

Hamilton Family Health Team
Financial statements

March 31, 2026

Hamilton Family Health Team

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To the Members of the Hamilton Family Health Team:

Opinion

We have audited the financial statements of the Hamilton Family Health Team (the "Organization"), which comprise the Balance Sheet - Operating and Greater Hamilton Health Network as at March 31, 2026, and the statements of revenue and expenses and changes in fund balance - Operating, revenue and expenses and changes in fund balance - Greater Hamilton Health Network and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions established by Ontario Health as described in Note 2.

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 report. We are independent of the Organization 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization in complying with the financial reporting provisions of Ontario Health. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 the financial reporting provisions established by Ontario Health, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization's internal control.
- 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 Organization'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 Organization 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Organization as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We 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.

Burlington, Ontario

May 27, 2026

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Hamilton Family Health Team

Statement of revenue and expenses and changes in fund balance – Operating

For the year ended March 31, 2026

	2026	2025
Revenue		
Ontario Health (OH)		
Base funding (<i>note 2 and 5</i>)	29,901,066	24,966,233
One-time funding (<i>note 2 and 5</i>)	1,232	2,716,638
Interest	10,127	13,084
	29,912,425	27,695,955
Expenses		
Salaries and benefits (<i>note 4</i>)	24,797,118	22,563,490
Operating	1,950,046	1,871,781
Rent	1,434,056	1,501,926
Equipment lease	147,532	108,336
Insurance	65,697	72,445
Legal and audit	97,636	57,016
Direct flow through to partners (<i>note 5</i>)	1,414,207	1,428,520
	29,906,292	27,603,514
Excess of revenue over expenses for the year		
before funding repayable to OH	6,133	92,441
Funding repayable to OH		
Repayable relating to fiscal 2026	(6,133)	—
Repayable relating to fiscal 2025 (<i>note 5</i>)	—	(92,441)
Excess of revenue over expenses for the year	—	—
Fund balance, beginning of year	—	—
Fund balance, end of year	—	—

The accompanying notes are an integral part of these financial statements.

Hamilton Family Health Team
Statement of revenue and expenses and changes in fund balance –
Greater Hamilton Health Network

For the year ended March 31, 2026

	2026	2025
Revenue		
Ontario Health (OH)		
Project funding (note 2)	—	2,619,224
Expenses		
Salaries (note 4)	—	1,131,815
Operating	—	1,487,409
	—	2,619,224
Excess of revenue over expenses for the year	—	—
Fund balance, beginning of year	(490)	(490)
Funding reallocated to due to OH	490	—
Fund balance, end of year	—	(490)

The accompanying notes are an integral part of these financial statements.

Hamilton Family Health Team

Balance Sheet – Operating and Greater Hamilton Health Network

As at March 31, 2026

	2026	2025
Assets		
Current assets		
Cash		
Operating Fund	1,085,291	1,744,455
Restricted cash – Operating Fund	533,744	533,744
Accounts receivable	584,923	1,188,935
Prepaid expenses	308,453	206,786
	2,512,411	3,673,920
Liabilities		
Current liabilities		
Bank indebtedness		
Greater Hamilton Health Network Fund	—	490
Accounts payable and accrued liabilities	2,341,508	3,469,311
Due to OH (<i>note 2</i>)	170,903	204,609
	2,512,411	3,674,410
Commitments and contingencies (<i>note 3</i>)		
Fund balances		
Operating Fund	—	—
Greater Hamilton Health Network	—	(490)
	—	(490)
	2,512,411	3,673,920

On behalf of the Board:

Approved by _____, Director

Approved by _____, Director

The accompanying notes are an integral part of these financial statements.

Hamilton Family Health Team

Statement of cash flows

For the year ended March 31, 2026

	2026	2025
Operating activities		
Excess of revenue over expenses		
Operating Fund	—	—
Greater Hamilton Health Network	—	—
Changes in non-cash operating working capital items		
Account receivable	604,012	(294,203)
Prepaid expenses	(101,667)	—
Accounts payable and accrued liabilities	(1,127,803)	281,556
Due to OH	(33,216)	92,441
Net change in cash	(658,674)	79,794
Cash, beginning of year	1,743,965	1,664,171
Cash, end of year	1,085,291	1,743,965
Comprised of		
Operating Fund	1,085,291	1,744,455
Greater Hamilton Health Network	—	(490)
	1,085,291	1,743,965

The accompanying notes are an integral part of these financial statements.

