



City of Windsor

Annual Financial Report

2023



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Mayor's Message



On behalf of City Council, I am pleased to present the City of Windsor's 2023 Annual Financial Report. This report includes information on the City's financial performance and decisions and actions we have taken to address issues important to Windsor. Windsor stands at an inflection point – facing the evolving needs, opportunities, and challenges that go hand in hand with incredible economic growth, creation of new jobs, and a rapidly growing population.



Drew Dilkens
Mayor

As an international gateway between Canada and the United States and the busiest trade corridor between the two countries, we are eagerly watching as the Gordie Howe International Bridge moves toward completion. Windsor's game-changing NextStar Energy EV battery manufacturing plant is solidifying our status as the Automotive and Automobility Capital of Canada.

Meanwhile, the new Windsor-Essex Acute Care Hospital is coming to life and will transform healthcare in our region, and we continue with work to plan for and develop the critical Sandwich South lands. All of this has cemented our position as one of the most important communities to watch in Ontario and Canada; a 'Revival City' with promising economic growth and unparalleled opportunities. I have never been more optimistic and excited about our City's future than I am today.

From the back half of 2023, through the front half 2024, the City has launched major initiatives aimed at leveraging this incredible time of growth. From the **Housing Solutions Made for Windsor** strategy to increase Windsor's housing supply to meet evolving needs... to the **Strengthen the Core: Downtown Windsor Revitalization Plan** to address safety and security, improve cleanliness, expand activations, and attract new investments, businesses, and residents to the core... we are **Building Windsor's Future**.

To undertake this important work, Council relies on an administrative team that shares our commitment to forward-thinking, service delivery, fiscal responsibility, and to delivering budgets that continue to invest in infrastructure, economic development, affordability, safety, and quality of life. Some important Corporate highlights over the last year include:

- Issuing permits with a collective construction value amounting to \$1,183,925,853, with 1793 permits processed;
- Processing 223 development applications and 23 Community Improvement Plan incentive applications;
- Moving forward with significant projects under the Sewer and Coastal Flood Protection Master Plan – as of December 31, 2023, approximately \$300M has been allocated within the current 10-year capital plan, with \$60M of that spent to date, on projects focused on flood mitigation;
- Opening the Meadowbrook Development mixed-market building, featuring 145 units, including 76 affordable housing units and 69 units offered at market rates;
- Receiving the 2023 Ontario Municipal Social Services Association Local Municipal Champions awards for impactful assistance to asylum claimants, and for the Housing and Homelessness Help Hub (H4) operation's work integrating and managing human services;
- Opening 20 new playgrounds, 2 new off leash dog parks and installed 16 new courts (3 tennis, 12 pickleball, 1 basketball) across the city;
- Introducing the 418X new semi-express route and a new Special Events service through Transit

- Windsor, and ordering 20 new buses to be delivered in 2024;
- Approving the first Corporate Technology Strategy Plan;
- Earning an A Score – Leadership Level from the Carbon Disclosure Project;
- Planting 2577 new trees;
- Endorsing a new Vision Zero Policy and Plan to support the goal of zero fatalities and serious collision injuries on Windsor's streets;
- Installing 20 Level 2 EV chargers at three corporate facilities;
- Unveiling the Rosalie Trombley Commemorative Sculpture;
- Welcoming 100,000 visitors to our award-winning Bright Lights Windsor festival;
- Delivering innovative programming at all Windsor Public Library branches; and
- Successfully hosting FireFest in recognition of first responders;

Meanwhile, some important 2023 highlights for the broader community, possible through significant support from the City of Windsor, include:

- Maclean's Magazine spotlighting Windsor as one of the top 10 destinations worth exploring in Canada;
- Windsor being included in the 2024 Ontario Budget, with Premier Ford confirming ongoing support for our new regional hospital, the widening of Highway 3, a new interchange to connect Highway 401 to Lauzon Parkway, and \$50M committed to help build a new interchange at Banwell Road and E.C. Row Expressway;
- Announcement that production of innovative new Dodge products is coming to the Windsor Assembly Plant;
- Opening of the Malden Park Observation Deck overlooking the new bridge, and connecting the bridge and our community to the 28,000 km Trans Canada Trail;
- Significant progress toward creation of the Ojibway National Urban Park, in partnership with upper levels of government;
- Grand inauguration of Dongshin Motech's \$100M manufacturing facility in Windsor-Essex;
- Supporting a \$35M investment by Bobae America Inc., through our CIP program.

Through the ongoing commitment of Council, expertise of our dedicated Corporate Leadership Team, and the efforts of all City staff, we will continue to create more jobs, more housing, and plan for the infrastructure needed to support our exponential growth, helping to ensure that the City of Windsor is ready to seize opportunities as we continue to move toward a bold and bright future.



Drew Dilkens
City of Windsor Mayor

City Council



Mayor and City Council, 2022-2026

Back row: **Fabio Costante** (Ward 2), **Renaldo Agostino** (Ward 3),
Jo-Anne Gignac (Ward 6), **Gary Kaschak** (Ward 8), **Mark McKenzie** (Ward 4),
Angelo Marignani (Ward 7).

Front row: **Fred Francis** (Ward 1), **Jim Morrison** (Ward 10),
Drew Dilkens (Mayor), **Kieran McKenzie** (Ward 9), **Ed Sleiman** (Ward 5)

CAO Message |



Joe Mancina
Chief Administrative
Officer (CAO)

I am pleased to share The Corporation of the City of Windsor's 2023 Annual Financial Report. This report offers an opportunity to reflect on the past year's achievements as the City continues to leverage its strong financial profile and budgetary performance towards the continued provision of excellent services to the residents and business owners of Windsor.

As 2023 was the first full year of operations post-pandemic, the budget presented new and unprecedented challenges. Given this new reality and the significant financial impacts to the City, Administration undertook a very detailed review of the 2023 budget submissions with enhanced scrutiny of all expenditures while seeking opportunities for revenue enhancements. The 2023 budget achieved a well balanced and fiscally responsible business plan to maintain or improve the levels and quality of services to our citizens while ensuring modest impacts on property taxes.

Now, Windsor is experiencing an incredible period of growth and renewed optimism. From the near completion of the Gordie Howe Bridge to the billion-dollar NextStar Energy battery plant emerging on the eastern limits of the City, our local economy continues to soar to extraordinary levels. Add the construction of the new state-of-the-art mega hospital, and it's not hard to see how Windsor is changing for the better.

As we continue to experience unprecedented growth and the opportunities which that presents, the City needs to be prepared to proactively respond to the change in our economy, and I'm happy to say that work has already begun. Over the past year, the City has positioned itself well in a number of key areas:

- The City is responding to the increasing service-level demands of a growing and prospering community by adding a contingent of new, energized, and passionate municipal employees to our team.
- Key resource enhancements have been made in such areas as Building, Planning, Economic Development, Transit and Huron Lodge, just to name a few.
- The adoption and roll out of a Corporate Technology Strategy to accelerate our digital transformation goals is well underway.
- The City has targeted red tape and created new portals to allow easy access to key municipal services,
- The City has prepared itself to tackle growth by making strategic investments in our municipal infrastructure, and continue to invest in roads, sewers and other key assets that provide vital service to the community.

Among the 2023 highlights, you'll read about the City's record 10-year capital funding plan which outlines investments of \$1.76B for a number of ambitious capital projects, including significant investments in Transit as a result of leveraging funds from Investing in Canada Infrastructure Program (ICIP), a \$10M investment to support the development of a community Housing Hub, the roll out of major initiatives from our Sewer Master Plan, and various upgrades to roads, parks and recreation facilities.

Perhaps less visible, but no less important, City Council has endorsed a robust forward looking plan that addresses "Employee Experience" and "Retention Strategies" in order to better position the City to successfully retain top talent, optimize employee experience, mitigate labour market challenges, assess current corporate technology needs, identify relevant risks, and define a vision for the future.

As we look to the future, there are several exciting projects and initiatives on the horizon including redefining our corporate vision statement and developing a North Star that will deliver on the goals and the vision established by City Council. There is much to do and creating a positive and inclusive workplace remains at the forefront. We remain committed to promoting a culture of diversity and inclusion, where every employee feels valued and empowered to contribute their best. Together we can do great things!

Sincerely,
Joe Mancina, Chief Administrative Officer

Administration



Joe Mancina

Chief Administrative Officer (CAO)

-
- Management of human, fiscal, and physical resources
 - Implementation of approved policies and programs
 - Provide leadership and direction to all departments

Corporate Leadership Team (CLT)



Ray Mensour

Commissioner, Community Services

-
- Parks & Facilities
 - Recreation & Culture
 - Library Services
 - Fire & Rescue Services



Andrew Dahir

Commissioner, Human & Health Services

-
- Employment & Social Services
 - Housing & Children's Services
 - Huron Lodge



Janice Guthrie

Commissioner, Finance & City Treasurer

-
- Asset Planning
 - Financial Accounting
 - Financial Planning
 - Taxation & Financial Projects



Jelena Payne

Commissioner, Economic Development

-
- Economic Development & Climate Changes
 - Planning & Development Services
 - Building Services
 - Transit Windsor



Mark Winterton

Commissioner, Infrastructure Services

-
- Engineering
 - Pollution Control
 - Public Works Operations



Dana Paladino

Commissioner, Corporate Services

-
- Legal Services
 - Corporate Security
 - Information Technology
 - Human Resources & Employee Relations
 - Communications & Customer Services
 - Equity, Diversity, Inclusion, Accessibility & Indigenous Affairs
 - Purchasing, Risk Management & Provincial Offences

Windsor at a Glance |



229,660

Population

(2021 StatsCan Census)



\$1,183,925,853

Total Construction Value

(2023 Planning Dept)



5.7%

Population Growth

(2021 StatsCan Census)



1,311

Total Number of Dwelling Units

(2023 Planning Dept)



146.32 KM²

City Area

(Planning Dept)



\$556,451

MLS Average Selling Price

(YTD Dec 2023 Windsor Essex County Association of Realtors)



40

Median Age

(2021 StatsCan Census)



1793

Total Number of Permits Issued

(Planning Dept)



Flowers, fountain, and gazebo at the Queen Elizabeth II Sunken Gardens.

Financial Statement Discussion and Analysis |



City Treasurer's Message

The Corporation of the City of Windsor (The City) is pleased to present its Annual Financial Report for the year ended December 31, 2023. This report provides an overview of The City's 2023 operational responsibilities and financial performance. The City achieved an annual surplus of \$157 million on revenues of \$1.103 billion and expenses of \$946 million. Contained in this report are the City's audited 2023 Consolidated Financial Statements, a review of the financial statements and statistical information. KPMG LLP has issued a clean audit report for the year ended December 31, 2023 with no significant findings noted.

Janice Guthrie

Commissioner, Finance
& City Treasurer

The Financial Statement Discussion and Analysis (FSD&A) section communicates to residents, businesses, and stakeholders on how the City's financial resources are being managed to provide municipal services and infrastructure. The FSD&A presents analysis of the City's 2023 financial performance between reporting years, as well as between approved budget and actual results. The FSD&A also identifies trends, risks and anticipated events that could have financial implications.

In 2023, the City continued to improve its financial sustainability and mitigate service impacts which resulted from the COVID-19 pandemic. While 2023 continued to be a challenging year, services adapted quickly and efficiently to the changing needs of the community to support its citizens and businesses. There were changes within the City's local government as a result of the municipal election held in October 2022 with three new Councillors being elected to join the returning Councillors to represent each of the ten municipal wards remaining committed to identifying and delivering on City-specific plans, programs and initiatives and to support the post pandemic and downtown economic recovery. Responding to mental health and safety/security within the City's downtown core continued to be a strategic initiative.

The 2023 Consolidated Financial Statements demonstrate the City's sound financial position. Liquidity has increased in 2023 with the value of cash and investments increasing by approximately \$112 million due to \$52.5 million in issued long-term debt, an increase in deferred revenue of \$19 million and \$21 million due to the performance of the City's investments over budget, with the balance due to the City's normal operating activities. The City's long-term debt increased by \$52 million due to \$45 million in new City debt related to industrial development and \$7 million in additional debt issued by the Windsor Essex Community Housing Corporation. Consolidated long-term debt totalled \$107.3 million as of December 31, 2023. Of that debt, \$57.7 million was issued by the City, with the balance issued by the Essex Windsor Solid Waste Authority and the Windsor Essex Community Housing Corporation. Further, \$44.7 million of the \$107.3 million in long-term debt is repayable through general taxation, with the balance repayable via dedicated user fees.

Employee future benefit liabilities have increased by approximately \$3 million compared to 2022 based on an actuarial valuation, largely due to an increase in the WSIB portion of the liability. Currently the Corporation is funding this actuarial liability on a cash basis as actual payments are required. The total liability of approximately \$697 million represents the estimated present value of all future payments. Recent Council decisions aimed at controlling post- retirement benefit costs will gradually yield benefits and savings over the years and decades ahead, with the liability being reduced over the long term. While the reserve levels of the City remain below that of its peers, improvements to the balance of the reserve funds continue via the City's Reserve Enhancement Plan.

Financial Statement Discussion and Analysis

In 2023, S&P Global Ratings has affirmed its long-term issuer credit and senior unsecured debt ratings for the City of Windsor as AA+ citing that "Windsor will continue to exhibit strong financial management, with a stable and highly experienced management team."

S&P also issued a stable outlook for the City, noting an expectation that "Windsor's prudent and forward-looking financial management practices will continue supporting the City's typically strong budgetary results."

The AA+ rating is an affirmation to residents of the City of Windsor of Administration's and Council's commitment to fiscal financial responsibility and signifies that the City is considered a low-risk investment within the financial capital markets.

2023 Budget Process

The 2023 Budget process was undertaken with consideration to providing options to meet Council's fiscal targets of a 0% tax increase option along with 5% departmental reduction targets being brought forward for each department. This mandate also applied to all City Agencies, Boards, and Commissions (ABCs). Further, Administration was directed to develop the 2023 10-year Capital Budget based on current funding level projections, inclusive of the operational (tax levy based) transfers to capital being maintained at current 2022 levels.

City departments were also asked to bring forward detailed requirements to maintain current service levels and new initiatives to improve operations. At the same time, efforts were made to identify revenue increases and operating efficiencies to achieve an overall budget that fell below the rate of inflation.

Key Factors Impacting the 2023 Budget

- Ongoing COVID-19 pressures. While many City services had returned to normal levels as a result of restrictions being lifted, there were some services and revenue shortfalls that were expected to be impacted indefinitely from their historical levels.
- Inflationary pressures.
- Service Enhancements and Master Plans. The announcement of the NextStar Energy plant along with other economic development initiatives and other master plans required additional operating and capital funding.

Public Engagement and Other Inputs into the Annual Budget Process

On November 23, 2022, the City launched 3 separate public engagement tools designed to provide residents with insight and involvement into the City's 2023 budget process.

- **Prioritize.** A new engagement tool that allowed residents to provide input on their priorities for the upcoming 10-year capital plan. Users are able to select the capital investment areas that are important to them and then rank their preferences. The resulting data provided a deeper insight into the priorities of residents as they relate to competing capital funding and corporate initiatives.
- **Budget Balancing Simulation.** Allowed residents to adjust the City of Windsor's 2022 Approved Property Tax Funded Operating Budget by increasing, decreasing, or maintaining spending for various city services, including Police, Fire & Emergency, Infrastructure, Payments to School Boards, Capital Projects & Reserves, Human & Health Services, Community Services, General Corporate Support, and Economic Development & Innovation. Once users make their adjustments, a coloured pie chart was updated to reflect the percentage of spending on each service. Users were able to adjust each service to a maximum of approximately 10 percent.
- **Tax Receipt Generator.** Allowed residents to input their 2022 municipal property taxes and generate an estimated tax receipt that showed a breakdown of how their tax dollars were spent.

In addition, virtual ward meetings were held which provided an avenue of public input and consultation. Public interaction and constituent feedback gathered during these ward sessions and public consultations helped to inform municipal decisions by elected officials and administrative staff. This public feedback helped guide Council as they prioritize service level decisions during the development of the 2023 municipal budget.

On April 3, 2023, City Council approved the 2023 Operating and Capital Budget reflective of an overall increase of 5.09% inclusive of growth from new property taxes.

Reconciliation of The City's 2023 Budget to Audited Consolidated Financial Statements

The City's annual budget is prepared on a cash basis for the purpose of calculating the property tax levy whereas the audited financial statements are prepared on an accrual basis of accounting. The audited financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC). There are certain budgeted revenues and expenses within the financial statements that need to be eliminated (such as transfers between funds, debt principal repayments, and dividend receipts) for financial reporting purposes. There are a few other non-budgeted adjustments included to help align with actual numbers. BIA consolidations, amortization of capital assets and accruals for liabilities based upon actuarial valuations such as future benefit and pension obligations. The chart below helps break down the reconciliation between the City's budget and the audited financial statements.

