735</b>	<b>5,367,054</b>	<b>—</b>	<b>16,204,789</b>

See accompanying notes

## Canadian Forces Morale and Welfare Services

### Statement of cash flows

Year ended March 31

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	<b>2025</b>	<b>2024</b>
	\$	\$
	<i>[restated - note 12]</i>	
<b>Operating activities</b>		
Excess of revenue over expenses for the year	—	5,367,054
Add (deduct) items not involving cash		
Depreciation	<b>543,927</b>	554,245
Amortization of deferred contributions for capital assets	<b>(493,047)</b>	(384,804)
Loss on disposal of capital assets	—	273
Changes in non-cash working capital balances related to operations		
Accounts receivable	<b>(6,062,877)</b>	(6,542,839)
Prepaid expenses	<b>(257,855)</b>	(2,731,613)
Accounts payable and accrued liabilities	<b>3,639,945</b>	2,029,274
Deferred revenue	<b>(1,404,131)</b>	(2,872,316)
Other liabilities	<b>(109,828)</b>	72,735
Due to/from Canadian Forces Central Fund	<b>19,967,219</b>	1,866,418
<b>Cash provided by (used in) operating activities</b>	<b>15,823,353</b>	<b>(2,641,573)</b>
<b>Investing activities</b>		
Purchase of capital assets	<b>(170,395)</b>	—
<b>Cash used in investing activities</b>	<b>(170,395)</b>	—
<b>Financing activities</b>		
Capital transfer	<b>(16,204,789)</b>	—
Contributions for capital assets received	<b>551,631</b>	2,641,123
<b>Cash provided by (used in) financing activities</b>	<b>(15,653,158)</b>	2,641,123
<b>Net decrease in cash for the year</b>	<b>(200)</b>	<b>(450)</b>
Cash, beginning of year	<b>350</b>	800
<b>Cash, end of year</b>	<b>150</b>	350

See accompanying notes

# Canadian Forces Morale and Welfare Services

## Notes to financial statements

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### 1. Nature of operations

Canadian Forces Morale and Welfare Services ["CFMWS" or the "Organization"] is both a staff and headquarters organization for Non-Public Property ["NPP"], Public-reimbursed NPP programs and Public-funded programs. CFMWS operates under the authority of the Chief of the Defence Staff ["CDS"] in their NPP capacity.

CFMWS is responsible for delivering selected morale and welfare programs, activities and services through operational divisions, Personnel Support Programs ["PSP"] and Military Family Services ["MFS"]. CFMWS provides support services in the areas of NPP accounting, information management and information technology, human resources and corporate services.

Effective April 1, 2024, CFMWS was restructured to align with funding provided by the Department of National Defence ["DND"] through three corporate accounts, C109, C108 and C190 [2024 – C109, C108, C190, 100% NPP programs, employer cost of benefits, sponsorship and Publicly funded service level agreements]. C109 is the funding for Public programs and services delivered by CFMWS, which is comprised of governance, support services and program delivery. C108 is the core funding for the delivery of the Military Family Service Program ["MFSP"] including Military Family Resource Centers ["MFRCs"], transition support to families as well as support and awareness related to gender-based violence. C190 funding supports OFA deployed operations. The NPP share of C109 operations is now funded through a consolidated contribution from the Canadian Forces Central Fund ["CFCF"] that is sourced from support division user fees, investment returns and SISIP Financial profits.

Cost recoveries from other parts of DND include public activities and services provided by CFMWS through Service Level Agreements ["SLA"] or Memorandums of Understanding ["MOU"] with Health Services, Soldier On, Canadian Armed Forces ["CAF"] units, and other Governmental Departments. Effective April 1, 2024, these programs are reported under a new entity for tracking of such agreements ["Public SLA" entity] and are no longer included in the financial statements of CFMWS.

While SLAs and MOUs exist at the base or wing level between local NPP entities and Public, these cost recoveries are accounted for in the appropriate local NPP entity. Accordingly, the financial statements of CFMWS do not reflect these local Public activities.

