

**Canadian Foundation for Healthcare Improvement/  
Fondation canadienne pour l'amélioration des  
services de santé**

**Summary financial statements  
March 31, 2020**



# Independent auditor's report

To the Directors of the  
**Canadian Foundation for Healthcare Improvement/  
Fondation canadienne pour l'amélioration des services de santé**

## Opinion

The summary financial statements of the **Canadian Foundation for Healthcare Improvement** [the "Organization"], which comprise the summary statement of financial position as at March 31, 2020, the summary statement of operations 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, 2020.

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 24, 2020. 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.

## 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 (CAS) 810, Engagements to Report on Summary Financial Statements.

Ottawa, Canada  
June 24, 2020

*Ernst + Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants



**Canadian Foundation for Healthcare Improvement/  
Fondation canadienne pour l'amélioration des services de santé**

**Summary statement of financial position**

[In thousands of dollars]

As at March 31

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Assets</b>		
Cash	1,486	328
Accounts receivable	367	302
Prepaid expenses	223	154
Partner funding deposits	858	1,185
Short-term investments	2,000	2,500
Tangible capital and intangible assets	1,800	2,303
Employee future benefits	—	1,199
Investments – reserve	11,865	11,561
	<b>18,599</b>	<b>19,532</b>
<b>Liabilities and deferred contributions</b>		
Accounts payable and accrued liabilities	1,631	1,422
Deferred revenue	172	88
Obligations under capital lease	11	24
Deferred lease inducement	269	250
Deferred capital contributions	388	437
Employee future benefits	340	—
Deferred contributions		
Restricted – Operations	3,923	5,750
Restricted – Reserve	11,865	11,561
	<b>18,599</b>	<b>19,532</b>

*See accompanying notes*

**Canadian Foundation for Healthcare Improvement/  
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**Summary statement of operations**

[In thousands of dollars]

Year ended March 31

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Recognition of deferred contributions relating to operations of the current year	<b>16,787</b>	16,759
Program support revenue	<b>435</b>	376
Other revenue	<b>1</b>	1
Recognition of deferred contributions relating to leasehold improvements	<b>50</b>	49
Recognition of deferred contributions relating to tangible capital and intangible assets	<b>587</b>	627
	<b>17,860</b>	17,812
<b>Expenses</b>		
Find and promote innovators and innovations	<b>512</b>	665
Drive rapid adoption of proven innovations	<b>8,044</b>	7,190
Enable improvement-oriented systems	<b>3,275</b>	5,129
Shape the future	<b>3,311</b>	928
Communications and stakeholder relations	<b>1,089</b>	1,709
Corporate strategy, evaluation and services	<b>1,641</b>	2,187
Investment management fees	<b>37</b>	41
Employee future benefits	<b>(49)</b>	(37)
	<b>17,860</b>	17,812
Excess of revenue over expenses	<b>—</b>	—

*See accompanying notes*

**Canadian Foundation for Healthcare Improvement/  
Fondation canadienne pour l'amélioration des services de santé**

**Notes to financial statements**

March 31, 2020

**1. Description of the organization**

The Canadian Foundation for Healthcare Improvement ["CFHI"] supports partners to accelerate the identification, spread and scale of proven innovations. We work shoulder-to-shoulder with governments, policy-makers, and health system leaders to improve health and care for everyone in Canada by supporting healthcare organizations to convert evidence and innovative practices into actionable policies, programs, tools and leadership development. CFHI changed its name from the Canadian Health Services Research Foundation ["CHSRF"] effective April 5, 2012.

CFHI is a registered charity and accordingly, is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act (Canada). The organization became operational in fiscal 1997 and is incorporated under the Canada Corporations Act. Effective June 17, 2014, CFHI was continued under the Canada Not-for-Profit Corporations Act. Under the Federal Budget 1996, the Government authorized Health Canada to pay \$55 million to CFHI (then CHSRF) over a five-year period. As part of the same agreement, the Medical Research Council agreed to contribute \$10 million and the Social Sciences and Humanities Research Council of Canada agreed to contribute \$1.5 million over the same five-year period. In 1999, the Federal Government granted \$35 million to CFHI for participation in the Canadian Institutes of Health Research (this partnership led to the development and implementation of the Capacity for Applied and Developmental Research and Evaluation ["CADRE"] program), and another \$25 million to support a ten-year nursing research fund. In 2003, the Federal Government provided \$25 million for the implementation of the Executive Training for Research Application ["EXTRA"] program over a thirteen-year period.

In 2009, CFHI entered into a Comprehensive Funding Agreement with Health Canada. This agreement superseded the previous agreements. Under this agreement, CFHI was directed to hold all investments in fixed income securities within a single investment portfolio. The agreement enabled CFHI to report their operations under a single program.

On March 16, 2016, CFHI signed a Contribution Agreement with Health Canada, providing \$14 million of funding to CFHI to continue its operations until March 2017. On November 10, 2016, CFHI signed an amendment to the Contribution Agreement providing an additional \$39 million of funding to CFHI for eligible expenditures up to March 31, 2019. On March 22, 2017, the government announced, as part of the 2017 budget statement that CFHI was to receive funding of \$17 million per year beginning in 2019 and \$17 million in ongoing funding in each subsequent year. On March 31, 2019, Health Canada approved the carryover of \$1.4 million in unspent 2018-19 funding, recorded in Deferred contributions – Restricted Operations, to 2019-20. On December 18, 2018, CFHI signed an amendment to the Contribution Agreement providing an additional \$34 million of funding for eligible expenditures up to March 31, 2021, bringing the total funding under this agreement to \$87 million. CFHI holds the unused deferred contributions from agreements prior to March 2016 in reserve.

In December 2019, both the Boards of the Canadian Foundation for Healthcare Improvement ["CFHI"] and Canadian Patient Safety Institute ["CPSI"] agreed on a path to amalgamation that would result in a single organization focused on improving quality and safety. In March 2020, both Boards agreed that the rationale for the amalgamation remained strong and that the organizations should continue along the path to amalgamation. The two organizations have completed respective due diligence work and are proceeding on the path to amalgamation. At the time of reporting, the exact date of amalgamation is not yet known.

**Canadian Foundation for Healthcare Improvement/  
Fondation canadienne pour l'amélioration des services de santé**

**Notes to financial statements**

March 31, 2020

**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, 2020.

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.

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 statements of deferred contributions and cash flows do not provide additional useful information and as such has not included them as part of the summary financial statements.

The complete audited financial statements of the Canadian Foundation for Healthcare Improvement/Fondation canadienne pour l'amélioration des services de santé are available upon request by contacting the Canadian Foundation for Healthcare Improvement/Fondation canadienne pour l'amélioration des services de santé.