

Financial Statements

**MIDDLESEX – LONDON EMERGENCY
MEDICAL SERVICES AUTHORITY**

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

140 Fullarton Street, Suite 1400
London, ON N6A 5P2
Canada
Telephone 519 672 4880
Fax 519 672 5684

INDEPENDENT AUDITOR'S REPORT

To the Members of Middlesex-London Emergency Medical Services Authority

Opinion

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

- the statement of financial position as at December 31, 2024
- 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, 2024 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.



Page 3

- 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

November 4, 2025

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets:		
Cash	\$ 575	\$ 575
Accounts receivable	11,107,165	9,926,501
	11,107,740	9,927,076
Financial Liabilities:		
Accounts payable and accrued liabilities	7,317,049	7,219,777
Employee future benefits (note 3)	11,102,700	8,584,100
Payable to the County of Middlesex	4,233,367	2,758,413
Total liabilities	22,653,116	18,562,290
Net debt	(11,545,376)	(8,635,214)
Non-financial assets:		
Prepaid expenses	442,677	51,114
Commitments (note 5)		
Accumulated deficit	\$ (11,102,699)	\$ (8,584,100)

See accompanying notes to financial statements.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024	2024	2023
Revenues:			
Grants:			
Province of Ontario	\$ 30,884,025	\$ 37,777,057	\$ 31,058,977
City of London	30,022,294	29,877,051	29,502,186
County of Middlesex	5,967,172	6,020,799	5,838,907
	66,873,491	73,674,907	66,400,070
User charges:			
Fees and donations	–	406,675	635,614
	66,873,491	74,081,582	67,035,684
Expenditures:			
Salaries and benefits (note 6)	53,196,784	55,051,880	50,692,947
Contribution to the County of Middlesex	4,833,159	8,050,383	5,586,222
Supplies	2,958,754	3,760,386	3,424,334
Facilities	3,024,372	3,101,218	2,717,051
Contracted services	1,736,671	3,001,363	2,561,363
Vehicles and equipment	2,186,500	2,255,052	2,369,377
Insurance	1,482,251	1,379,899	1,249,990
	69,418,491	76,600,181	68,601,284
Annual deficit	(2,545,000)	(2,518,599)	(1,565,600)
Accumulated deficit, beginning of year	(8,584,100)	(8,584,100)	(7,018,500)
Accumulated deficit, end of year	\$ (11,129,100)	\$ (11,102,699)	\$ (8,584,100)

See accompanying notes to financial statements.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Changes in Net Debt

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024	2024	2023
Annual deficit	\$ (2,545,000)	\$ (2,518,599)	\$ (1,565,600)
Prepaid expenses	–	(391,563)	110,934
Change in net debt	(2,545,000)	(2,910,162)	(1,454,666)
Net debt, beginning of year	(8,635,214)	(8,635,214)	(7,180,548)
Net debt, end of year	\$ (11,180,214)	\$ (11,545,376)	\$ (8,635,214)

See accompanying notes to financial statements.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (2,518,599)	\$ (1,565,600)
Changes in non-cash operating working capital:		
Accounts receivable	(1,180,664)	(1,369,185)
Prepaid expenses	(391,563)	110,934
Accounts payable and accrued liabilities	97,272	811,674
Employee future benefits	2,518,600	1,565,600
Payable to the County of Middlesex	1,474,954	446,577
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, 2024, with comparative information for 2023

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, 2024, with comparative information for 2023

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, 2024, with comparative information for 2023

1. Significant accounting policies (continued):

(g) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) New public sector accounting standards (PSAS) conceptual framework

The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. It defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. The framework will be effective for fiscal years beginning on or after April 1, 2026 (the Authority's December 31, 2026 year-end).

(ii) Financial statement presentation

Section PS 1202 provides guidance on how information should be presented in the financial statements. It will replace the current section PS 1201 financial statement presentation. The new standard, along with related consequential amendments, will be effective for fiscal years beginning on or after April 1, 2026 (the Authority's December 31, 2026 year-end).

2. Change in accounting policies:

The Authority adopted the following standards concurrently beginning January 1, 2024:

(i) Revenue

PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. Based on an evaluation of the Authority's revenue transactions, no revenue was adjusted in 2024.

(ii) Public private partnerships

PS 3160, Public Private Partnerships (P3s), provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. In 2024, the Authority reviewed its capital projects and contracts and concluded that it did not enter into any agreements that meet the definition of public private partnership during the year.

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2024, with comparative information for 2023

3. Employee future benefits:

(a) Pension:

The Authority contributed \$3,148,832 (2023 - \$2,820,229) to OMERS on behalf of its employees for current service. Contributions are included as an 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 2024 and 2025. The accrued benefit obligation calculated for these employees was \$1,635,700 (2023 - \$1,473,000).

The benefit obligation continuity is as follows:

	2024	2023
Accrued benefit obligation, January 1	\$ 1,497,300	\$ 1,369,200
Current period benefit cost	150,000	198,100
Post-employment benefit interest expenditure	62,200	48,000
Plan amendments	–	(75,800)
Benefits paid	(37,900)	(42,200)
Accrued benefit obligation, December 31	1,671,600	1,497,300
Unamortized actuarial loss	(35,900)	(24,300)
Liability for benefits	\$ 1,635,700	\$ 1,473,000

Post retirement and sick leave benefits expenses are as follow

Current period benefit cost	150,000	\$ 198,100
Amortization of actuarial loss (gain)	(11,600)	15,000
Plan amendments	–	(75,800)
Post-employment benefit interest expenditure	62,200	48,000
	\$ 200,600	\$ 185,300

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2024, with comparative information for 2023

3. Employee future benefits (continued):

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

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

	2024	2023
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	7.09% for 2024 then reducing by 0.17% per year until 2044 when the ultimate rate of 3.83% is reached	7.26% for 2023 then reducing by 0.17% per year until 2044 when the ultimate rate of 3.83% is reached

(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 \$2,201,308 (2023 - \$2,392,508).

An actuarial valuation was undertaken as at December 31, 2024, it provided projected expense and liability disclosure information for the fiscal periods 2025. The estimate of the future benefit cost for WSIB claims was \$9,467,000 (2023 - \$7,111,100).

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

	2024	2023
Discount rate	4.3%	4.3%
Inflation rate	4.4%	2.0%
Future benefit indexing rate:		
Loss of earning benefits	4.4%	2.0%
Other income benefits	4.4%	2.0%
Health benefits	4.0%	4.0%

MIDDLESEX – LONDON EMERGENCY MEDICAL SERVICES AUTHORITY

Notes to Financial Statements (continued)

December 31, 2024, with comparative information for 2023

3. Employee future benefits (continued):

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

	2024	2023
Health, dental and life insurance benefit obligations	\$1,635,700	\$1,473,000
WSIB benefit obligations	9,467,000	7,111,100
	<u>\$11,102,700</u>	<u>\$8,584,100</u>

4. Financial instruments:

The Authority's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, and accounts receivable/payable to the County of Middlesex. The fair values of these financial instruments approximate their carrying value due to the expected short-term maturity of these instruments. Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

5. 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:

2025	\$ 2,074,368
2026	2,085,857
2027	2,071,177
2028	1,938,712
2029	1,961,304
Thereafter	20,146,612
	<u>\$30,278,030</u>

6. 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.