

Financial Statements of

**HEALTH WORKFORCE
CANADA**

And Independent Auditor's Report thereon

For the year ended March 31, 2026



KPMG LLP

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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 financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- 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, 2026, 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 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.



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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.



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- 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 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' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 18, 2026

HEALTH WORKFORCE CANADA

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	\$ 91,175	\$ 416,071
Short term investment (note 3)	380,000	330,000
Accounts receivable	149,145	1,129
Prepaid expenses	17,947	29,963
	638,267	777,163
Capital assets (note 4)	21,907	32,861
	\$ 660,174	\$ 810,024

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 402,358	\$ 491,929
Corporate credit cards	11,241	9,500
Government remittances (note 5)	—	6,822
Deferred contributions (note 6)	224,668	268,912
	638,267	777,163
Deferred capital contributions (note 6)	21,907	32,861
Net assets:		
Invested in tangible capital assets	—	—
Unrestricted	—	—
	\$ 660,174	\$ 810,024

See accompanying notes to financial statements.

On behalf of the Board:

Glenda Yeates

Signed by:

Glenda Yeates
Director

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Norman Rees

Norman Rees
Director

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HEALTH WORKFORCE CANADA

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Contributions revenue (note 6)	\$ 5,544,244	\$ 4,852,353
GST/HST rebate	204,700	—
Conference revenue	178,857	119,817
Interest revenue	17,890	29,857
Amortization of deferred capital contribution	10,954	—
	5,956,645	5,002,027
Expenses:		
Salaries and benefits	2,660,509	692,950
Contracted personnel	1,674,436	2,612,394
Professional services	655,433	1,008,520
Travel and accommodation	300,357	160,650
Material and supplies	147,284	72,393
Equipment	24,832	29,146
Rent / Utilities	2,596	1,917
Amortization of intangible assets	10,954	—
Conferences / Workshops / Training	158,512	85,851
Other expenses	321,732	338,206
	5,956,645	5,002,027
Excess of revenue over expenses	\$ —	\$ —

See accompanying notes to financial statements.

HEALTH WORKFORCE CANADA

Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Invested in capital assets		Unrestricted		2026 Total	2025 Total
Net assets, beginning of year	\$	—	\$	—	\$ —	\$ —
Excess of revenue over expenses		—		—	—	—
Capital asset additions		—		—	—	32,861
Deferred capital contributions received		—		—	—	(32,861)
Net assets, end of year	\$	—	\$	—	\$ —	\$ —

See accompanying notes to financial statements.

HEALTH WORKFORCE CANADA

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ —	\$ —
Items not involving cash:		
Amortization of capital assets	10,954	—
Amortization of deferred contributions related to capital assets	(10,954)	—
Change in non-cash operating working capital:		
Accounts receivable	(148,016)	(1,129)
Prepaid expenses	12,016	(29,963)
Accounts payable and accrued liabilities	(89,571)	491,929
Corporate credit cards	1,741	9,500
Government remittances	(6,822)	6,822
Deferred revenue	(44,244)	268,912
	(274,896)	746,071
Investing activities:		
Purchase of capital assets	—	(32,861)
Net increase in investments	(50,000)	(330,000)
Deferred capital contributions received	—	32,861
	(50,000)	(330,000)
Increase (decrease) in cash and cash equivalents	(324,896)	416,071
Cash and cash equivalents, beginning of year	416,071	—
Cash and cash equivalents, end of year	\$ 91,175	\$ 416,071

See accompanying notes to financial statements.

HEALTH WORKFORCE CANADA

Notes to Financial Statements

Year ended March 31, 2026

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 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:

These 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*.

Significant accounting policies are as follows:

(a) 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.

Contributions provided for the purchase of capital assets are recorded as deferred contributions — capital assets, and subsequently recognized as revenue over the same terms and on the same basis as the amortization of the related capital assets.

Funding contributions received where a funding intermediary agreement has been entered into with another organization are netted against the related expenses.

Revenue from conferences is recognized as revenue in the year in which the conference takes place.

HEALTH WORKFORCE CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Summary of significant accounting policy (continued):

(a) Revenue recognition (continued):

Revenue from sponsorships is recognized as revenue when received.
Interest revenue is recorded as period income on the basis of the accrual method.