Adjustments to Approved Operating Budget for Financial Statement Presentation

	2023 (\$)
Expenses	
Approved 2023 Operating Budget (all property tax levy supported funds)	997,771
Plus: Net of budgeted sewer surcharge and eliminations of internal cost recoveries	10,096
Less: Budgeted transfers to / from reserves and capital	(173,982)
Less: Education payments to school boards	(52,481)
Plus: PSAB adjustments (actual post-retirement benefit and WSIB liabilities)	16,367
Plus: Actual amortization and tangible capital asset adjustments	117,923
Plus: Consolidated entity budgeted expenses	77,852
Less: Eliminate budgeted transactions with consolidated entities	(62,505)
Adjusted budgeted expenses	<u>931,041</u>
Revenues	
Approved 2023 Operating Budget (all property tax levy supported funds)	997,771
Plus: Net of budgeted sewer surcharge and eliminations of internal cost recoveries	10,096
Less: Budgeted transfers to / from reserves and capital	(15,515)
Less: Capital fund adjustments	(6,777)
Less: Education amounts collected on behalf of school boards	(52,284)
Plus: Consolidated entity budgeted revenues	74,885
Less: Eliminate budgeted transactions with consolidated entities	(57,075)
Adjusted budgeted revenues	<u>951,101</u>
Budgeted Surplus	20,060



Two people walk through a trail on Peche Island.

Financial Statements Review

The annual financial statements are the responsibility of Management and are prepared in accordance with generally accepted accounting principles (GAAP) for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC). Contained in this document are The City's 2023 Consolidated Financial Statements and the City of Windsor Trust Fund Financial Statements as of December 31, 2023.

The City's 2023 Consolidated Financial Statements consist of:

- **Consolidated Statement of Financial Position** – summary of financial and non-financial assets, liabilities, and accumulated surplus at year-end.
- **Consolidated Statement of Operations** – summary of revenues, expenses and annual surplus for the year.
- **Consolidated Statement of Change in Net Financial Assets** – summary of changes in financial assets and liabilities.
- **Consolidated Statement of Remeasurement Gains & Losses** - details the unrealized change in the value of financial instruments, such as investments, being measured at fair market value at the Statement of Financial Position date as well as the year end conversion of balances held in foreign currency.
- **Consolidated Statement of Cash Flows** – summary of the sources and uses of cash in the year.

Also included are the Notes to the Consolidated Financial Statement which provide detailed information on significant accounting policies, reporting practices, use of estimates and amounts included in the Statements. The Notes form an integral part of the Consolidated Financial Statements.

The City's Consolidated Financial Statements reflect the assets, liabilities, revenues and expenditures of all organization and enterprises accountable for the administration of their financial affairs and resources to City Council and which are owned or controlled by The City. The City Consolidated Financial Statements also include, on a modified equity basis those corporations which are considered to be Government Business Entities (GBE).

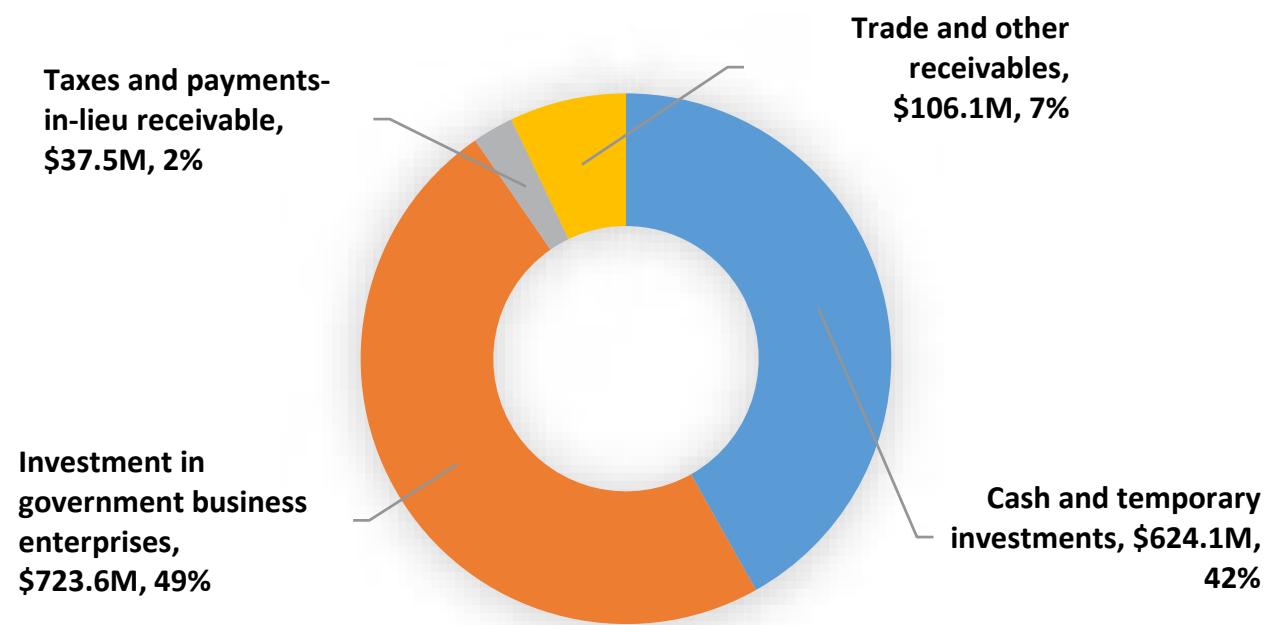
Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position of a municipality provides a snapshot of its financial health at a specific point in time. It provides stakeholders an understanding of the municipality's financial stability and capacity to meet future obligations. The statement includes information about the City's assets, liabilities, net financial assets (net debt) and accumulated surplus/deficit.

Financial Assets

The financial assets of a municipality are the economic resources held by the government, which can be utilized to finance services, infrastructure, and various community needs. These assets are essential for a municipality's ability to manage its budget, invest in community projects, address emergencies, and sustain overall financial health.

Financial Assets



Financial Assets ('000's)	2023 (\$)	2022 Restated (\$)	Change (\$)	Change (%)
Cash and temporary investments	624,101	511,906	112,195	21.92%
Investment in government business enterprises	723,606	694,728	28,878	4.16%
Taxes and payments-in-lieu receivable	37,462	35,593	1,869	5.25%
Trade and other receivables	106,088	87,222	18,866	21.63%
Total	1,491,257	1,329,449	161,808	12.17%

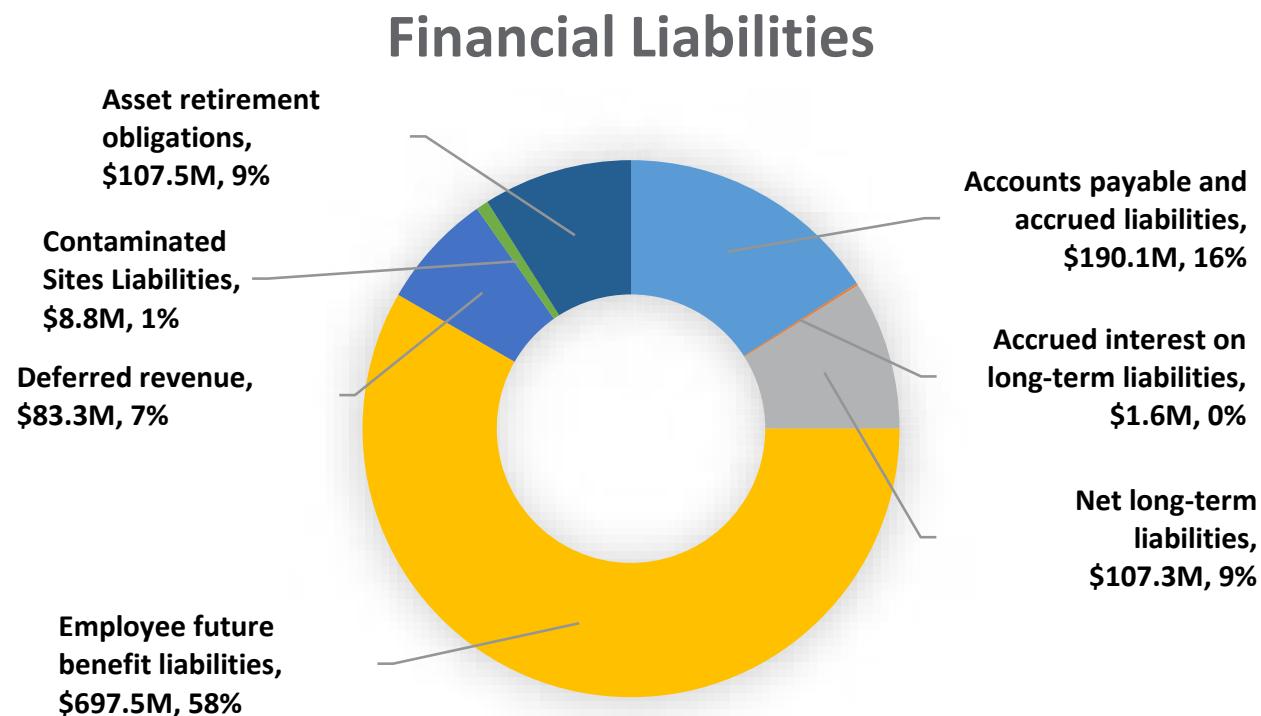
Financial Statements Review

The City's financial assets have improved over the prior year largely due to:

- Cash and temporary investments have increased by \$112 million as compared to 2022. The Statement of Cash Flows details the various activities that contributed to this increase.
- Investment in Government Business Enterprises (GBE) increased in 2023 by approximately \$28.9 million due to net surpluses of GBE's during the year.
- Taxes and payments-in-lieu receivable increased by \$1.9 million in 2023 compared to 2022.
- Trade and other receivables have increased by approximately \$18.9 million, primarily due to increases in accrued interest receivable, social services receivables, recreation receivables and slightly increased receivables at consolidated entities.

Financial Liabilities

Financial liabilities of a municipality are the obligations and debts that a municipal government must pay in the future. Understanding these financial liabilities is crucial for assessing a municipality's financial health, its ability to meet obligations, manage its budget effectively, and secure long-term fiscal stability.



Financial Liabilities ('000's)	2023 (\$)	2022 Restated (\$)	Change (\$)	Change (%)
Accounts payable and accrued liabilities	190,106	181,274	8,832	4.87%
Accrued interest on long-term liabilities	1,604	848	756	89.15%
Net long-term liabilities	107,251	54,807	52,444	95.69%
Employee future benefit liabilities	697,502	694,431	3,071	0.44%
Deferred revenue	83,347	64,168	19,179	29.89%
Contaminated Sites Liabilities	8,847	8,774	73	0.83%
Asset retirement obligations	107,490	107,299	191	0.18%
TOTAL	1,196,147	1,111,601	84,546	7.61%

The increase in financial liabilities is attributed to:

- Accounts payable and accrued liabilities have increased by approximately \$8.8 million as compared to 2022. Payables were generally stable overall other than an increase in salary and wage provisions.
- Employee future benefit liabilities have increased by approximately \$3 million compared to 2022 based on an actuarial valuation, largely due to changes in WSIB regulations concerning certain diseases and how they are included in WSIB liability valuations. This was verified through an independent actuarial valuation of the City's WSIB liability, which comprises \$83.9 million of the \$697 million total for employee future benefits liabilities. Currently, the Corporation is funding this actuarial liability on a cash basis as actual payments are required
- Deferred revenue of \$83.3 million (2022 \$64.2 million) has been recorded as a financial liability on the Statement of Financial Position. This results primarily from the unused balance of various legislated reserves as well as the contra-reserve that was established in 2012 to offset the building permit reserve fund deficit.
- Asset retirement obligations (AROs) are a new reporting requirement in 2023 as a consequence of PS 3280 being approved by the Public Sector Accounting Board (PSAB). AROs represent an estimate of the future liability to retire current assets from service according to the environmental and other regulations currently in place. For the City and its consolidated entities, the AROs being reported consist entirely of landfill post-closure perpetual care obligations and asbestos remediation obligations in buildings. The implementation of PS 3280 required that the previous amount reported for landfill post-closure perpetual care be reversed and new estimates for all AROs reported in its place. Further, the City was required to re-state its 2022 results as if PS 3280 had been in place for that year to provide a basis for comparison with the 2023 results. Asset retirement obligations for 2023 totalled \$107.5 million, a modest increase from \$107.3 million in 2022, due entirely to landfill accretion expenses for the Essex Windsor Solid Waste Authority landfill.
- Inactive contaminated sites liabilities represent a very specific estimate for:
 - City responsibility for sites not in productive use (generally vacant land or unused buildings).
 - Sites that likely contain contamination that exceeds an environmental standard and would require the City to incur costs to remediate to that standard based on the current or intended use.

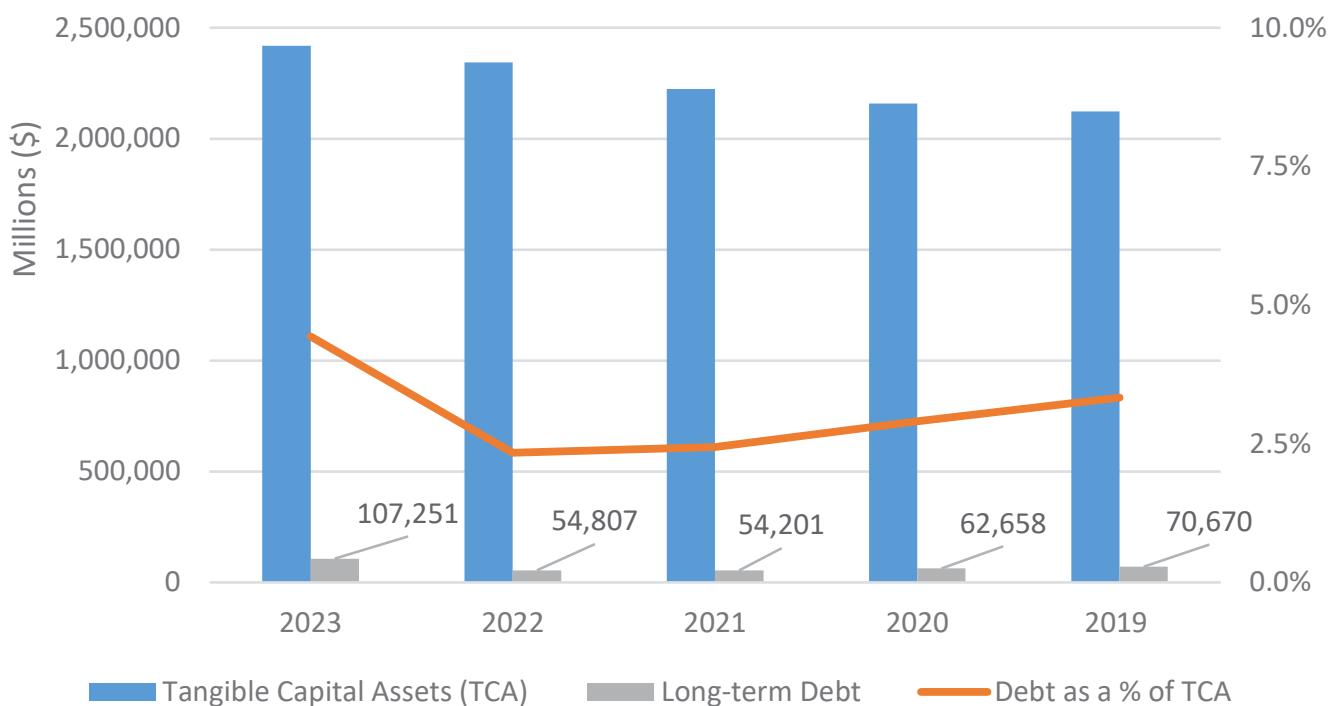
Like other unfunded liabilities, such as employee future benefit obligations, the City is not required to budget for or fund this liability. The liability has increased by less than \$0.1 million in 2023 largely due to inflationary increases.

Long-term Liabilities

Municipalities use debt to fund large capital projects, manage cash flow, and distribute the cost of infrastructure investments over its useful life. Municipalities adopt formal debt policies outlining the purpose, type, limits, and management practices for debt usage. The development of such policies contributes to the prudent use of debt and proper alignment with strategic financial goals.

City Administration has the responsibility to assess the municipality's capacity and ability to utilize and repay debt. This requires the evaluation of existing debt levels, revenue streams and economic conditions to ensure that the financial stability of the municipality is not compromised when assuming debt. In addition, City Administration continuously monitors the interest rate environment and financial market conditions for the timely issuance of debt to secure favourable terms. Furthermore, City Administration proactively plans for debt repayment through budget allocations and revenue streams when applicable to ensure debt obligations are met without disrupting municipal operations.

