

Financial Statements

**MIDDLESEX – LONDON EMERGENCY
MEDICAL SERVICES AUTHORITY**

And Independent Auditors' Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Members of Middlesex-London Emergency Medical Services Authority

Opinion

We have audited the financial statements of Middlesex-London Emergency Medical Services Authority (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 auditor's report.

We are independent of the Entity 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 the financial statements in accordance with Canadian public sector accounting standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 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.
- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

September 25, 2026

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial Assets:		
Cash	\$ 575	\$ 575
Accounts receivable	11,489,943	11,107,165
	11,490,518	11,107,740
Financial Liabilities:		
Accounts payable and accrued liabilities	11,223,635	7,317,049
Employee future benefits (note 2)	13,942,900	11,102,700
Payable to the County of Middlesex	346,240	4,233,367
Total liabilities	25,512,775	22,653,116
Net debt	(14,022,257)	(11,545,376)
Non-financial assets:		
Prepaid expenses	79,357	442,677
Commitments (note 4)		
Accumulated deficit	\$ (13,942,900)	\$ (11,102,699)

See accompanying notes to financial statements.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	Budget 2025	2025	2024
Revenues:			
Grants:			
Province of Ontario	\$ 33,519,726	\$ 39,551,742	\$ 37,777,057
City of London	32,561,592	32,550,997	29,877,051
County of Middlesex	6,471,000	6,857,569	6,020,799
	72,552,318	78,960,308	73,674,907
User charges:			
Fees and donations	–	203,445	406,675
	72,552,318	79,163,753	74,081,582
Expenditures:			
Salaries and benefits (note 5)	57,699,914	59,862,946	55,051,880
Transfer to County of Middlesex (note 6)	4,501,651	7,688,997	8,050,383
Supplies	3,821,904	3,919,018	3,760,386
Contracted services	1,956,203	3,913,655	3,001,363
Facilities	3,580,001	3,100,243	3,101,218
Vehicles and equipment	2,365,474	1,995,098	2,255,052
Insurance	1,679,372	1,523,997	1,379,899
	75,604,519	82,003,954	76,600,181
Annual deficit	(3,052,201)	(2,840,201)	(2,518,599)
Accumulated deficit, beginning of year	(11,102,699)	(11,102,699)	(8,584,100)
Accumulated deficit, end of year	\$ (14,154,900)	\$ (13,942,900)	\$ (11,102,699)

See accompanying notes to financial statements.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Changes in Net Debt

Year ended December 31, 2025, with comparative information for 2024

	Budget 2025		2025		2024
Annual deficit	\$	(3,052,201)	\$	(2,840,201)	\$ (2,518,599)
Prepaid expenses		–		363,320	(391,563)
Change in net debt		(3,052,201)		(2,476,881)	(2,910,162)
Net debt, beginning of year		(11,545,376)		(11,545,376)	(8,635,214)
Net debt, end of year	\$	(14,597,577)	\$	(14,022,257)	\$ (11,545,376)

See accompanying notes to financial statements.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (2,840,201)	\$ (2,518,599)
Changes in non-cash operating working capital:		
Accounts receivable	(382,778)	(1,180,664)
Receivable from the County of Middlesex	-	-
Prepaid expenses	363,320	(391,563)
Accounts payable and accrued liabilities	3,906,586	97,272
Employee future benefits	2,840,200	2,518,600
Payable to the County of Middlesex	(3,887,127)	1,474,954
Increase in cash	-	-
Cash, beginning of year	575	575
Cash, end of year	\$ 575	\$ 575

See accompanying notes to financial statements.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements

December 31, 2025, with comparative information for 2024

1. Significant accounting policies:

The financial statements of the Middlesex – London Emergency Medical Services Authority (the "Authority") are prepared by management in accordance with generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Basis of presentation:

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

(b) Government transfers:

Government transfers are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(c) Employee future benefits:

The Authority has adopted the following policies for future benefits provided to both active and retired employees:

(i) Post-employment benefits:

The cost of termination benefits and compensated absences are recognized when the event that obligates the Authority occurs; costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

The costs of other employee benefits are determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages of employees and expected health costs.

