

WE  
INFORM

Canadians  
about health care  
renewal.



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WE REACH NEW HEIGHTS  
using innovative and interactive  
techniques.

WE BROADEN  
Canadians' understanding  
by presenting  
complex issues in clear ways.

WE ENGAGE PEOPLE  
in conversations about  
the health care issues that matter  
most to Canadians.



ENGAGE  
REACH  
SHARE  
PARTNER  
REFRESH  
EXPAND  
ANSWER  
AND  
LAUNCH



### WE PARTNERED

with TVOntario to air seven of our mini-documentaries in prime time, each featuring a positive example of health care renewal in Canada. Some videos became YouTube favourites.

### WE REACHED OUT

to the public with a new poll at [www.takingthepulse.ca](http://www.takingthepulse.ca), asking Canadians how health care was changing in their communities.

### WE EXPANDED

the poll to the social action site [www.getinvolved.ca](http://www.getinvolved.ca), and then promoted it in select magazines and major dailies across Canada, plus national and online newspapers.

### WE SHARED

a health care renewal success story in a new documentary about the Southside Health and Wellness Centre in rural British Columbia. The video won a second place Hygeia award for multimedia production in an annual competition sponsored by the Health Care Public Relations Association of Canada.

### WE MET

as a Council in Toronto, Ottawa and Sydney, Nova Scotia. Distinguished guests included Assembly of First Nations National Chief Phil Fontaine, who identified poverty as the root of First Nations health issues.

### WE PARTICIPATED

in the 2008 *Commonwealth Fund International Health Policy Survey of Sicker Adults* along with the Ontario Health Quality Council and the Commissaire à la Santé du Québec. Our combined funding enabled us to ask additional questions relevant to Canada as well as to expand the Canadian sample size to enhance the reliability of the Canadian survey data.

### WE REFRESHED

our e-newsletter to generate news, not just report it. We opened with the first in a series on access to primary health care for Aboriginal peoples entitled, *First Nations: Access to Primary Health Care*.

### WE ANSWERED

the questions on everyone's mind when it came to the National Pharmaceuticals Strategy.

### WE PRESENTED

to national organizations across Canada and we were interviewed extensively, making this our best year yet for media mentions.

### WE LAUNCHED

the first online national dialogue of its kind on value for money in Canadian health care, all in support of our paper, *Value for Money: Making Canadian Health Care Stronger*.



LAST YEAR,  
WE COMMITTED  
TO BROADENING OUR  
COMMUNICATIONS REACH  
TO INFORM  
CANADIANS  
ABOUT PROGRESS  
IN RENEWING  
OUR HEALTH CARE SYSTEM.

THIS YEAR,  
WE FOLLOWED THROUGH.





Jeanne Besner, RN, PhD  
Chair



John G. Abbott  
CEO

We rolled out three of our most successful and accessible reports to date and took them directly to the Canadian public, using innovative and interactive techniques. We broadened their appeal by presenting complex issues in understandable ways – we used plain language editors and citizen readers – and by using vibrant visuals. This was all part of our quest to produce high-quality products that are interesting enough to read on the bus.

Our first release of the year, *Rekindling Reform: Health Care Renewal in Canada, 2003–2008*, was a retrospective on the progress made during the first five years of the 2003 *Accord on Health Care Renewal* and the 2004 *10-Year Plan to Strengthen Health Care*.

Having taken stock, we set our sights on the future.

Our next report, *The National Pharmaceuticals Strategy: A Prescription Unfilled*, was launched in tandem with an online message board to receive comments from the public, stakeholders, and others.

We expanded the online approach with our third release, *Value for Money: Making Canadian Health Care Stronger*, our most ambitious paper to date. In order to provide readers with a cyberspace destination in which to share their thoughts, we

simultaneously launched the dedicated website [www.CanadaValuesHealth.ca](http://www.CanadaValuesHealth.ca). In the process, the first online dialogue of its kind on value for money in the Canadian health care system began.

Going forward, we will continue to reach out to the public in dynamic ways, within the parameters of our strategic directions. We will continue to:

- Deepen public understanding of the features of a sustainable and high-performing health care system;
- Support the health care community in its pursuit of high-potential opportunities to achieve a sustainable and high-performing health care system; and
- Monitor and report on the successes and challenges in achieving a sustainable and high-performing health care system.

The Health Council of Canada would like to thank our stakeholders, our members, and the public for their support and endorsement of our work in 2008–2009.