A breakdown of the NPP and Public-related components included in the statement of operations can be found within schedules A and B.

In common with other non-public funds, CFMWS is exempt from paying income tax under Part I of the *Income Tax Act* (Canada).

### 2. Summary of significant accounting policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

# Canadian Forces Morale and Welfare Services

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### Cash

Cash consists of petty cash issued for operations.

### Revenue recognition

CFMWS follows the deferral method of accounting for contributions. Restricted contributions related to the expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Revenue from user fees is recognized as revenue in the month the applicable program service or activity is rendered.

In addition to this revenue from related parties, CFMWS also provides support programs for the benefit of the DND. These amounts are recognized as revenue in the month the support programs are rendered to the Public.

### Capital assets

Capital assets are initially recorded at cost and are then depreciated on a straight-line basis at the following annual rates:

Computer equipment	17%–24%
Building	5%
Equipment	12%
Leasehold improvements	9%

### Cloud computing arrangements

CFMWS has chosen to apply the simplification approach to account for expenditures in cloud computing arrangements. Under this approach, the Organization recognizes the expenditures related to the elements in cloud computing arrangements as an expense as incurred.

### Employee future benefits

CFMWS participates in the Canadian Forces Non-Public Funds ["NPF"] Employees Pension Plan [the "Pension Plan"], which is a multi-employer, contributory, defined benefit plan. The Pension Plan provides retirement benefits relating to contributions and years of service of staff of all Non-Public Funds. Substantially all CFMWS employees are eligible to be members of the Pension Plan.

The CFMWS portion of the Pension Plan is accounted for as a defined contribution plan as there is insufficient information available to use defined benefit plan accounting. As a result, the CFMWS contributions to the Pension Plan are included as an expense in the statement of operations. A net defined pension benefit asset has not been recorded on the statement of financial position.

## Canadian Forces Morale and Welfare Services

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#### Use of estimates

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 amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In particular, the estimation of the useful lives of the Organization's capital assets and the accrual of expenses at year-end contain estimates within the financial statements. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period they become known.

#### Financial instruments

CFMWS initially measures its financial assets and financial liabilities, issued or assumed in an arm's length transaction at fair value.

Related party financial instruments that have repayment terms are initially recorded at cost, representing the undiscounted cash flows of that instrument, excluding interest and dividend payments. Related party financial instruments that do not have repayment terms are recorded at cost, determined using the consideration transferred or received by CFMWS. If the consideration transferred or received has repayment terms, then the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, of the financial instrument transferred as consideration. If, however, the consideration transferred is an asset or liability that does not have repayment terms, the cost is initially recognized at the carrying or exchange amount of the consideration transferred or received, depending on the circumstances. The exchange amount is used when the transaction is in the normal course of operations or the transaction is not in the normal course of operations but has commercial substance, the change in ownership interest in the related financial item transferred is substantive and the amount of consideration transferred or received is established and agreed to by the related parties and is supported by independent evidence. Otherwise, the carrying amount of the consideration transferred or received is used as the cost of the related party financial instrument.

CFMWS subsequently measures its financial assets and financial liabilities, including related party financial instruments, at amortized cost.

Financial assets subsequently measured at amortized cost are tested for impairment when there are indicators of possible impairment. Any impairment loss is recognized in excess of revenue over expenses. The previously recognized impairment loss may subsequently be reversed to a maximum of the amortized cost that would have been reported at the date of the reversal had the impairment not been recognized previously.

The carrying amount of the financial asset or liability is adjusted by the transaction costs, which are recognized in excess of revenue over expenses using the straight-line method.

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#### 3. Change in accounting policy

Effective April 1, 2024, the Organization adopted the new Accounting Guideline AcG-20, *Customer's Accounting for Cloud Computing Arrangements* ["AcG-20"]. This new guideline provides guidance on both accounting for a customer's expenditures in a cloud computing arrangement and determining whether a software intangible asset exists in the arrangement.