Long-Term Liabilities to Tangible Capital Assets



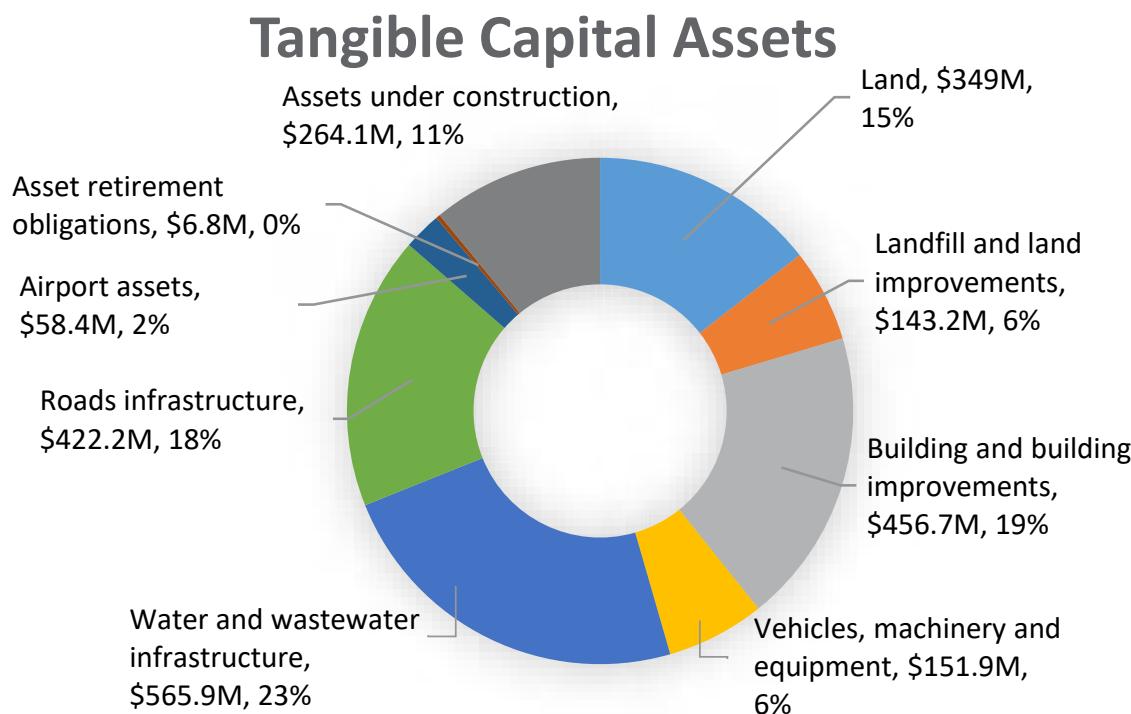
Long-term liabilities have increased by \$52.5 million. Of the total long-term debt of \$107.3 million, \$44.7 million is repayable from general taxation – the remainder is repayable through dedicated user fees. Further, of the total long-term debt of \$107.3 million, \$57.7 million was issued by the Corporation of the City of Windsor. Approximately \$23.7 million is the City's share of approximately \$47 million in debt issued by the Essex Windsor Solid Waste Authority. The remaining \$25.9 million was issued by the Windsor Essex Community Housing Corporation.

Non-Financial Assets

Non-financial assets of a municipality are comprised of tangible capital assets, such as buildings, roads, and land and intangible assets such as prepaid expenses and inventory and supplies. This section is mostly comprised of tangible capital asset that are the result of capital investment, which is essential in providing services and programs to the community.

Tangible Capital Assets

Tangible capital assets are valued and managed by a municipality through a structured process that involves stewardship, accountability, and asset management planning. This approach ensures that these critical assets are used efficiently, maintained properly, and replaced or enhanced to continue in providing essential services to the community.



Non-financial Assets ('000's)	2023 (\$)	2022 Restated (\$)	Change (\$)	Change (%)
Tangible capital assets	2,418,816	2,344,337	74,479	3.18%
Inventory and assets held for resale	3,585	3,664	-79	-2.16%
Prepaid expenses	17,821	14,950	2,871	19.20%
TOTAL	2,440,222	2,362,951	77,271	3.27%

Prepaid expenses, also included in Non-Financial Assets have increased by \$2.8 million in 2023 due to the timing of payments.

Financial Statements Review

Accumulated Surplus

The Consolidated Statement of Operations reflects an annual surplus of \$157 million for Public Sector Accounting Board (PSAB) financial reporting purposes.

The annual surplus results from the inclusion of various mandated PSAB expenses for financial reporting purposes and the removal of purchased tangible capital assets from expenditures. Examples of included expenses include post-retirement expenses, accrued interest on long-term debt and amortization of tangible capital assets.

Accumulated Surplus	2023	2022 Restated
Invested in tangible capital assets	2,311,565	2,289,530
Invested in government business enterprises	723,606	694,728
Unfunded employee future benefit obligations	(697,502)	(694,431)
Unfunded contaminated sites liabilities	(8,847)	(8,774)
Unfunded asset retirement obligations	(107,490)	(116,073)
Other	62,048	112,720
Reserves and reserve funds	451,952	294,325
Total accumulated surplus	2,735,332	2,580,799

The main components of 'Other' include timing differences of funding expenditures including the capital fund balance, and other unfunded accruals (such as interest on long-term debt). The capital fund balance, which is maintained in the City's accounts, reflects the cumulative fund balance position of the City of Windsor consolidated capital fund. The City approves a capital budget annually, which includes a number of capital projects for which the timing of the actual expenditures and their permanent financing may vary significantly. Due to this timing difference, it is normal to have an unexpended or unfinanced capital fund position in any one year, which will impact the accumulated surplus 'Other' category.

Reserves and Reserve Funds

Reserves and reserve funds for a municipality involves the allocation of funds for the purpose of meeting future capital expenditure needs or contingencies. Reserves provide a safety net allowing the municipality to manage financial risk and uncertainties, while continuously delivering services during fiscal challenges. To ensure the proper management, review and usage of these funds, municipalities establish formal policies containing guidelines and criteria for proper creation and administration. Healthy reserve levels can positively influence a municipality's credit rating, leading to better borrowing terms and lower interest rates.

Reserves and reserve funds ('000's)	2023 (\$)	2022 (\$)	Change (\$)	Change (%)
Reserves set aside for a specific purpose by Council:				
Working funds	35,563	34,618	945	2.73%
Encumbrances	5,447	6,493	-1,046	-16.11%
Future planning	2,230	1,857	373	20.09%
Post retirement death benefit	106	287	-181	-63.07%
Recreation services	1,106	1,292	-186	-14.40%
Fire services	1,648	1,530	118	7.71%
Environmental services	24,924	24,582	342	1.39%
Occupational illness	1,762	3,310	-1,548	-46.77%
Others	3,811	3,979	-168	-4.22%
Total reserves	76,597	77,948	-1,351	-1.73%
Reserve funds set aside for a specific purpose by Council:				
Replacement of equipment	74,475	59,275	15,200	25.64%
Capital expenditures	140,572	99,319	41,253	41.54%
Insurance	8,818	7,756	1,062	13.69%
Health benefits rate stabilization	10,217	12,063	-1,846	-15.30%
Sanitary sewer expenditures	47,080	4,183	42,897	1025.51%
Budget stabilization	11,480	12,918	-1,438	-11.13%
Children's fund	791	752	39	5.19%
Social housing	-12,136	-30,889	18,753	-60.71%
Recreation	245	377	-132	-35.01%
Transit debt repayment	1,096	1,160	-64	-5.52%
Public health	72,741	31,368	41,373	131.90%
Tax appeals	19,976	18,095	1,881	10.40%
Total reserve funds	375,355	216,377	158,978	73.47%
Total reserves and reserve funds	451,952	294,325	157,627	53.56%

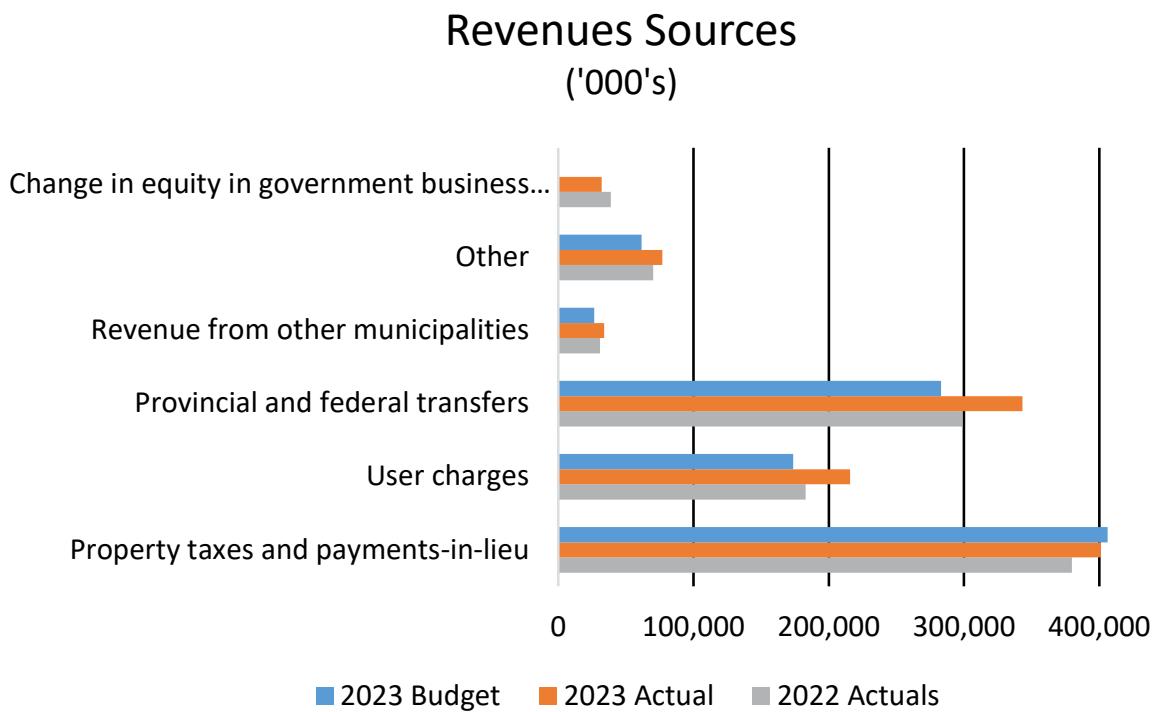
Consolidated Statement of Operations

The Consolidated Statement of Operations provides a comprehensive overview of the municipality's revenues, expenses, and results of operations over its fiscal reporting year. It provides insight into the municipality's financial performance and economic health and ensures accountability over the usage and management of public funds. Furthermore, the municipality utilizes this information for strategic planning in forecasting future financial needs and priorities.

Budget data presented in the Consolidated Financial Statements is based on the 2023 Council approved operating budget. Certain adjustments were required to convert the budget from an essentially cash basis to an accrual basis consistent with PSAB financial reporting standards. Included in these adjustments are the elimination of budgeted internal charges and recoveries, budgeted transfers to and from reserves and budgeted transactions with consolidated entities. Since certain significant items are not included in the annual operating budget (e.g. amortization, the changes in employee future benefits and landfill post-closure liabilities), the assumption of using the actual accrued amount as the budget amount was used. The budget figures included on the Consolidated Statement of Operations are for financial statement presentation only.

Revenue Sources

The City's revenue sources consist of the following:



Revenues ('000's)	2023 Budget (\$)	2023 Actual (\$)	2022 Actuals (\$)	Budget Variance (\$)	Yr over Yr Variance (\$)
Property taxes and payments-in-lieu	406,113	401,249	379,771	-4,864	21,478
User charges	173,803	215,860	182,668	42,057	33,192
Provincial and federal transfers	282,954	343,265	298,797	60,311	44,468
Revenue from other municipalities	26,631	33,967	30,840	7,336	3,127
Other	61,600	76,867	70,170	15,267	6,697
Change in equity in government business enterprises	0	32,120	38,983	32,120	-6,863
TOTAL	951,101	1,103,328	1,001,229	152,227	102,099

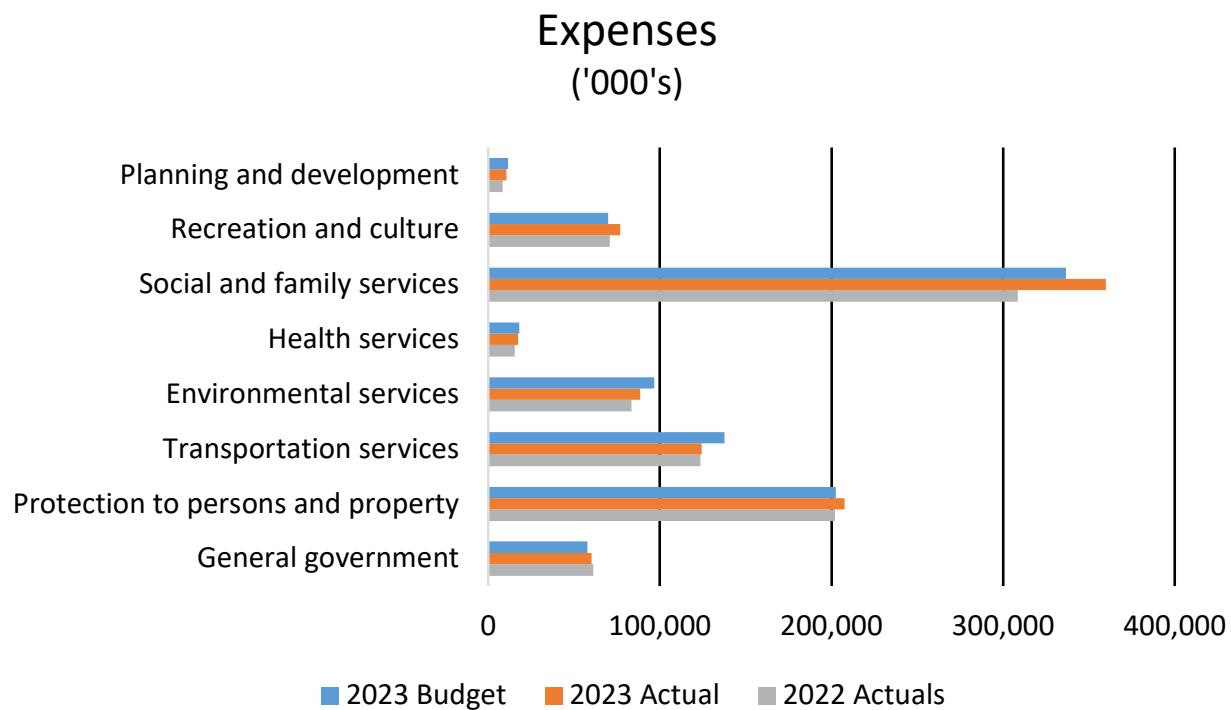
Explanations of the year-over-year changes in actual revenues are as follows:

- Increase in net municipal property taxes and payments-in-lieu of taxes reflects the impacts of assessment growth and new development.
- The increase in user fees revenue is led by increased building activity (\$6.3M), increased transit ridership due to new routes and resumed tunnel special event service (\$5M), the impact of sewer surcharge rates (\$10.2M), increased utilization of recreation facilities and programs (\$4.5M) and increased rent revenue (\$3.6M).
- Provincial grants increased for regional employment services program delivery and existing social assistance, childcare and social housing (\$20M). Federal grants for social housing also increased by (\$11.2M). These increases were offset by the end of Safe Restart and other pandemic related grant programs (-\$13.7M). Other Federal and provincial grants for several transportation projects, which were at high levels in 2022, returned to normal in 2023 (-\$24M).
- Increased contributions for wastewater processing (\$1.8M) from neighbouring municipalities was the primary driver for the increase in other municipal revenue.
- Increase in other income was derived from the performance of the City's investments which led to an increase of \$21M in investment income. Additionally, the City's casino gaming hosting fee increased by \$1.7M as Windsor continues to recover from the pandemic. These gains were offset by a decrease in donations of \$21M which was recognized in 2022 due to a one-time transfer of assets to the City.

