

Financial Statements of

**HEALTH WORKFORCE  
CANADA**

And Independent Auditor's Report thereon

For the period from incorporation on October 12, 2023  
to March 31, 2024



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Health Workforce Canada

### ***Opinion***

We have audited the financial statements of Health Workforce Canada (the Entity), which comprise:

- the statement of operations and changes in net assets for the period from incorporation on October 12, 2023 to March 31, 2024
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations for the period from October 12, 2023 to March 31, 2024 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 auditor’s report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

August 13, 2024

# HEALTH WORKFORCE CANADA

## Statement of Operations and Changes in Net Assets

For the period from incorporation on October 12, 2023 to March 31, 2024

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Revenue:		
Grant funding (note 3)	\$	703,068
Expenses:		
External and professional services		627,137
Computer and telecommunications		61,055
Travel		13,286
Staffing agency		1,590
Total expenses		703,068
Excess of revenue over expenses, being net assets, end of period	\$	–

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See accompanying notes to financial statements.

On behalf of the Board:



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Director

# HEALTH WORKFORCE CANADA

Notes to Financial Statements

For the period from incorporation on October 12, 2023 to March 31, 2024

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## 1. Description of the organization:

Health Workforce Canada (“HWC”) is a national not-for-profit organization incorporated under the *Canada Not-for-Profit Corporations Act* on October 12, 2023.

HWC’s mandate is to advance approaches for current and future health workforce challenges by convening and collaborating with health sector partners to:

- a. identify the sector’s priority needs in support of perspectives and solutions, working in partnership with the Canadian Institute of Health Information (“CIHI”) (Note 3) and others to facilitate access to data and information while respecting Indigenous data sovereignty;
- b. provide insights and guidance to inform effective policy for supply and distribution of the workforce, health equity-based planning, health and mental health of the workforce, and innovations in retention and recruitment; and
- c. gather and share information on practical solutions and innovative practices to address key gaps and implementation challenges.

## 2. Summary of significant accounting policy:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook – Accounting* and include the following significant accounting policy:

Revenue recognition:

HWC follows the deferral method of accounting for contributions for not-for-profit organizations.

Funding contributions are recognized as revenue in the same period as the related expenses are incurred. Amounts approved but not received at the end of the period are recorded as accounts receivable. Excess contributions that require repayment in accordance with the agreement are recorded as accrued liabilities.

Contributions provided for a specific purpose and those restricted by a contractual arrangement are recorded as deferred contributions, and subsequently recognized as revenue in the same period as the related expenses are incurred.

## 3. Related party transactions:

During the period, CIHI served as HWC’s funding intermediary in virtue of the Health Canada approved funding for CIHI amounting to \$2.5 million for pan-Canadian health human resources initiatives, including funding to set up a new entity, which is HWC. HWC was created as a separate entity to bring together health workforce and health care experts to strengthen health workforce data and planning.

# HEALTH WORKFORCE CANADA

Notes to Financial Statements (continued)

For the period from incorporation on October 12, 2023 to March 31, 2024

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### 3. Related party transactions (continued):

HWC's Board consists of 25% voting representation from CIHI. Therefore, CIHI is a related party.

Moreover, CIHI acts as a funding intermediary for Health Canada to support HWC operations. Given the above, CIHI has a significant influence over HWC.

For the period ending March 31, 2024, expenses for external and professional services, travel, and computer equipment were processed by CIHI on behalf of HWC and netted against the related Health Canada funding in the amount of \$605,288. Moreover, CIHI employees were seconded to HWC to provide operational support at an expense amounting to \$97,780. At the end of the period, the remaining funding related to this initiative is to be carried forward in CIHI's books and the amounts due to/from CIHI at the end of the period are \$Nil.

These transactions occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

### 4. Subsequent events:

On March 20, 2024, HWC and Health Canada's Funding Agreement came into effect and HWC is to receive a contribution amounting to \$900,000 for the fiscal period 2023-2024. The contribution was received by HWC on April 4, 2024 at a reduced amount of \$576,000 after discussions with Health Canada. The carry forward amount of the contribution to the subsequent period as agreed with Health Canada is \$180,000, the remaining portion of \$396,000 is to be deducted from HWC's future funding.

On May 17, 2024, HWC purchased a short-term non-redeemable guaranteed investment certificate amounting to \$30,000, which has a maturity date of May 17, 2025 and bears an interest rate of 5.20%.

On July 17, 2024, HWC purchased a cashable prime linked guaranteed investment certificate amounting to \$2,000,000, which has a maturity date of July 17, 2025, and bears an interest rate of 4.95%.

### 5. Other information:

The financial statements for the period from incorporation on October 12, 2023 to March 31, 2024 only includes a Statement of Operations and Changes in Net Assets as this reflects all transactions for the period.

HWC has no assets nor liabilities as at March 31, 2024 therefore, a Statement of Financial Position and a Statement of Cash Flow are not necessary.