

Healthcare Excellence Canada/ Excellence en santé Canada

Summary financial statements
March 31, 2021



Independent auditor's report

To the Board of Directors of
Healthcare Excellence Canada/Excellence en santé Canada

Opinion

The summary financial statements of **Healthcare Excellence Canada/Excellence en santé Canada** [the "Organization"], which comprise the summary statement of financial position as at March 31, 2021, the summary statement of operations and changes in net assets for the year then ended, and related notes, are derived from the complete audited financial statements of the Organization for the year ended March 31, 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in note 2.

Summary financial statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 25, 2021. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date our report on the audited financial statements.

Other matter – Change in auditor

The summary financial statements of the former Canadian Patient Safety Institute for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on June 26, 2020.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the complete audited financial statements in accordance with the criteria described in note 2.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, *Engagements to Report on Summary Financial Statements*.

Ernst & Young LLP

Ottawa, Canada
June 25, 2021

Chartered Professional Accountants
Licensed Public Accountants



**Healthcare Excellence Canada/
Excellence en santé Canada**

Summary statement of financial position

[In thousands of dollars]

As at March 31

	2021	2020
	\$	\$
Assets		
Cash and cash equivalents	3,965	2,950
Accounts receivable	792	546
Prepaid expenses	326	389
Partner funding deposits	950	858
Short-term investments	1,500	2,000
Tangible capital and intangible assets	1,403	1,899
Employee future benefits	2,628	—
Investments — reserve	12,121	11,865
	23,685	20,507
Liabilities and net assets		
Liabilities		
Accounts payable and accrued liabilities	1,656	2,119
Deferred revenue	215	351
Obligations under capital lease	3	11
Employee future benefits	—	340
Deferred lease inducement	266	288
Deferred capital contributions for leasehold improvements	338	388
Deferred contributions		
Restricted — operations	9,086	5,145
Restricted — reserve	12,121	11,865
Total liabilities	23,685	20,507
Net assets	—	—
	23,685	20,507

See accompanying notes

Approved by the Board:

R. Lynn Stevenson
Co-Chair, Board of Directors

Ronald Guse
Co-Chair, Board of Directors

Vincent Dumez
Chair, Finance, Investment & Audit Committee

Jennifer Zelmer
President & CEO

Nancy Quattrocchi
Vice-President, Corporate Services

**Healthcare Excellence Canada/
Excellence en santé Canada**

Summary statement of operations and changes in net assets

[In thousands of dollars]

Year ended March 31

	2021	2020
	\$	\$
Revenue		
Recognition of deferred contributions relating to operations of the current year	27,414	26,862
Recognition of deferred capital contributions for leasehold improvements	50	50
Program support revenue	2,459	856
Other revenue	67	50
	29,990	27,818
Expenses		
Alliances and networks	863	1,109
Communications and stakeholder relations	1,956	1,622
Corporate Strategy, Evaluation and Services	1,184	2,324
Drive rapid adoption of proven innovations	9,164	8,044
Enable improvement-oriented systems	2,152	3,275
Find and promote innovators and innovations	1,003	512
Making patient safety a priority	901	1,113
Policy impact	1,092	1,229
Safety and improvement projects	3,316	3,703
Shape the future	9,922	3,311
Investment management fees	—	37
Employee future benefits	—	(49)
	31,553	26,230
Excess (deficit) of revenue over expenses for the year	(1,563)	1,588
Net assets, beginning of year	—	—
Excess (deficit) of revenue over expenses for the year	(1,563)	1,588
Gain (loss) on re-measurement and other items related to employee future benefits	1,563	(1,588)
Net assets, end of year	—	—

See accompanying notes

Notes to summary financial statements

March 31, 2021

1. Description of the organization

In December 2019, both the Boards of Directors of the former Canadian Foundation for Healthcare Improvement ["CFHI"] and the former Canadian Patient Safety Institute ["CPSI"] agreed on a path to amalgamation that would result in a single organization focused on improving quality and safety. Healthcare Excellence Canada/Excellence en santé Canada ["HEC"] was created on October 1, 2020, as a result of the amalgamation to create a new pan-Canadian organization with an expanded capacity and uncompromising focus on raising the bar for quality and patient safety in healthcare. This brought together the work of the former CFHI, which supported partners in accelerating the identification, spread and scale of proven innovations, converting evidence and innovative practices into actionable policies, programs, tools and leadership development, with the work of the former CPSI, which addressed patient safety issues by strengthening system coordination, promoting best practices and providing advice to governments and stakeholders, thereby placing patient safety in the broader context of quality improvement in healthcare. HEC is a registered charity incorporated under the *Canada Not-for-Profit Corporations Act*, which works with partners to share proven innovations and best practices in patient safety and healthcare quality. HEC works together with patients and other partners to deliver lasting improvements in patient safety and experience, work life of healthcare providers, value for money and the health of everyone in Canada.

HEC is a Canadian registered charity and, accordingly, is exempt from income taxes under paragraph 149(1)(l) of the *Income Tax Act* (Canada).

In the fiscal year ended March 31, 2021, HEC's Health Canada Contribution Agreement for the period ended March 31, 2021 was extended to December 31, 2021, and amended to include an additional \$6.7 million in funding for the *LTC+ Acting on Pandemic Learning Together* program in response to the devastating effects of the pandemic on long-term care and retirement homes. Of this additional funding, \$4.65 million was received in the current fiscal year.

On March 31, 2021, HEC signed a Contribution Agreement with Health Canada, providing \$124.7 million for its operations until March 2026.

2. Summary of financial statements

The summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at and for the year ended March 31, 2021.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in the summary financial statements so that they are consistent, in all material respects, with or represent a fair summary of the audited financial statements.

Notes to summary financial statements

March 31, 2021

These summary financial statements have been prepared by management using the following criteria:

- [a] whether information in the summary financial statements is in agreement with the related information in the complete audited financial statements; and
- [b] whether, in all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements, including the notes thereto.

Management determined that the statement of cash flows does not provide additional useful information and as such has not included it as part of the summary financial statements.

The complete audited financial statements of HEC are available upon request by contacting HEC.