Financial Statements Review

Expenses

The City's expenses consist of the following:



Expenses ('000's)	2023 Budget (\$)	2023 Actual (\$)	2022 Actuals (\$)	Budget Variance (\$)	Yr over Yr Variance (\$)
General government	57,867	60,168	61,199	2,301	-1,031
Protection to persons and property	202,495	207,671	202,075	5,176	5,596
Transportation services	137,677	124,328	123,557	-13,349	771
Environmental services	96,833	88,586	83,501	-8,247	5,085
Health services	18,051	17,479	15,472	-572	2,007
Social and family services	336,667	359,861	308,621	23,194	51,240
Recreation and culture	69,862	77,010	70,927	7,148	6,083
Planning and development	11,589	10,680	8,452	-909	2,228
TOTAL	931,041	945,783	873,804	14,742	71,979

Explanations of the year-over-year changes to actual expenses are as follows:

- Protection to persons and property expenses increased as a result of negotiated salary and wage increases which were partially offset by decreased post-retirement actuarial valuations.
- The increase in transportation service expenses was attributed to contractual salary and wage increases which were offset by deferred winter control cost due to a mile winter and reductions in post-retirement benefit cost.
- Environmental service expenditures were impacted by contractual salary and wage increases and the general inflationary environment.
- The City's share of Land Ambulance costs increased by \$1.3M and the contribution to the Windsor Health Unit increased by \$0.7M.
- Social and family service expenditures increased because of the implementation of a regional employment services program as well as increases Ontario Works costs due to rising caseloads. Childcare expenses increased \$20M due to the Provincial move to affordable service.
- Recreation and culture expenditures reflect increase cost of services which resumed post pandemic.
- Planning and development expenditures increased because of capital costs associated with streamlining the development approval process.

Consolidated Financial Statements



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Mayor, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Windsor

Opinion

We have audited the financial statements of the Corporation of the City of Windsor (the City), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statements of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the 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 City as at December 31, 2023, and its results of operations and its changes in its net financial assets 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 responsibility 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 City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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Emphasis of Matter – Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibility 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 City'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 City or to cease operations or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the City'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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the City'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 the events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the City 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.



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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

July 31, 2024

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Statement of Financial Position

Year Ended December 31, 2023

(\$000's)



	2023	2022 Restated (note 2)
	\$	\$
Financial Assets		
Cash and temporary investments	624,101	511,906
Investment in government business enterprises [note 4 (a)]	723,606	694,728
Taxes and payments-in-lieu of taxes receivable [note 1 (b) (iii)]	37,462	35,593
Trade and other receivables	106,088	87,222
	1,491,257	1,329,449
Financial Liabilities		
Accounts payable and accrued liabilities	190,106	181,274
Accrued interest on long-term liabilities	1,604	848
Net long-term liabilities [note 5 (a)]	107,251	54,807
Employee future benefit liabilities [note 6 (b)]	697,502	694,431
Deferred revenue [note 8 (b)]	83,347	64,168
Liability for contaminated sites [note 1 (b) (x)]	8,847	8,774
Asset retirement obligations [note 7]	107,490	107,299
	1,196,147	1,111,601
Net Financial Assets	295,110	217,848
Non-Financial Assets		
Tangible capital assets [schedule 2]	2,418,816	2,344,337
Inventory and assets held for resale	3,585	3,664
Prepaid expenses	17,821	14,950
	2,440,222	2,362,951
Accumulated surplus [note 8 (a)]	2,738,344	2,580,799
Accumulated remeasurement losses	(3,012)	-
	2,735,332	2,580,799
Commitments and contingencies [notes 3, 6 (a), 9, 11, 13, 14 and 15]		

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Statement of Operations

Year Ended December 31, 2023

(\$000's)



	Budget	2023	2022 Restated (note 2)
	\$	\$	\$
Revenues [note 10, schedule 1]			
Net municipal property taxes and payments-in-lieu of taxes	406,113	401,249	379,771
User charges	173,803	215,860	182,668
Provincial and federal transfers	282,954	343,265	298,797
Revenue from other municipalities	26,631	33,967	30,840
Other	61,600	76,867	70,170
Change in equity in gov't business enterprises [note 4(a)]	-	32,120	38,983
Total Revenues	951,101	1,103,328	1,001,229
Expenses [note 10, schedule 1]			
General government	57,867	60,168	61,199
Protection to persons and property	202,495	207,671	202,075
Transportation services	137,677	124,328	123,557
Environmental services	96,833	88,586	83,501
Health services	18,051	17,479	15,472
Social and family services	336,667	359,861	308,621
Recreation and culture	69,862	77,010	70,927
Planning and development	11,589	10,680	8,452
Total Expenses	931,041	945,783	873,804
Annual Surplus	20,060	157,545	127,425
Accumulated surplus, beginning of year	2,580,799	2,580,799	2,453,374
Accumulated surplus, end of year [note 8 (a)]	2,600,859	2,738,344	2,580,799

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Statement of Change in Net Financial Assets

Year Ended December 31, 2023

(\$000's)



	2023	2022 Restated (note 2)
	\$	\$
Annual surplus	157,545	127,425
Acquisition of tangible capital assets (schedule 2)	(171,370)	(208,005)
Amortization of tangible capital assets (schedule 2)	94,631	92,383
Loss on disposal of tangible capital assets	(2,579)	2,428
Proceeds on sale of tangible capital assets	4,839	585
Net change in inventory and assets held for resale	79	(615)
Net consumption of prepaid expenses	(2,871)	248
Change in net financial assets excluding net remeasurement gains and losses	80,274	14,449
Net remeasurement losses	(3,012)	-
Net financial assets, beginning of year	217,848	203,399
Net financial assets, end of year	295,110	217,848

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Statement of Remeasurement Gains & Losses

Year Ended December 31, 2023

(\$000's)



	2023	2022
	\$	\$
Remeasurement gains, beginning of year	-	-
Enwin other comprehensive loss	(2,684)	-
WUC other comprehensive loss	(155)	-
WDBL other comprehensive loss	(403)	-
WECHC unrealized investment income	230	-
Change in remeasurement gains/(losses)	(3,012)	-
Remeasurement losses, end of year	(3,012)	-

The accompanying notes and schedules are integral parts of these consolidated financial statements.

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Statement of Cash Flows

Year Ended December 31, 2023

(\$000's)



	2023	2022 Restated (Note 2)
	\$	\$
Operating and other activities:		
Annual Surplus	157,545	127,425
Amortization of tangible capital assets	94,631	92,383
Unrealized remeasurement gains	230	-
(Gain) loss on disposal of tangible capital assets	(2,579)	2,428
(Increase) decrease in taxes and payments-in-lieu receivable	(1,869)	1,016
Increase in trade and other receivables	(18,866)	(25,455)
Decrease (increase) in inventory and assets held for resale	79	(615)
(Increase) decrease in prepaid expenses	(2,871)	248
Increase in accounts payable and accrued liabilities	8,832	18,777
Increase (decrease) in accrued interest on long term liabilities	756	(63)
Increase in employee future benefit liabilities	3,071	27,033
Increase (decrease) increase in deferred revenue	19,179	(613)
Increase in contaminated site liability	73	270
Increase (decrease) in asset retirement obligations	191	(2,312)
Net cash provided by operating and other activities	258,402	240,522
Capital activities:		
Proceeds on sale of tangible capital assets	4,839	585
Cash used to acquire tangible capital assets	(171,370)	(208,005)
Net cash used in capital activities	(166,531)	(207,420)
Financing activities:		
Net long term liabilities issued	52,444	606
Investing activities:		
Increase in investment in government business enterprises	(32,120)	(38,983)
Increase (decrease) in cash and temporary investments	112,195	(5,275)
Cash and temporary investments, beginning of year	511,906	517,181
Cash and temporary investments, end of year	624,101	511,906

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



1. Summary of significant accounting policies and reporting practices

(a) Reporting entity

These consolidated statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to City Council and which are owned or controlled by the City of Windsor ("the City").

(i) Consolidated entities

In addition to the general City departments, the reporting entity includes the following where deemed material:

- Windsor Police Service
- Roseland Golf and Curling Club
- Transit Windsor
- Windsor Chartabus Limited
- The Corporation of the City of Windsor Public Library Board
- Windsor-Essex Community Housing Corporation
- Downtown Windsor Business Improvement Association
- Ford City Business District
- Via Italia—Erie Street Business Improvement Area
- Ottawa Street Business Improvement Area
- Olde Riverside Town Centre Business Improvement Area
- Walkerville Business Improvement Area
- Wyandotte Town Centre Business Improvement Area
- Olde Sandwich Towne Business Improvement Area
- Pillette Village Business Improvement Area

The Essex Windsor Solid Waste Authority ("EWSWA"), a joint partnership with the County of Essex, is consolidated on the basis of one half of the total operations and financial position of the total entity.

All interfund assets, liabilities, revenues and expenses have been eliminated.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



1. Summary of significant accounting policies and reporting practices (continued)

(ii) Entities included on a modified equity basis

Certain corporations are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for a Government Business Enterprise ("GBE"). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. Under the modified equity basis of accounting, the carrying value of the investment in the GBE is adjusted to reflect the City's share of the net asset change of the investee.

The entities accounted for under this method are:

- Windsor-Canada Utilities Ltd. ("WCUL")
- Windsor-Detroit Tunnel Corporation ("WDTC")
- Windsor Detroit Borderlink Limited ("WDBL")
- Windsor Utilities Commission ("WUC")
- Your Quick Gateway (Windsor) Inc. ("YQG")

(iii) Non-consolidated entity

The following joint local board and municipal enterprise is not consolidated:

Windsor Essex County Health Unit.

(iv) Accounting for school board transactions

Although the Corporation collects taxation on behalf of the school boards, the assets, liabilities, revenues and expenses relating to the operations of the school boards are not reflected in these consolidated financial statements. During the year, \$51,821 of taxation was collected on behalf of and remitted to the school boards (2022—\$50,966).

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



1. Summary of significant accounting policies and reporting practices (continued)

(v) Trust funds

Trust funds and their related operations administered by the City are not consolidated, but are reported separately on the trust funds statement of continuity and statement of financial position.

(b) Basis of accounting

(i) PSAB recommendations

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

(ii) Accrual basis of accounting

These consolidated financial statements have been prepared on an accrual basis except for Provincial Offences Administration. Under this basis, revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are accounted for in the period that the goods and services are acquired.

(iii) Taxes receivable and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is reasonably certain. The City has established a tax appeals reserve fund to provide funding to help offset the results of any future appeal decisions. The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied. Tax revenue is recorded net of reductions. Taxes receivable are reported net of any expense or allowance for doubtful accounts.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



1. Summary of significant accounting policies and reporting practices (continued)

(iv) Trade and other receivables

Trade and other receivables are reported net of any allowance for doubtful accounts.

(v) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset classification and amortization schedule

Classification	Useful Life (years)
Land	Infinite
Land improvements	10 - 75
Buildings and building improvements	10 - 60
Vehicles, machinery and equipment	3 - 35
Water and wastewater infrastructure	25 - 100
Roads infrastructure	25 - 100
Airport	6 - 40

The landfill has an estimated service capacity of 8,000,000 tonnes and is being amortized using the units of production method based on capacity used during the year.

Contributed Assets

Contributed assets are recognized at their fair market value as of the date of contribution to the City.

Works of art and historical treasures

The City owns both works of art and historical treasures. These items have cultural, aesthetic or historical value and are worth preserving perpetually. Works of art and historical treasures are not recognized as tangible capital assets pursuant to the guidelines of PSAB Section 3150 and PSAB 3210.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



1. Summary of significant accounting policies and reporting practices (continued)

(vi) Employee future benefit liability

The City has adopted the accrual method of accounting for employee future benefits as required by PSAB. The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rate.

Past service costs from plan amendments, if any, are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. Actuarial gains and losses on the accrued benefit liability arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit liability. The excess of the net actuarial gains or losses are amortized over the average remaining service period of active employees, which is 14.0 years (2022 – 14.0 years).

(vii) Inter-entity Transactions

Inter-entity Transactions (PSAB 3420) specifically addresses the reporting of transactions between entities controlled by the City from both a provider and recipient perspective. Inter-entity transactions are classified by the following types:

- For inter-entity transactions that are undertaken similar to an arm's length transaction or allocating cost and recovery transactions, these are to be recognized at the exchange amount by both parties.
- For inter-entity transactions that involve transfer or exchange of assets and/or liabilities for no or nominal consideration, both parties record the transaction at the carrying amount.
- Any difference between the exchange amount and carrying amount for asset or liability transfers are recorded as a gain or loss in the statement of operations.
- Cost allocations and recoveries to/from commonly controlled entities are recorded on a gross basis in the statement of operations.

The City does not recognize any amount in the consolidated financial statements in respect to shared services received for which no costs are allocated. PSAB 3420 requires the City to assess inter-entity transactions for disclosure when there are inter-entity transfers of assets or liabilities, material transactions recorded that are not at the exchange amount or unallocated costs to determine whether or not the transaction is given accounting recognition. This standard has no impact on the consolidated financial statements, as all transactions with consolidated entities and government business enterprises have been recorded at the exchange amount.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



1. Summary of significant accounting policies and reporting practices (continued)

(viii) Related party disclosure

Related Party Disclosure (PSAB 2200) defines a related party and identifies disclosures for related parties and related party transactions. Parties are considered related when one party has the ability to exercise control or shared control over the other. A related party could be an individual or an entity and includes key management personnel. Key management personnel include members of Council, Corporate Leadership Team (CLT) personnel and their close family members including spouses and dependents.

PSAB 2200 requires the City to assess related party transactions that have occurred at a value different from that which would have been arrived at if the parties were not related. Only those transactions that have or could have a material effect on the financial statements are disclosed. There are no material transactions for disclosure.

(ix) Government Grant Revenue Recognition

Grant revenue related to compensation for loss of revenue or operational expenses is recorded in the period in which the loss or expenses are recognized if there is reasonable assurance that it will be received and conditions for receiving the grant are met.

(x) Inactive contaminated sites liabilities

The City adopted Public Sector Accounting Board Standard *PS 3260 Liability for Contaminated Sites* in 2015. Under *PS 3260*, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use. The liability represents the estimated cost to remediate inactive sites to within the environmental standard.

(xi) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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1. Summary of significant accounting policies and reporting practices (continued)

(xi) Asset retirement obligations (continued)

- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The landfill portion of the liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The landfill tangible capital asset is amortized using the units of production method, while the buildings tangible capital assets affected by the asbestos liability are being amortized with the building following the amortization accounting policies outlined in note 1 (b) (v).

(xii) Financial Instruments

PS 3450, *Financial Instruments*, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. This standard is now effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end). Financial instruments are reported at cost, and include certain fixed income securities and pooled equity instruments (i.e. ONE Fund).

Other financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

(c) Provincial Offences Act

The City, under the authority of Part X of the Provincial Offences Act ("POA"), provides for and administers the POA courts in the Windsor-Essex Court Service Area, arranges for court support, has carriage of Part 1 prosecutions and associated appeals, and is responsible for the collection of related fines and fees. In accordance with policies adopted by other Provincial Offences offices and as a result of the nature of business activities, revenue is recognized on a cash basis.

(d) Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards 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 dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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(d) Use of estimates (continued)

Significant items subject to such estimates and assumptions include valuation allowances for receivables, certain accrued liabilities and obligations related to employee future benefits and contaminated sites, the carrying value of tangible capital assets and the evaluation of contingencies. Actual results could differ from these estimates.

2. Significant Changes in Accounting Policies—Adoption of new accounting standards

- (a) PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.
- (b) PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to either be adjusted to reflect the exchange rates in effect at the financial statement date, or for changes in value due to exchange rate fluctuations to flow through the Statement of Operations. Once selected, the policy cannot be rescinded or altered. The City has opted to flow all exchanges in value due to exchange rates through the Statement of Operations.
- (c) PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.
- (d) PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

The City does not hold any equity instruments that are considered traded in an active market. Additionally, the non-rescindable decision to flow all exchange rate changes in value through the Statement of Operations (see note on PS 2601 *Foreign Currency Translation* above) will not result in any material values being reported on the Statement of Remeasurement Gains and Losses. However, the Statement of Remeasurement Gains and Losses will reflect the accumulated other comprehensive income from the five government business enterprises as well as unrealized remeasurement gains and losses from the Windsor-Essex Community Housing Corporation.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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2. Significant Changes in Accounting Policies—Adoption of new accounting standards (continued)

- (e) PS 3280 *Asset Retirement Obligations* addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing accounting standard *PS 3270 Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retrospective basis at the date of adoption, which was extended a year to January 1, 2023 due to the pandemic.

The City removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of *PS 3280* on January 1, 2023, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill sites owned by the City and its consolidated entities.

On January 1, 2023, the City recognized an additional asset retirement obligation relating to several buildings owned by the City that contain asbestos. The buildings were originally purchased at various times and the liability was measured as of the date of purchase of the buildings, when the liability was assumed.

In accordance with the provisions of this new standard, the City reflected the following adjustments at January 1, 2023:

	2022 Previous	2022 Adjustments	2022 Restated
	\$		\$
Statement of Financial Position			
Tangible Capital Assets	2,337,493	6,844	2,344,337
Landfill post-closure liability	15,442	(15,442)	-
Asset Retirement Obligations	-	107,299	107,299
Accumulated Surplus (Deficit)	2,665,812	(85,013)	2,580,799
Statement of Operations			
Amortization/accretion expense	90,582	1,801	92,383
Annual Surplus	129,226	(1,801)	127,425
Statement of Change in Net Financial Assets			
Annual Surplus	129,226	(1,801)	127,425
Amortization/accretion expense	90,582	1,801	92,383

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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3. Contributions to non-consolidated board

The following contribution was made by the City to this non-consolidated joint board:

The City is contingently liable for its share, which is approximately 14%, of any deficits which may arise.

