



2021 Annual Report



THE CORPORATION OF THE CITY OF WINDSOR
2021 ANNUAL REPORT
TABLE OF CONTENTS



PART I—CITY OF WINDSOR CONSOLIDATED FINANCIAL STATEMENTS	3
AUDITOR'S REPORT	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF OPERATIONS	8
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	11
Note 1—Summary of significant accounting policies and reporting practices	11
Note 2—Contribution to non-consolidated board	17
Note 3—Government business enterprises	18
Note 4—Net long-term liabilities	27
Note 5—Employee benefits	28
Note 6—Landfill post-closure liabilities	31
Note 7—Municipal position	31
Note 8—Commitments	33
Note 9—Budget figures	34
Note 10—Public liability insurance	35
Note 11—Segmented information	35
Note 12—Contingent liabilities	36
Note 13—Contingent assets	37
Note 14—Contractual rights	37
SCHEDULE 1—CONSOLIDATED SCHEDULE OF SEGMENTED NET REVENUE	38
SCHEDULE 2—TANGIBLE CAPITAL ASSETS	40
 PART II—CITY OF WINDSOR TRUST FUNDS FINANCIAL STATEMENTS	 42
AUDITOR'S REPORT	43
TRUST FUNDS STATEMENT OF FINANCIAL POSITION	46
TRUST FUNDS STATEMENT OF FINANCIAL ACTIVITIES	48
NOTES TO TRUST FUNDS FINANCIAL STATEMENTS	50

PART I: CONSOLIDATED FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' 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, 2021
- 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 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, 2021, 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 “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ 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.



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.

Auditors' 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 auditors' 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.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants
Windsor, Canada
August 2, 2022

THE CORPORATION OF THE CITY OF WINDSOR



Consolidated Statement of Financial Position

Year Ended December 31, 2021

(\$000's)

	2021	2020
	\$	\$
Financial Assets		
Cash and temporary investments	517,181	459,565
Investment in government business enterprises [note 3 (a)]	655,745	620,350
Taxes and payments-in-lieu of taxes receivable [note 1 (b) (iii)]	36,609	35,977
Trade and other receivables	61,767	56,496
	1,271,302	1,172,388
Financial Liabilities		
Accounts payable and accrued liabilities	162,497	137,772
Accrued interest on long-term liabilities	911	1,106
Net long-term liabilities [note 4 (a)]	54,201	62,658
Employee future benefit liabilities [note 5 (b)]	667,398	632,045
Deferred revenue [note 7 (b)]	64,781	54,766
Landfill post closure liability [note 6]	17,754	19,075
Inactive contaminated sites liability [note 1 (b) (vii)]	8,504	6,692
	976,046	914,114
Net Financial Assets	295,256	258,274
Non-Financial Assets		
Tangible capital assets [schedule 2]	2,223,082	2,157,630
Inventory and assets held for resale	3,049	2,825
Prepaid expenses	15,199	13,629
	2,241,330	2,174,084
Accumulated surplus [note 7 (a)]	2,536,586	2,432,358

Commitments and contingencies [notes 2, 5 (a), 8, 10, 12, 13 and 14]

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, 2021

(\$000's)

	Budget	2021	2020
	\$	\$	\$
Revenues [note 9, schedule 1]			
Net municipal property taxes and payments-in-lieu of taxes	365,629	368,540	354,475
User charges	149,314	161,535	149,750
Provincial and federal transfers [note 16]	223,069	269,469	280,852
Revenue from other municipalities	23,667	28,172	23,478
Other	64,702	57,484	57,142
Change in equity in gov't business enterprises [note 3(a)]	-	35,395	20,494
Total Revenues	826,381	920,595	886,191
Expenses [note 9, schedule 1]			
General government	59,060	59,759	56,044
Protection to persons and property	194,724	194,857	190,523
Transportation services	116,760	108,706	108,532
Environmental services	80,516	78,313	80,751
Health services	15,935	17,856	15,988
Social and family services	273,587	284,644	262,274
Recreation and culture	71,347	62,609	58,039
Planning and development	9,945	9,623	8,280
Total Expenses	821,874	816,367	780,431
Annual Surplus	4,507	104,228	105,760
Accumulated surplus, beginning of year	2,432,358	2,432,358	2,326,598
Accumulated surplus, end of year [note 7 (a)]	2,436,865	2,536,586	2,432,358