Under the new AcG-20, enterprises are provided with an optional simplification approach to expense as incurred the expenditures related to the elements in a cloud computing arrangement. When an enterprise does not apply the simplification approach, AcG-20 provides factors to assist the enterprise in determining whether the arrangement includes a software intangible asset or is a software service. An accounting policy choice is also available to either capitalize directly attributable expenditures on implementation activities when the arrangement is a software service or expense such expenditures as incurred. AcG-20 also clarifies that an enterprise may determine a method on a rational and consistent basis for allocating arrangement consideration to significant separable elements in an arrangement and that an enterprise applies Section 3064, *Goodwill and Intangible Assets*, to account for the significant elements unless the elements are tangible assets or rights to use tangible assets. Lastly, AcG-20 requires enterprises to disclose information on how the arrangement is accounted for in their financial statements.

Previously, intangible assets were recorded at cost and depreciated on a straight-line basis over their expected useful lives, ranging from 7-25% for major technology projects and 25% for all other projects. With the adoption of the simplified approach, such assets were derecognized.

#### 4. Accounts receivable

Government remittances receivable were purchased by CFCF prior to April 1, 2024 and so were nil in 2024. Accounts receivable consist of the following:

	2025	2024
	\$	\$
Public receivables	27,000,176	21,595,712
Government remittances receivable	658,413	—
	<b>27,658,589</b>	21,595,712

#### 5. Related party transactions

Among the other entities that operate under the authority of the CDS in their NPP capacity are CANEX, SISIP Financial, CFCF, SNPF, and individual bases/wings and messes.

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Prior to April 1, 2024, revenue included user fees for services charged to related parties for accounting, human resources management, information management and information technology and the consolidated insurance programs. Effective April 1, 2024, user fees were paid to CFCF as the parent entity and were consolidated into the CFCF contribution to CFMWS. Prior year user fees were as follows:

	2025	2024
	\$	\$
Accounting	—	2,671,681
Human resources	—	853,243
IM/IT	—	1,433,707
	—	4,958,631

CFMWS received contributions to support NPP morale and welfare services, programs and governance from related parties [schedule B].

In the prior year, CFMWS distributed \$4,744,721 in CANEX/SISIP Morale and Welfare Grants to CAF Bases and Wings throughout Canada and Europe and to deployed operations. CFCF assumed responsibility for such transfers effective April 1, 2024.

As at March 31, 2025 CFMWS owes CFCF \$19,022,087 [2024 –\$945,132 owed from CFCF]. This amount is non-interest bearing and has no specific terms of repayment.

The aforementioned related party transactions were measured at their exchange amounts, being the amounts established and agreed to by the related parties.

Under the *National Defence Act* (Canada), NPP is explicitly excluded from the *Financial Administration Act*. The government provides some services to NPP such as accommodation and security for which no charge is made. The cost of providing these services is included in the Public Accounts of Canada.

## Canadian Forces Morale and Welfare Services

### Notes to financial statements

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#### 6. Capital assets

Capital assets include the following:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer equipment	9,765,675	9,765,675	—	15,372
Building	570,623	460,804	109,819	138,350
Equipment	2,089,486	1,947,376	142,110	414,259
Work-in-progress	375,900	—	375,900	586,262
Leasehold improvement	170,394	17,512	152,882	—
	<b>12,972,078</b>	<b>12,191,367</b>	<b>780,711</b>	<b>1,154,243</b>

[restated – note 3]

CFMWS assets are partially or wholly NPP and/or Publicly funded. These assets are initially expensed in order to recover the cash outflow from NPP contributions and/or Public funding. This expense is substantially reversed using the capitalization of capital assets account; recognized as an asset, and depreciated over the asset's useful life to conform with accounting policy. The corresponding NPP contributions and/or Public funding received are deferred and amortized over the same period to offset future depreciation.