	2023	2022
	\$	\$
Windsor-Essex County Health Unit	3,875	3,803

4. Government Business Enterprises (“GBE”)

The consolidated financial statements of the City include, on a modified equity basis, the following GBE:

Windsor Canada Utilities Ltd. (“WCUL”)

WCUL is a wholly owned subsidiary of the City. WCUL is a holding company which wholly owns two subsidiaries: Enwin Utilities Ltd. and Enwin Energy Ltd. Through these subsidiaries, WCUL is responsible for the transmission and distribution of electricity, maintenance of the area's powerlines, as well as the marketing of retail and wholesale utility services and products.

Windsor Detroit Borderlink Limited (“WDBL”)

WDBL is a wholly owned subsidiary of the City. WDBL manages and operates the Tunnel while WDTC owns the assets.

Windsor-Detroit Tunnel Corporation (“WDTC”)

WDTC is a wholly owned subsidiary of the City. WDTC owns the portion of the Windsor-Detroit Tunnel situated in Canada, while WDBL manages and operates the Tunnel.

Windsor Utilities Commission (“WUC”)

WUC is a wholly owned subsidiary of the City engaged largely in the treatment and distribution of the area's potable water.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



4. Government Business Enterprises ("GBE") (continued)

Your Quick Gateway (Windsor) Inc. ("YQG")

YQG is a wholly owned subsidiary of the City which provides management services for the Windsor airport.

(a) Investment in GBE

The City has investments in GBE totaling \$723,606 (2022—\$694,728), which is comprised of the following:

	2023	2022
	\$	\$
WCUL	202,327	200,874
WDTC	127,131	130,011
WDBL	10,712	6,306
WUC	374,581	350,035
YQG	8,855	7,502
	<u>723,606</u>	<u>694,728</u>

A continuity of the investment in GBE is as follows:

	WCUL	WDTC	WDBL	WUC	YQG	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$	\$
Opening investment	200,874	130,011	6,306	350,035	7,502	694,728	655,745
Dividends declared	(4,000)	-	(500)	-	-	(4,500)	(4,000)
Other comprehensive income/(loss)	(2,684)	-	(403)	(155)	-	(3,242)	23,697
Current income/(loss)	8,137	(2,880)	5,309	24,701	1,353	36,620	19,286
Current change in investment	1,453	(2,880)	4,406	24,546	1,353	28,878	38,983
Closing investment	<u>202,327</u>	<u>127,131</u>	<u>10,712</u>	<u>374,581</u>	<u>8,855</u>	<u>723,606</u>	<u>694,728</u>

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



4. Government Business Enterprises (continued)

(b) Supplementary information of GBE

(i) WCUL

	2023	2022
	\$	\$
Financial position		
Current assets	90,295	91,204
Property, plant and equipment	261,513	252,912
Other assets	72,723	69,981
Total assets	424,531	414,097
Current liabilities	45,816	42,170
Long-term liabilities	176,388	171,053
Total liabilities	222,204	213,223
Shareholder's equity	202,327	200,874
Total liabilities and equity	424,531	414,097
	2023	2022
	\$	\$
Results of operations		
Revenue from distribution of electricity	276,984	283,559
Services provided to Windsor Utilities Commission	20,745	18,719
Other revenue	4,917	6,040
Total revenue	302,646	308,318
Cost of electrical energy	227,931	244,530
Other net expenses	66,578	63,176
Total expenses	294,509	307,706
Net income	8,137	612

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



4. Government Business Enterprises (continued)

Related Party Transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties:

- On November 6, 2012 WCUL and WUC entered into a Water System Operating Agreement ("WSOA"), whereby WCUL agreed to provide services to WUC with respect to certain management, administrative services, construction operations, and maintenance services. Pursuant to the terms of the WSOA, WUC has transferred all employees of WUC to WCUL.
- WCUL provides sewer surcharge billing and collection and street lighting for the City. The total charged to the City and included in other revenue for the year ended, December 31, 2023 was \$3,826 (2022—\$3,826).
- WCUL collects and remits the sewer surcharge on behalf of the City. The total amount owing to the City at December 31, 2023 relating to sewer surcharge was \$9,391 (2022—\$8,165).
- The amounts due from related parties which are included in current assets consist of:

	2023	2022
	\$	\$
Due from Windsor Utilities Commission	4,660	3,317

- The amounts due from related parties which are included in other assets consist of:

	2023	2022
	\$	\$
Due from Windsor Utilities Commission	52,000	52,000

- The amounts due to related parties which are included in current liabilities consist of:

	2023	2022
	\$	\$
Due to the City of Windsor (net)	9,054	7,527

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



4. Government Business Enterprises (continued)

(ii) WDTC

	2023	2022
	\$	\$
Financial position		
Current assets	2,171	879
Property, plant and equipment	136,271	138,400
Total assets	138,442	139,279
Total liabilities	11,311	9,268
Shareholder's equity	127,131	130,011
Total liabilities and equity	138,442	139,279
	2023	2022
	\$	\$
Results of operations		
Total revenues	1,295	990
Operating expenses	4,175	4,581
Net loss	(2,880)	(3,591)

Related Party Transactions

Windsor Detroit Borderlink (WDBL) is the sister company of WDTC. WDTC transferred the operations of the Tunnel to WDBL and only holds the assets of the Tunnel, commencing January 1, 2018. The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties:

- The amounts due to related parties which are included in current liabilities consist of:

	2023	2022
	\$	\$
Due to WDBL	3,217	845

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



4. Government Business Enterprises (continued)

(iii) WDBL

	2023	2022
	\$	\$
Financial position		
Current assets	15,593	9,986
Property, plant and equipment	202	223
Total assets	15,795	10,209
Current and long-term liabilities	5,083	3,903
Shareholder's equity	10,712	6,306
Total liabilities and shareholder's equity	15,795	10,209
	2023	2022
	\$	\$
Results of operations		
Tolls	11,338	8,152
Other revenues	503	658
Total revenues	11,841	8,810
Operating expenses	6,532	6,157
Net income	5,309	2,653

Related Party Transactions

Windsor Detroit Tunnel Corporation (WDTC) is the sister company of WDBL. WDTC transferred the operations of the Tunnel to WDBL and only holds the assets of the Tunnel, commencing January 1, 2018.

- The amounts due from related parties which are included in current assets consist of:

	2023	2022
	\$	\$
Due from WDTC	3,217	845

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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4. Government Business Enterprises (continued)

- The amounts due to related parties which are included in current liabilities consist of:

	2023	2022
	\$	\$
Due to the Corporation of the City of Windsor	557	142

(iv) WUC

	2023	2022
	\$	\$
Financial position		
Current assets	44,020	40,340
Property, plant and equipment and sinking fund	411,670	392,227
 Total assets	 455,690	 432,567
 Liabilities		
Current liabilities	11,737	12,950
Long-term liabilities	69,372	69,582
Total liabilities	81,109	82,532
Shareholder's equity	374,581	350,035
 Total liabilities and equity	 455,690	 432,567

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Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



4. Government Business Enterprises (continued)

	2023	2022
	\$	\$
Results of operations		
Retail water sales	61,832	59,792
Other revenue	2,567	1,035
Total revenue	64,399	60,827
Cost of production	21,523	20,445
Depreciation and amortization	10,370	10,074
Operating and other net expenses	7,805	10,425
Total expenses	39,698	40,944
Net income	24,701	19,883

Related party transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties.

- The City provides support for capital water main projects and road repairs to WUC. The total amount charged to WUC for the year ending December 31, 2023 was \$13,611 (2022—\$8,907).
- The amounts due to related parties which are included in current liabilities consist of:

	2023	2022
	\$	\$
Due to Enwin Utilities Ltd.	4,660	3,317
Due to the Corporation of the City of Windsor	2,470	3,825
	7,130	7,142

- The amounts due to related parties which are included in long-term liabilities consist of:

	2023	2022
	\$	\$
Due to Enwin Utilities Ltd.	51,451	51,432

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



4. Government Business Enterprises (continued)

(v) YQG

	2023	2022
	\$	\$
Financial position		
Total assets	9,730	9,225
Total liabilities	875	1,723
Shareholder's equity	8,855	7,502
Total liabilities and equity	9,730	9,225
 Results of operations		
Airport operating revenues	5,134	3,709
Management fees and other revenues	1,355	834
Total revenue	6,489	4,543
Operating and other expenses	5,136	4,814
Net income (loss)	1,353	(271)

Related party transactions

The following transactions are in the normal course of operations and are measured at the exchange amount, which is the cost of consideration established and agreed to by the related parties.

- Amounts owing to the City relate mainly to capital purchases which are to be reimbursed and dividends payable. The amounts due to related parties which are included in total liabilities are non-interest bearing and consist of:

	2023	2022
	\$	\$
Due from (to) the Corporation of the City of Windsor	31	(44)

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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5. Net long-term liabilities

- (a) The balance of the net long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2023	2022
	\$	\$
Total long term liabilities	107,251	54,807
<u>Less amount repayable from user fees</u>	<u>(62,603)</u>	<u>(54,807)</u>
Net amount repayable from general taxation	44,648	-

The amount repayable from user fees is comprised of:

	2023	2022
	\$	\$
Essex-Windsor Solid Waste Authority	23,675	25,486
Sewer Surcharge fund	12,266	14,457
Transit Windsor	751	857
<u>Windsor Essex Community Housing Corporation</u>	<u>25,911</u>	<u>14,007</u>
 Long term liabilities repayable by user fees	 62,603	 54,807

At December 31, 2023, the net long-term liability as reported on the financial statements of EWSWA, which the City is responsible for 50%, consists of:

	2023	2022
	\$	\$
Debenture payable	47,350	50,971
Accrued interest	1,409	1,566
 	 48,759	 52,537

The City has assumed no debt from other municipalities.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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5. Net long-term liabilities (continued)

- (b) Of the long-term liabilities in (a) of this note, \$34,048 in principal payments are repayable from 2024 to 2028, \$18,336 from 2029 to 2033 and \$54,867 thereafter.

These amounts will require funding in those periods and are summarized as follows:

	2024-2028	2029-2033	Thereafter	Total
	\$	\$	\$	\$
From general taxation	4,915	4,118	35,615	44,648
From user fees	29,133	14,218	19,252	62,603
	34,048	18,336	54,867	107,251

- c) Approval of the Ontario Municipal Board or a Treasurer's Certificate relative to the Authorized Repayment Limit of the City has been obtained for the long-term liabilities in (a) issued in the name of the City.
- d) Total interest expenses for the year for net long-term liabilities which are reported on the consolidated statement of operations and accumulated surplus are as follows:

	2023	2022
	\$	\$
Interest funded from general property taxes	1,441	49
Interest funded from user fees	1,738	2,402
	3,179	2,451

6. Employee benefits

(a) Pension agreements

The City makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), on behalf of members of its staff. The plan is a multi-employer defined-benefit plan which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. The multi-employer plan is valued on a current market basis for all plan assets.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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6. Employee benefits (continued)

The City accounts for the OMERS plan by expensing contributions in the period in the consolidated statement of operations and accumulated surplus. Any surplus or deficit of the OMERS plan is accounted for by OMERS.

The amount contributed to OMERS for current service for 2023 was \$25,408 (2022—\$24,081). At December 31, 2023 the OMERS plan is in a deficit position, which is being addressed through managing contribution rates, benefit levels, and investment returns.

The Transit Windsor contributory pension plan, covering substantially all of its employees, was frozen effective December 31, 1999 with pension benefits for service on and after January 1, 2000 being covered by OMERS. As required by the Pension Benefits Standards Act, the City has issued a letter of credit to the pension plan regarding the plan funding balance. At December 31, 2023 the plan has, for accounting purposes and including the unfunded letter of credit, pension assets of \$10,740 (2022—\$9,665) and is in a funding surplus of \$7,867 (2022—\$7,915).

(b) Employee future benefits liabilities

Employee future benefit liabilities are future liabilities of the City to its employees and retirees for benefits earned but not taken as at December 31, 2023 and consist of the following:

	2023	2022
	\$	\$
Post-retirement benefits	595,352	593,229
Post-employment benefits	7,073	7,477
WSIB future benefits	83,872	81,434
Accrued vested sick leave	10,652	10,911
Vacation and banked overtime	3,426	3,130
Transit Windsor pension asset	(2,873)	(1,750)
	697,502	694,431

(i) Post-retirement and post-employment benefits

The post-retirement and post-employment benefit liabilities are based on an actuarial valuation performed by the City's actuaries. Post-employment benefits include amounts accrued under the City's self-funded long-term disability policy. The significant actuarial assumptions adopted in estimating the City's liabilities are as follows:

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Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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6. Employee benefits (continued)

• Discount rate	4.45% (2022—4.75%)
• Health care discount rate	6.50% (2022—6.50%)

Information about the City's future obligations with respect to post-retirement benefits are as follows:

	2023	2022
	\$	\$
Accrued benefit liability at the beginning of the year	593,229	571,034
Current service cost	7,895	16,308
Interest	19,250	18,146
Amortization of actuarial net (gains) losses	(10,466)	1,064
Benefits paid	(14,556)	(13,323)
Accrued benefit liability at the end of the year	595,352	593,229
Unamortized net actuarial gains	(155,072)	(187,022)
Accrued benefit obligations at the end of the year	440,280	406,207

The measurement date of the employee future benefits obligation coincides with the City's fiscal year. An actuarial comprehensive valuation was completed as of August 1, 2022 and the next required valuation will be as of August 1, 2025.

(ii) Liability for Workplace Safety and Insurance

The post-retirement and post-employment benefit liabilities are based on an actuarial valuation performed by the City's actuaries. The estimated liability recorded at December 31, 2023 is \$83,872 (2022—\$81,434).

(iii) Accrued vested sick leave

Accrued vested sick leave refers to the balance of unused sick leave credits which is payable to eligible employees of the City upon their retirement. Under the sick leave plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment upon leaving the City's employment. In 2023, an amount of \$978 (2022—\$737) has been paid and is reported as an expense on the consolidated statement of operations.

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Notes to Consolidated Financial Statements

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7. Asset retirement obligations

The City's asset retirement obligations consist of several obligations as follows:

Landfill obligation:

The City through its consolidated entities owns and operates a number of landfill sites. The liability for the closure of operational sites and post-closure care has been recognized under *PS 3280 Asset Retirement Obligations*.

The City's liability for landfills consists of two parts, the Regional Landfill and perpetual care costs for Landfill #3, which was closed in 1997. The City's asset retirement obligations for the Regional Landfill at December 31, 2023 are comprised of the City's proportion of the Regional Landfill closure and post-closure obligations of \$16,845 (2022—\$16,161). This obligation is reflected in the EWSWA line in the summary chart below.

The Essex County Landfill #3 was closed in 1997 and requires care for estimated period of 40 years from the date of closure. The December 31, 2022 liability for post-closure expenditures of \$6,743 (2022—\$7,036) is based on the annual payment to EWSWA of \$610 (2022—\$610) and inflation adjusted at 2% per annum (2022—2%) and discounted to December 31, 2023 using a discount rate of 4.45% (2022—4.75%). This obligation is reflected in the City of Windsor line in the summary chart below.

Asbestos obligation:

The City and its consolidated entities own and operate several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of *PS 3280 Asset Retirement Obligations*, the City recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2022. These obligations are reflected in the City of Windsor, Windsor Essex Community Housing Corporation and Windsor Public Library lines in the summary chart below.

	2022 Restated	2022 (note 2)
	\$	\$
City of Windsor	22,378	22,871
Windsor Essex Community Housing Corporation	68,067	68,067
Essex Windsor Solid Waste Authority	16,845	16,161
Windsor Public Library	200	200
	<hr/>	<hr/>
	107,490	107,299

The transition and recognition of asset retirement obligations involved an accompanying increase to tangible capital assets and the restatement of prior year balances (see Schedule 2).