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, 2021

(\$000's)



	2021	2020
	\$	\$
Annual surplus	104,228	105,760
Acquisition of tangible capital assets (schedule 2)	(156,456)	(123,103)
Amortization of tangible capital assets (schedule 2)	87,973	86,285
Loss on disposal of tangible capital assets	1,744	96
Proceeds on sale of tangible capital assets	1,287	2,422
Net change in inventory and assets held for resale	(224)	80
Net consumption of prepaid expenses	(1,570)	(3,017)
Change in net financial assets	36,982	68,523
Net financial assets, beginning of year	258,274	189,751
Net financial assets, end of year	295,256	258,274

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, 2021

(\$000's)

	2021	2020
	\$	\$
Operating and other activities:		
Annual Surplus	104,228	105,760
Amortization of tangible capital assets	87,973	86,285
Loss on disposal of tangible capital assets	1,744	96
Increase in taxes and payments-in-lieu receivable	(632)	(7,192)
(Increase) decrease in trade and other receivables	(5,271)	1,396
(Increase) decrease in inventory and assets held for resale	(224)	80
Increase in prepaid expenses	(1,570)	(3,017)
Increase in accounts payable and accrued liabilities	24,725	43,755
Decrease in accrued interest on long term liabilities	(195)	(112)
Increase in employee future benefit liabilities	35,353	28,784
Increase (decrease) in deferred revenue	10,015	(14,165)
Increase in contaminated site liability	1,812	386
(Decrease) increase in landfill post closure liability	(1,321)	2,544
Net cash provided by operating and other activities	256,637	244,600
Capital activities:		
Proceeds on sale of tangible capital assets	1,287	2,422
Cash used to acquire tangible capital assets	(156,456)	(123,103)
Net cash used in capital activities	(155,169)	(120,681)
Financing activities:		
Net long term liabilities repaid	(8,457)	(8,012)
Investing activities:		
Increase in investment in government business enterprises	(35,395)	(20,494)
Increase in cash and temporary investments	57,616	95,413
Cash and temporary investments, beginning of year	459,565	364,152
Cash and temporary investments, end of year	517,181	459,565

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

THE CORPORATION OF THE CITY OF WINDSOR



Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$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, 2021

(\$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, \$51,336 of taxation was collected on behalf of and remitted to the school boards (2020—\$62,732).

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.

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.

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 13.3 years (2020 – 13.3 years).

(vii) 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.

(viii) 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.

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

- 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.

(ix) 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.

(x) Contingent Assets & Contractual Rights

For additional information on Contingent Assets (PSAB 3320) please see Note 13. For additional information on Contractual Rights (PSAB 3380), please see Note 14.

(xi) 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.

THE CORPORATION OF THE CITY OF WINDSOR



Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)

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

(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. 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. Contributions to non-consolidated board

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

	2021	2020
	\$	\$
Windsor-Essex County Health Unit	3,728	3,912

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

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. 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.

Your Quick Gateway (Windsor) Inc. (“YQG”)

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

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. Government Business Enterprises (continued)

(a) Investment in GBE

The City has investments in GBE totaling \$655,745 (2020—\$620,350), which is comprised of the following:

	2021	2020
	\$	\$
WCUL	186,931	182,593
WDTC	133,602	139,327
WDBL	(1,176)	(2,587)
WUC	328,615	292,816
YQG	7,773	8,201
	655,745	620,350

A continuity of the investment in GBE is as follows:

	WCUL	WDTC	WDBL	WUC	YQG	2021	2020
	\$	\$	\$	\$	\$	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Opening investment	182,593	139,327	(2,587)	292,816	8,201	620,350	599,856
Dividends declared	(4,000)	-	-	-	-	(4,000)	(4,000)
Other comprehensive income/(loss)	3,369	-	1,939	196	-	5,504	(5,905)
Current income/(loss)	4,969	(5,725)	(528)	35,603	(428)	33,891	30,399
Current change in investment	4,338	(5,725)	1,411	35,799	(428)	35,395	20,494
Closing investment	186,931	133,602	(1,176)	328,615	7,773	655,745	620,350