Hamilton Family Health Team

Notes to the financial statements

For the year ended March 31, 2026

1. Description of operations

Hamilton Family Health Team ("HFHT" or "Family Health Team") is incorporated without share capital under the laws of Ontario with Letters Patent dated February 13, 2006. HFHT is principally involved in providing primary health care by bringing together interdisciplinary health care providers to co-ordinate the highest possible quality of care for patients in the Hamilton Region. HFHT is funded by Ontario Health ("OH") under the Province of Ontario's Family Health Team initiative. HFHT is exempt from tax under the Income Tax Act of Canada.

2. Summary of significant accounting policies

OH guidelines

These financial statements have been prepared in accordance with the significant accounting policies set out by the OH Family Health Team Agreement (the "Agreement"). The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations because:

- (a) Capital assets purchased under the operating budget are charged to operations in the year the expense is incurred;
- (b) Capital lease agreements are treated as operating leases and lease payments are charged to operations in the year incurred;
- (c) Amortization is not provided on capital assets as they are expensed directly in the year incurred; and
- (d) Accruals are not provided for expenses relating to future funding agreement years.

Basis of accounting

As outlined below in Provincial Assistance, unspent funds from the current year or from previous years which were not recovered as at March 31, 2026 are shown as due to OH as a current liability on the balance sheet.

Provincial assistance

Grants from OH are provided through the Agreement to enable the Health Team to provide a more comprehensive and coordinated range of services to patients in the Hamilton area. The amount of assistance received in the Operating and Greater Hamilton Health Network fund in fiscal 2026 amounted to \$29,902,298 and \$nil respectively (\$27,682,871 and \$2,619,224 respectively in 2025). The Agreement with OH require that any Health Team funding not spent in accordance with the terms of the Agreement must be returned to OH unless otherwise agreed to by OH in writing. Accordingly, any related excess of revenue over expenses has been recorded as a liability at year end.

Fund accounting

The Hamilton Family Health Team follows the restricted fund method of accounting for contributions.

The Operating Fund reports the funding received from OH and expenses related to the operations and administration of the Hamilton Family Health Team.

2. Summary of significant accounting policies (continued)***Fund accounting (continued)***

HFHT is the largest family health team in Ontario, serving approximately 300,000 people, many of whom reside in an urban setting with significant social and health complexities. HFHT employs 250+ interdisciplinary healthcare professionals including social workers, mental health counsellors, registered dietitians, nurses, pharmacists, physiotherapists, psychiatrists, and certified respiratory educators, as well as 100+ administrative and support staff. There are 5 operating HFHT-led healthcare hubs, and HFHT partners with nearly 170 family physicians across 90 primary care practices across the city to provide comprehensive, team-based primary care to patients. HFHT provides direct nursing funding to these practices and embeds interdisciplinary healthcare providers within their teams.

During the March 31, 2021 year end, the Greater Hamilton Health Network was created for the purpose of receiving and accounting for funds received by the Ontario Health Teams division of OH to be used for the start-up of the Greater Hamilton Health Network ("GHHN"). Ontario Health Networks are groups of providers and organizations that are clinically and fiscally accountable for delivering a full and coordinated continuum of care to a defined geographic population. Ontario Health intends that all providers in the province will be part of one of these teams with a single accountability agreement with Ontario Health. The GHHN was a to-be-incorporated entity to oversee and manage activities in Hamilton as directed by Ontario Health. The main component of the Fund was funding to afford expenditures related to the administrative staff and specific targeted areas of integration across the members of GHHN. Effective April 1, 2025, the funding for the GHHN was no longer received by the HFHT.

Cash

Cash includes cash and short-term investments with maturities of three months or less from the date of acquisition.

Restricted cash

Restricted cash includes cash that has been placed in a separate and blocked bank account as it is noted as collateral for the lease of HFHT's head office in Hamilton. As required by the agreement, the cash is not to earn any interest and to be restricted from other cash balances until the end of the lease term.

Revenue recognition

OH funding is recognized as revenue of the Operating Fund, or Greater Hamilton Health Network Fund, in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned is recognized as revenue of the fund in which the investment is held.

