

Canadian Forces Morale and Welfare Services

Financial statements
March 31, 2021



Independent auditor's report

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

Opinion

We have audited the accompanying financial statements of **Canadian Forces Morale and Welfare Services** [the "Organization"], which comprise the statement of financial position as at March 31, 2021 and the statement of operations, the statement of changes in net assets and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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 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 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.

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.

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.

Ottawa, Canada
October 12, 2021

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants



Canadian Forces Morale and Welfare Services

Statement of financial position

As at March 31

	2021	2020
	\$	\$
Assets		
Current assets		
Cash	15,100	15,100
Accounts receivable	30,217,339	14,437,247
Prepaid expenses	507,440	1,002,603
Total current assets	30,739,879	15,454,950
Capital assets [note 4]	20,611,255	16,275,489
	51,351,134	31,730,439
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	3,089,859	1,727,357
Deferred revenue	6,184,916	1,443,524
Due to Canadian Forces Central Fund [note 7]	13,372,050	4,548,912
	22,646,825	7,719,793
Deferred contributions for capital assets [note 4]	19,728,145	15,122,374
	42,374,970	22,842,167
Net assets		
Internally restricted [note 5]		
Personnel [Public]	5,952,924	5,865,032
Insurance	3,023,240	3,023,240
	8,976,164	8,888,272
	51,351,134	31,730,439

See accompanying notes

Approved on behalf of the Non-Public Property Board:

 Julie Focke
Chief Financial Officer

Canadian Forces Morale and Welfare Services

Statement of operations

Year ended March 31

	2021	2020
	\$	\$
Revenue		
User fees and contributions <i>[note 7]</i>		
Canadian Forces Exchange System ["CANEX"]	3,288,895	6,450,080
SISIP Financial ["SISIP"]	17,663,475	19,334,220
Canadian Forces Central Fund ["CFCF"]	350,000	350,000
Other Non-Public Property ["NPP"] revenue	817,732	851,310
Department of Defence ["DND"]		
C108 - Military Family Services	34,868,602	35,170,674
C109 - Morale and Welfare	123,678,370	89,718,203
C109 - Morale and Welfare [unbilled]	—	643,873
Cost recoveries from other parts of DND	15,415,831	13,902,597
Other government departments	3,743,149	4,567,303
Deferral of contributions	(6,927,603)	(4,608,243)
Amortization of deferred contributions	2,321,832	2,184,928
	195,220,283	168,564,945
Expense		
Personnel	120,674,583	101,801,900
IT hardware, software and licensing	8,843,178	7,130,676
Contract services	6,919,123	6,925,845
Travel	284,827	4,508,972
Depreciation	2,670,974	2,597,083
Insurance	1,224,467	1,050,319
Facilities	657,290	947,028
Other	4,759,583	2,149,705
Capitalization of technology assets	(6,927,603)	(4,608,243)
	139,106,422	122,503,285
Net revenue before the undernoted	56,113,861	46,061,660
Distributions	(56,025,969)	(47,060,000)
Net revenue (expense) for the year	87,892	(998,340)

See accompanying notes

Canadian Forces Morale and Welfare Services

Statement of changes in net assets

Year ended March 31

	Balance at April 1, 2020 \$	Net revenue for the year \$	Transfers \$	Balance at March 31, 2021 \$
Unrestricted	—	87,892	(87,892)	—
Internally restricted [note 5]				
Personnel [Public]	5,865,032	—	87,892	5,952,924
Insurance	3,023,240	—	—	3,023,240
	8,888,272	87,892	—	8,976,164

	Balance at April 1, 2019 \$	Net expense for the year \$	Transfers \$	Balance at March 31, 2020 \$
Unrestricted	—	(998,339)	998,339	—
Internally restricted [note 5]				
Personnel [Public]	6,583,724	—	(718,692)	5,865,032
Insurance	3,302,887	—	(279,647)	3,023,240
	9,886,611	(998,339)	—	8,888,272

See accompanying notes

Canadian Forces Morale and Welfare Services

Statement of cash flows

Year ended March 31

	2021	2020
	\$	\$
Cash provided by (used in)		
Operating activities		
Net revenue (expense) for the year	87,892	(998,340)
Items not affecting cash		
Depreciation	2,670,974	2,597,083
Amortization of deferred contributions for capital assets	(2,321,832)	(2,184,928)
Net change in non-cash working capital items		
Accounts receivable	(15,780,092)	926,095
Prepaid expenses	495,163	(357,035)
Accounts payable and accrued liabilities	1,362,502	765,002
Deferred revenue	4,741,392	(1,789,592)
Due to Canadian Forces Central Fund	8,823,138	1,628,033
	<u>79,137</u>	<u>586,318</u>
Investing activities		
Purchase of capital assets	<u>(7,006,740)</u>	<u>(5,194,561)</u>
Financing activity		
Contributions for capital assets received	<u>6,927,603</u>	<u>4,608,243</u>
Net change in cash for the year	—	—
Cash, beginning of year	<u>15,100</u>	<u>15,100</u>
Cash, end of year	<u>15,100</u>	<u>15,100</u>

See accompanying notes

Canadian Forces Morale and Welfare Services

Notes to financial statements

March 31, 2021

1. Nature of operations

Canadian Forces Morale and Welfare Services ["CFMWS" or the "Organization"] is both a staff/headquarters organization for the 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 his NPP capacity.