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. Government Business Enterprises (continued)

(b) Supplementary information of GBE

(i) WCUL

	2021	2020
	\$	\$
Financial position		
Current assets	102,092	109,748
Property, plant and equipment	246,016	243,219
Other assets	74,882	75,057
Total assets	422,990	428,024
Current liabilities	43,878	50,841
Long-term liabilities	192,181	194,590
Total liabilities	236,059	245,431
Shareholder's equity	186,931	182,593
Total liabilities and equity	422,990	428,024
Results of operations		
Revenue from distribution of electricity	281,511	325,559
Services provided to Windsor Utilities Commission	18,569	18,850
Other revenue	6,322	8,450
Total revenue	306,402	352,859
Cost of electrical energy	239,336	280,260
Other net expenses	62,097	65,283
Total expenses	301,433	345,543
Net income	4,969	7,316

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. 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, 2021 was \$4,003 (2020—\$4,135).
- WCUL collects and remits the sewer surcharge on behalf of the City. The total amount owing to the City at December 31, 2021 relating to sewer surcharge was \$7,145 (2020—\$6,998).
- The amounts due from related parties which are included in current assets consist of:

	2021	2020
	\$	\$
Due from Windsor Utilities Commission	1,834	1,449

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

	2021	2020
	\$	\$
Due from Windsor Utilities Commission	52,000	52,411

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

	2021	2020
	\$	\$
Due to the City of Windsor (net)	6,716	6,281

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. Government Business Enterprises (continued)

(ii) WDTC

	2021	2020
	\$	\$
Financial position		
Current assets	2,598	3,667
Property, plant and equipment	141,356	144,443
Total assets	143,954	148,110
Total liabilities	10,352	8,783
Shareholder's equity	133,602	139,327
Total liabilities and equity	143,954	148,110
Results of operations		
Total revenues	748	1,576
Operating expenses	6,473	3,414
Net loss	(5,725)	(1,838)

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) assets consist of:

	2021	2020
	\$	\$
Due (to) from WDBL	(1,851)	767

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. Government Business Enterprises (continued)

(iii) WDBL

	2021	2020
	\$	\$
Financial position		
Current assets	7,130	8,578
Property, plant and equipment	126	161
Total assets	7,256	8,739
Current and long-term liabilities	8,432	11,326
Shareholder's deficit	(1,176)	(2,587)
Total liabilities and deficit	7,256	8,739
Results of operations		
Tolls	2,570	3,213
Other revenues	311	5,386
Total revenues	2,881	8,599
Operating expenses	3,409	6,600
Net loss	(528)	1,999

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 to related parties which are included in current (assets) liabilities consist of:

	2021	2020
	\$	\$
Due (from) to WDTC	(1,851)	767

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. Government Business Enterprises (continued)

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

	2021	2020
	\$	\$
Due to the Corporation of the City of Windsor	135	383

(iv) WUC

	2021	2020
	\$	\$
Financial position		
Current assets	36,663	33,977
Property, plant and equipment and sinking fund	373,842	340,930
Total assets	410,505	374,907
Current liabilities	10,760	11,508
Long-term liabilities	71,130	70,583
Total liabilities	81,890	82,091
Shareholder's equity	328,615	292,816
Total liabilities and equity	410,505	374,907

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. Government Business Enterprises (continued)

	2021	2020
	\$	\$
Results of operations		
Retail water sales	56,277	55,213
Other revenue	15,767	12,679
Total revenue	72,044	67,892
Cost of production	16,516	16,369
Depreciation and amortization	10,100	10,214
Operating and other net expenses	9,825	20,909
Total expenses	36,441	47,492
Net income	35,603	20,400

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, 2021 was \$10,092 (2020—\$7,305).
- The amounts due to related parties which are included in current liabilities consist of:

	2021	2020
	\$	\$
Due to Enwin Utilities Ltd.	1,834	1,408
Due to the Corporation of the City of Windsor	1,946	4,165
	3,780	5,573