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

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7. Asset retirement obligations (continued)

A reconciliation of the beginning and ending liability for asset retirement obligations is below:

	2022 Restated	2023 (note 2)
	\$	\$
Liability for ARO, beginning of year	107,299	109,611
Net accretion expense during the year	191	(2,312)
Liability for ARO, end of year	107,490	107,299

8. Municipal position

(a) Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2022 Restated	2023 (note 2)
	\$	\$
Surplus:		
Invested in tangible capital assets	2,311,565	2,289,530
Invested in government business enterprises	723,606	694,728
Unfunded employee future benefit liabilities	(697,502)	(694,431)
Unfunded contaminated sites liabilities	(8,847)	(8,774)
Unfunded asset retirement obligations	(107,490)	(107,299)
Other	62,048	112,720
Total Surplus	2,283,380	2,286,474

Reserves set aside for a specific purpose by Council:

Working funds	35,563	34,618
Encumbrances	5,447	6,493
Future planning	2,230	1,857
Post retirement death benefit	106	287
Recreation services	1,106	1,292
Fire services	1,648	1,530
Environmental services	24,924	24,582
Occupational illness	1,762	3,310
Others	3,811	3,979
Total reserves	76,597	77,948

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



8. Municipal position (continued)

	2022 Restated	2023 (note 2)
	\$	\$
Reserve funds set aside for a specific purpose by Council:		
Replacement of equipment	74,475	59,275
Capital expenditures	140,572	99,319
Insurance	8,818	7,756
Health benefits rate stabilization	10,217	12,063
Sanitary sewer expenditures	47,080	4,183
Budget stabilization	11,480	12,918
Children's fund	791	752
Social housing	(12,136)	(30,889)
Recreation	245	377
Transit debt repayment	1,096	1,160
Public health	72,741	31,368
Tax appeals	19,976	18,095
Total reserve funds	375,355	216,377
 Total accumulated surplus	 2,735,332	 2,580,799

(b) Deferred revenues

The following funds totalling \$83,347 (2022—\$64,168) relate to net inflows (outflows) which have statutory restrictions and as such are classified as deferred revenue on the consolidated statement of financial position:

	Beginning Balance 2023	2023 Inflows	2023 Outflows	Ending Balance 2023
	\$	\$	\$	\$
 Parkland Acquisition				
Parkland Acquisition	2,063	864	(340)	2,587
Development charges fund	29,232	6,640	(248)	35,624
Building permit fund (net)	2,612	7,500	(6)	10,106
Provincial gas tax fund	4,136	4,682	(4,426)	4,392
Federal gas tax fund	26,069	17,595	(13,085)	30,579
Federal public transit fund	56	3	-	59
	64,168	37,284	(18,105)	83,347

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



8. Municipal position (continued)

The parkland acquisition fund is utilized to fund purchases of parkland and other recreation expenditures. The development charges fund is utilized to fund growth related capital works. The building permit fund is utilized to fund the building permit department. Surpluses or deficits of net building permit income (loss) are transferred to this fund. The Provincial gas tax fund is utilized to fund public transportation programs. The Federal gas tax fund is utilized to fund environmentally sustainable municipal infrastructure projects. The Federal public transit fund is utilized to fund transit infrastructure to increase ridership.

9. Commitments

As at December 31, 2023, the City is committed to making the following payments:

- (a) Contracts for various capital construction projects, at a cost of \$113,318 (2022—\$125,535) in the aggregate, to be financed generally by pay as you go funding from the operating fund.
- (b) Payments for various operating leases through 2028 of \$507 (2022—\$539).
- (c) The City has approved Community Improvement Plans (“CIP”) that contain financial incentive programs for Brownfield Redevelopment, Economic Revitalization, Olde Sandwich Towne, Ford City, University and Downtown Community Improvement.

The CIPs allow the City to provide grants to property owners/tenants, or to undertake other community improvement activities to further the objectives of each CIP, which would otherwise be prohibited by Ontario’s *Municipal Act*. At December 31, 2023, there were 24 approved grant applications under the Economic Revitalization CIP, 12 approved grant applications under the Brownfield Redevelopment CIP, 17 approved grant applications under the Olde Sandwich Towne CIP, 8 approved grant applications under the Ford City CIP and 18 grant applications under the Downtown CIP. The amount of grant funding is directly tied to the increase in municipal property taxes as a result of assessment growth so there will be no net financial cost to the City. The program will not reduce current revenue levels but forego incremental tax revenue. Grants are paid over a period not to exceed 10 years with the maximum amount of grant funding equal to eligible costs incurred by the applicant.

The estimated value of remaining approved grants is \$91,028 (2022—\$97,791)

- (d) In 2013, the City purchased the land and building which house the Art Gallery of Windsor (“AGW”) for \$2,500. The City is obligated to lease a portion of the building to AGW for 40 years at one dollar per year.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



10. Budget figures

Budget data presented in these consolidated financial statements is based on the 2023 Council approved operating budget. Certain adjustments were required to convert the budget from a cash basis to an accrual basis consistent with PSAB financial reporting standards. Included in these adjustments were the elimination of budgeted internal charges and recoveries, budgeted transfers to and from reserve and budgeted transactions with consolidated entities. Since certain significant items are not included in the annual operating budget, the assumption of using the actual accrued amount as the budget amount was used. These full accrued budget estimates are for financial statement presentation only.

Adjustments to Approved Operating Budget for Financial Statement Presentation

	2023
Expenses	\$
Approved 2023 Operating Budget (all property tax levy supported funds)	997,771
Plus: Net of budgeted sewer surcharge and eliminations of internal cost recoveries	10,096
Less: Budgeted transfers to / from reserves and capital	(173,982)
Less: Education payments to school boards	(52,481)
Plus: PSAB adjustments (actual post-retirement benefit and WSIB liabilities)	16,367
Plus: Actual amortization and tangible capital asset adjustments	117,923
Plus: Consolidated entity budgeted expenses	77,852
Less: Eliminate budgeted transactions with consolidated entities	(62,505)
Adjusted budgeted expenses	<u>931,041</u>
Revenues	\$
Approved 2023 Operating Budget (all property tax levy supported funds)	997,771
Plus: Net of budgeted sewer surcharge and eliminations of internal cost recoveries	10,096
Less: Budgeted transfers to / from reserves and capital	(15,515)
Less: Capital fund adjustments	(6,777)
Less: Education amounts collected on behalf of school boards	(52,284)
Plus: Consolidated entity budgeted revenues	74,885
Less: Eliminate budgeted transactions with consolidated entities	(57,075)
Adjusted budgeted revenues	<u>951,101</u>
Budgeted Surplus	<u>20,060</u>

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



11. Public liability insurance

The City has an insurance deductible for general liability claims up to \$500 (2022—\$500) for any individual claim. Outside coverage is in place for claims in excess of this amount.

At December 31, 2023, the City has insured through Marsh Canada (formerly JLT), an insurance broker, and has been since 2017. Previously, the City was insured with the Ontario Municipal Insurance Exchange (“OMEX”), an insurance reciprocal whose members pool their insurance coverage. As a member of a reciprocal, the City agrees to assume a certain percentage of the entire group’s liabilities and losses for the period of time that the City was a member. In the event that an annual premium funding become insufficient to cover claims and claim reserves, the reciprocal has the ability to re-assess each member to appropriately fund the difference. Likewise, in the event of a surplus, the member is entitled to a refund. Although the City is no longer insured with OMEX, it still has exposure for the years in which the City was a member that have not yet been closed. The City paid \$ nil in retroactive assessments in 2023 (2022—\$ nil). The City has established a reserve fund for self-insurance, which at December 31, 2023 amounted to \$8,818 (2022—\$7,756).

The City budgets each year for premiums and claims. Any budget excess may be credited to the reserve fund. Payment of premiums and claims are shown as expenses on the consolidated statement of operations and accumulated surplus.

12. Segmented information

The City of Windsor is a diversified single tier municipality that provides a wide range of services to its citizens, including police, fire, ambulance, public transit, water and many others. These services are provided by departments and related entities of the City and their activities are reported by segment in these consolidated financial statements.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Net municipal property taxes and payments-in-lieu of taxes are allocated to segments based on the net expenses of that segment. The accounting basis used in these segments is consistent with that followed in the preparation of the consolidated financial statements as discussed in Note 1. For additional information, please see the consolidated schedule of segmented net revenue (schedule 1). The City’s reportable operating segments and their associated activities are as follows:

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



12. Segmented information (continued)

General government is comprised of Finance, Administration, Governance, Legal, Human Resources and other activities to support the other segments of the City.

Protection to persons and property is comprised of Police, Fire, Conservation Authority, Provincial Offences and Protective Inspection activities.

Transportation services is comprised of Public Transportation, Roadway Maintenance, Winter Control, Central Garage and Airport.

Environmental services is comprised of Sanitary and Storm Sewers, Solid Waste Collection and Disposal, and Recycling.

Health Services is comprised of Ambulance and Public Health services.

Social and family services is comprised of Social Services, Social Housing, Child Care, Assistance to the Aged.

Recreation and culture is comprised of Parks, Recreation Facilities, and Libraries

Planning and development is comprised of Planning and Zoning, Commercial and Industrial, and Business Improvement Areas.

13. Contingent liabilities

- (a) During the normal course of operations, the City is subject to various legal actions, including some of which can be substantial. The settlement of the actions that can be reasonably estimated is not expected to have a material effect on the consolidated financial statements of the City. Other legal actions may be at an early stage and therefore the likelihood and magnitude of impact cannot be reasonably determined.
- (b) Based on the outcome of legal proceedings regarding the expropriation of lands within the Spring Garden Area of Natural and Scientific Interest ("ANSI"), the City could be obligated to pay an additional amount. The City has recognized an estimate of this obligation within accounts payable and accrued liabilities, although the actual amount owed may differ.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



13. Contingent liabilities (continued)

- (c) Construction of a new Huron Lodge Home for the Aged began in 2004. The project was substantially completed in March 2007 in compliance with Ministry of Health requirements. The contractor has registered a lien and claiming damages in the amount of \$4,677. Whether the contractor will recover all, some or none of that amount is undeterminable.
- (d) The City is the subject of a class action lawsuit relating to bingo/lottery licence fees. Depending on the outcome of the legal proceedings, the City could incur a liability of up to approximately \$70,000.
- (e) The City is the subject of several class action lawsuits relating to the Covid-19 pandemic. Depending on the outcome of the legal proceedings, the City's potential liability cannot be determined at this time.

14. Contingent assets

During the normal course of operations, the City may bring various legal actions, including some which can be substantial. The settlement of these actions may result in the City's favour and any favourable settlement amounts will be available for the City's use. Contingent assets are not recorded in the consolidated financial statements as they not meet the definition of an asset.

15. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for various services, long-term leases, and rental contracts. Contractual rights arise from the normal course of operations and are not reflected in the consolidated financial statements until revenues or assets are received. The following table summarizes the contractual rights of the City for future assets:

	2024	2025	2026	2027	2028	2029+
	\$	\$	\$	\$	\$	\$
Service contracts	9,384	6,726	6,458	6,458	5,973	215
Long term leases	3,344	2,539	1,308	1,033	971	4,805
	12,728	9,265	7,766	7,491	6,944	5,020

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2023

(\$000's)



16. Financial risks arising from financial instruments

The City is exposed to a variety of financial risks including credit risks, liquidity risk and market risk. The City's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance.

(a) Credit risk:

The City's principal financial assets that are subject to credit risk are cash and accounts receivable. The carrying amounts of financial assets on the Statement of Financial Position represent the City's maximum credit exposure as at the Statement of Financial Position date.

(b) Liquidity risk:

The City mitigates liquidity risk by monitoring cash activities and expected outflows through extensive budgeting. Accounts payable and accrued liabilities are all current. There have been no significant changes from the previous year in the City's exposure to liquidity risk or policies, procedures and methods used to measure the risk. All accounts payable and accrued liabilities will be paid within twelve (12) months.

(c) Market risk:

The City's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. It is City's opinion that it is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

THE CORPORATION OF THE CITY OF WINDSOR

Schedule 1

Consolidated Statement of Segmented Net Revenue—2023

Year Ended December 31, 2023

(\$000's)



2023	General government	Protection to persons and property	Transportation services	Environmental services	Health services
Expenses					
Salaries, wages and benefits	39,184	168,052	45,269	20,480	-
Interest	-	-	19	1,930	-
External transfers	2,266	1,851	1,363	-	17,476
Amortization	3,515	6,157	39,633	23,528	3
Goods and services	15,203	31,611	38,044	42,648	-
Total Expenses	60,168	207,671	124,328	88,586	17,479
Revenues excluding taxation					
User charges	16,047	20,729	28,570	94,268	195
Provincial and federal transfers	24,803	12,769	19,107	1,957	-
Revenue from other municipalities	-	7,202	1,049	5,301	-
Other	36,796	6,037	7,711	7,609	-
Change in equity in government business enterprises	32,120	-	-	-	-
Total revenues excluding taxation	109,766	46,737	56,437	109,135	195
Net municipal property taxes and payments-in-lieu of taxes					
Annual (deficit) surplus	49,598	(160,934)	(67,891)	20,549	(17,284)

THE CORPORATION OF THE CITY OF WINDSOR

Schedule 1

Consolidated Statement of Segmented Net Revenue—2023

Year Ended December 31, 2023

(\$000's)



2023	Social and family services	Recreation and culture	Planning and development	Total
Expenses				
Salaries, wages and benefits	56,237	34,236	3,744	367,202
Interest	180	-	1,050	3,179
External transfers	220,740	775	1,366	245,837
Amortization	7,874	13,105	816	94,631
Goods and services	74,830	28,894	3,704	234,934
Total Expenses	359,861	77,010	10,680	945,783
Revenues excluding taxation				
User charges	34,862	20,024	1,165	215,860
Provincial and federal transfers	283,334	1,295	-	343,265
Revenue from other municipalities	20,415	-	-	33,967
Other	14,597	950	3,167	76,867
Change in equity in government business enterprises	-	-	-	32,120
Total revenues excluding taxation	353,208	22,269	4,332	702,079
Net municipal property taxes and payments-in-lieu of taxes				401,249
Annual (deficit) surplus	(6,653)	(54,741)	(6,348)	157,545

THE CORPORATION OF THE CITY OF WINDSOR

Schedule 1 (continued)

Consolidated Statement of Segmented Net Revenue—2022

Year Ended December 31, 2023

(\$000's)



2022 (Restated - note 2)	General government	Protection to persons and property	Transportation services	Environmental services	Health services
Expenses					
Salaries, wages and benefits	41,293	170,730	45,366	21,376	400
Interest	-	49	21	2,098	-
External transfers	2,948	1,754	1,199	-	3,803
Amortization	3,393	5,778	38,866	23,987	3
Goods and services	13,565	23,764	38,105	36,040	11,266
Total Expenses	61,199	202,075	123,557	83,501	15,472
Revenues excluding taxation					
User charges	13,982	13,801	20,206	84,891	-
Provincial and federal transfers	32,016	13,990	43,466	1,182	-
Revenue from other municipalities	12	6,936	818	3,484	-
Other	47,876	6,738	5,410	4,986	-
Change in equity in government business enterprises	38,983	-	-	-	-
Total revenues excluding taxation	132,869	41,465	69,900	94,543	-
Net municipal property taxes and payments-in-lieu of taxes					
Annual surplus (deficit)	71,670	(160,610)	(53,657)	11,042	(15,472)

THE CORPORATION OF THE CITY OF WINDSOR

Schedule 1

Consolidated Statement of Segmented Net Revenue—2022

Year Ended December 31, 2023

(\$000's)



2022 (Restated - note 2)	Social and family services	Recreation and culture	Planning and development	Total
Expenses				
Salaries, wages and benefits	54,317	32,958	4,054	370,494
Interest	283	-	-	2,451
External transfers	192,368	485	1,383	203,940
Amortization	6,851	12,698	807	92,383
Goods and services	54,802	24,786	2,208	204,536
Total Expenses	308,621	70,927	8,452	873,804
Revenues excluding taxation				
User charges	32,761	15,460	1,567	182,668
Provincial and federal transfers	206,322	1,821	-	298,797
Revenue from other municipalities	19,590	-	-	30,840
Other	3,947	924	289	70,170
Change in equity in government business enterprises	-	-	-	38,983
Total revenues excluding taxation	262,620	18,205	1,856	621,458
Net municipal property taxes and payments-in-lieu of taxes				379,771
Annual surplus (deficit)	(46,001)	(52,722)	(6,596)	127,425

THE CORPORATION OF THE CITY OF WINDSOR



Schedule 2

Tangible Capital Assets—2023
Year Ended December 31, 2023
(\$000's)

	2023				
Cost		Balance, beginning of year	Additions	Disposals	Balance, end of year
Land		300,228	50,187	(909)	349,506
Landfill and land improvements		212,328	10,450	(1,616)	221,162
Building and building improvements		781,437	80,168	(5,897)	855,708
Vehicles, machinery and equipment		324,691	16,920	(10,227)	331,384
Water and wastewater infrastructure		985,302	10,112	(252)	995,162
Roads infrastructure		1,032,445	28,773	(58,345)	1,002,873
Airport assets		98,632	3,430	-	102,062
Asset retirement obligations		91,858	366	-	92,224
Assets under construction		293,146	142,742	(171,778)	264,110
Total		4,120,067	343,148	(249,024)	4,214,191
<hr/>					
Accumulated amortization					
Landfill and land improvements		72,719	6,542	(1,307)	77,954
Building and building improvements		384,421	20,382	(5,743)	399,060
Vehicles, machinery and equipment		168,839	20,657	(10,035)	179,461
Water and wastewater infrastructure		410,641	18,771	(164)	429,248
Roads infrastructure		613,563	24,815	(57,737)	580,641
Airport assets		40,533	3,081	-	43,614
Asset retirement obligations		85,014	383	-	85,397
Total		1,775,730	94,631	(74,986)	1,795,375
<hr/>					
Net book value					
Land		300,228			349,506
Landfill and land improvements		139,608			143,208
Building and building improvements		397,016			456,648
Vehicles, machinery and equipment		155,852			151,923
Water and wastewater infrastructure		574,662			565,914
Roads infrastructure		418,882			422,232
Airport assets		58,099			58,448
Asset retirement obligations		6,844			6,827
Assets under construction		293,146			264,110
Total		2,344,337			2,418,816

