

MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

-1-	Independent Auditor's Report
-3-	Statement of Financial Position
-4-	Statement of Operations and Net Assets
-5-	Statement of Cash Flows
-6-	Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Middlesex Centre Regional Medical Clinic

Opinion

We have audited the accompanying financial statements of Middlesex Centre Regional Medical Clinic (the "Clinic"), which comprise the Statement of Financial Position as at December 31, 2019, and Statements of Operations and Net Assets, 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 Middlesex Centre Regional Medical Clinic as at December 31, 2019 and the results of its financial performance and its change in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of 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 Clinic 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Clinic's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Clinic or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Clinic'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 Clinic'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 Clinic'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 Clinic 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.

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.

June 15, 2020
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	2019	2018
ASSETS		
Current Assets		
Accounts receivable	\$ -	\$ 173,080
Due from Municipality of Middlesex Centre	100,465	-
TOTAL ASSETS	\$ 100,465	\$ 173,080
LIABILITIES AND NET ASSETS		
Current Liabilities		
Due to the Municipality of Middlesex Centre	\$ -	\$ 106,134
Accounts payable and accrued liabilities	8,730	8,118
	8,730	114,252
Net assets (page 4) (note 5)	91,735	58,828
TOTAL LIABILITIES AND NET ASSETS	\$ 100,465	\$ 173,080

Approved on behalf of Management:

Approved on behalf of Management:

The accompanying notes are an integral part of the financial statements

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
REVENUES		
Rental	\$ 151,957	\$ 152,645
	151,957	152,645
EXPENDITURES		
Insurance	1,542	1,389
Janitorial services	25,075	25,050
Landscaping and snow removal	7,263	5,592
Professional fees	3,156	2,732
Property taxes (note 3)	38,437	39,124
Repairs and maintenance	14,980	14,118
Utilities	28,597	31,503
	119,050	119,508
REVENUE OVER EXPENDITURES FOR THE YEAR	32,907	33,137
NET ASSETS, BEGINNING OF YEAR	58,828	25,691
NET ASSETS, END OF YEAR (NOTE 5)	\$ 91,735	\$ 58,828

The accompanying notes are an integral part of the financial statements

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Revenue over expenditures (page 4)	\$ 32,907	\$ 33,137
	32,907	33,137
OTHER ITEMS NOT INVOLVING CASH		
Decrease (increase) in accounts receivable	173,080	(28,821)
Decrease (increase) in due from (to) Municipality of Middlesex Centre	(206,599)	(3,129)
Increase (decrease) in accounts payable and accrued liabilities	612	(1,187)
CASH, END OF YEAR	\$ NIL	\$ NIL

The accompanying notes are an integral part of the financial statements

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. Nature of the Organization

Middlesex Centre Regional Medical Clinic (the Clinic) was incorporated under letters patent in the Province of Ontario on May 21, 2009 as a non-profit corporation under the name of Middlesex Centre Family Medicine Clinic. The name was changed to Middlesex Centre Regional Medical Clinic on June 21, 2011. The Clinic's objects are to operate a community health care centre by providing medical, health, and support services for the general public. In addition, the Clinic will provide and/or operate facilities for education and research in the field of family medicine in conjunction with the aforementioned health care centre. The Clinic opened in June 2010.

2. Significant accounting policies

The financial statements of the Clinic are the representation of the Board prepared in accordance with Canadian accounting standards for not-for-profit organizations. Those policies that are considered to be significant are outlined below

a. Reporting entity

The financial statements reflect the assets, liabilities, revenue and expenditures and net assets of the Clinic. The Clinic does not have a separate bank account and its banking is handled by the Municipality of Middlesex Centre.

b. Basis of accounting

Revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

c. Revenue recognition

Revenue is recognized in the month to which the rental revenue relates according to leases.

d. Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Actual results could differ from management's best estimates, as additional information becomes available in the future.

3. Commitment

The lease, which was effective January 1, 2014, expired August 31, 2015 and has a provision for a three year extension. This lease requires monthly payments plus a proportionate share of the property taxes as assessed by the Municipal Property Assessment Corporation. The Clinic is currently operating on a month to month lease. See note 4.

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

4. Subsequent Events

Subsequent to December 31, 2019, the Clinic entered into a new lease agreement with its tenants' effective March 1, 2020 for a five year term. Yearly adjustments to the shared costs will be provided each September of the term.

In March 2020, the Province of Ontario declared a state of emergency in response to the COVID-19 virus. Management does not believe there will be a financial impact on the Clinic.

5. Net Assets

The net assets of the Clinic are maintained in a reserve by the Municipality of Middlesex Centre to be used, by approval of the Municipality, to offset any future capital costs of the Clinic.