Deferred contributions for capital assets and prepaid expenses consist of:

	2025	2024
	\$	\$
Equipment	119,658	384,830
Leasehold improvement	152,882	—
Work-in-progress	375,900	586,262
Prepaid expenses	5,547,986	5,166,750
	<b>6,196,426</b>	<b>6,137,842</b>

[restated – note 3]

The remaining capital assets and prepaid expenses do not have deferred contributions and were instead purchased and immediately capitalized or accrued with NPP contributions and/or Public funding to be received in future years to cover the amortization and de-accruals.

#### 7. Accounts payable and accrued liabilities

Accounts payables including government remittances were assumed by CFCF in the prior year whereas accrued liabilities were reported in CFMWS. The purchase of accounts payable ceased effective April 1, 2024.

## Canadian Forces Morale and Welfare Services

### Notes to financial statements

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#### 8. Internally restricted net assets

##### Personnel

In accordance with VCDS 3/96 instruction, a fixed employer cost percentage was established to reimburse the Publicly funded Staff of Non-Public Funds, Canadian Forces charged with delivering morale and welfare programs. Prior to April 1, 2024, the difference between the actual employer costs and those reimbursed by Public was internally restricted to provide funding for personnel costs, such as pension, severance pay, hiring costs, maternity leave and other personnel costs.

Prior to April 1, 2024, the same fixed employer cost percentage was applied to staff funded partly or wholly by NPP. Any difference from actual was applied against the contribution from CFCF and/or SISIP.

Effective April 1, 2024, the internally restricted personnel reserve was transferred to a newly created reporting entity which assumes the responsibility for employer costs.

#### 9. Pension plan

The CFMWS share of contributions to the Pension plan was nil in the current year due to a mandatory employer contribution holiday effective June 1, 2023. In 2024, CFMWS contributed \$2,951,308 which was included as an expense in the statement of operations.

An excerpt of an actuarial valuation prepared as at December 31 indicated the following information about the overall multi-employer Pension Plan on a going concern basis:

	2025	2024
	\$	\$
Net assets available for benefits	<b>592,256,000</b>	545,936,980
Actuarial pension obligation	<b>(442,739,000)</b>	(404,311,000)
<b>Surplus</b>	<b>149,517,387</b>	141,625,980

Under the going concern basis, this valuation compares the relationship between the value of the Pension Plan's assets and the present value of the expected future benefit cash flows in respect of accrued service, assuming the Pension Plan will be maintained indefinitely. After incorporating an asset smoothing adjustment, this valuation resulted in a surplus of \$120,187,000 [2024 – \$138,783,000].

Conversely, under the hypothetical solvency [wind-up] basis, the Pension Plan is assumed to be wound up and settled on the valuation date, assuming benefits are settled in accordance with the existing taxation rules and under circumstances producing the maximum wind-up liabilities on the valuation date. This valuation resulted in a surplus of \$99,700,000 [2024 – \$77,240,000].

These valuations are used to assess monthly and annual employer contributions. Due to a favourable valuation and in accordance with regulatory guidelines, the next required actuarial valuation for funding purposes is as at December 31, 2027.

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#### 10. Financial instruments and risk management

CFMWS is exposed to various risks through its financial instruments. The following analysis provides a measure of the CFMWS risk exposure:

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. CFMWS is exposed to a concentration of credit risk on its accounts receivable since the majority of receivables are owed from one customer. CFMWS believes the risk is low given that this customer is DND.

##### Liquidity risk

Liquidity risk is the risk CFMWS will have difficulty in meeting obligations associated with financial liabilities. Prudent management of liquidity risk implies retaining a sufficient level of liquidities and arranging for appropriate credit facilities. CFMWS believes that its recurring financial resources are adequate to fulfill its obligations.

#### 11. Distributions

Distributions reflect funding received by CFMWS and that is passed on to NPP entities and third-party MFRCs. Senior Executive Appointment ["SEA"] grant funding was available to senior CAF appointments that do not have access to NPP funds through a local Base/Wing ["B/W"] fund. Given that SEA grants and the CANEX/SISIP Dividend are funded 100% by NPP, these responsibilities were transferred to CFCF effective April 1, 2024 [note 1].