CFMWS is responsible for delivering selected morale and welfare programs, activities and services through operational divisions, Personnel Support Programs and Military Family Services.

CFMWS provides support services in the areas of NPP accounting, information management and information technology, human resources and corporate services. CFMWS distributes grants and contributions to enhance NPP programs and activities for the military community at all locations.

NPP programs and services are funded through contributions from Service Income Security Insurance Financial Services ["SISIP"], Canadian Forces Exchange System ["CANEX"] and Canadian Forces Central Fund ["CFCF"], while funding for public responsibilities are reimbursed by the Department of National Defence ["DND"] primarily through two corporate accounts [C108 and C109].

C108 is the core funding for the delivery of the Military Family Service Program ["MFSP"] through Military Family Resource Centers ["MFRC"]. C109 is the funding for Public programs and services delivered by CFMWS, which comprises governance [Public, NPP and MFSP] and program delivery.

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, OFA deployed operations, Soldier On and Canadian Airforce ["CAF"] units.

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. Therefore CFMWS's financial statements do not reflect these local Public recoverables.

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

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.

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.

Canadian Forces Morale and Welfare Services

Notes to financial statements

March 31, 2021

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 amortized on a straight-line basis at the following annual rates:

Computer equipment	17% – 24%
Technology projects	7% – 25%
Building	5%
Equipment	12%

Employee future benefits

CFMWS participates in the Canadian Forces Non-Public Funds Employees Pension Plan [the “Plan”], which is a multiemployer, contributory, defined benefit plan. The 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 Plan.

The CFMWS portion of the 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 Plan are included as an expense in the statement of operations. A pension asset has not been recorded on the statement of financial position.

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 at the date of the financial statements and the reported amounts of revenue and expense 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 at fair value. CFMWS subsequently measures its financial assets and financial liabilities at amortized cost.

Canadian Forces Morale and Welfare Services

Notes to financial statements

March 31, 2021

Financial assets subsequently measured at amortized cost are tested for impairment when there are indicators of possible impairment. Any impairment loss is recognized in net revenue (expense) for the year. 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 net revenue (expense) for the year using the straight-line method.

3. Concentration of credit risk

Substantially all accounts receivable are owing from DND.

4. Capital assets

Capital assets include:

	2021		2020	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer equipment	9,807,324	9,181,526	625,798	843,332
Technology projects	18,116,430	8,368,732	9,747,698	8,397,268
Building	570,623	346,680	223,943	252,475
Equipment	1,861,391	288,782	1,572,609	34,913
Work-in-progress	8,441,207	—	8,441,207	6,747,501
	38,796,975	18,185,720	20,611,255	16,275,489

CFMWS technology projects are partially or wholly NPP and / or Publicly funded. These projects are initially expensed in order to receive NPP contributions, and / or Public funding. This expense is substantially reversed; recognized as an asset, and depreciated over the asset's useful life. The NPP contributions and / or Public funding received are deferred and amortized over the same period to offset future depreciation of capital technology project assets.

The deferred contribution for capital assets of \$19,728,145 relates to Technology projects of \$9,747,698, Equipment of \$1,539,242 and Work-in-progress of \$8,441,207. The remaining capital assets do not have deferred contributions and were instead purchased and immediately capitalized with NPP contributions and/or Public funding being received to cover the annual depreciation cost.

Canadian Forces Morale and Welfare Services

Notes to financial statements

March 31, 2021

5. Internally restricted net assets

Personnel

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

The same fixed employer cost percentage is applied to staff funded, partly or wholly by NPP, with any shortfall funded with the contribution from CFCF and SISIP.

Insurance

Amounts have been internally restricted to provide funding for Non-Public Fund ["NPF"] insurance claims.

6. Pension plan

The CFMWS share of contributions to the Plan were \$5,046,766 [2020 – \$4,979,066] and are included as an expense in the statement of operations.