(b) Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives, as follows:

Asset	Useful life
<i>Intangible assets</i>	
Computer software	3 years

(c) Expenses

Expenses are recognized in the year incurred and are recorded in the account to which they are directly related.

(d) Financial instruments

All financial instruments are initially recorded on the statement of financial position at fair value. Subsequent to initial recognition, financial instruments are measured at amortized cost, except for investments that are managed and evaluated on a fair value basis. HWC has elected to carry its investments at fair value. These include equity instruments that trade in an active market and any freestanding derivatives quoted in an active market.

Unrealized changes in the fair value of financial instruments carried at fair value are recorded in the statement of remeasurement gains and losses. When realized, these gains or losses are transferred to the statement of operations.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs associated with financial instruments measured at amortized cost are added to the carrying value and amortized using the effective interest method.

Financial assets are reviewed annually for indicators of impairment. Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations.

HEALTH WORKFORCE CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2026

2. Summary of significant accounting policy (continued):

(d) Financial instruments (continued)

Upon disposal, any accumulated remeasurement gain or loss associated with the financial instrument is removed from accumulated remeasurement gains and losses and recognized in the statement of operations.

Fair value measurements are categorized within a three-level hierarchy based on the nature of the inputs used in the valuation techniques:

- Level 1: Fair value measurements based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Fair value measurements based on inputs for the asset or liability that are not based on observable market data.

(e) Use of estimates

The preparation of financial statements 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, as well as the reported amounts of revenue and expenses during the year. Actual results could differ from management's estimates. These estimates are reviewed annually; as adjustments become necessary, they are recognized in the financial statements in the period they become known.

3. Short-term investment:

During the year, HWC purchased two guaranteed investment certificates which mature May 17, 2026 and July 10, 2026, and bear interest at 2.85% and 2.95%, respectively (2025 – 5.20% and 4.95%).

HEALTH WORKFORCE CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2026

4. Capital assets:

	2026		2025	
	Cost	Accumulated amortization	Net book value	Net book value
Computer software	\$ 32,861	\$ 10,954	\$ 21,907	\$ 32,861

Cost and accumulated amortization of capital assets at March 31, 2025 amounted to \$32,861 and \$Nil, respectively.

Capital assets acquired in the prior year were amortized on a straight-line basis over three years commencing April 2025.

5. Government remittances:

The government remittance payable at the end of the year is \$Nil (2025: \$6,822).

6. Deferred contributions:

Since 2024, Health Canada has been funding HWC to fulfill its mandate to advance approaches for current and future health workforce challenges by convening and collaborating with health sector partners. Health Canada's funding contribution is received annually based on the funding agreement and resource requirements.

Deferred contributions represent unspent Health Canada contributions. The changes for the year in the deferred contributions are as follows:

	2026	2025
Balance, beginning of year	\$ 268,912	\$ –
Contribution received from Health Canada	5,500,000	5,330,000
Amount recognized as funding revenue	(5,544,244)	(4,852,353)
Contribution repayable to Health Canada	–	(175,874)
Amount transferred to deferred capital contributions	–	(32,861)
Balance, end of year	\$ 224,668	\$ 268,912

HEALTH WORKFORCE CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2026

7. Financial risks and concentration of risk:

HWC is subject to the following financial risks due to its financial instruments.

(a) Liquidity risk:

Liquidity risk is the risk that HWC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. HWC manages its liquidity risk by monitoring its operating requirements. HWC prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. HWC is exposed to credit risk with respect to the accounts receivable. HWC assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

(c) Market risk:

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

(i) Currency risk:

Currency risk refers to the extent to which instruments denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to other currencies. HWC has no holdings of US denominated cash and is not subject to currency risk.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. HWC is subject to increased interest rate risk due to the fluctuations in interest rates in fiscal year 2026 on its investments as disclosed in Note 3.

(iii) Other price risk:

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

HEALTH WORKFORCE CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2026

7. Financial risks and concentration of risk (continued):

During the year, these risks have increased due to falling interest rates, inflation and market fluctuations, global supply chain volatility, and evolving trade policies (including tariff-related costs). Management believes that these financial risks are appropriately mitigated and do not pose significant risk to HWC's operations. There have been no significant changes in the policies, procedures, and methods used to manage these risks in the year.

8. Subsequent events:

Subsequent to year-end, effective April 1, 2026, the Organization enrolled its employees in the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit plan. The financial impact of this change will be recognized in future periods.

9. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.