	2025	2024
	\$	\$
MFRCs	<b>34,068,350</b>	39,304,787
Public support to CANEX	<b>3,323,535</b>	3,107,572
Public support for B/W sport grants [PFMG/MSWG]	<b>2,234,409</b>	2,143,400
Public support to SISIP – Financial Counselling and Education	—	3,531,942
CANEX/SISIP Dividend	—	4,744,721
SEA Grants	—	57,596
PSP Grants	—	172,500
	<b>39,626,294</b>	53,062,518

#### 12. Comparative financial information

Certain prior year figures have been reclassified to conform to the current year presentation and to retroactively apply AcG 20 [note 3]. For the year ended March 31, 2025, the Organization expensed \$6,389,580 [2024 – \$5,597,211] for elements in cloud computing arrangements. These amounts are included in general and administrative expenses.

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The following tables illustrate the impact of expensing the costs of cloud computing arrangements for the year ended March 31, 2024:

#### Statement of financial position as at March 31, 2024:

	Previously reported \$	Increase (decrease) \$	As restated \$
<b>Assets</b>			
Capital assets, net	26,773,272	(25,619,029)	1,154,243
<b>Total assets</b>	<b>54,707,967</b>	<b>(25,619,029)</b>	<b>29,088,938</b>
<b>Liabilities</b>			
Deferred contributions for capital assets and prepaid expenses	31,756,871	(25,619,029)	6,137,842
<b>Total liabilities</b>	<b>38,503,178</b>	<b>(25,619,029)</b>	<b>12,884,149</b>
<b>Total liabilities and net assets</b>	<b>54,707,967</b>	<b>(25,619,029)</b>	<b>29,088,938</b>

#### Statement of operations for the year ended March 31, 2024:

	Previously reported \$	Increase (decrease) \$	As restated \$
<b>Revenue</b>			
Deferral of contributions for prepaid expenses and capital assets	(7,788,877)	5,147,754	(2,641,123)
Amortization of deferred contributions for capital assets	6,261,475	(5,876,671)	384,804
<b>Total revenue</b>	<b>215,677,503</b>	<b>(728,917)</b>	<b>214,948,586</b>
<b>Expenses</b>			
Depreciation	6,430,917	(5,876,672)	554,245
Capitalization of prepaid expenses	(3,523,419)	882,296	(2,641,123)
Capitalization of capital assets	(4,265,459)	4,265,459	—
<b>Total expenses</b>	<b>157,247,931</b>	<b>(728,917)</b>	<b>156,519,014</b>

## Canadian Forces Morale and Welfare Services

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#### Statement of cash flows for the year ended March 31, 2024:

	Previously reported \$	Increase (decrease) \$	As restated \$
<b>Operating activities</b>			
Depreciation	6,430,917	(5,876,672)	554,245
Amortization of deferred contributions for capital assets	(6,261,475)	5,876,671	(384,804)
Loss on disposal of capital assets	—	273	273
<b>Cash provided by (used in) operating activities</b>	<b>(2,641,845)</b>	<b>272</b>	<b>(2,641,573)</b>
<b>Investing activities</b>			
Purchase of capital assets	(5,134,170)	5,134,170	—
Proceeds from disposal of capital assets	(13,312)	13,312	—
<b>Cash used in investing activities</b>	<b>(5,147,482)</b>	<b>5,147,482</b>	<b>—</b>
<b>Financing activities</b>			
Contributions for capital assets received	7,788,877	(5,147,754)	2,641,123
<b>Cash provided by (used in) financing activities</b>	<b>7,788,877</b>	<b>(5,147,754)</b>	<b>2,641,123</b>