An extrapolation of an actuarial valuation prepared as at December 31, 2020 [2020 – December 31, 2019] indicated the following information about the overall Plan:

	2020	2019
	\$	\$
Fair value of plan assets	438,669,621	415,364,343
Accrual benefit obligation	(350,681,000)	(315,227,000)
Surplus	87,988,621	100,137,343

Under the going concern basis, this valuation compares the relationship between the value of the Plan's assets under the present value of the expected future benefit cash flows in respect of accrued service, assuming the Plan will be maintained indefinitely. Under this scenario, the valuation resulted in a surplus of \$80.5 million [2019 – \$91.5 million].

Conversely, under the hypothetical solvency [wind up] basis, the Plan is assumed to be wound up and settled on the valuation date, assuming benefits are settled in accordance with the existing taxation rules under circumstances producing the maximum wind up liabilities on the valuation date. This valuation resulting in a deficit of \$83.4 million [2019 – \$48.6 million].

These valuations are utilized to assess monthly and annual employer contributions. The Plan is required to have its next actuarial valuation performed as at December 31, 2021.

Canadian Forces Morale and Welfare Services

Notes to financial statements

March 31, 2021

7. Related party transactions

Among the other entities that operate under the authority of the CDS in his NPP capacity are the CANEX, SISIP Financial, Canadian Forces Central Fund CFCF and individual bases wings and messes.

Revenue includes user fees for services charged to related parties for accounting, human resources management, information management and information technology and the consolidated insurance programs, as follows:

						2021	2020
	CANEX	SISIP	Bases/ wings/ messes	CFCF	Pension administration	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Accounting	1,843,027	168,150	191,986	350,000	165,000	2,718,163	2,743,301
Human resources management services	561,596	426,572	—	—	—	988,168	849,161
IM/IT	634,332	215,145	9,408	—	—	858,885	996,161
Consolidated Insurance Program	249,940	7,378	445,940	—	—	703,258	682,047
	3,288,895	817,245	647,334	350,000	165,000	5,268,474	5,270,987

During the year CFMWS received contributions from SISIP, CANEX and CFCF to support NPP morale and welfare services, programs and governance. Of the \$16,846,230 in combined contributions received from CFCF and SISIP [2020 – \$17,437,660], \$nil [2020 – \$1,080,613] was used to fund a shortfall in 'Staff of the NPP employer costs' primarily related to pension solvency payments.

CFMWS distributed \$1,974,927 [2020 – \$4,558,686] in CANEX/SISIP Morale and Welfare Grants to CAF Bases and Wings throughout Canada, Europe and deployed operations.

Related party transactions are measured at their exchange amounts, which are the amounts established and agreed to by the related parties involved.

The amount 'Due to Canadian Forces Central Fund' of \$13,372,050 [2020 – \$4,548,912] represents CFMWS share of an internal Consolidated Bank Account administered by CFCF. This amount is non-interest bearing and has no specific terms of repayment.

Similar to other crown entities, NPP was omitted from Government of Canada legislation for COVID support programs. CFMWS secured approval to recover \$10,792,293 from public funds for staff wage costs wholly funded by NPP operations that were significantly affected by COVID. CFMWS distributed \$1,737,341 to CANEX and \$9,054,952 to local NPP entities.

Canadian Forces Morale and Welfare Services

Notes to financial statements

March 31, 2021

Under the *National Defence Act*, 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.

8. Financial instruments

CFMWS is exposed to various risks through its financial instruments. The following analysis provides a measure of the CFMWS risk exposure as at March 31, 2021.

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 credit risk on its accounts receivable. CFMWS believes the risk is low given the majority of accounts receivable are owing from 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.

9. Comparative figures

The Organization has adjusted the comparative information for the year ended March 31, 2020 to reflect the correction of certain immaterial errors and to reclassify certain amounts to conform to the presentation of the financial statements for the period ended March 31, 2021. These adjustments had \$nil impact on the net expense for the year and the net assets of the Organization in the comparative period.

10. COVID-19 pandemic

The outbreak of the Coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, the possibility of lower staff funding and overall budget cuts exists, however it is not possible to reliably estimate the length and severity of these developments nor the impact on the consolidated financial position and consolidated financial results of CFMWS in current and future periods.