Jeanne Besner, RN, PhD  
Chair

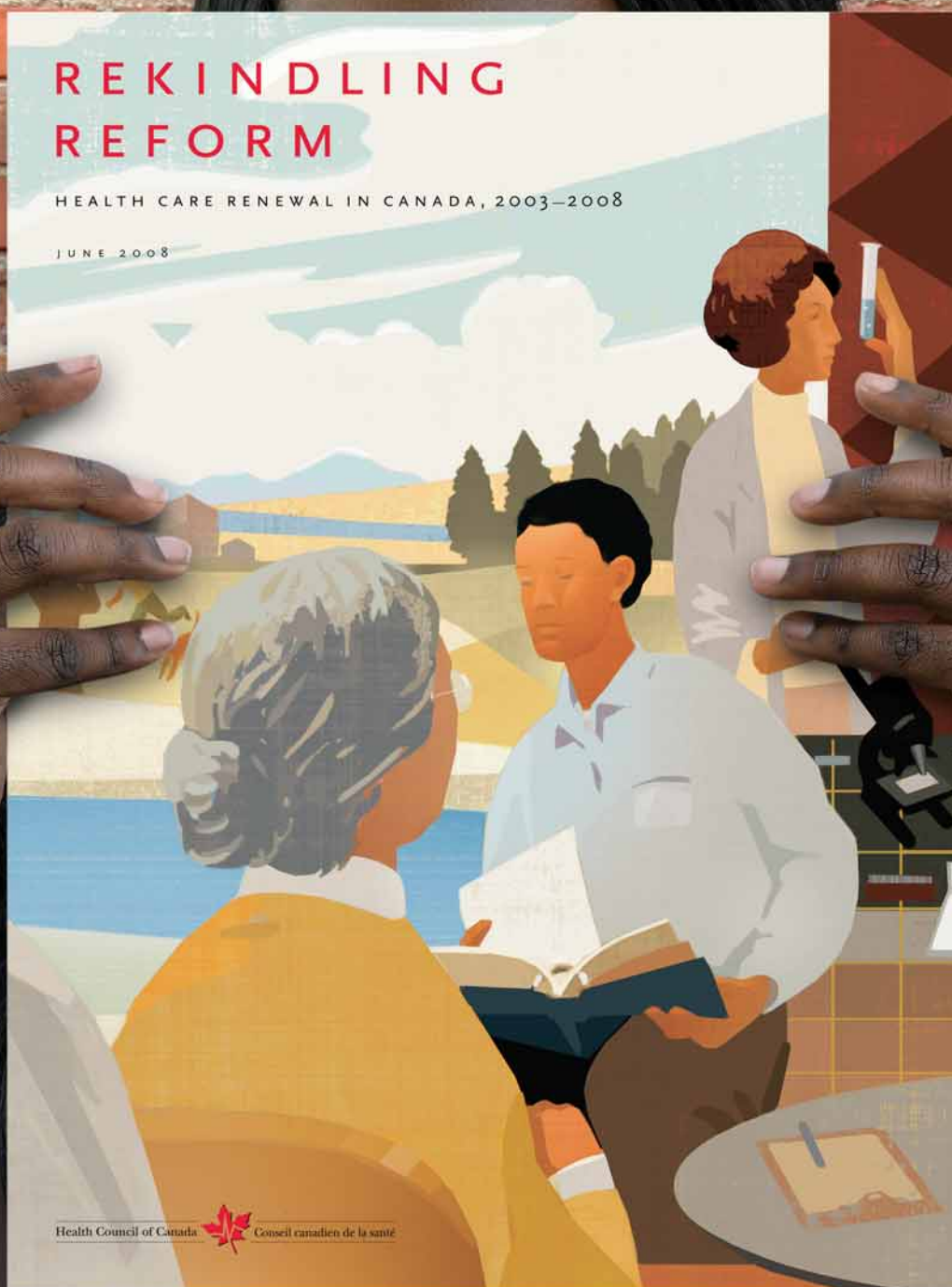
John G. Abbott  
CEO



# REKINDLING REFORM

HEALTH CARE RENEWAL IN CANADA, 2003–2008

JUNE 2008



Health Council of Canada



Conseil canadien de la santé



A person with brown hair, wearing a red button-down shirt, is holding a large white rectangular sign in front of their face. The sign contains four statistics. The background is a bright blue sky with scattered white clouds. The person's hands are visible at the edges of the sign, and their head is partially visible above the top edge.

DOWNLOADS

2,036

PRINT MEDIA CIRCULATION

1,832,751

MEDIA STORIES

66

UNIQUE WEBSITE VISITS

7,302





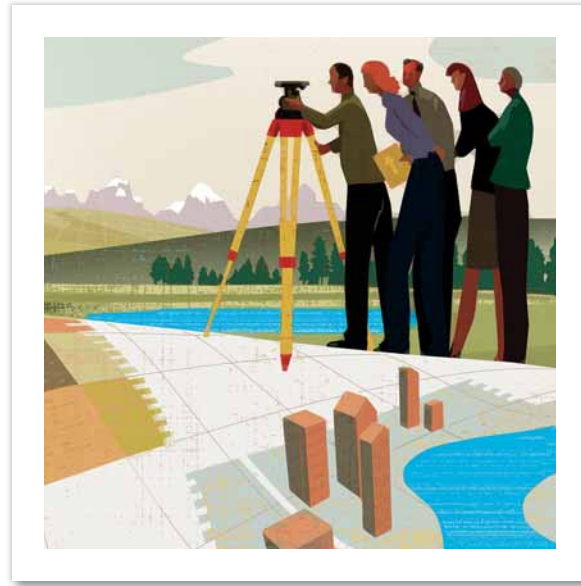
ENSURING THAT  
**ALL CANADIANS**  
ARE INFORMED

ABOUT THE HEALTH CARE SYSTEM IS INTEGRAL  
TO THE EFFICACY OF THE  
HEALTH CARE SYSTEM AS A WHOLE.”