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

	2021	2020
	\$	\$
Due to Enwin Utilities Ltd.	0	411

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



3. Government Business Enterprises (continued)

(v) YQG

	2021	2020
	\$	\$
Financial position		
Total assets	8,691	9,322
Total liabilities	918	1,121
Shareholder's equity	7,773	8,201
Total liabilities and equity	8,691	9,322
Results of operations		
Airport operating revenues	2,433	2,300
Management fees and other revenues	535	3,726
Total revenue	2,968	6,026
Operating and other expenses	3,396	3,504
Net income	(428)	2,522

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:

	2021	2020
	\$	\$
Due to the Corporation of the City of Windsor	279	623

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



4. 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:

	2021	2020
	\$	\$
Total long term liabilities	54,201	62,658
Less amount repayable from user fees	(54,201)	(60,421)
<u>Net amount repayable from general taxation</u>	<u>-</u>	<u>2,237</u>

The amount repayable from user fees is comprised of:

	2021	2020
	\$	\$
Essex-Windsor Solid Waste Authority	27,062	28,422
Sewer Surcharge fund	16,591	18,668
Transit Windsor	961	1,063
Windsor Essex Community Housing Corporation	9,587	12,268
<u>Long term liabilities repayable by user fees</u>	<u>54,201</u>	<u>60,421</u>

At December 31, 2021, the net long-term liability as reported on the financial statements of EWSWA, which the City is responsible for 50%, consists of:

	2021	2020
	\$	\$
Debenture payable	54,125	56,844
Accrued interest	1,611	1,692
<u></u>	<u>55,736</u>	<u>58,536</u>

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, 2021

(\$000's)



4. Net long-term liabilities (continued)

- (b) Of the long-term liabilities in (a) of this note, \$27,778 in principal payments are repayable from 2022 to 2026, \$19,004 from 2027 to 2031 and \$7,419 thereafter.

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

	2022-2026	2027-2031	Thereafter	Total
	\$	\$	\$	\$
From general taxation	-	-	-	-
From user fees	27,778	19,004	7,419	54,201
	27,778	19,004	7,419	54,201

- 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:

	2021	2020
	\$	\$
Interest funded from general property taxes	143	177
Interest funded from user fees	2,721	2,943
	2,864	3,120

5. 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.

5. 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 2021 was \$24,315 (2020—\$23,726). At December 31, 2021 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, 2021 the plan has, for accounting purposes and including the unfunded letter of credit, pension assets of \$8,699 (2020—\$8,879) and is in a funding surplus of \$3,454 (2020—\$2,620 deficit).

(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, 2021 and consist of the following:

	2021	2020
	\$	\$
Post-retirement benefits	571,034	542,464
Post-employment benefits	7,842	7,965
WSIB future benefits	79,794	76,772
Accrued vested sick leave	10,782	10,577
Vacation and banked overtime	3,191	3,146
Transit Windsor pension asset	(5,245)	(8,879)
	667,398	632,045

(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:

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



5. Employee benefits (continued)

- Discount rate 2.75% (2020—2.20%)
- Health care discount rate 4.00% (2020—4.00%)

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

	2021	2020
	\$	\$
Accrued benefit liability at the beginning of the year	542,464	522,281
Current service cost	18,703	14,751
Interest	15,824	17,391
Amortization of actuarial net losses	6,948	786
Benefits paid	(12,905)	(12,745)
Accrued benefit liability at the end of the year	571,034	542,464
Unamortized net actuarial losses	78,953	164,377
Accrued benefit obligations at the end of the year	649,987	706,841

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, 2019 and the next required valuation will be as of December 31, 2022.

(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, 2021 is \$79,794 (2020—\$76,772).

(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 2021, an amount of \$381 (2020—\$1,026) has been paid and is reported as an expense on the consolidated statement of operations.

THE CORPORATION OF THE CITY OF WINDSOR



Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)

6. Landfill post-closure liabilities

The liability for landfill post-closure costs at December 31, 2021 is comprised of the City's proportion of the Regional Landfill closure and post-closure expenses of \$9,121 (2020—\$9,476) and post-closure expenses associated with the closed Essex County Landfill #3 of \$8,633 (2020—\$9,599).

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, 2021 liability for post-closure expenditures is based on the annual payment to EWSWA of \$610 (2020—\$610) and inflation adjusted at 2% per annum (2020—2%) and discounted to December 31, 2021 using a discount rate of 2.75% (2020—2.20%).