Statement of operations - NPP

Year ended March 31

	2021	2020
	\$	\$
Revenue		
User fees for services <i>[note 7]</i>		
CANEX	3,288,895	3,300,080
SISIP	817,245	815,947
CFCF	350,000	350,000
Bases/wings/messes	647,334	639,960
Pension administration	165,000	165,000
	<u>5,268,474</u>	<u>5,270,987</u>
Contributions <i>[note 7]</i>		
CANEX	—	3,150,000
SISIP	16,846,230	17,437,660
CFCF	—	—
Other	5,398	46,350
	<u>16,851,628</u>	<u>20,634,010</u>
Deferral of contributions for capital assets	(2,217,197)	(2,065,223)
Amortization of deferred contributions for capital assets	816,768	830,662
	<u>20,719,673</u>	<u>24,670,436</u>
Expense		
Core NPP governance		
Corporate services	1,463,171	1,365,131
Accounting	5,107,946	5,061,112
Information management/information technology	6,072,342	5,897,845
Technology Investment Program	2,791,678	2,819,163
Human resources management services	4,030,937	3,855,854
Personal Support Program	218,317	210,700
	<u>19,684,391</u>	<u>19,209,805</u>
NPP programs		
Consolidated insurance program	678,110	945,290
CFOne membership	442,534	647,638
Community recreation	33,362	77,023
Sponsorship	386,000	452,457
National sports	39,989	136,990
Conseil International du Sport Militaire	55,581	46,602
	<u>1,635,576</u>	<u>2,306,000</u>

Statement of operations - NPP

Year ended March 31

	2021	2020
	\$	\$
Capitalization of capital assets	(2,217,197)	(2,065,223)
Amortization of capital assets	816,768	830,662
	<u>19,919,538</u>	<u>20,281,244</u>
Distributions		
CANEX/SISIP Morale and Welfare Grant <i>[note 7]</i>	1,974,927	4,386,186
SEA Grant	75,503	110,153
PSP Training Grant	—	172,500
	<u>2,050,430</u>	<u>4,668,839</u>
Net expense before the undernoted	<u>(1,250,295)</u>	<u>(279,647)</u>
Personnel <i>[note 5]</i>		
Entity cost recoveries	17,573,030	17,620,617
CFCF and SISIP contributions <i>[note 7]</i>	—	1,080,613
Expense	(16,322,735)	(18,701,230)
	<u>1,250,295</u>	<u>—</u>
Net revenue (expense) for the year	<u>—</u>	<u>(279,647)</u>

See accompanying notes

Statement of operations - Public

Year ended March 31

	2021	2020
	\$	\$
Revenue		
Cost recoveries from Department of Defence		
C108 - Military Family Services	34,868,602	35,170,674
C109 - Morale and Welfare	123,678,370	89,718,203
C109 - Morale and Welfare [unbilled]	—	643,873
Health services [health promotion]	6,897,240	7,042,431
OFA deployed operations	3,318,019	3,726,991
Other	5,200,572	3,133,174
	173,962,803	139,435,346
Other government departments		
Veterans Affairs Canada ["VAC"]	3,428,492	4,273,108
Other	314,657	294,195
	3,743,149	4,567,303
Deferral of contributions for capital assets	(4,710,406)	(2,543,020)
Amortization of deferred contributions for capital assets	1,505,064	1,354,266
	174,500,610	142,813,895
Expense		
Core NPP governance [C109]		
Corporate services	7,388,275	6,301,647
Accounting	10,171,118	8,200,686
Information management/information technology	6,240,669	5,840,539
Technology Investment Program	2,485,596	2,510,067
Human resources management services	5,063,861	4,826,996
CANEX management	2,870,261	2,716,245
Corporate costs	179,510	56,101
	34,399,290	30,452,281
CAF programs [C109]		
PSP management - HQ and field	9,090,367	9,051,326
CAF mess management	3,793,763	3,619,280
CAF community recreation management	2,481,212	2,470,817
CAF physical fitness and sports	35,133,491	34,723,397
SISIP financial counselling and education	3,683,811	3,081,683
Support to deployed operations	1,250,928	1,297,491
	55,433,572	54,243,994

Statement of operations - Public

Year ended March 31

	2021	2020
	\$	\$
Family programs		
Military Family Resource Centres [C108]	34,047,207	34,988,923
Military Family Resource Centres - Virtual [C108]	821,395	181,751
Military Family Services [C109]	5,325,925	5,665,800
	<u>40,194,527</u>	<u>40,836,474</u>
Other		
Pension solvency	17,727,290	—
COVID wage subsidy	10,792,293	—
	<u>28,519,583</u>	<u>—</u>
Other Department of Defence [health services, OFA and other]	15,415,831	13,902,597
Other government departments [VAC and other]	3,743,149	4,567,303
Capitalization of capital assets	(4,710,406)	(2,543,020)
Amortization of capital assets	1,505,064	1,354,266
	<u>174,500,610</u>	<u>142,813,895</u>
Net revenue (expense) before the undernoted	—	—
Personnel [note 5]		
Entity cost recoveries	35,560,405	17,006,794
Expense	(35,472,513)	(17,725,486)
	<u>87,892</u>	<u>(718,692)</u>
Net revenue (expense) for the year	<u>87,892</u>	<u>(718,692)</u>

See accompanying notes