Rahim Jaffer, Former MP, Edmonton-Strathcona



REKINDLING REFORM:  
HEALTH CARE RENEWAL IN CANADA, 2003–2008



In June 2008, we released *Rekindling Reform: Health Care Renewal in Canada, 2003–2008*. In this review, we looked at the first five years of progress under the Accords. Despite a nationwide commitment to build real and lasting change and the infusion of billions of dollars brought about by the 2003 *Accord on Health Care Renewal*, progress fell short of what could, and should, have been achieved. With five years remaining under the *10-Year Plan to Strengthen Health Care*, we urged governments to strengthen the capacity of the public system to deliver timely, high quality care.

“I commend  
your endeavour to follow the progress of the health  
care system over the last five years.”

Rahim Jaffer, Former MP, Edmonton-Strathcona



# How is Health Care Changing in Canada?

Find out – [www.healthcouncilcanada.ca](http://www.healthcouncilcanada.ca)

Speak out – [www.takingthepulse.ca](http://www.takingthepulse.ca)



Health Council of Canada



Conseil canadien de la santé





STORIES SHARED  
ON TAKINGTHEPULSE.CA

700

INCREASE IN WEBSITE  
VISITS VS. SAME TIME PERIOD  
IN 2007/2008

250%

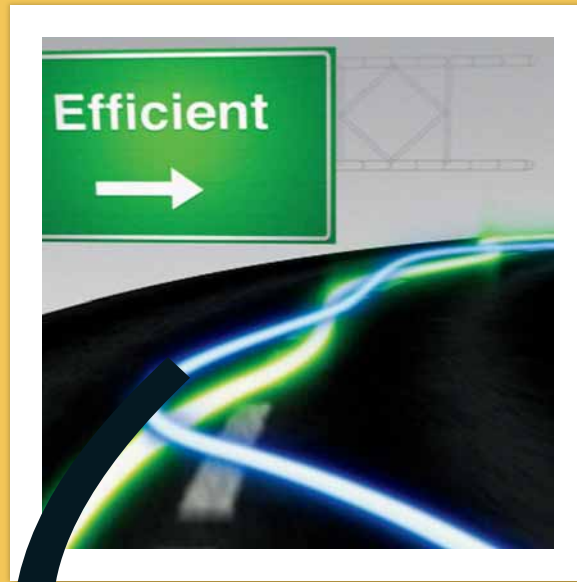
HEALTH COUNCIL VIDEO VIEWS

5,247

CANADIANS REACHED BY  
TVONTARIO INITIATIVE

2,706,000





SASKATCHEWAN  
**SUPPORTS**  
THE GOALS AND  
OBJECTIVES OF THE COMMITMENTS MADE BY  
FIRST MINISTERS IN THE 2003 ACCORD.”

Premier Brad Wall, Saskatchewan





After releasing *Rekindling Reform*, we went to work building momentum and a foundation for our future work. We started with our National Awareness Building Initiative—a multi-pronged approach in which we engaged Canadians directly and asked *them* how health care was changing in their communities. The awareness initiative started in May with our partnership with TVOntario. This allowed us to air our mini-documentaries on health care renewal. We then used a combination of paid and earned media across the country to direct Canadians en masse to our online poll at [www.takingthepulse.ca](http://www.takingthepulse.ca).

“The Health Council of Canada shares with Canadians examples of what is working very well in the health care system, things that are helping to address the issues of access, improvement of primary care and sustainability of the health care system.”