7. Municipal position

(a) Accumulated surplus

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

	2021	2020
	\$	\$
Surplus:		
Invested in tangible capital assets	2,168,881	2,094,972
Invested in government business enterprises	655,745	620,350
Unfunded employee future benefit liabilities	(667,398)	(632,045)
Unfunded landfill post closure liabilities	(17,754)	(19,075)
Unfunded inactive contaminated sites liabilities	(8,504)	(6,692)
Other	113,975	115,386
Total Surplus	2,244,945	2,172,896
Reserves set aside for a specific purpose by Council:		
Working funds	33,781	27,672
Encumbrances	6,990	4,058
Future planning	1,698	1,261
Post retirement death benefit	247	269
Recreation services	1,443	1,717
Fire services	1,579	1,400
Environmental services	24,155	23,218
Occupational illness	2,964	2,492
Others	4,231	3,292
Total reserves	77,088	65,379

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



7. Municipal position (continued)

Reserve funds set aside for a specific purpose by Council:

Replacement of equipment	54,886	52,717
Capital expenditures	87,748	56,116
Insurance	7,573	7,478
Health benefits rate stabilization	13,227	12,569
Sanitary sewer expenditures	4,442	6,496
Budget stabilization	20,624	20,296
Children's fund	735	725
Social housing	(16,592)	2,996
Recreation	244	174
Transit debt repayment	1,254	1,361
Public health	25,952	20,871
Tax appeals	14,460	12,284
Total reserve funds	214,553	194,083
Total accumulated surplus	2,536,586	2,432,358

(b) Deferred revenues

The following funds totalling \$64,781 (2020—\$54,766) 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 2021 \$	2021 Inflows \$	2021 Outflows \$	Ending Balance 2021 \$
Parkland Acquisition	3,924	1,849	(2,022)	3,751
Development charges fund	30,969	9,386	(20,889)	19,466
Building permit fund (net)	929	10,704	(10,634)	999
Provincial gas tax fund	2,106	4,573	(3,483)	3,196
Federal gas tax fund	16,773	27,410	(6,869)	37,314
Federal public transit fund	65	1	(11)	55
	54,766	53,923	(43,908)	64,781

7. 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.

8. Commitments

As at December 31, 2021, the City is committed to making the following payments:

- (a) Contracts for various capital construction projects, at a cost of \$53,044 (2020—\$50,906) in the aggregate, to be financed generally by pay as you go funding from the operating fund.
- (b) Payments for various operating leases through 2026 of \$973 (2020—\$973).
- (c) The City has approved Community Improvement Plans ("CIP") that contain financial incentive programs for Brownfield Redevelopment, Economic Revitalization, Olde Sandwich Towne, Ford City, Building Façade Improvement 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, 2021, there were 39 approved grant applications under the Economic Revitalization CIP, 30 approved grant applications under the Brownfield Redevelopment CIP, 4 approved grant applications under the Building Façade Improvement CIP, 5 approved grant applications under the Olde Sandwich Towne CIP, 4 approved grant applications under the Ford City CIP and 32 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 \$52,620 (2020—\$40,100)

- (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 42 years at one dollar per year.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



9. Budget figures

Budget data presented in these consolidated financial statements is based on the 2021 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

	2021
	\$
Expenses	
Approved 2021 Operating Budget (all operating funds)	1,041,229
Less: Eliminate budgeted internal charges and recoveries	(152,120)
Less: Budgeted transfers to / from reserves and capital	(150,016)
Less: Education payments to school boards	(52,190)
Plus: PSAB adjustments (actual post-retirement benefit and WSIB liabilities)	31,535
Plus: Actual amortization and tangible capital asset adjustments	95,273
Plus: Consolidated entity budgeted expenses	66,597
Less: Eliminate budgeted transactions with consolidated entities	(58,434)
Adjusted budgeted expenses	821,874
	2021
	\$
Revenues	
Approved 2021 Operating Budget (all operating funds)	1,041,229
Less: Eliminate budgeted internal charges and recoveries	(164,825)
Less: Budgeted transfers to / from reserves and capital	(12,930)
Less: Education amounts collected on behalf of school boards	(52,190)
Plus: Budgeted capital fund revenues	5,249
Plus: Consolidated entity budgeted revenues	68,282
Less: Eliminate budgeted transactions with consolidated entities	(58,434)
Adjusted budgeted revenues	826,381
Budgeted Surplus	4,507

THE CORPORATION OF THE CITY OF WINDSOR



Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)

10. Public liability insurance

The City has an insurance deductible for general liability claims up to \$500 (2020—\$250) for any individual claim. Outside coverage is in place for claims in excess of this amount.