Employee future benefit costs are discounted using the Authority's cost of long-term borrowing. The costs of workplace safety and insurance obligations are actuarially determined and are expensed.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(c) Employee future benefits (continued):

(ii) Pension benefits:

The Authority provides a pension plan for its employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi - employer pension plan which operates as the Ontario Municipal Employees Retirement Fund, and provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The fund is a contributory defined benefit pension plan. As this is a multi-employer plan, no liability is recorded on the Authority's books.

The employer's contributions to a multi-employer, defined benefit plan are expensed as the obligations arise.

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating provisions for accrued liabilities, and in performing actuarial valuations of employee future benefits.

Actual results could differ from these estimates.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

(f) Budget figures:

Budget figures have been provided for comparison purposes. Given differences between the funding model and generally accepted accounting principles for local governments established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(g) Future accounting pronouncements:

- (i) Standards applicable for fiscal years beginning on or after April 1, 2026 (effective for the Authority's fiscal year beginning on January 1, 2027):

The Conceptual Framework for Financial Reporting in the Public Sector – The new Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgment is applied. It will replace the conceptual aspects of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives.

PS 1202 Financial Statement Presentation – The new standard provides updated guidance on the general and specific requirements for the presentation of information in general purpose financial statements. PS 1202 will replace current Section PS 1201 Financial Statement Presentation.

The impact of these standards on the Statements is not reasonably determinable at this time.

2. Employee future benefits:

(a) Pension:

The Authority contributed \$3,254,591 (2024 - \$3,148,832) to OMERS on behalf of its employees for current service. Contributions are included as salaries and benefits expenditure on the Statement of Operations.

(b) Health, dental and life insurance:

The Authority provides certain employee benefits such as health, dental and life insurance to qualified retirees until they reach 65 years of age that will require funding in future periods. An actuarial valuation was undertaken as at December 31, 2023, it provided projected expense and liability disclosure information for the fiscal periods 2025. The accrued benefit obligation calculated for these employees was \$1,805,000 (2024 - \$1,635,700).

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2025, with comparative information for 2024

2. Employee future benefits (continued)

(b) Health, dental and life insurance (continued)

The benefit obligation continuity is as follows:

	2025	2024
Accrued benefit obligation, January 1	\$ 1,671,600	\$ 1,497,300
Current period benefit cost	156,500	150,000
Post-employment benefit interest expenditure	69,800	62,200
Benefits paid	(45,400)	(37,900)
Accrued benefit obligation, December 31	1,852,500	1,671,600
Unamortized actuarial loss	(47,500)	(35,900)
Liability for benefits	\$ 1,805,000	\$ 1,635,700

Post retirement and sick leave benefits expenses are as follows:

	2025	2024
Current period benefit cost	156,500	150,000
Amortization of actuarial loss (gain)	(11,600)	(11,600)
Post-employment benefit interest expenditure	69,800	62,200
	\$ 214,700	\$ 200,600

The significant assumptions used in the actuarial valuation are as follows:

	2025	2024
Discount rate	4.3%	4.3%
Rate of compensation increase	3.0%	3.0%
Dental & other Extended Health Care cost increases	4.0%	4.0%
Extended Health Care cost increases	6.92% for 2025 then reducing by 0.17% per year until 2044 when the ultimate rate of 3.83% is reached	7.09% for 2024 then reducing by 0.17% per year until 2044 when the ultimate rate of 3.83% is reached

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2025, with comparative information for 2024

2. Employee future benefits (continued):

(c) Workplace Safety and Insurance Board:

The Authority has undertaken the risk which would normally be covered by the Workplace Safety and Insurance Board ("WSIB"). The Authority became self-insured for injured worker benefits with WSIB administering the benefits on behalf of the municipality as a schedule II employer. Payments to WSIB during the year were \$3,109,917 (2024 - \$2,201,308), which are reported as salaries and benefits expenditure on the Statement of Operations.