#### Schedule A Statement of operations – Non-public property for the year ended March 31, 2024:

	Previously reported \$	Increase (decrease) \$	As restated \$
<b>Revenue</b>			
Deferral of contributions for prepaid expenses	(3,635,526)	2,566,475	(1,069,051)
Amortization of deferred contributions for capital assets	2,285,231	(2,285,231)	—
	(1,350,295)	281,244	(1,069,051)
<b>Total revenue</b>	<b>25,312,652</b>	<b>281,244</b>	<b>25,593,896</b>
<b>Expenses</b>			
Capitalization of capital assets	(2,566,476)	2,566,476	—
Amortization of capital assets	2,285,231	(2,285,231)	—
	(1,350,296)	(281,244)	1,069,051
<b>Total expenses</b>	<b>25,866,373</b>	<b>(281,244)</b>	<b>26,147,617</b>

## Canadian Forces Morale and Welfare Services

### Notes to financial statements

March 31, 2025

Unaudited – See independent practitioner's  
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#### Schedule B Statement of operations – Public for the year ended March 31, 2024:

	Previously reported \$	Increase (decrease) \$	As restated \$
<b>Revenue</b>			
Deferral of contributions	(4,153,351)	2,581,279	(1,572,072)
Amortization of deferred contributions for capital assets	3,976,244	(3,591,440)	384,804
	<u>(177,107)</u>	<u>(1,010,161)</u>	<u>(1,187,268)</u>
<b>Total revenue</b>	<u>190,364,851</u>	<u>(1,010,161)</u>	<u>189,354,690</u>
<b>Expenses</b>			
Capitalization of prepaid expenses	(2,242,393)	670,321	(1,572,072)
Capitalization of capital assets	(1,910,958)	1,910,958	—
Amortization of capital assets	3,976,244	(3,591,440)	384,804
	<u>(177,107)</u>	<u>(1,010,161)</u>	<u>(1,187,268)</u>
<b>Total expenses</b>	<u>190,364,851</u>	<u>(1,010,161)</u>	<u>189,354,690</u>

## Statement of operations – Non-public property

Year ended March 31

Unaudited – See independent practitioner's  
review engagement report

	2025	2024
	\$	\$
	<i>[restated – note 12]</i>	
<b>Revenue</b>		
Contributions <i>[note 5]</i>		
Canadian Forces Central Fund	23,675,816	4,492,000
SISIP Financial	—	17,212,316
	<b>23,675,816</b>	<b>21,704,316</b>
User fees for services <i>[note 5]</i>		
CANEX	—	3,462,377
SISIP Financial	—	824,041
Canadian Forces Central Fund	—	350,000
Pension administration	—	165,000
Bases/wings/messes	—	157,213
	—	4,958,631
Deferral of contributions for capital assets and prepaid expenses	(170,923)	(1,069,051)
Amortization of deferred contributions for capital assets	—	—
	<b>(170,923)</b>	<b>(1,069,051)</b>
<b>Total revenue</b>	<b>23,504,893</b>	<b>25,593,896</b>
<b>Expenses</b>		
Core NPP governance		
Corporate services	738,329	2,041,558
Finance and accounting services	5,529,280	5,699,746
Information management/information technology services	7,430,111	7,691,127
Human resources management services	4,840,243	5,025,320
Technology Investment Program	5,137,853	4,885,309
Personnel Support Programs ["PSP"]	—	251,234
	<b>23,675,816</b>	<b>25,594,294</b>
NPP programs <i>[note 1]</i>		
CFOne membership	—	291,610
Community recreation	—	57,208
Sponsorship	—	573,438
National sports	—	180,288
Conseil International du Sport Militaire ["CISM"]	—	210,867
NPP Volunteer Program	—	308,963
	—	1,622,374

## Statement of operations – Non-public property

Year ended March 31

Unaudited – See independent practitioner's  
review engagement report

	<b>2025</b>	<b>2024</b>
	\$	\$
	<i>[restated – note 12]</i>	
Capitalization of prepaid expenses	<b>(170,923)</b>	(1,069,051)
Capitalization of capital assets	—	—
Amortization of capital assets	—	—
	<b>(170,923)</b>	(1,069,051)
<b>Total expenses</b>	<b>23,504,893</b>	26,147,617
Distributions <i>[notes 1 and 11]</i>		
CANEX/SISIP Dividend	—	4,744,721
Senior Executive Appointment [“SEA”] Grants	—	57,596
PSP Grants	—	172,500
	—	4,974,817
Deficiency of revenue over expenses before the undernoted	—	(5,528,538)
Personnel <i>[note 8]</i>		
Entity cost recoveries	—	22,708,272
Expense	—	(17,179,734)
	—	5,528,538
<b>Excess of revenue over expenses for the year</b>	—	—