At December 31, 2021, 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 2021 (2020—\$ nil). The City has established a reserve fund for self-insurance, which at December 31, 2021 amounted to \$7,573 (2020—\$7,478).

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.

11. 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, 2021

(\$000's)

11. 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.

12. 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, though the actual amount owed may differ.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

(\$000's)



12. 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.

13. 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.

14. 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:

	2022	2023	2024	2025	2026	2027+
	\$	\$	\$	\$	\$	\$
Service contracts	8,859	8,629	341	341	341	897
Long term leases	2,257	2,224	2,108	1,913	902	5,721
	11,116	10,853	2,449	2,254	1,243	6,618

THE CORPORATION OF THE CITY OF WINDSOR



Schedule 1

Consolidated Statement of Segmented Net Revenue—2021

Year Ended December 31, 2021

(\$000's)

2021	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Recreation and culture	Planning and development	Total
Expenses									
Salaries, wages and benefits	39,920	168,451	45,440	21,425	1,143	54,629	27,848	3,845	362,701
Interest	-	143	24	2,294	-	403	-	-	2,864
External transfers	1,570	1,725	1,199	-	3,729	142,800	439	1,383	152,845
Amortization	3,089	5,576	38,215	21,139	-	6,973	12,176	804	87,972
Goods and services	15,180	18,962	23,828	33,455	12,984	79,839	22,146	3,591	209,985
Total Expenses	59,759	194,857	108,706	78,313	17,856	284,644	62,609	9,623	816,367
Revenues excluding taxation									
User charges	13,950	14,621	12,846	78,240	-	32,445	8,122	1,311	161,535
Provincial and federal transfers	59,612	8,322	23,192	139	-	177,095	1,009	100	269,469
Revenue from other municipalities	-	6,675	608	3,256	-	17,633	-	-	28,172
Other	25,901	5,222	14,556	4,619	-	4,071	2,727	388	57,484
Change in equity in government business enterprises	35,395	-	-	-	-	-	-	-	35,395
Total revenues excluding taxation	134,858	34,840	51,202	86,254	-	231,244	11,858	1,799	552,055
Net municipal property taxes and payments-in-lieu of taxes									368,540
Annual surplus (deficit)	75,099	(160,017)	(57,504)	7,941	(17,856)	(53,400)	(50,751)	(7,824)	104,228

THE CORPORATION OF THE CITY OF WINDSOR



Schedule 1 (continued)

Consolidated Statement of Segmented Net Revenue—2020

Year Ended December 31, 2021

(\$000's)

2020	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Recreation and culture	Planning and development	Total
Expenses									
Salaries, wages and benefits	39,286	165,960	40,677	18,787	-	52,272	28,072	3,853	348,907
Interest	-	278	26	2,278	-	538	-	-	3,120
External transfers	11,170	1,707	1,175	-	15,962	139,945	476	2,072	172,507
Amortization	3,120	5,328	36,951	20,844	2	7,639	11,643	758	86,285
Goods and services	11,006	17,250	21,165	38,842	24	61,880	17,848	1,597	169,612
Total Expenses	64,582	190,523	99,994	80,751	15,988	262,274	58,039	8,280	780,431
Revenues excluding taxation									
User charges	13,863	10,624	12,003	71,045	1,571	31,707	7,885	1,052	149,750
Provincial and federal transfers	69,071	7,599	29,618	2,551	-	166,738	5,275	-	280,852
Revenue from other municipalities	-	6,519	357	3,203	-	12,921	478	-	23,478
Other	21,620	4,261	10,604	8,011	560	5,614	6,284	188	57,142
Change in equity in government business enterprises	20,494	-	-	-	-	-	-	-	20,494
Total revenues excluding taxation	125,048	29,003	52,582	84,810	2,131	216,980	19,922	1,240	531,716
Net municipal property taxes and payments-in-lieu of taxes									354,475
Annual surplus (deficit)	60,466	(161,520)	(47,412)	4,059	(13,857)	(45,294)	(38,117)	(7,040)	105,760

