

**This copy to be returned  
to our office**



**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**INDEPENDENT AUDITOR'S REPORT**

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**To the Board of Directors of the 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, 2018, and Statements of Operations and Net Assets (Liabilities) 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 financial statements present fairly, in all material respects, the financial position of Middlesex Centre Regional Medical Clinic as at December 31, 2018 and 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 14, 2019**  
**London, Canada**

*Scrimgeour & Company*

**LICENSED PUBLIC ACCOUNTANT**

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Accounts receivable	\$ 173,080	\$ 144,259
	<b>\$ 173,080</b>	<b>\$ 144,259</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Due to the Municipality of Middlesex Centre	\$ 106,134	\$ 109,263
Accounts payable and accrued liabilities	8,118	9,305
	<b>114,252</b>	<b>118,568</b>
<b>NET ASSETS (page 4)</b>	<b>58,828</b>	<b>25,691</b>
	<b>\$ 173,080</b>	<b>\$ 144,259</b>

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

*Tiffany Traver*      *LLM*

**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC  
STATEMENT OF OPERATIONS AND NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
<b>REVENUE</b>		
Rental	\$ 152,645	\$ 153,126
<b>EXPENDITURES</b>		
Insurance	1,389	1,541
Landscaping and snow removal	5,592	4,493
Janitorial services	25,050	24,184
Professional fees	2,732	2,220
Property taxes (note 2)	39,124	39,608
Repairs and maintenance	14,118	6,929
Utilities	31,503	36,532
	<b>119,508</b>	<b>115,507</b>
Excess of revenue over expenditures	33,137	37,619
<b>NET ASSETS (LIABILITIES), BEGINNING OF YEAR</b>	<b>25,691</b>	<b>(11,928)</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 58,828</b>	<b>\$ 25,691</b>

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, 2018**

	2018	2017
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenue over expenditures (page 4)	\$ 33,137	\$ 37,619
Net change in working capital other than cash (A)	(33,137)	(37,619)
<b>CASH, END OF YEAR</b>	<b>\$ NIL</b>	<b>\$ NIL</b>

(A) Net change in working capital other than cash includes the net change in accounts receivable, due 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, 2018**

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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. 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.



**MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**2. 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.

MIDDLESEX CENTRE REGIONAL MEDICAL CLINIC  
C/O MUNICIPALITY OF MIDDLESEX CENTRE  
10227 ILBERTON ROAD  
R.R. #2 ILBERTON, ONTARIO  
N0M 2A0

June 14, 2019

Scrimgeour & Company  
Suite 1706, 148 Fullarton Street  
London, Ontario  
N6A 5P3

This copy to be returned  
to our office

SCRIMGEOUR & COMPANY  
CPA PROFESSIONAL CORPORATION

Dear Madame:

This representation letter is provided in connection with your audit of the financial statements of Middlesex Centre Regional Medical Clinic for the year ended December 31, 2018, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

**Financial statements**

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated December 31, 2018 for:

- Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;
- Providing you with:
  1. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
    - a. Accounting records, supporting data and other relevant documentation.
    - b. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
    - c. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
  2. Additional information that you have requested from us for the purpose of the audit; and
  3. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

- Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

### **Fraud and Non-Compliance**

We have disclosed to you:

- All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
  1. Management
  2. Employees who have significant roles in internal control; or
  3. Others where fraud could have a material effect on the financial statements;
- All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements; and
- All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- The results of our risk assessments regarding possible fraud or error in the financial statements.

### **Related Parties**

We confirm that there were no related-party relationships or transactions that occurred during the period.

### **Estimates**

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgement based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in marking accounting estimates, including those measured at fair value, are reasonable.

### **Subsequent Events**

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure have been adjusted or disclosed.

**Commitments and Contingencies**

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

**Adjustments**

We have reviewed, approved and recorded all of your proposed adjustments, as attached, to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

**Misstatements**

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. There are no uncorrected misstatements.

**Accounting Policies**

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

**Future Plans**

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.