An actuarial valuation was undertaken as at December 31, 2025, it provided projected expense and liability disclosure information for the fiscal periods 2025. The estimate of the future benefit cost for WSIB claims was \$12,137,900 (2024 - \$9,467,000).

The significant assumptions used in the actuarial valuation are as follows:

	2025	2024
Discount rate	4.3%	4.3%
Inflation rate	3.0%	4.4%
Future benefit indexing rate:		
Loss of earning benefits	3.0%	4.4%
Other income benefits	3.0%	4.4%
Health benefits	4.0%	4.0%

(d) Employee future benefits liability consists of the following:

	2025	2024
Health, dental and life insurance benefit obligations	\$1,805,000	\$1,635,700
WSIB benefit obligations	12,137,900	9,467,000
	\$13,942,900	\$11,102,700

3. Financial instruments and risk management:

Middlesex-London Paramedic Services' activities expose it to a range of financial risks arising from its financial instruments. These risks include credit risk and liquidity risk. Management manages these risks through the annual budget process, internal controls, financial planning and ongoing monitoring. The following describes Middlesex-London Paramedic Services' exposure to these risks as at December 31, 2025.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2025, with comparative information for 2024

3. Financial instruments and risk management (continued):

(a) Credit risk

Credit risk is the risk of financial loss to Middlesex-London Paramedic Services if a counterparty to a financial instrument fails to meet its contractual obligations. Middlesex-London Paramedic Services is exposed to credit risk through its cash and financial receivables. A significant portion of its financial receivables is due from government organizations.

The carrying amounts of financial assets represent Middlesex-London Paramedic Services' maximum exposure to credit risk as at December 31, 2025. Management believes its exposure to credit risk is low as the majority of financial receivables are due from government organizations.

Financial Receivables	2025	2024
City of London receivable	\$9,058,401	\$10,473,065
Provincial government receivable	2,158,500	-
Other financial receivables	68,311	188,720
Total	\$11,285,212	\$10,661,785

The financial receivables disclosed above differ from the accounts receivable balance reported on the Statement of Financial Position as certain receivables are outside the scope of PS 3450, *Financial Instruments*.

(b) Liquidity risk

Liquidity risk is the risk that Middlesex-London Paramedic Services will encounter difficulty in meeting its financial obligations as they become due. Middlesex-London Paramedic Services is exposed to liquidity risk primarily through its accounts payable and accrued liabilities. Middlesex-London Paramedic Services had no outstanding long-term debt as at December 31, 2025.

Liquidity risk is managed through the annual budget process, regular monitoring of cash balances and forecasted cash flows, and ongoing funding from the City of London and the County of Middlesex. Management believes Middlesex-London Paramedic Services has sufficient liquidity to meet its financial obligations as they become due.

There were no significant changes in Middlesex-London Paramedic Services' exposure to liquidity risk from the prior year.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2025, with comparative information for 2024

4. Commitments:

The Authority has entered into commitments for rent and leases expiring at various dates prior to 2049. The future minimum annual payments are estimated to be as follows:

2026	\$ 2,145,228
2027	2,129,520
2028	1,997,331
2029	2,021,504
2030	2,258,537
Thereafter	19,243,719
	\$29,795,839

5. Economic dependence:

The Authority is responsible for the provision of land ambulance services within the geographic boundaries of the County of Middlesex and the Corporation of the City of London. The County of Middlesex retains the power to finance the capital and operating costs for providing the services, however it is dependent on the County of Middlesex and the City of London for its ongoing mandate.

6. Transfer to Middlesex County:

Represents amounts transferred to the County of Middlesex to fund reserves and capital expenditures for Middlesex-London Paramedic Services.