Pension plans

HFHT makes contributions to the Healthcare of Ontario Pension Plan and the Multi-sector Pension Plan (the "Plans"), which are multi-employer pension plans, on behalf of certain members of its staff. For the Plans, HFHT uses defined contribution plan accounting as required by Canadian accounting standards for not-for-profit organizations. Should there be a contribution deficiency in the Plans, HFHT may be required to make additional contributions to cover these deficiencies.

2. Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with the significant accounting policies set out by the OH funding agreement requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the HFHT becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at fair value.

At initial recognition, HFHT may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. HFHT has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

HFHT initially measures financial instruments in a related party transaction ("related party financial instruments") at cost and subsequently are measured at cost or amortized cost in accordance with ASPE Handbook section 3856, related party financial instruments. Transaction costs directly attributable to related party financial instruments are immediately recognized in excess of revenues over expenses.

Financial asset impairment

HFHT assesses impairment of all its financial assets measured at cost or amortized cost. HFHT groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset group. When there is an indication of impairment, HFHT determines whether it has resulted in significant adverse change in the expected timing of amount of future cash flows during the year.

For related party debt instruments measured at cost, HFHT reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding interest payments of the instrument; the present value of cash flows expected to be generated from holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

HFHT reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Hamilton Family Health Team

Notes to the financial statements

For the year ended March 31, 2026

3. Commitments and contingencies

HFHT leases office space and various items of equipment under operating leases. The minimum annual base lease payments are as follows:

	\$
2027	905,957
2028	594,698
2029	534,016
2030	266,112
Thereafter	803,727
	<u>3,104,510</u>

In the normal course of operations, there are pending claims against HFHT. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect HFHT's balance sheet or statement of revenue and expenses.

4. Pension plans

HFHT and GHHN make contributions to the Healthcare of Ontario Pension Plan (the "HOOP Plan"), which is a multi-employer pension plan, on behalf of 115 (107 in 2025) members of its staff. The HOOP Plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Pension expense is based on the HOOP Plan management's best estimates, in consultation with its actuaries, of the amount, together with contributions by employees of 6.9% of the first \$74,600 (\$61,600 in 2025) of salary and 9.2% thereafter, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the HOOP Plan. The funding objective is for the employer contributions to the HOOP Plan at 1.26 times the employee contribution to remain a constant percentage of employee's contributions.

Contributions to the HOOP Plan made during the year by HFHT and GHHN on behalf of its employees amounted to \$596,721 (\$489,530 in 2025) and are included in salaries and benefits expense in the Statement of revenue and expenses and changes in fund balance – Operating and Statement of revenue and expenses and changes in fund balance – Greater Hamilton Health Network. Effective April 1, 2025, the GHHN funding was no longer received by HFHT, activities ceased and no contributions were made to the HOOP Plan.

HFHT and GHHN also make contributions to the Multi-sector Pension Plan (the "MSPP Plan"), which is a multi-employer pension plan, on behalf of 58 (54 in 2025) members of its staff. The MSPP Plan is a target benefit plan in which the plan members contribute 5% (3.5% in 2025) of their income each pay and HFHT and GHHN matches these contributions.

Contributions to the Plan made during the year by HFHT and GHHN on behalf of its employees amounted to \$116,835 (\$82,415 in 2025) and are included in salaries and benefits expense in the Statement of revenue and expenses and changes in fund balance – Operating and Statement of revenue and expenses and changes in fund balance – Greater Hamilton Health Network. Effective April 1, 2025, the GHHN no longer makes contributions to the MSPP Plan.

5. Interprofessional Primary Care Teams

Included in base funding is \$3,056,200 (\$2,222,000 in 2025 included in one-time funding) for the Interprofessional Primary Care Teams ("IPCT") – Expanding Teams for the term of April 1, 2025 to March 31, 2026. HFHT was asked to be the lead organization to oversee the funding from OH to expand team based primary care across GHHN attributed geographies. A portion of these funds totaling \$1,414,207 (\$1,428,520 in 2025) were redistributed to other partners within the primary care network to assist with achieving these targets.

6. Financial instruments

Interest rate risk

Interest rate risk is the risk to HFHT's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. The interest-bearing investment bank account has limited exposure to interest rate risk due to its short-term maturity.

Liquidity risk

HFHT's objective is to have sufficient liquidity to meet its liabilities when due. HFHT monitors its cash balances and cash flows generated from its activities to meet its day-to-day requirements. As at March 31, 2026, the most significant financial liabilities are accounts payable and accrued liabilities and due to OH.