Yours very truly,



Name

Chair, Board of Directors

Title

Tiffany Farrell 

Name

Director of Corporate Services

Title

**Middlesex Centre Regional Medical Clinic**

Year End: December 31, 2018

Adjusting journal entries

Date: 1/01/18 To 12/31/18

Prepared by	Reviewed by
CAS 6/05/19	CAS 6/05/19

370

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement	
1	12/31/18	Accounts Receivable	01-1209-1000		144,259.40				
1	12/31/18	Due to the Municipality of Middlesex Centre	01-1209-2000			109,263.39			
1	12/31/18	Accrued Liabilities	01-1209-2100			9,304.65			
1	12/31/18	Net Surplus	01-1209-3000			25,691.36			
To record opening balance									
2	12/31/18	Due to the Municipality of Middlesex Centre	01-1209-2000		33,136.71				
2	12/31/18	Transfer to Reserves	01-1209-5612			33,136.71			
To reverse transfer to reserve to due to Municipality									
3	12/31/18	Accounts Receivable	01-1209-1000		39,125.56				
3	12/31/18	Due to the Municipality of Middlesex Centre	01-1209-2000			39,125.56			
3	12/31/18	Rent - Offices	01-1209-4506			39,125.56			
3	12/31/18	Property Taxes	01-1209-5435		39,125.56				
To post tax bill per 801 as part of this entity									
4	12/31/18	Janitorial Services	01-1209-5414		25,049.72				
4	12/31/18	Building Repairs & Maintenance	01-1209-5416			25,049.72			
to reallocate cleaning services from repairs and maintenance as per 800.1									
5	12/31/18	Accounts Receivable	01-1209-1000			10,304.68			
5	12/31/18	Due to the Municipality of Middlesex Centre	01-1209-2000		10,304.68				
to reallocate the Pharmacy tax payments to the Due to Municipality									
6	12/31/18	Due to the Municipality of Middlesex Centre	01-1209-2000			1,186.44			
6	12/31/18	Accrued Liabilities	01-1209-2100		9,304.65				
6	12/31/18	Accrued Liabilities	01-1209-2100			8,118.21			
To adjust year end ap by going through 2018 GL and adding the amounts posted on December 31, 2018 - hydro, Union Gas, Water and audit and reversing 2017 year end and posting difference to Due to MC									
					<b>300,306.28</b>	<b>300,306.28</b>			
<b>Net Income (Loss)</b>			<b>33,136.71</b>						

December 31, 2018

**Middlesex Centre Regional Medical Clinic  
c/o Municipality of Middlesex Centre  
10227 Ilderton Road  
RR 2  
Ilderton, Ontario  
N0M 2A0**

**This copy to be returned  
to our office**

**SCRIMGEOUR & COMPANY**  
CPA PROFESSIONAL CORPORATION

Dear Sirs:

**The Objective and Scope of the Audit**

You have requested that we audit the financial statements of Middlesex Centre Regional Medical Clinic, which comprise the Statement of Financial Position as at December 31, 2018 and the Statements of Operations and Net Assets (Liabilities) and Cash Flows for the year then ended, and notes to the financial statements (including a summary of significant accounting policies).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement, and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audits 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, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**The Responsibilities of the Auditor**

We will conduct our audit in accordance with the Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- a) 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- b) 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 cause significant doubt on the entity'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 entity to cease to continue as a going concern.
- e) 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

#### **The Responsibilities of Management**

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have the responsibility:

- a) For the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.
- b) For the design and implementation of 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.
- c) To provide us with timely:
  - i. Access to all information of which management is aware that is relevant to the preparation of the financial statements (such as records, documentation and other matters);
  - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances on non-compliance with legislative or regulatory requirements;
  - iii. Additional information that we may request from management for the purpose of the audit; and
  - iv. Unrestricted access to persons within Middlesex Centre Regional Medical Clinic from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

- a) We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management and, where appropriate, those charged with governance written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.

- b) We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

### **Form and Content of Audit Opinion**

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of the 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, 2018 and the Statements of Operations and Net Assets (Liabilities) 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, 2018, 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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.

**Date**

**London, Canada**

**LICENSED PUBLIC ACCOUNTANT**

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons in advance.

#### **Use and Distribution of Our Report**

The examination of the financial statements and the issuance of our audit report are solely for the use of Middlesex Centre Regional Medical Clinic and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third part or any liability to anyone other than Middlesex Centre Regional Medical Clinic.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond Middlesex Centre Regional Medical Clinic) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

### **Reproduction of Auditor's Report**

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request that management provide a written representation that the final version of the document(s) will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

### **Preparation of Schedules**

We understand that you or your employees will prepare the following schedules and will locate the following documents for our use at the dates specified:

- a) Prepare various schedules and analyses before our engagement is planned to commence as directed and
- b) Make various invoices and other documents available to us or our staff.

This assistance will facilitate our work and will help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or withdraw from the engagement.