THE CORPORATION OF THE CITY OF WINDSOR



Schedule 2

Tangible Capital Assets—2022

Year Ended December 31, 2023

(\$000's)

2022 Restated (note 2)				
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
Land	297,944	2,292	(8)	300,228
Landfill and land improvements	212,585	1,213	(1,470)	212,328
Building and building improvements	759,705	22,217	(485)	781,437
Vehicles, machinery and equipment	306,410	31,669	(13,388)	324,691
Water and wastewater infrastructure	956,732	32,997	(4,427)	985,302
Roads infrastructure	1,023,454	10,433	(1,442)	1,032,445
Airport assets	98,355	277	-	98,632
Asset retirement obligations	91,858	-	-	91,858
Assets under construction	186,923	143,022	(36,799)	293,146
Total	3,933,966	244,120	(58,019)	4,120,067
Accumulated amortization				
Landfill and land improvements	67,716	5,861	(857)	72,720
Building and building improvements	365,675	19,231	(485)	384,421
Vehicles, machinery and equipment	162,522	19,397	(13,080)	168,839
Water and wastewater infrastructure	395,554	18,219	(3,133)	410,640
Roads infrastructure	590,019	24,881	(1,337)	613,563
Airport assets	37,540	2,993	-	40,533
Asset retirement obligations	83,213	1,801	-	85,014
Total	1,702,239	92,383	(18,892)	1,775,730
Net book value				
Land	297,944			300,228
Landfill and land improvements	144,869			139,608
Building and building improvements	394,030			397,016
Vehicles, machinery and equipment	143,888			155,852
Water and wastewater infrastructure	561,178			574,662
Roads infrastructure	433,435			418,882
Airport assets	60,815			58,099
Asset retirement obligations	8,645			6,844
Assets under construction	186,923			293,146
Total	2,231,727			2,344,337

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Windsor

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the City of Windsor (the Trusts), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of financial activities and continuity of fund balances for the year then ended
- and the 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 Trusts as at December 31, 2023, and its financial activities 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 responsibility 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 Trusts in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

Other Information

Management is responsible for the other information. The other information comprises:

- the information, other than the financial statements and the auditor’s report thereon, included in the Annual Report.



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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibility 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 Trust'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 Trust or to cease operations or has no realistic alternative but to do so.

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



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We also:

- Identify and assess the risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Trust'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 the events or conditions that may cast significant doubt on the Trust'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 Trust 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". A horizontal line is drawn underneath the signature, and a longer line extends from the bottom left of the signature towards the right.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

July 31, 2024

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Position

Year Ended December 31, 2023

(\$000's)



	Huron Lodge Residents' Comfort	Willistead Furnishings	Justice Facility Capital Maintenance	Heritage Endowment Fund	EWSWA Landfill Expansion Fund
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash and equivalents	73	6	4,413	526	-
Due from City of Windsor			46	3	
Total current assets	73	6	4,459	529	-
Long term assets (note 2):					
Investments			2,105		5,172
Total assets	73	6	6,564	529	5,172
Liabilities					
Due to Current Fund City of Windsor					
Due to Capital Fund City of Windsor					
Due to Trust Fund City of Windsor	3				
Accounts payable	3				
Total liabilities	6	-	-	-	-
Fund balance	67	6	6,564	529	5,172
Total liabilities and fund balance	73	6	6,564	529	5,172

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

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Position

Year Ended December 31, 2023

(\$000's)



	COAHP Revolving Homeownership	Windsor Medical Fund	MacDonald Trust	Willistead Endowment Fund	Fairbairn Cemetery Fund	Arts Endowment Trust Fund	WPL Bradley Trust Fund	Total 2023	Total 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets									
Current assets									
Cash and equivalents	2,828	39	34	1	13	-	4	7,937	6,984
Due from City of Windsor	132							181	65
Total current assets	2,960	39	34	1	13	-	4	8,118	7,049
Long term assets (note 2):									
Investments				33		3,021		10,331	10,030
Total assets	2,960	39	34	34	13	3,021	4	18,449	17,079
Liabilities									
Due to Current Fund City of Windsor								-	47
Due to Capital Fund City of Windsor								-	-
Due to Trust Fund City of Windsor								3	-
Accounts payable	2,717							2,720	2,470
Total liabilities	2,717	-	-	-	-	-	-	2,723	2,517
Fund balance	243	39	34	34	13	3,021	4	15,726	14,562
Total liabilities and fund balan	2,960	39	34	34	13	3,021	4	18,449	17,079

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Activities

Year Ended December 31, 2023

(\$000's)



	Huron Lodge Residents' Comfort	Willistead Furnishings	Justice Facility Capital Maintenance	Heritage Endowment Fund	EWSWA Landfill Expansion Fund
	\$	\$	\$	\$	\$
Balance at the beginning of the year	55	16	5,795	502	5,014
Revenues					
Residents' comfort	72				
Interest earned		1	271	27	158
Donations					
Rental			11		
Contributions		10	491		
Total revenues	72	11	773	27	158
Expenditures					
Payments to residents or estates	60				
Purchases of furnishings and capital improvements		21	4		
Contribution to City of Windsor Current Fund					
Contribution to City of Windsor Capital Fund					
Contribution to City of Windsor Reserve Fund					
Other expenses					
Total expenditures	60	21	4	-	-
Balance at the end of the year	67	6	6,564	529	5,172

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Activities

Year Ended December 31, 2023

(\$000's)



	COAHP Revolving Homeownership	Windsor Medical Fund	MacDonald Trust	Willistead Endowment Trust	Fairbairn Cemetery Trust	Arts Endowment Trust	WPL Bradley Trust	Total 2023	Total 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	102	37	32	29	12	2,964	4	14,562	13,863
Revenues									
Residents' comfort								72	54
Interest earned	141	2	2	2	1	100		705	453
Donations					3			3	-
Rental								11	-
Contributions								501	643
Total revenues	141	2	2	5	1	100	-	1,292	1,150
Expenditures									
Payments to residents or estates								60	65
Purchases of furnishings and capital improvements								25	196
Contribution to City of Windsor Current Fund								-	-
Contribution to City of Windsor Capital Fund							43	43	47
Contribution to City of Windsor Reserve Fund							-	-	-
Other expenses							-	-	143
Total expenditures	-	-	-	-	-	43	-	128	451
Balance at the end of the year	243	39	34	34	13	3,021	4	15,726	14,562

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Trust Funds Financial Statements

Year Ended December 31, 2023

(\$000's)



1. ACCOUNTING POLICIES

Basis of accounting

Revenue and expenditures are reported on the accrual basis of accounting.

2. LONG TERM ASSETS

Long-term assets include total investments of \$10,331 (2022 - \$10,030) reported on the statement of financial position which reflects cost plus accrued interest to the end of the year.

3. TRUST FUNDS

The trust funds administered by the Corporation as of December 31, 2023 total \$15,726 (2022 - \$14,562) and are comprised of the following:

Huron Lodge Residents' Comfort Trust \$67 (2022 - \$55)

Administers the Home for the Aged residents' monthly spending allowance.

Willistead Furnishings Trust Fund \$6 (2022 - \$16)

Receives various donations, which are utilized to fund furnishings for the City-owned heritage facility.

Windsor Justice Facility Capital Maintenance Trust \$6,564 (2022 - \$5,795)

Administers joint contributions from the City of Windsor and Ontario Realty Corporation to be used for capital maintenance of the Joint Justice Facility.

Heritage Endowment Fund \$529 (2022 - \$502)

This is a fund which derives income for the purpose of capital funding costs associated with conserving eligible heritage properties.

Essex-Windsor Solid Waste Authority Landfill Expansion Fund \$5,172 (2022—\$5,014)

This trust fund was established to hold funds paid by MFP Financial Services Limited to the County of Essex and the City in accordance with the settlement dated July 29, 2005. These funds will be utilized for ongoing cell expansions of the EWSWA consistent with the original loan with required payments in 2016 and 2024. The fund balance of the trust fund relates specifically to an amount payable to the EWSWA regarding ongoing future cell expansions.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Trust Funds Financial Statements

Year Ended December 31, 2023

(\$000's)



Canada-Ontario Affordable Housing Program (COAHP) Trust \$243 (2022 - \$102)

This trust fund was established for the purposes of the Canada-Ontario Affordable Housing Program Homeownership Component. Federal funding deposited into the trust account is subsequently transferred to successful recipients. The funding is considered a grant if the recipient maintains ownership of their home for the term of 20 years. If the home is sold prior to the 20 year period, the downpayment assistance (\$8 maximum) is repayable and deposited back into the trust fund to be redistributed to another recipient.

Windsor Medical Fund \$39 (2022 - \$37)

This fund was established in 2008 specifically for the acquisition of significant artifacts within the scope of the Windsor's Community Museum collection.

MacDonald Trust \$34 (2022 - \$32)

The transfer of the Museum function to the City of Windsor from the Windsor Public Library Board was finalized in 2008. The funds in the MacDonald Trust are to be expended on the collection, preservation and display of artifacts in the Francois Baby House.

Willistead Endowment Trust \$34 (2022 - \$29)

This fund was established in 2012 to be used for the benefit of Willistead Manor. The fund is to be used exclusively and in perpetuity for the preservation, restoration, and capital improvement of Willistead Manor and used for any means needed to achieve this purpose. It is intended that the fund be used for infrastructure projects. The minimum capital amount that must be preserved in the fund at all times is set at 50% of the received value of life to date contributions to the fund.

Fairbairn Cemetery Fund \$13 (2022 - \$12)

This fund was established when the City of Windsor became owner of Fairbairn Cemetery to be used for Parks Department management and third party contractor maintenance.

Arts Endowment Trust Fund \$3,021 (2022 - \$2,964)

This fund was established in 2017 to provide an ongoing funding source which will be available in perpetuity to support, in full or in part, public art related aspects of future City capital projects. The minimum annual distribution from the trust fund to be placed in the capital project has been established at 1.5% with any remaining yield to be retained in the fund.

Windsor Public Library – Bradley Trust \$4 (2022 - \$4)

This fund was established for the future building of a Sandwich Library.



Willistead Manor located inside Willistead Park.

Statistical Review (Unaudited) |

Revenues ('000's)	2023 (\$)	2022 Restated (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Property taxes and payments-in-lieu	401,249	379,771	368,540	354,475	343,636
User charges	215,860	182,868	161,535	149,750	166,427
Provincial and federal transfers	343,265	298,797	269,469	280,852	232,803
Revenue from other municipalities	33,967	30,840	28,172	23,478	26,558
Other	76,867	70,170	57,484	57,142	62,528
Change in equity in government business enterprises	32,120	38,983	35,395	20,494	25,764
TOTAL	1,103,328	1,001,429	920,595	886,191	857,716

Expenses ('000's)	2023 (\$)	2022 Restated (\$)	2021 (\$)	2020 (\$)	2019 (\$)
General government	60,168	61,199	59,759	56,044	56,057
Protection to persons and property	207,671	202,075	194,857	190,523	188,077
Transportation services	124,328	123,557	108,706	108,532	107,654
Environmental services	88,586	83,501	78,313	80,751	80,810
Health services	17,479	15,472	17,856	15,988	15,196
Social and family services	359,861	308,621	284,644	262,274	271,740
Recreation and culture	77,010	70,927	62,609	58,039	68,134
Planning and development	10,680	8,452	9,623	8,280	8,151
TOTAL	945,783	873,804	816,367	780,431	795,819

Expenses by object ('000's)	2023 (\$)	2022 Restated (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Salaries and wages	367,202	370,494	362,701	348,907	357,514
Goods and services	234,934	204,536	209,985	169,612	176,260
External transfers	245,837	203,940	152,845	172,507	176,598
Interest	3,179	2,451	2,864	3,120	3,639
Amortization	94,631	92,383	87,972	86,285	81,808
TOTAL	945,783	873,804	816,367	780,431	795,819

Non-financial Assets ('000's)	2023 (\$)	2022 Restated (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Tangible capital assets, net book value	2,418,816	2,344,337	2,223,082	2,157,630	2,123,330
Amortization expense	94,631	92,383	87,972	86,285	81,808
Transfers to capital fund from operating funds	6,854	46,095	43,767	39,021	34,491
 Long-term liabilities	 2023 (\$)	 2022 Restated (\$)	 2021 (\$)	 2020 (\$)	 2019 (\$)
Long-term liabilities ('000's)	107,251	54,807	54,201	62,658	70,670
Interest ('000's)	3,873	2,451	2,864	3,120	3,638
Population	231,900	231,900	229,660	230,900	227,555
Long-term liabilities per capita	462.49	236.34	236.01	271.36	310.56
 Accumulated Surplus ('000's)	 2023 (\$)	 2022 Restated (\$)	 2021 (\$)	 2020 (\$)	 2019 (\$)
Invested in tangible capital assets	2,311,565	2,289,530	2,168,881	2,094,972	2,052,660
Invested in government business enterprises	723,606	694,728	655,745	620,350	599,856
Unfunded future employee benefit obligations	(697,502)	(694,431)	(667,398)	(632,045)	(603,261)
Unfunded asset retirement obligations*	(107,490)	(107,299)	(17,754)	(19,075)	(16,531)
Unfunded inactive contaminated sites obligations	(8,847)	(8,774)	(8,504)	(6,692)	(6,306)
Reserves and reserve funds	451,952	294,325	291,641	259,462	216,293
Other	62,048	112,700	113,975	115,386	83,887
TOTAL	2,735,332	2,580,779	2,536,586	2,432,358	2,326,598

* In 2021, 2020 and 2019, the amount in this row represents landfill perpetual care obligations. The accounting standard for landfill perpetual care was replaced and reported as asset retirement obligations for 2022 and 2023.

