

MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

**MIDDLESEX CENTRE FAMILY MEDICINE CLINIC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Middlesex Centre Regional Medical Clinic:

I have audited the accompanying financial statements of Middlesex Centre Regional Medical Clinic, which comprise the Statement of Financial Position as at December 31, 2015, and the Statements of Operations and Net Assets (Liabilities), and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Middlesex Centre Regional Medical Clinic as at December 31, 2015, and its net assets and its changes in cash flows for the year then ended in accordance with Canadian standards for not-for-profit organizations.

April 4, 2016
London, Canada

Scrimgeour . Company
LICENSED PUBLIC ACCOUNTANT

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015	2014
ASSETS		
CURRENT		
Accounts receivable	\$ 103,237	\$ 67,557
	\$ 103,237	\$ 67,557
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to the Municipality of Middlesex Centre (note 3)	\$ 126,817	\$ 119,273
Accounts payable and accrued liabilities	7,746	6,044
	134,563	125,317
NET ASSETS (LIABILITIES) (page 3) (note 3)	(31,326)	(57,760)
	\$ 103,237	\$ 67,557

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

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
STATEMENT OF OPERATIONS AND NET ASSETS (LIABILITIES)
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
REVENUE		
Rental	\$ 149,540	\$ 171,310
EXPENDITURES		
Insurance	1,614	1,609
Landscaping and snow removal	7,971	12,407
Janitorial services	26,010	29,412
Professional fees	2,383	2,174
Property taxes (note 2)	36,941	52,866
Repairs and maintenance	9,831	4,830
Utilities	38,356	29,008
	123,106	132,306
Excess of revenue over expenditures	26,434	39,004
NET ASSETS (LIABILITIES), BEGINNING OF YEAR	(57,760)	(96,764)
NET ASSETS (LIABILITIES), END OF YEAR (note 3)	\$ (31,326)	\$ (57,760)

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

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenditures (page 3)	\$ 26,434	\$ 39,004
Net change in working capital other than cash (A)	(26,434)	(39,004)
CASH, END OF YEAR	\$ NIL	\$ NIL

(A) Net change in working capital other than cash includes the net change in accounts receivable, due to (from) the Municipality of Middlesex Centre, accounts payable and accrued liabilities.

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

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The 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.

1. 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. The significant accounting policies are summarized as follows:

a. Reporting entity

The financial statements reflect the assets, liabilities, revenue and expenditures and net assets of the Clinic.

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.

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

2. Commitment

The Clinic has entered into a lease obligation with the Municipality of Middlesex Centre on June 1, 2010 to lease the building in which the Clinic operates. The lease requires monthly base rent payments of \$10 for the first three years of the lease term. The remaining twenty years of the lease term require monthly base rent payments of \$7,971. This amount will be adjusted by any additional contributions towards capital costs. In addition, the Clinic is responsible for operating costs. The assets of the building are owned by the Municipality of Middlesex Centre.

During 2013, the Municipality of Middlesex Centre approved the forgiveness of this lease and assumed debt to repay the outstanding capital costs.

A new lease effective January 1, 2014, which expires 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.

3. Net assets (liabilities)

The Clinic's operating deficit is currently funded by the Municipality of Middlesex Centre. It is anticipated the new lease under note 2, with the Clinic's tenants, will repay this operating deficit to the Municipality of Middlesex Centre.