### **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our Firm, constitute confidential information and will be retained by us in accordance with our Firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other

intellectual property must not be copied, distributed or used for any other purpose. We also do not provide warranties in relation to these items and will not be liable for any loss or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

### **File Inspections**

In accordance with professional regulations (and by our Firm's policy), our client files may periodically be reviewed by practice inspectors to ensure that we are adhering to professional and our Firm's standards. File reviewers are required to maintain the confidentiality of client information.

### **Accounting Advice**

Except as outlined in this letter, the Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standard to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

### **Dispute Resolution**

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

### **Indemnity**

Middlesex Centre Regional Medical Clinic hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a) The breach by Middlesex Centre Regional Medical Clinic, or its directors, officers, agents, or employees, of any of the covenants or obligations of Middlesex Centre Regional Medical Clinic herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b) A misrepresentation by a member of your management or board of directors.

### **Time Frames**

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Middlesex Centre Regional Medical Clinic of its obligations.

### **Fees**

Our professional fees will be based on our regular billing rates as proposed, plus direct out-of-pocket expenses and applicable HST and are due when rendered. Fees for any additional services will be established separately.

If significant additional time is likely to be incurred, we will discuss the reason with you and agree on a revised fee estimate before we incur the additional costs.

Fees will be rendered as work progresses and are payable upon presentation.

**Conclusion**

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to Middlesex Centre Regional Medical Clinic.

Yours truly,

*Scrimgeour & Company*

**SCRIMGEOUR & COMPANY  
CPA PROFESSIONAL CORPORATION**

Acknowledged and agreed on behalf of Middlesex Centre Regional Medical Clinic by:

Signed *[Signature]*  
Title Director of Corporate Services  
Date June 20, 2019

Signed *[Signature]*  
Title Chair, BOD  
Date July 17/19

## **TERMS AND CONDITIONS**

The Terms and Conditions are an integral part of the accompanying engagement letter from Scrimgeour & Company CPA Professional Corporation ("Scrimgeour & Company") that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). In the event of conflict between the provisions of the engagement letter and the Terms and Conditions, the Terms and Conditions shall prevail unless specific reference to a provision is made in the engagement letter.

### **1. DOCUMENTS AND RELATED INFORMATION**

Management agrees that we will have access, on a timely basis, to all original financial records and related data, and copies of all minutes of meetings of directors and committees of directors and other documentation (hereinafter "documents and related information") of Middlesex Centre Regional Medical Clinic. Management will also ensure that their staff and senior management are available to provide such documents and related information and that Middlesex Centre Regional Medical Clinic's personnel will be qualified and have the appropriate skills and experience and will fully cooperate with Scrimgeour & Company. If any of Middlesex Centre Regional Medical Clinic's personnel fails to perform as required, Middlesex Centre Regional Medical Clinic will make suitable additional or alternative personnel available. Management's cooperation in providing us with documents and related information and agreed-upon assistance on a timely basis is an important factor in being able to issue our report.

Scrimgeour & Company shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by Middlesex Centre Regional Medical Clinic of its obligations as set out in this Engagement Letter.

### **2. CONFIDENTIALITY**

One of the underlying principles of our profession is a duty of confidentiality with respect to client affairs. Accordingly, except for information that is in or enters the public domain, we will not provide any third party with confidential information concerning the affairs of Middlesex Centre Regional Medical Clinic without Middlesex Centre Regional Medical Clinic's prior consent, unless required to do so by law or Rules of Professional Conduct/Code of Ethics or orders from professional, securities or other regulatory or governmental authorities (both in Canada and abroad).

### **3. WORKING PAPERS**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our firm, constitute confidential information and will be retained by us in accordance with our firm's policies and procedures.

### **4. PERSONAL INFORMATION**

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagement.

Management acknowledges that it is responsible for obtaining all consents required by law in order for Scrimgeour & Company to receive, use and retain any personal information required by Scrimgeour & Company in connection with the engagement. Management consents to the receipt, use and retention by Scrimgeour & Company of any personal information provided to Scrimgeour & Company. All personal information will be treated as confidential by Scrimgeour & Company.

## **5. ELECTRONIC DISTRIBUTION AND COMMUNICATIONS**

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and email transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; or disclosure or communication of confidential or proprietary information.

The audit of the annual financial statements and the issuance of our Independent Auditor's Report communication are solely for the use of those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these annual financial statements, and we accept no responsibility for their use by any third party.

## **6. SEVERABILITY**

If any of the provisions of this Engagement Letter are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and be binding on the parties to the fullest extent permitted by law.

## **7. GOVERNING LAW**

This Engagement Letter shall be subject to and governed by the laws of the province where Scrimgeour & Company office is located (without regard to such province's rules on conflicts of law) and all disputes arising hereunder or related thereto shall be subject to the exclusive jurisdiction of the courts of such province of Canada.