Statistical Review (Unaudited)

Reserves and reserve funds ('000's)	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Reserves set aside for a specific purpose by Council:					
Working funds	35,563	34,618	33,781	27,672	24,480
Encumbrances	5,447	6,493	6,990	4,058	3,792
Future planning	2,230	1,857	1,698	1,261	1,186
Post retirement death benefit	106	287	247	269	361
Recreation services	1,106	1,292	1,443	1,717	1,627
Fire services	1,648	1,530	1,579	1,400	1,268
Environmental services	24,924	24,582	24,155	23,218	22,770
Occupational illness	1,762	3,310	2,964	2,492	1,858
Others	3,811	3,979	4,231	3,292	3,245
Total reserves	76,597	77,948	77,088	65,379	60,587
Reserve funds set aside for a specific purpose by Council:					
Replacement of equipment	74,475	59,275	54,886	52,717	52,139
Capital expenditures	140,572	99,319	87,748	56,116	33,779
Insurance	8,818	7,756	7,573	7,478	7,346
Health benefits rate stabilization	10,217	12,063	13,227	12,569	11,210
Sanitary sewer expenditures	47,080	4,183	4,442	6,496	3,022
Budget stabilization	11,480	12,918	20,624	20,296	9,096
Children's fund	791	752	735	725	715
Social housing	(12,136)	(30,889)	(16,592)	2,996	8,947
Recreation	245	377	244	174	147
Transit debt repayment	1,096	1,160	1,254	1,361	1,463
Public health	72,741	31,368	25,952	20,871	16,436
Tax appeals	19,976	18,095	14,460	12,284	11,406
Total reserve funds	375,355	216,377	214,553	194,083	155,706
Total reserves and reserve funds	451,952	294,325	291,641	259,462	216,293

Property Tax and Assessment

Tax Assessment Information

Taxable Assessment on which the year's rates of taxation were set (\$000s)	2023	2022	2021	2020	2019
Residential, multi-residential, farm	14,520,033	14,390,426	14,220,471	14,064,528	13,513,312.05
Commercial, industrial, other	3,664,156	3,656,774	3,685,312	3,705,190	3,604,643
Total Taxable Assessment	18,184,189	18,047,200	17,905,783	17,769,718	17,117,955
Commercial, industrial and business as a % of taxable assessment	20.2%	20.3%	20.6%	20.9%	21.1%

Tax Rate Information

Residential	2023	2022	2021	2020	2019
Municipal Levy	1.787%	1.701%	1.666%	1.623%	1.628%
School Board	0.153%	0.153%	0.153%	0.153%	0.161%
Total Tax Rate	1.940%	1.854%	1.819%	1.776%	1.789%

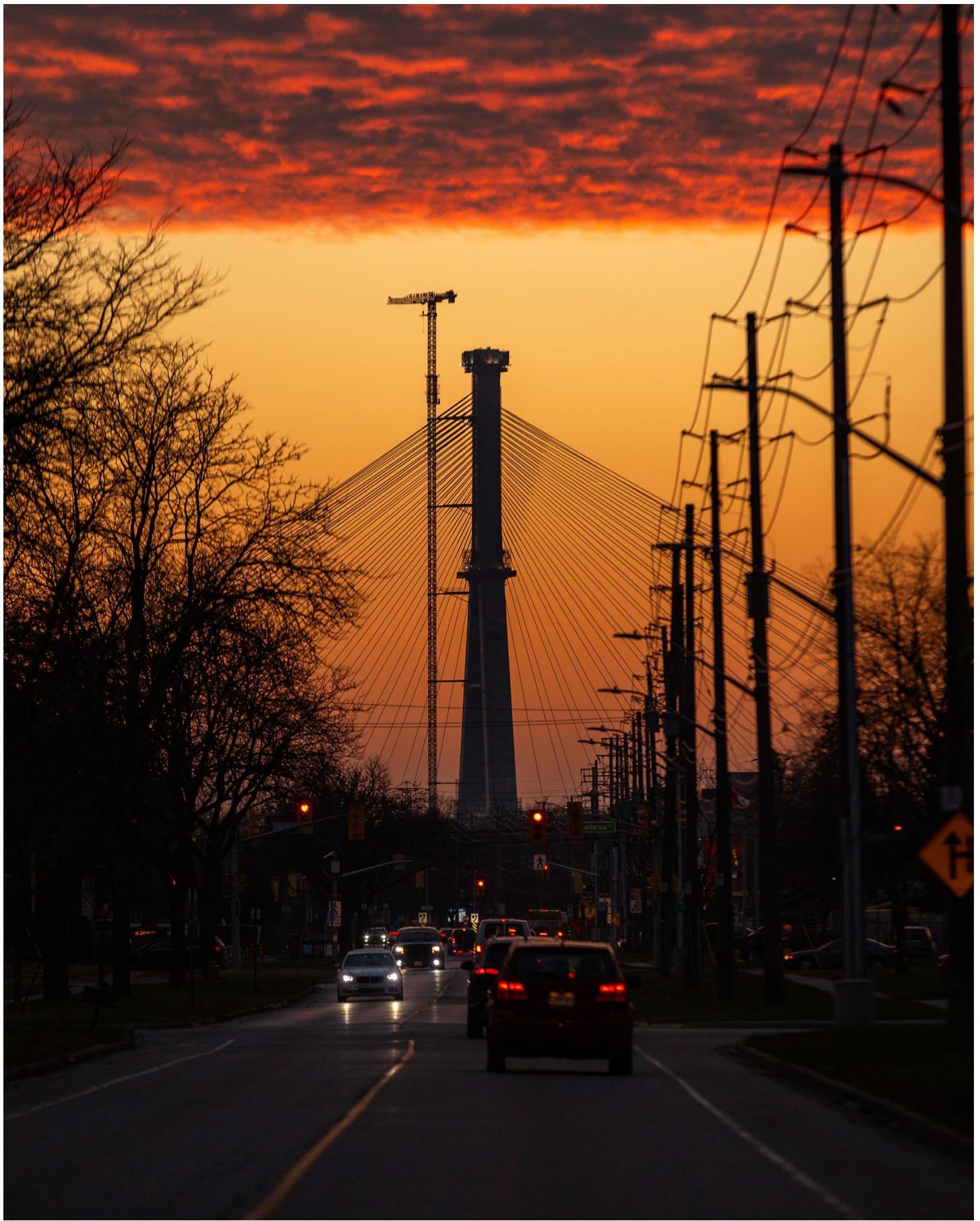
Commercial	2023	2022	2021	2020	2019
Municipal Levy	3.598%	3.425%	3.355%	3.274%	3.287%
School Board	0.880%	0.880%	0.880%	1.250%	1.290%
Total Tax Rate	4.478%	4.305%	4.235%	4.524%	4.577%

Industrial	2023	2022	2021	2020	2019
Municipal Levy	4.138%	3.939%	3.857%	3.765%	3.778%
School Board	0.880%	0.880%	0.880%	1.250%	1.290%
Total Tax Rate	5.018%	4.819%	4.737%	5.015%	5.068%

Property Tax Information

Tax Levies (based on Roll Return \$000s)	2023	2022	2021	2020	2019
City Portion	407,919	385,882	376,169	363,844	352,156
School Board Portion	52,481	52,214	52,190	62,850	63,289
Total Tax Levied on Roll Return	460,400	438,096	428,360	426,694	415,445

Tax Arrears	2023	2022	2021	2020	2019
Taxes Receivable (\$000s)	40,404	35,593	36,609	35,977	28,785
Taxes Receivable per Capita (\$)	172.51	153.48	159.40	155.81	126.50
Percentage of current total tax levy	8.8%	8.1%	8.5%	8.4%	6.9%



Construction of the Gordie Howe International Bridge.

Accomplishments



Building Department:

The City's construction activity in 2023 was robust, with a total permit valuation of \$1.18 billion. The Building Department processed 1,793 permits, leading to 1,311 new dwelling units, including homes, apartments, and long-term care facilities. This surge demonstrates the department's dedication to supporting Windsor's evolving urban landscape.



Planning Department:

The Planning Department handled 223 development applications and 23 Community Improvement Plan incentive applications, underscoring the ongoing demand for development in Windsor.



Information Technology Department:

2023 saw the approval of Windsor's first Corporate Technology Strategy Plan (CTSP). Through a consultative review by Perry Group Consulting, the CTSP addresses the City's technology needs, risks, and future vision. Additionally, the IT and HR departments conducted a recruitment process analysis resulting in a new Onboarding Portal, streamlining hiring and onboarding processes for various departments.



Economic Development:

Council adopted Windsor Works in 2021, focusing on talent retention, academic partnerships, and the automotive sector's future. NextStar Energy's \$5 billion investment, creating 2,500 jobs by 2025/26, highlights this strategy's success. The City's collaboration on the project was instrumental in providing strategic land provision and infrastructure support.

Council also approved its first supply chain lease with Dongshin Motech, investing \$60 million and creating 200 jobs, and Bobaeck America Inc. announced a \$25 million new manufacturing plant investment to support 230 jobs.



Climate Change:

The City received an "A" score from the Carbon Disclosure Project (CDP) for climate leadership and selected to the GCoM Canada 2023 Cohort in advancing climate action.

The city also expanded its community garden program, promoting physical activity, community connections, and food security.



Infrastructure Services

The City endorsed the Vision Zero Policy aiming for zero fatalities on municipal streets and installed 20 electric vehicle chargers to support the City's electric fleet. The Sewer and Coastal Flood Protection Master Plan has allocated \$300 million to flood mitigation projects to date.

Transit Windsor experienced record ridership with 9.47 million passenger trips, introduced a new semi-express route and the Amherstburg route and secured over \$100 million in grant funding to support the More Than Transit Master Plan.

Accomplishments



Community Services:

Through the City's Community Services department accessible programming at Mitchell Park was introduced, Cirque du Soleil returned to the WFCU Centre, the Rosalie Trombley commemorative statue was unveiled, and Bright Lights Windsor was named 2023 Top 100 Award Winner at Festivals & Events Ontario.

The Parks and Facilities department grew and planted thousands of plants and trees, opened new playgrounds, dog parks, and sports courts.



Windsor Public Library:

The "Let's Talk English" program servicing Newcomers continues to expand throughout the City's libraries and its outdoor movie nights engaged over 3,000 participants. The "Letters to Elders" program saw 612 letters, cards and art connecting isolated seniors with community members.



Windsor Fire & Rescue:

The department hosted Firefest to over 1000 people, showcasing firefighter skills and educated over 10,000 people through the Public Fire Safety Program on fire safety.



Human and Health Services:

Employment & Social Services registered over 1,300 job seekers, assisted 600 individuals in finding employment and connected another 100 individuals with training opportunities.

The City was named the Service System Manager by the Province to take over stewardship of Employment Ontario, which includes 7,400 clients with case management activities.

In collaboration with community partners, the City supported asylum claimants staying in local hotels and providing essential support to families.

The City demonstrated its support to housing solutions through the Meadowbrook Affordable Housing Development by providing 145 units, including 76 affordable units and 69 units offered at market rates.

The City's Housing and Homelessness Help Hub (H4) received the Ontario Municipal Social Services Association (OMSSA) 2023 Local Champion Award for excelling in integrating and managing human services.

City of Windsor's Economy 2023

ECONOMIC TRENDS

Highlights from 2023 included electric vehicle supply chain announcements, advancements on the Gordie Howe International Bridge construction, continued progress on the NextStar Energy battery plant, and a new boutique hotel for downtown Windsor. As NextStar moved closer to completing its EV battery module facility, another Korean supplier to the plant, Bobae America, announced it would build a \$35 million facility in Windsor to manufacture battery insulation panels and cell sheets for EVs. The plant will employ 144 people. The new Gordie Howe Bridge towers reached their full height in mid-2023 with the roadbed continuing to stretch across the Detroit River. As part of this project, the Windsor-Detroit Bridge Authority and Bridging North America continued to fund community benefit projects, including a new observation platform to be built in Malden Park and upcoming reconstruction of a portion of Sandwich Street.

The Conference Board of Canada reaffirmed its prediction that the Windsor Census Metropolitan Area (which includes the City of Windsor, Municipality of Lakeshore and the towns of Tecumseh, LaSalle and Amherstburg) will have the fastest growing economy of the 24 Canadian CMAs that they track. GDP growth of 2.4% was projected for 2023, slowing to 1.7% growth from 2023 to 2024 and then averaging 2.9% per year from 2024 to 2027. Evidence that the region has moved out of the COVID-induced slowdown can be seen in the growth of the two industries hardest hit by the pandemic: Accommodations and Food Services and Arts, Entertainment and Recreation. GDP for these industries grew 8.9% and 11.7% respectively in 2023 over 2022. After a slower year in 2023, Manufacturing GDP is expected to grow by 4.6% in 2024 and continue to increase every year through 2027.

Total population is expected to grow by 6.4% from 2023 to 2027, primarily through international migration, and the total employment is expected to increase almost as much, at 6.3%. During the past year there were six consecutive months where the population grew by more than 1000 people per month. In 2023 there were 15,000 net new jobs in the region, mostly in the service sectors but 1400 jobs were added in the Manufacturing industry, representing a 3.9% increase over the previous year. Employment also grew in the following industries: Finance, Insurance and Real Estate (16%, 2500 jobs); Educational Services (26%, 3200 jobs); Healthcare and Social Assistance (14%, 3600 jobs); Arts and Entertainment (39%, 1500 jobs); Accommodation and Food Services (36%, 3700 jobs); and Public Administration (44%, 3000 jobs). Wages and salaries per employee are estimated to have risen by 3.1% in 2023 and household income per capita in 2022 (the most recent data available) was \$63,300, higher than both the province and the country.

Looking more closely at the tourism industry as an indicator of pandemic recovery, there were positive indicators for 2022 (the most recent data currently available) from Tourism Windsor Essex Pelee Island. Visitor volumes were up by 42% from 2021 to 2022 with a total of 4.4 million people visiting Windsor. Visitor spending increased by 63.7% for this time period, rising to \$669 million. Hotels in the downtown area have invested in major renovation projects over recent years and there will be a new boutique hotel opening in 2025 in the former Paul Martin Building on Ouellette Avenue. Showing its confidence in the Windsor area, Flair Airlines started offering seasonal flights between Windsor and Vancouver in June 2023, with plans to grow its fleet to 50 planes by 2025

Despite the influx of people into the region, the average house price in Windsor and Essex County for 2023 was \$556,451, a decrease of almost 10% from 2022. This is good news for home buyers and continues to be a selling feature when promoting the Windsor area as great place to live, work and

invest. Looking at just the City of Windsor, total housing starts decreased from 491 units in 2022 to 346 units in 2023; however, construction of apartment units for the rental market was up from 174 to 185 units. Housing completions were also up from 362 in 2022 to 440 in 2023 and apartments completions almost doubled over this time period, from 152 to 349 units. The rate of new house construction is expected to rise above the national rate in 2024 and remain so through 2027. Rental rates held fairly steady from 2022 to 2023. The average rent for all types of units was \$1101 in October 2023 compared to \$1089 in October 2023. Larger units (ie. three bedrooms) actually saw an average decrease in rent, from \$1528 to \$1252. The apartment vacancy rate rose slightly, from 1.8% to 2.0%).

ECONOMIC DEVELOPMENT ANNOUNCEMENTS AND PROJECTS

NextStar Energy – Construction continued on the NextStar Energy battery plant buildings throughout 2023 with the final steel beam being installed in December. The module building is now fully enclosed and equipment installation is underway. The cell building is mostly complete. Production in the module building is expected to begin in 2024.

Stellantis – Work is well underway on the expansion of Stellantis's Automotive Research and Development Centre (ARDC), a partnership with the University of Windsor. The new 100,000-square-foot standalone building will house the North American Battery Technology Centre. Preparation also began to produce electric versions of the Charger and Challenger at Windsor Assembly Plant, expected to be launched in mid-2024.

Bobaek America - A second supplier to the NextStar plant announced it would open a facility in Windsor. Bobaek America, a Korean electric vehicle parts manufacturer, has started construction on a \$35 million battery insulation panel and cell sheet manufacturing plant which will employ 144 people.

Porter Engineered Systems - This automotive seating manufacturer, is investing \$5.5M with help from the provincial government to make improvements at its Windsor facility, creating 15 new jobs in the process.

New restaurants opening – In early 2023, Gong Cha, a Taiwanese tea company, and Arirang Hotdog, a Korean hotdog franchise, opened locations in west Windsor along with Café Windsor. Cucina 360, a new restaurant connected to Oven 360, opened in a renovated historical building in downtown Windsor. Smoke's Poutinerie has also opened a new location in downtown Windsor. Main Street Burger & Poutine opened on Ottawa Street. Loose Goose Resto Pub opened its third location in the region, in Walkerville, offering jobs to 50 people.

Convoy Technologies Inc. - This Indiana-based manufacturing company will establish a new production facility in Windsor with 15 employees initially. Convoy manufactures cameras, monitors and accessories for use in AI-enabled truck driver training.

Ennova Facades Inc. - This manufacturer of building products is receiving \$1.15M from the federal government to expand its Windsor and Amherstburg facilities, creating 13 full-time jobs.

Amazon - Preparations are underway for the construction of a 300,000-square foot Amazon delivery station in Windsor, set to open in late 2024, generating 300 jobs upon completion, not including delivery drivers.

SheaRock Construction Group – This company received \$500,000 from the provincial government to support the construction of a 30,000-square foot manufacturing plant in Windsor that will create at least 20 new jobs. The plant will manufacture polyurethane wastewater infrastructure to replace concrete.

Cavalier Tool & Manufacturing Ltd. – This plastic injection mold manufacturer invested \$15 million in its Windsor facility, with an additional \$2.25 million of funding from the provincial government, creating 30 new jobs.

Dainty Foods – Canada's only rice mill, located in west Windsor, has invested \$10 million in the factory upgrading the rice mill, the flour mill and enhancing their packaging lines. The company expects to invest an additional \$10 million over the next two to three years, bringing specialized equipment into the current facility in order to help them produce microwaveable rice pouches.

Morterm – A \$27 million investment at Morterm Limited will include a new warehouse, expansion of the shore wall and a new berth for ships. The federal government is contributing to this project, as is Port Windsor. Between 20 and 40 new jobs are expected to be created. Morterm is a general cargo terminal in Port Windsor. Its sister company is Essex Terminal Railway.

MAJOR CURRENT AND UPCOMING PUBLIC SECTOR CONSTRUCTION PROJECTS

- Gordie Howe International Bridge – The towers on both sides of the Detroit River have reached their full height and the roadbed on both sides of the river has almost reached its joining point. The bridge is expected to be open in the fall of 2025.
- Catholic Central High School in Windsor announced the opening of their new \$30M high school in January 2023. The school will accommodate up to 940 students.
- The University of Windsor started construction on a \$60 million 150,000 square foot student residence that will open in 2025.
- Site preparation began for the new single site acute care hospital in Windsor with construction expected to begin in 2026.
- The Greater Essex County District School Board opened its newest public school, Eastview Horizon Public School, in September 2023. The \$16 million school houses more than 500 students from kindergarten through grade 8.



Windsor City Hall



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