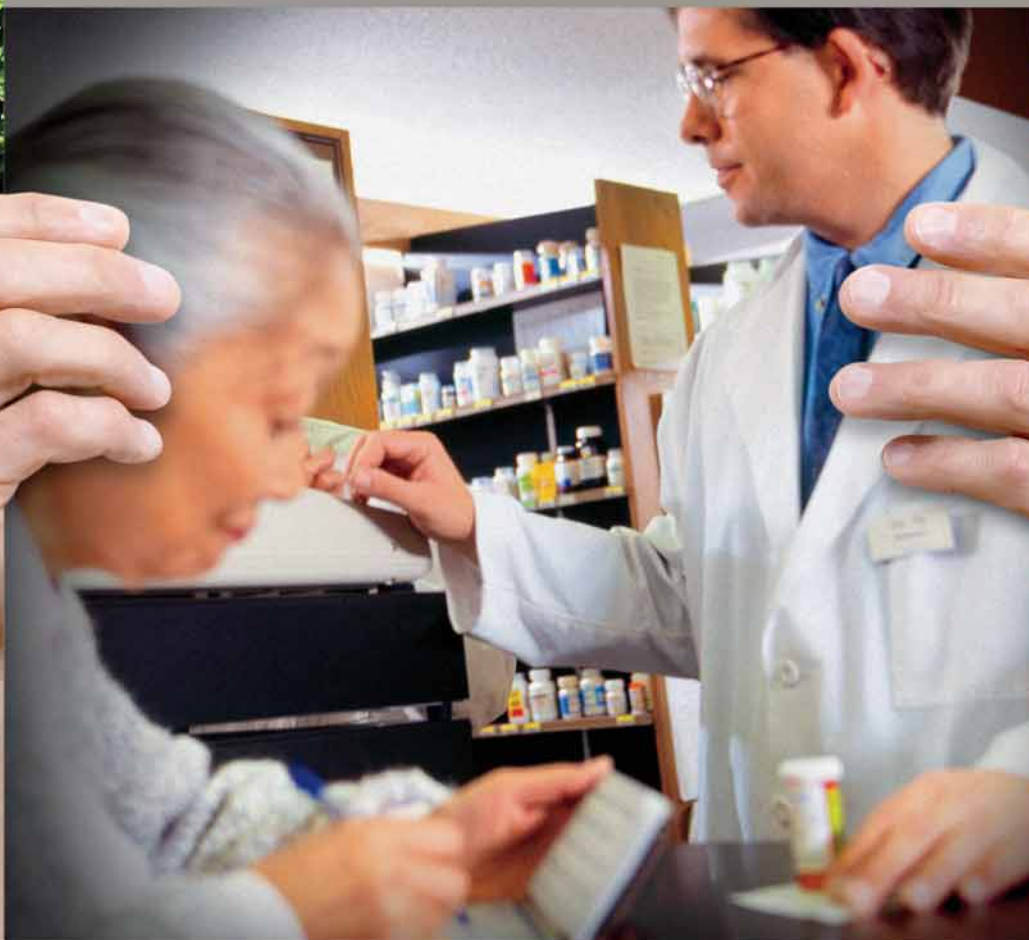
David Richardson, Councillor representing Nunavut,  
Health Council of Canada



A STATUS REPORT ON

## The National Pharmaceuticals Strategy: *A Prescription Unfilled*

January 2009



Health Council of Canada



Conseil canadien de la santé



DOWNLOADS

2,839

PRINT MEDIA CIRCULATION

1,992,622

ONLINE MEDIA MENTIONS

77

DISCUSSION BOARD POSTINGS

86





WE URGE YOU TO ACT ON  
**THE RECOMMENDATION**  
MADE BY THE HEALTH  
COUNCIL OF CANADA IN THIS REPORT AND WORK  
WITH GOVERNMENT TO RE-INVIGORATE  
THE NATIONAL PHARMACEUTICALS STRATEGY  
AS QUICKLY AS POSSIBLE.”

Dr. Robert Ouellet, President, Canadian Medical Association,  
in a March 2009 letter to Health Minister Leona Aglukkaq



THE NATIONAL PHARMACEUTICALS STRATEGY:  
A PRESCRIPTION UNFILLED



The National Pharmaceuticals Strategy (NPS) was established by governments in 2004 to develop nationwide solutions to concerns about the safety and affordability of prescription medications in Canada. Our two-part report, *The National Pharmaceuticals Strategy: A Prescription Unfilled* (status report plus commentary), was an examination of the issues that the NPS was intended to address, such as implementing catastrophic drug coverage for all Canadians. After reviewing its progress five years later, we found the NPS to be a “prescription unfilled” and called on governments to re-engage on their commitments. A discussion board at [www.healthcouncilcanada.ca](http://www.healthcouncilcanada.ca) logged Canadians’ responses to the report.

“I want to thank  
the Health Council of Canada for its report on the  
National Pharmaceuticals Strategy and  
for its interest in health care in Saskatchewan.”

Don McMorris, Minister of Health, Saskatchewan



February 2009

## Value for Money: Making Canadian Health Care Stronger

[www.CanadaValuesHealth.ca](http://www.CanadaValuesHealth.ca)



Health Council of Canada  Conseil canadien de la santé



DOWNLOADS  
4,808

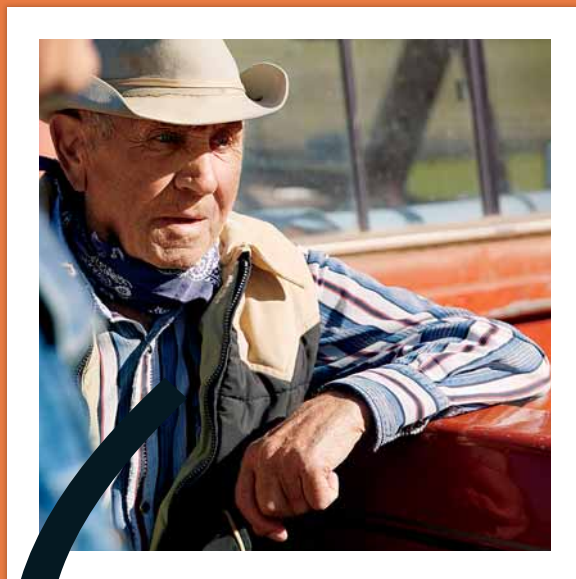
MEDIA STORIES  
158

TOTAL PRINT MEDIA REACH  
27 MILLION

UNIQUE VISITORS  
TO CANADAVALEUESHEALTH.CA

11,739





I AGREE  
COMPLETELY  
WITH THIS PUBLICATION.