THE CORPORATION OF THE CITY OF WINDSOR



Schedule 2

Tangible Capital Assets—2021

Year Ended December 31, 2021

(\$000's)

2021				
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
Land	271,947	26,062	(65)	297,944
Landfill and land improvements	204,558	8,719	(692)	212,585
Building and building improvements	741,664	18,982	(941)	759,705
Vehicles, machinery and equipment	290,262	19,745	(3,597)	306,410
Water and wastewater infrastructure	938,449	19,445	(1,162)	956,732
Roads infrastructure	990,068	38,150	(4,764)	1,023,454
Airport assets	97,784	571	-	98,355
Assets under construction	162,141	102,739	(77,957)	186,923
Total	3,696,873	234,413	(89,178)	3,842,108

Accumulated amortization

Landfill and land improvements	62,953	5,295	(532)	67,716
Building and building improvements	347,484	18,656	(465)	365,675
Vehicles, machinery and equipment	147,636	18,434	(3,548)	162,522
Water and wastewater infrastructure	378,696	17,693	(835)	395,554
Roads infrastructure	567,917	24,912	(2,810)	590,019
Airport assets	34,557	2,983	-	37,540
Total	1,539,243	87,973	(8,190)	1,619,026

Net book value

Land	271,947			297,944
Landfill and land improvements	141,605			144,869
Building and building improvements	394,180			394,030
Vehicles, machinery and equipment	142,626			143,888
Water and wastewater infrastructure	559,753			561,178
Roads infrastructure	422,151			433,435
Airport assets	63,227			60,815
Assets under construction	162,141			186,923
Total	2,157,630			2,223,082

THE CORPORATION OF THE CITY OF WINDSOR



Schedule 2

Tangible Capital Assets—2020

Year Ended December 31, 2021

(\$000's)

2020				
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
Land	272,710	28	(791)	271,948
Landfill and land improvements	197,332	8,200	(974)	204,558
Building and building improvements	734,598	23,923	(16,857)	741,664
Vehicles, machinery and equipment	266,720	34,414	(10,872)	290,262
Water and wastewater infrastructure	918,112	20,602	(265)	938,449
Roads infrastructure	944,062	52,738	(6,732)	990,068
Airport assets	98,972	4,039	(5,227)	97,784
Assets under construction	179,947	84,309	(102,115)	162,141
Total	3,612,453	228,253	(143,833)	3,696,873

Accumulated amortization

Landfill and land improvements	71,892	5,448	(14,387)	62,954
Building and building improvements	328,189	19,312	(17)	347,484
Vehicles, machinery and equipment	141,042	17,306	(10,712)	147,636
Water and wastewater infrastructure	361,818	17,114	(236)	378,696
Roads infrastructure	549,233	24,270	(5,585)	567,917
Airport assets	36,949	2,835	(5,227)	34,557
Total	1,489,123	86,285	(36,164)	1,539,244

Net book value

Land	272,710			271,948
Landfill and land improvements	125,440			141,604
Building and building improvements	406,409			394,180
Vehicles, machinery and equipment	125,678			142,626
Water and wastewater infrastructure	556,294			559,753
Roads infrastructure	394,829			422,151
Airport assets	62,023			63,227
Assets under construction	179,947			162,141
Total	2,123,330			2,157,630

PART II: TRUST FUNDS FINANCIAL STATEMENTS



KPMG LLP
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INDEPENDENT AUDITORS' 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, 2021
- 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, 2021, 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 “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ 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.



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.

