

**Petawawa Military Family  
Resource Centre Incorporated**

**Financial Statements  
March 31, 2025**

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## Independent Auditor's Report

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**Raymond Chabot  
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To the Directors of  
Petawawa Military Family Resource Centre Incorporated

### Qualified opinion

We have audited the financial statements of Petawawa Military Family Resource Centre Incorporated (hereafter "the Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to 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, 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.

### Basis for qualified opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these contributions was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising, excess (deficiency) of revenues over expenses and cash flows from operating activities for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024 and net assets as at April 01, 2024 and 2023 and March 31, 2025 and 2024. Our opinion on the financial statements for the year ended March 31, 2024 was qualified accordingly because of the possible effects of this limitation in 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 the 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 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.

*Raymond Chabot Grant Thornton LLP*

Chartered Professional Accountants,  
Licensed Public Accountants

Ottawa, Canada  
September 17, 2025

# Petawawa Military Family Resource Centre Incorporated

## Operations

Year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
<b>Revenues</b>		
Contributions		
Directorate of Military Family Support	1,846,351	1,888,124
Garrison Petawawa	615,394	615,394
County of Renfrew	2,689,214	1,734,824
Employment service program, Serco Canada Inc	678,894	697,751
Donations and fundraising	34,465	29,719
United Way	5,000	3,076
Day care fees	1,045,666	977,856
Other Income	2,959	8,861
Interest income	119,910	117,663
	<u>7,037,853</u>	<u>6,073,268</u>
<b>Expenses</b>		
Salaries and employee benefits	5,435,632	4,914,751
Home day caregiver expenses	179,525	148,935
Professional development and travel	111,091	152,669
Program expenses	895,563	797,240
Office and supplies	75,610	53,101
Professional fees	42,241	56,324
Bank charges	19,489	23,986
Bad debts		14,446
Amortization of tangible capital assets	76,854	89,770
	<u>6,836,005</u>	<u>6,251,222</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>201,848</u>	<u>(177,954)</u>

The accompanying notes are an integral part of the financial statements.

# Petawawa Military Family Resource Centre Incorporated

## Changes in Net Assets

Year ended March 31, 2025

	<b>2025</b>			<b>2024</b>
	<u>Invested in tangible capital assets</u>	<u>Unrestricted</u>	<u>Capital and contingency reserve</u>	<u>Total</u>
	\$	\$	\$	\$
Balance beginning of year	<b>157,261</b>	<b>650,853</b>	<b>2,180,518</b>	<b>2,988,632</b>
Excess (deficiency) of revenues over expenses	<b>(76,854)</b>	<b>278,702</b>		<b>201,848</b>
Internal restriction (Note 7)		<b>(134,565)</b>	<b>134,565</b>	
Balance, end of year	<b>80,407</b>	<b>794,990</b>	<b>2,315,083</b>	<b>3,190,480</b>

The accompanying notes are an integral part of the financial statements.

# Petawawa Military Family Resource Centre Incorporated

## Cash Flows

Year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	201,848	(177,954)
Non-cash items		
Amortization of tangible capital assets	76,854	89,770
Changes in working capital items		
Trade, contributions and other receivables	216,143	123,169
Prepaid expenses	6,009	(39,496)
Trade payables and other operating liabilities	92,820	10,712
Deferred revenues	368,859	(392,001)
Cash flows from operating activities	962,533	(385,800)
<b>INVESTING ACTIVITIES</b>		
Acquisition of term deposits	(94,766)	(76,933)
Acquisition of tangible capital assets	(88,173)	(88,173)
Cash flows from investing activities	(94,766)	(165,106)
<b>Net increase (decrease) in cash</b>	867,767	(550,906)
Cash, beginning of year	2,321,002	2,871,908
Cash, end of year	3,188,769	2,321,002

The accompanying notes are an integral part of the financial statements.

# Petawawa Military Family Resource Centre Incorporated

## Financial Position

March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
<b>ASSETS</b>		
Current		
Cash	3,188,769	2,321,002
Trade, contributions and other receivables (Note 3)	148,826	364,969
Prepaid expenses	<u>34,966</u>	<u>40,975</u>
	3,372,561	2,726,946
Long-term		
Term deposit with the Canadian Forces Central Fund, bearing interest based on the average Bank of Montreal prime interest rate plus 0.25%	1,371,633	1,276,867
Tangible capital assets (Note 4)	<u>80,407</u>	<u>157,261</u>
	<u><u>4,824,601</u></u>	<u><u>4,161,074</u></u>
<b>LIABILITIES</b>		
Current		
Trade payables and other operating liabilities (Note 5)	460,897	368,077
Deferred contributions (Note 6)	<u>1,173,224</u>	<u>804,365</u>
	<u><u>1,634,121</u></u>	<u><u>1,172,442</u></u>
<b>NET ASSETS</b>		
Invested in tangible capital assets	80,407	157,261
Unrestricted	794,990	650,853
Internally restricted - Capital and contingency reserve (Note 7)	<u>2,315,083</u>	<u>2,180,518</u>
	<u><u>3,190,480</u></u>	<u><u>2,988,632</u></u>
	<u><u>4,824,601</u></u>	<u><u>4,161,074</u></u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



# Petawawa Military Family Resource Centre Incorporated

## Notes to Financial Statements

March 31, 2025

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

The Organization is incorporated without share capital under the Ontario Business Corporations Act as a not-for-profit organization. The Organization's principal activities include the provision of family support services for the military community. The Organization is a registered charity under the Income Tax Act and is therefore exempt from income taxes.