IT SUGGESTS, VERY TACTFULLY, WHAT I HAVE  
BEEN SAYING FOR YEARS—THAT WE  
DON'T NEED MORE MONEY IN THE HEALTH  
CARE SYSTEM.”

Dr. Joyce Barrett, Ontario



VALUE FOR MONEY:  
MAKING CANADIAN HEALTH CARE STRONGER



*Value for Money: Making Canadian Health Care Stronger* was our most reader-friendly and visually compelling release to date. We asked a simple but important question: “Can we improve our health care system without spending *billions* more?” The discussion paper was the starting point for a national discussion on the topic. Our goal of making the paper “interesting enough to read on the bus” was achieved through the use of citizen readers and plain language editors. To support the paper and expand its reach, we simultaneously launched a new website – [www.CanadaValuesHealth.ca](http://www.CanadaValuesHealth.ca) – and started the first national online dialogue of its kind about value for money in Canadian health care.

“It’s so nice to see  
a living document, one which is accessible to  
the public and doesn’t lull  
people into a coma while reading it.”

Laura Jakob, Canadian health professional  
working and studying in Australia



LOOKING FORWARD

WE WILL CONTINUE  
**OUR**  
**COMMITMENT**  
TO THE ACCORDS  
AND TO  
**REPORTING**  
ON THE PROGRESS  
**OF HEALTH CARE RENEWAL**  
**IN CANADA**  
OVER THE NEXT YEAR.



ACHIEVEMENTS TO DATE  
FOR 2009/10

DOWNLOADS OF TEAMS REPORT

25,530

TREES SAVED BY MOVING TO E-ROLLOUTS FOR TEAMS

61

TWITTER FOLLOWERS

174

In the coming year, the Health Council will explore a number of new themes and re-visit some old ones. These will include: primary health care, health services utilization, the National Pharmaceuticals Strategy, Aboriginal health, improving health outcomes, and health promotion.

In 2008/2009, the impact and awareness of our work grew tremendously. We want to build on this hard-earned momentum and continue to broaden the reach of our work. Based on the record-breaking downloads generated this year, we plan to expand electronic rollouts for our reports, and support these efforts with novel uses of social media.

As this annual report goes to print, we have already launched two more reports. One of them – *Teams in Action: Primary Health Care Teams in Canada* – has generated more than five times the average number of downloads for Health Council reports.

We also plan to target a diversity of audiences, attracting new readers for our reports and new visitors to our website to improve the level of “health literacy” among Canadians. We believe that real change and renewal must come from the ground up, and this requires an informed public who understands the issues and supports the need for action.

Our presence in the health care community will be further solidified through a dedicated department which will focus solely on stakeholder and government relations. We will build partnerships that are strategically and mutually beneficial.

We are enhancing our monitoring in order to maintain a complete picture of what is happening in the Canadian health care landscape. We are seeking out innovations identified by leading academics and applied health researchers. We are also expanding our knowledge of best practices in health care delivery and management by other leading nations.



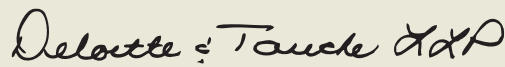
To the Members of The Health Council of Canada/  
Conseil canadien de la santé:

We have audited the statement of financial position of the Health Council of Canada/Conseil canadien de la santé as at March 31, 2009 and the statements of operations, changes in net assets and changes in financial position for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles

used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2009 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants  
Licensed Public Accountants  
May 25, 2009



## STATEMENT OF FINANCIAL POSITION

as of March 31, 2009	2009	2008
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	2,255,034	1,399,838
Accrued interest receivable	634	4,526
Accounts receivable	2,029	—
Prepaid expenses	39,865	61,920
	2,297,562	1,466,284
Restricted investments	10,000	10,000
Capital assets (Note 5)	259,343	455,076
	2,566,905	1,931,360
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	432,256	842,721
Capital lease obligation – current (Note 6)	—	27,509
Lease inducements – current (Note 7)	7,647	30,590
Deferred revenue (Note 8)	2,127,002	1,022,893
	2,566,905	1,923,713
Lease inducements – long-term (Note 7)	—	7,647
	2,566,905	1,931,360
<b>NET ASSETS</b>	—	—
	2,566,905	1,931,360