Auditors' 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 auditors' 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 Trust's internal control.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to 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 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 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Windsor, Canada
August 2, 2022

THE CORPORATION OF THE CITY OF WINDSOR



Trust Funds Statement of Financial Position

Year Ended December 31, 2021

(\$000's)

	Huron Lodge Residents' Comfort \$	Willistead Furnishings \$	Windsor Justice Facility Capital Maintenance \$	Heritage Endowment Fund \$	EWSWA Landfill Expansion Fund \$
Assets					
Current assets					
Cash and equivalents	68	14	3,433	490	-
Due from City of Windsor	-	-	2	-	-
Total current assets	68	14	3,435	490	-
Long term assets (note 2):					
Investments	-	-	2,000	-	4,855
Total assets	68	14	5,435	490	4,855
Liabilities					
Due to Current Fund City of Windsor	-	-	-	-	-
Due to Capital Fund City of Windsor	-	-	-	-	-
Accounts payable	2	4	80	-	-
Total liabilities	2	4	80	-	-
Fund balance	66	10	5,355	490	4,855
Total liabilities and fund balance	68	14	5,435	490	4,855

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, 2021

(\$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 2021 \$	Total 2020 \$
2,178	36	32	29	11	47	4	6,342	7,462
54	-	-	-	-	-	-	56	136
2,232	36	32	29	11	47	4	6,398	7,598
-	-	-	-	-	2,930	-	9,785	7,554
2,232	36	32	29	11	2,977	4	16,183	15,152
-	-	-	-	-	-	-	-	22
-	-	-	-	-	47	-	47	-
2,187	-	-	-	-	-	-	2,273	1,717
2,187	-	-	-	-	47	-	2,320	1,739
45	36	32	29	11	2,930	4	13,863	13,413
2,232	36	32	29	11	2,977	4	16,183	15,152

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Activities

Year Ended December 31, 2021

(\$000's)



	Windsor				
	Huron Lodge		Justice Facility	Heritage	EWSWA
	Residents'	Willistead	Capital	Endowment	Landfill
	Comfort	Furnishings	Maintenance	Fund	Expansion Fund
	\$	\$	\$	\$	\$
Balance at the beginning of the year	65	4	5,162	487	4,697
Revenues					
Residents' comfort	63	-	-	-	-
Interest earned	-	-	50	3	158
Contributions	-	10	490	-	-
Total revenues	63	10	540	3	158
Expenditures					
Payments to residents or estates	62	-	-	-	-
Purchases of furnishings and capital improvements	-	4	347	-	-
Contribution to City of Windsor Current Fund	-	-	-	-	-
Contribution to City of Windsor Capital Fund	-	-	-	-	-
Total expenditures	62	4	347	-	-
Balance at the end of the year	66	10	5,355	490	4,855

THE CORPORATION OF THE CITY OF WINDSOR



Trust Funds Statement of Financial Activities

Year Ended December 31, 2021

(\$000's)

COAHP Revolving Homeownership \$	Windsor Medical Fund \$	MacDonald Trust \$	Willistead Endowment Trust \$	Fairbairn Cemetery Trust \$	Arts Endowment Trust \$	WPL Bradley Trust \$	Total 2021 \$	Total 2020 \$
32	35	31	28	11	2,857	4	13,413	13,284
-	-	-	-	-	-	-	63	69
13	1	1	1	-	120	-	347	339
-	-	-	-	-	-	-	500	501
13	1	1	1	-	120	-	910	909
-	-	-	-	-	-	-	62	66
-	-	-	-	-	-	-	351	669
-	-	-	-	-	-	-	-	1
-	-	-	-	-	47	-	47	44
-	-	-	-	-	47	-	460	780
45	36	32	29	11	2,930	4	13,863	13,413

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Trust Funds Financial Statements

Year Ended December 31, 2021

(\$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 \$9,785 (2020 - \$7,554) 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, 2021 total \$13,863 (2020 - \$13,413) and are comprised of the following:

Huron Lodge Residents' Comfort Trust \$66 (2020 - \$65)

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

Willistead Furnishings Trust Fund \$10 (\$2020 - \$4)

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

Windsor Justice Facility Capital Maintenance Trust \$5,355 (2020 - \$5,162)

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 \$490 (2020 - \$487)

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 \$4,855 (2020—\$4,697)

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.

Canada-Ontario Affordable Housing Program (COAHP) Trust \$45 (2020 - \$32)

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 \$36 (2020 - \$35)

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 \$32 (2020 - \$31)

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 \$29 (2020 - \$28)

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 receipted value of life to date contributions to the fund.

Fairbairn Cemetery Fund \$11 (2020 - \$11)

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 \$2,930 (2020 - \$2,857)

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 (2020 - \$4)

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