### **2 - SUMMARY OF ACCOUNTING POLICIES**

#### **Basis of presentation**

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

#### **Revenue recognition**

##### *Contributions*

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

##### *Day care fees*

Revenue from day care fees is recognized when persuasive evidence of an arrangement exists, services have been rendered, the price to the buyer is fixed or determinable and collection is reasonably assured.

##### *Net investment income*

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting. Interest income is recognized on a time apportionment basis.

#### **Financial assets and liabilities**

##### *Initial measurement*

Upon initial measurement, the Organization's financial assets and liabilities from transactions not concluded with related parties are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Organization's financial assets and liabilities from related party transactions are measured at cost.

# Petawawa Military Family Resource Centre Incorporated

## Notes to Financial Statements

March 31, 2025

### 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### *Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

#### **Tangible capital assets**

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

#### *Amortization*

Tangible capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	<u>Periods</u>
Furniture and equipment	5 years
Leasehold improvements	Lease term - 10 years
Computer Equipment	3 years

#### *Write-down*

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

#### **Net assets**

##### *Invested in capital assets*

The net assets invested in capital assets include amounts used for the purchase of capital assets net of accumulated amortization expense and financing costs for the year ended.

##### *Unrestricted net assets*

The unrestricted net assets is an operating reserve, which has been established for the general operation of the Organization.

# Petawawa Military Family Resource Centre Incorporated

## Notes to Financial Statements

March 31, 2025

### 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### *Internally restricted net assets - Capital and contingency reserve*

The internally restricted net assets reflect the amounts that have been formally set aside by the Organization to be used for specific purposes as approved by the Board of Directors.

### 3 - TRADE, CONTRIBUTIONS AND OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
	\$	\$
Trade accounts receivable	100,631	297,778
Accrued interest	47,553	59,165
Indirect taxes receivable	63,763	69,834
Contributions receivable		1,313
	<u>211,947</u>	<u>428,090</u>
Allowance for impairment	<u>63,121</u>	<u>63,121</u>
	<u>148,826</u>	<u>364,969</u>

### 4 - TANGIBLE CAPITAL ASSETS

	<u>2025</u>			<u>2024</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Net carrying amount</u>
	\$	\$	\$	\$
Leasehold improvements	206,481	190,836	15,645	17,486
Furniture and equipment	62,220	43,829	18,391	28,026
Computer equipment	243,286	196,915	46,371	111,749
	511,987	431,580	80,407	157,261

### 5 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2025</u>	<u>2024</u>
	\$	\$
Accounts payable and accrued liabilities	143,000	88,166
Salaries and employee benefits payable	317,897	279,911
	<u>460,897</u>	<u>368,077</u>

# Petawawa Military Family Resource Centre Incorporated

## Notes to Financial Statements

March 31, 2025

### 6 - DEFERRED CONTRIBUTIONS

	<b>2025</b>				<b>2024</b>
	<b>Garrison Funding for personal and family services</b>	<b>County of Renfrew Funding for daycare services</b>	<b>Directorate of Military Family Support Funding for program services</b>	<b>Daycare fees</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>Total \$</b>
Balance, beginning of year	200,000	600,000		4,365	804,365
Amount recognized in operations	(200,000)				(200,000)
Amount received relating to the following year		32,706	536,153		568,859
Balance, end of year		632,706	536,153	4,365	1,173,224

### 7 - CAPITAL AND CONTINGENCY RESERVE NET ASSETS

The Capital and contingency reserve net assets is an internally restricted reserve that was established by the Board of Directors of the Organization on June 17, 2015. These net assets are reserved for capital purchases and to ensure adequate funds are available to cover costs and outstanding payables should the Organization discontinue operations.

During the year, the Organization's Board of Directors restricted \$134,565 (\$Nil in 2024) from unrestricted net assets to the capital and contingency reserve net assets.

### 8 - RELATED PARTY TRANSACTIONS

During the year, the Organization collected day care fees of \$1,452 (\$2,489 for the year ended March 31, 2024) from members of the Board of Directors. These transactions were concluded in the normal course of operations and are measured at the exchange amount, excluding the resulting financial instruments.

### 9 - FINANCIAL RISK

#### Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are trade, contributions and other receivables (excluding indirect taxes receivable) since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

#### Market risk

The Organization's financial instruments expose it to market risk, in particular, interest rate risk resulting from its investing activities:

# **Petawawa Military Family Resource Centre Incorporated**

## **Notes to Financial Statements**

March 31, 2025

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### **9 - FINANCIAL RISK (Continued)**

#### *Interest rate risk*

The Organization is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

The term deposits bear interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

#### **Liquidity risk**

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.

### **10 - COMMITMENTS**

The Organization has entered into long-term lease agreements for the rental of buildings which call for minimum lease payments of \$81,600.

These leases expire on various dates between September 2025 and December 2027.

Minimum lease payments for the next three years are \$35,400 in 2026, \$26,400 in 2027 and \$19,800 in 2028.