## STATEMENT OF OPERATIONS

year ended March 31, 2009	2009	2008
	\$	\$
<b>REVENUE</b>		
Health Canada (Note 8)	5,084,691	5,725,009
Interest income	33,975	48,736
	5,118,666	5,773,745
<b>EXPENSES</b>		
Compensation	2,250,679	2,346,699
External professional services	492,758	617,915
<b>COUNCILLOR EXPENSES AND MEETING FACILITIES</b>		
Councillors' travel	112,475	146,253
Councillors' honoraria	137,450	132,571
Meeting facilities	79,633	137,176
Guest travel	5,826	25,894
Speakers' honoraria	500	8,030
<b>ADMINISTRATION</b>		
Occupancy	311,270	329,097
Financial management	35,855	76,322
Secretariat – travel	104,210	180,810
Computers and telecommunications	91,820	137,308
Amortization	205,829	216,933
Office services and supplies	45,099	42,583
Legal fees	9,905	4,059
Human resource services	59,011	119,597
Insurance	17,571	18,063
Miscellaneous	7,587	5,539
Loss on disposal of capital assets	345	4,950
<b>REPORT AND COMMUNICATION</b>		
Supplies and services	612,498	1,108,924
Promotion and media	538,345	115,022
	5,118,666	5,773,745
<b>EXCESS OF REVENUE OVER EXPENSES</b>	—	—



## STATEMENT OF CHANGES IN FINANCIAL POSITION

year ended March 31, 2009	2009	2008
	\$	\$
<b>OPERATING</b>		
Excess of revenue over expenses	—	—
Loss on disposal of capital assets	345	4,950
Amortization of capital assets	205,829	216,933
Amortization of rent-free lease inducements	(10,220)	(10,220)
Amortization of lease inducements	(8,600)	(8,599)
	187,354	203,064
<b>CHANGES IN WORKING ITEMS</b>		
Accrued interest receivable	3,892	(1,905)
Accounts receivable	(2,029)	15,067
Prepaid expenses	22,055	10,057
Accounts payable and accrued liabilities	(410,465)	112,069
Deferred revenue	1,104,109	691,991
	904,916	1,030,343
<b>INVESTING AND FINANCING</b>		
Investing and financing		
Capital lease payments	(27,509)	(54,408)
Repaid lease inducements	(11,770)	(11,770)
Purchase of capital assets	(11,191)	(19,122)
Proceeds on disposal of capital assets	750	7,335
	(49,720)	(77,965)
Net inflow of cash	855,196	952,378
Cash, beginning of year	1,399,838	447,460
<b>CASH, END OF YEAR</b>	<b>2,255,034</b>	<b>1,399,838</b>

## STATEMENT OF CHANGES IN NET ASSETS

year ended March 31, 2009	2009	2008
	INVESTED IN CAPITAL ASSETS	OPERATING FUND
	\$	\$
		TOTAL
		\$
<b>BALANCE, BEGINNING OF YEAR</b>	402,105	(402,105)
Excess (deficiency) of revenue over expenses	(197,574)	197,574
Additions to capital assets	11,191	(11,191)
Capital lease – payment	27,509	(27,509)
Leasehold inducement payment	11,770	(11,770)
Proceeds on disposal of capital assets	(750)	750
<b>BALANCE, END OF YEAR</b>	<b>254,251</b>	<b>(254,251)</b>



NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2009

1 / DESCRIPTION OF THE BUSINESS

The Health Council of Canada/Conseil canadien de la santé (the “Council”) was incorporated on December 2, 2003 under the *Canada Corporations Act*. The Council’s mandate is to monitor and make annual public reports regarding the implementation of the 2003 First Ministers’ Accord on Health Care Renewal and the 2004 10-Year Plan, particularly its accountability and transparency provisions.

The Council is registered as a not-for-profit organization under the *Income Tax Act* and, accordingly, is exempt from income taxes.

2 / CHANGE IN ACCOUNTING POLICY

On April 1, 2008, the Council adopted Capital Disclosures, Section 1535 of the CICA Handbook. The adoption of this new standard has not resulted in any change in how the Council accounts for its transactions, but does require additional disclosure, which is presented in Note 11.

On April 23, 2008, the CICA amended Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook. The amended section allows not-for-profit organizations to elect to not have to account for certain non-financial contracts as derivatives under Section 3855 and also to not have to account for certain derivative features embedded in non-financial contracts, leases and insurance contracts as embedded derivatives under Section 3855. These amendments to Section 3855 apply to fiscal years beginning on or after August 1, 2008, with earlier adoption permitted.

The Council has elected to early adopt these amendments to Section 3855 effective for its fiscal year beginning on April, 1, 2008. This change in accounting policy is required to be applied retrospectively with restatement of prior years. As the Council did not have any non-financial contracts that were required to be accounted for as derivatives under Section 3855, nor any derivative features embedded in non-financial contracts, leases and insurance contracts that were required to be accounted for as embedded derivatives under Section 3855, this change in accounting policy did not have an impact on the current, or prior, year’s financial statements.

3 / SIGNIFICANT ACCOUNTING POLICIES

(a) Financial statement presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants using the deferral method of reporting restricted contributions.

(b) Revenue recognition

The Council is funded solely by Health Canada in accordance with the regulations of the Health Care Strategies and Policy, Federal/Provincial/Territorial Partnership Grant Program, expiring on March 31, 2010.