*See accompanying notes*

## Statement of operations – public

Year ended March 31

Unaudited – See independent practitioner's  
review engagement report

	<b>2025</b>	<b>2024</b>
	\$	\$
	<i>[restated – note 12]</i>	
<b>Revenue</b>		
Cost recoveries from DND		
C109 – Morale and Welfare	<b>119,941,695</b>	111,787,700
C108 – Military Family Services	<b>43,857,636</b>	46,196,896
C190 – Deployed operations	<b>6,682,881</b>	4,611,654
Product-in-kind for deployed operations	<b>375,818</b>	—
Other DND	<b>—</b>	23,019,357
	<b>170,858,030</b>	185,615,607
Other government departments		
Veterans Affairs Canada ["VAC"]	<b>—</b>	3,826,346
Director General Compensation and Benefits	<b>—</b>	683,023
Other	<b>—</b>	416,982
	<b>—</b>	4,926,351
Deferral of contributions for capital assets and prepaid expenses	<b>(380,706)</b>	(1,572,072)
Amortization of deferred contributions for capital assets	<b>493,047</b>	384,804
	<b>112,341</b>	(1,187,268)
<b>Total revenue</b>	<b>170,970,371</b>	189,354,690
<b>Expenses</b>		
Core NPP governance [C109]		
Corporate services	<b>12,056,586</b>	10,176,232
Finance and accounting services	<b>13,210,134</b>	11,710,107
Information management/information technology services	<b>8,684,322</b>	8,100,849
Human resources management services	<b>7,965,766</b>	8,154,769
Technology Investment Program	<b>4,574,534</b>	4,349,680
CANEX management	<b>3,323,535</b>	3,107,572
Corporate costs	<b>120,013</b>	181,664
	<b>49,934,890</b>	45,780,873

## Statement of operations – public

Year ended March 31

Unaudited – See independent practitioner's  
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	2025	2024
	\$	\$
	<i>[restated – note 12]</i>	
Canadian Armed Forces ["CAF"] programs [C109]		
Physical fitness and sports	44,713,743	42,064,350
PSP management – headquarters and field	11,553,173	11,583,062
SISIP financial counselling and education	4,607,332	3,531,942
Mess management	4,335,747	4,232,839
Community recreation management	3,132,666	3,046,616
Support to deployed operations	2,039,962	1,548,018
	<b>70,382,623</b>	<b>66,006,827</b>
Military Family Service Programs [C108]		
Military Family Resource Centres	34,068,350	39,304,787
Military Family Services	8,947,395	8,216,815
Gender-based violence program	841,891	827,644
	<b>43,857,636</b>	<b>48,349,246</b>
Other		
Deployed operations [C190]	6,682,881	4,611,654
Other DND [health services and other]	—	20,867,007
Other government departments [VAC and other]	—	4,926,351
	<b>6,682,881</b>	<b>30,405,012</b>
Capitalization of prepaid expenses	(210,312)	(1,572,072)
Capitalization of capital assets	(170,394)	—
Amortization of capital assets	493,047	384,804
	<b>112,341</b>	<b>(1,187,268)</b>
<b>Total expenses</b>	<b>170,970,371</b>	<b>189,354,690</b>
Excess of revenue over expenses before the undernoted	—	—
Personnel <i>[note 8]</i>		
Entity cost recoveries	—	21,685,329
Expense	—	(16,318,275)
	—	5,367,054
<b>Excess of revenue over expenses for the year</b>	<b>—</b>	<b>5,367,054</b>

See accompanying notes