## **8. TERMINATION**

Unless terminated sooner, this engagement letter will end on the date our services are completed. You have the right to terminate this engagement by providing 30 days notice to Scrimgeour & Company. Scrimgeour & Company has the right to receive compensation for our time and expenses incurred up to the termination date, as well as for reasonable time and expenses incurred to bring our services to a close in a prompt and orderly manner. Scrimgeour & Company has the right to terminate this engagement if you do not fulfill your obligations.

Before exercising this right, Scrimgeour & Company will provide you with 20 days notice to remedy such breach. If Scrimgeour & Company exercises its right of termination, we will not be responsible for any loss, cost or expense resulting from such termination. Without limiting our rights or remedies, Scrimgeour & Company has the right to suspend or terminate our services until payment is received on late invoices.

## **9. LIABILITY**

Scrimgeour & Company maximum liability to you for any aspect of our services under this engagement will be limited to the amount of fees paid to Scrimgeour & Company for such services. This limitation does not apply to matters finally determined to have resulted from the fraudulent or intentional misconduct of Scrimgeour & Company personnel in performing our services. In any action, claim, loss or damage arising out of this engagement,

you agree that Scrimgeour & Company's liability will be several and not joint and several. You may only claim payment from Scrimgeour & Company of our proportionate share of the total liability based on degree of fault. In no event shall Scrimgeour & Company be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). For purposes of this paragraph, the term Scrimgeour & Company shall include its respective partners, officers and employees. This paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

#### **10. CLAIMS**

No action, regardless of form, arising out of or relating to this engagement may be brought by either party more than one year after all of the necessary elements for the cause of action have occurred or in any event not more than 8 years after completion of the engagement except that an action for non-payment may be brought by a party not later than one year following the date of the last payment due to such party hereunder.

The above terms and conditions for any engagements relating to Canada Revenue Agency filings shall survive the termination of this engagement letter.

#### **11. COSTS OF RESPONDING TO GOVERNMENT OR LEGAL PROCESSES**

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable GST/HST) incurred.

#### **12. CORPORATE TAXES**

The following additional terms and conditions relate to corporate tax engagements:

##### **1. Basis of Advice.**

We will base our conclusions on the facts and assumptions that you provide to us and will not independently verify this information nor perform any procedures designed to discover errors or other irregularities. In rendering our advice, we will consider the applicable provisions of the relevant taxing statutes, the regulations thereunder, applicable tax treaties, and judicial and administrative interpretations thereof. Our conclusions will also take into account all specific proposals to amend such authorities publicly announced prior to the date of our findings, based on the assumption that these amendments will be enacted substantially as proposed. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of our advice and may result in incremental taxes, interest or penalties. Our conclusions will not otherwise take into account or anticipate any changes in law or practice, by way of judicial, governmental or legislative action or interpretation. Unless you specifically request otherwise, Scrimgeour & Company will not update our advice to take any such changes into account.

##### **2. Review by Tax Authorities.**

Scrimgeour & Company will use professional judgment in providing advice, and will, unless you instruct otherwise, take the position most favourable to you whenever reasonable. All returns are subject to examination

by tax authorities, and our advice may be audited and challenged by a tax authority. You understand that our conclusions are not binding on tax authorities or the courts and should not be construed as a representation, warranty or guarantee that the tax authorities or courts will agree with our conclusion.

3. Legal Counsel.

You should consult with and/or engage legal counsel for the purpose of advising on non-tax legal aspects of matters on which we provide our tax advice and drafting any legal documents and/or agreements that may be required. To the extent legal counsel or other professional service providers are required; you are exclusively responsible for engaging and paying such service providers.

4. Restriction on Use and Disclosure.

Some of our advice may have implication to other persons and entities. However, unless contemplated by the engagement letter or otherwise permitted by these terms and conditions, all reports and written advice are intended solely for your internal use and, where applicable, government taxation authorities and may not be edited, distributed, published, made available or relied upon by any other person without Scrimgeour & Company express written permission. If such permission is given, you may not publish any extract or excerpt of Scrimgeour & Company written advice or report or refer to Scrimgeour & Company without providing the entire advice or report at the same time.

In the event of a claim by a third party relating to our services under this engagement that arises out of a breach by you or any of your personnel of this restriction, you agree to indemnify and hold harmless Scrimgeour & Company and our personnel from all such claims, liabilities, costs and expenses (including legal fees and disbursements).