These financial statements reflect agreed arrangements with Health Canada with respect to the fiscal year ended March 31, 2009.

(c) Description of funds

Operating Fund – records the ongoing operations of the Council.

Invested in Capital Assets Fund – records the capital assets of the Council and the related financing activities.

(d) Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis using the following rates:

Information technology and telecommunication	20%
Office equipment and furniture	10%
Computer software	33%
Leasehold improvements	Term of lease

In the year of acquisition, 50% of the annual amortization rate is used.



*(e) Deferred lease inducements*

Deferred lease inducements, consisting of leasehold improvement allowances and free rent, are amortized on a straight line basis over the term of the lease.

*(f) Deferred revenue*

Deferred revenue represents amounts received from Health Canada which have not been expended on the Council's mandate.

*(g) Use of estimates*

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from management's estimates as additional information becomes available in the future.

*(h) Financial instruments*

The Council has classified its financial instruments as follows:

	CATEGORY
Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

"Held-for-trading" items are carried at fair value, with changes in their fair value recognized in the Statement of Operations in the current year. "Loans and receivables" are carried at amortized cost, using the effective interest method. "Other liabilities" are carried at amortized cost, using the effective interest method.

Transaction costs are expensed as incurred.

**4 / FUTURE ACCOUNTING POLICY CHANGES**

The CICA deferred indefinitely the requirement of not-for-profit organizations to implement sections 3862 and 3863. Section 3862 requires the disclosure of information about: (a) the significance of financial instruments for the Council's financial position and performance and (b) the nature and extent of risks arising from the financial instruments to which the Council is exposed during the period and at the statement of financial position date, and how the Council manages those risks. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives.

The Council has elected to defer application of these standards and as such continues to follow the disclosure requirements of section 3861.

In September 2008, the CICA issued amendments to several of the existing sections in the 4400 series – Financial Statement presentation by not-for-profit organizations. Changes apply to annual financial statements relating to fiscal years beginning on or after January 1, 2009. Accordingly, the Council will have to adopt the amended standards for its fiscal year beginning April 1, 2009. The amendments include a) additional guidance in the applicability of Section 1100, Generally Accepted Accounting Principles; b) removal of the requirement to report separately net assets invested in capital assets; c) requirement to disclose revenues and expenses in accordance with EIC 123, Reporting Revenue Gross as a Principal Versus Net as an Agent; d) requirement to include a statement of cash flows in accordance with Section 1540, Cash Flow Statements; e) requirement to apply Section 1751, Interim Financial Statements, when preparing interim financial statements in accordance with GAAP; f) requirement for non-for-profit organizations that recognize capital assets to depreciate and assess these capital assets for impairment in the same manner as other entities reporting on a GAAP basis; g) requirement to disclose related party transactions in accordance with Section 3840; Related Party Transactions; and h) new disclosure requirements regarding the allocation of fund-raising and general support costs. Management has determined that the impact of these changes on the financial statements will be minimal.

**5 / CAPITAL ASSETS**

	2009		2008	
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
	\$	\$	\$	\$
Information technology and telecommunication	456,803	348,908	107,895	190,950
Office equipment and furniture	217,412	85,242	132,170	151,922
Computer software	48,480	48,480	—	15,813
Leasehold improvements	323,084	303,806	19,278	96,391
	1,045,779	786,436	259,343	455,076



### Capital leases

Capital assets include Information Technology equipment under capital lease with a cost of \$175,437 (2008 – \$175,437) and accumulated amortization of \$143,643 (2008 – \$108,915). The Capital lease expired in September 2008.

### 6 / CAPITAL LEASE OBLIGATIONS

The Council has equipment under capital leases which expired on September 30, 2008. There are no future minimum payments under capital leases remaining as of March 31, 2009.

Interest recorded in the Statement of Operations related to the capital lease obligations is \$510 (2008 – \$4,955).

### 7 / LEASE INDUCEMENTS

The balance of lease inducements includes the following:

	2009	2008
	\$	\$
Lease inducements payable (a)	2,942	14,712
Rent-free inducement (b)	2,555	12,775
Lease inducement (c)	2,150	10,750
Total	7,647	38,237
CURRENT PORTION		
Lease inducement payable (a)	2,942	11,770
Rent-free inducement (b)	2,555	10,220
Lease inducement (c)	2,150	8,600
	7,647	30,590
Long-term portion	—	7,647

(a) The Council negotiated a repayable leasehold improvement allowance over the term of the lease with an interest rate of approximately 4%. The repayable allowance of principal and interest is being repaid over the term of the lease at \$13,035 per annum. Interest expense of approximately \$384 (2008 – \$1,410) is included in the statement of operations.

(b) The Council negotiated a long-term lease agreement for its corporate offices in 2004 and for additional premises in 2006 that included a 2-month rent-free period. The lease inducement benefits are amortized on a straight-line basis over the term of the lease as a reduction to rental expense.

(c) The Council negotiated a leasehold improvement allowance for its additional premises in 2006. This amount is being amortized at the same rate as the leasehold improvement.

### 8 / DEFERRED REVENUE

	2009	2008
	\$	\$
Balance, beginning of year	1,022,893	330,902
Funds received	6,188,800	6,417,000
Less: amounts recognized as revenue	(5,084,691)	(5,725,009)
Balance, end of year	2,127,002	1,022,893

### 9 / COMMITMENTS

#### (a) Leased premises

The Council entered into a lease for premises located at 90 Eglinton Avenue East, Toronto, Ontario. The lease commenced on May 1, 2004 and is for a period of five (5) years and two (2) months, expiring on June 30, 2009. The period from May 1, 2004 to July 1, 2004 was gross rent-free.

The Council entered into a lease for additional premises located at 90 Eglinton Avenue East, Toronto, Ontario. The lease commenced on January 1, 2006 and is for a period of three (3) years and six (6) months, expiring on June 30, 2009. The period from January 1, 2006 to February 1, 2006 was gross rent-free.

The Council has renewed the above leases for one (1) additional year, ending June 30, 2010, with an option to renew for a further 4-year term.



Future minimum commitments for basic rent and repayment of the leasehold improvement allowance under the leases are approximately as follows:

YEAR ENDED MARCH 31	\$
2010	137,317
2011	24,597
	<hr/>
	161,914

*(b) Other commitments*

Additionally, the Council has entered into other commitments, including contracts for professional services with various expiry dates to May 2010. The annual payments are approximately as follows:

YEAR ENDED MARCH 31	\$
2010	37,591
2011	247
	<hr/>
	37,838

10 / GUARANTEES

In the normal course of operations, the Council enters into agreements that meet the definition of a guarantee. The Council’s primary guarantees subject to disclosure are as follows:

- (a) The Council has provided indemnities under a lease agreement for the use of operating facilities. Under the terms of this agreement, the Council agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) The Council has indemnified its present and future directors, officers and employees against expenses, judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to serving the best interest of the Council. The nature of the indemnity prevents the Council from reasonably estimating the maximum exposure. The Council has purchased errors and omissions liability insurance with respect to this indemnification.

11 / CAPITAL DISCLOSURE

The Council considers its net assets and deferred revenue as its capital.

*Net assets*

As a not-for-profit organization, the Council operations are reliant on revenues generated annually. The Council has accumulated net assets over its history to March 31, 2009 of \$nil (2008 – \$nil) which are presented in the statement of financial position as net assets.

*Deferred revenue*

The Council receives funding from Health Canada to be expended under the Council’s mandate. Any unspent funds are recorded as deferred revenue. The Council has complied with the restrictions related to Health Canada’s funding.



## COUNCILLORS \*

### GOVERNMENT REPRESENTATIVES

Mr. Albert Fogarty – Prince Edward Island  
Dr. Alex Gillis – Nova Scotia  
Mr. Stuart Whitley – Yukon  
Mr. Michel C. Leger – New Brunswick  
Ms. Lyn McLeod – Ontario  
Mr. David Richardson – Nunavut  
Ms. Elizabeth Snider – Northwest Territories  
Dr. Les Vertesi – British Columbia

### NON-GOVERNMENT REPRESENTATIVES

Dr. Jeanne F. Besner – Chair  
Dr. M. Ian Bowmer – Vice Chair  
Mr. Jean-Guy Finn  
Dr. Danielle Martin  
Mr. George L. Morfitt  
Ms. Verda Petry

\* as of March 31, 2009

### 2008/09 COUNCIL RESIGNATIONS

We thank the following councillors for their commitment and service to the Council:

### GOVERNMENT REPRESENTATIVES

Mr. John Greschner – Yukon  
Mr. Mike Shaw – Saskatchewan

### NON-GOVERNMENT REPRESENTATIVES

Dr. Nuala Kenny  
Mr. Steven Lewis

## ABOUT THE HEALTH COUNCIL OF CANADA

Canada's First Ministers established the Health Council of Canada in the 2003 *Accord on Health Care Renewal* and enhanced our role in the 2004 *10-Year Plan to Strengthen Health Care*. We report on the progress of health care renewal, on the health status of Canadians, and on the health outcomes of our system. Our goal is to provide a system-wide perspective on health care reform for the Canadian public, with particular attention to accountability and transparency.

The participating jurisdictions have named Councillors representing each of their governments and also Councillors with expertise and broad experience in areas such as community care, Aboriginal health, nursing, health education and administration, finance, medicine, and pharmacy. Participating jurisdictions include British Columbia, Saskatchewan, Manitoba, Ontario, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, the Northwest Territories, Nunavut, and the Federal government.

### THE COUNCIL'S VISION

An informed and healthy Canadian public, confident in the effectiveness, sustainability and capacity of the Canadian health care system to promote their health and meet their health care needs.

### THE COUNCIL'S MISSION

The Health Council of Canada fosters accountability and transparency by assessing progress in improving the quality, effectiveness, and sustainability of the health care system. Through insightful monitoring, public reporting, and facilitating informed discussion, the Council shines a light on what helps or hinders health care renewal and the well-being of Canadians.



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