City of Windsor

Annual Financial Report

2025

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Mayor's Message

Drew Dilkens
Mayor

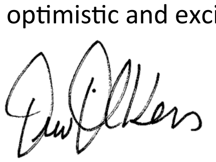
On behalf of City Council, I am pleased to present the City of Windsor's 2025 Annual Financial Report. This report reflects an unwavering commitment to fiscal responsibility by Council and Administration, who remain focused on **Windsor's Long Game** through a commitment to **investing responsibly** and **protecting our future**. Windsor remains one of the fastest growing and most important communities to watch in Ontario and Canada, and we continue to face the evolving needs, opportunities, and challenges that come with unprecedented growth. As an international gateway between Canada and the United States, we are experiencing a time of global economic uncertainties with impacts on families, neighbourhoods, and communities on both sides of the border. Though the ever-shifting economic landscape remains a challenge, 2025 saw the City of Windsor continue to make incredible strides in our economy, infrastructure, quality of life, and more. Some important highlights over the last year include:

- Participated in the long-awaited grand opening of the NextStar Energy battery facility, as they celebrated hiring the 1,000th employee, beginning full electrode cell production, and producing the one-millionth battery cell at the $6 billion state-of-the-art facility that has risen to become a cornerstone of Canada's advanced battery manufacturing ecosystem.
- Welcomed 55 new investments and expansion projects, since 2022, above and beyond NextStar Energy across all sectors, specifically including: Minth Group (over $300 million investment and 1,100 new jobs), DS Actimo, Bobaek America Inc., and NEO Battery Materials. In total these 55 investments are poised to create over 4,200 more jobs and generate over $1.2 billion in capital spend within our region once fully realized.
- In addition, the City's active economic development pipeline includes 25 high and medium priority leads, representing a further $1.6 billion in potential investment and over 1,500 prospective jobs
- Participated in several milestones for our new regional acute care hospital including recognizing a transformational gift of approximately $40 million from the estate of the late John Thomas Fancsy; naming of the new Fancsy Family Hospital; and selection of EllisDon as the construction manager for the first phase, setting the stage for phase one construction in 2026.
- Invested, in 2025 alone, approximately $144 million on roads and $63 million on sewers; and rehabilitated over 34.5 km of roadways and 7.2 km of sewer.
- Began, moved forward, or completed large growth-related infrastructure projects including Sandwich South Development Capital Works including, Cabana Road East (formerly County Road 42) from Walker Road to the east City limit, Airport Employment Lands, Lauzon Parkway between Cabana Road East and the Canadian Pacific Kansas City (CPKC) rail line, and Lauzon Parkway Extension to the 401 ($280 million), Banwell Road – E.C. Row Interchange and Banwell Road Corridor improvements, including Wyandotte Street Extension from Banwell Road east to Jarvis Avenue, and the Wyandotte Street and McNorton Avenue intersection ($110 million), Howard Avenue/Division/Sydney Corridor ($19 million), Lauzon Parkway north of E.C. Row ($18 million), work along University Avenue between Salter Avenue and McEwan Avenue, Jefferson Drainage area improvements and sewer separation, work on the Prince Road sewer outlet multi-phased project, work commenced on the Central Ave feedermain project, and over $75 million between the East Marsh, St. Paul and St. Rose stormwater pumping stations.
- Supported the successful roll-out of the new Green Bin Program, which will extend the life of our regional landfill, as well as Ontario's new Blue Bin Program administered by Circular Materials.
- Received $5.2 million from the Ontario Government's Building Faster Fund, recognizing our success with housing starts.

- Continued implementing Housing Solutions Made for Windsor (HSMFW), announcing: Caron Avenue's $300 million investment by Farhi Holdings to create two mid-rise residential buildings as well as townhomes for a total of 153 units, plus a 28-storey residential tower with 188 more units at Janette and Riverside; Pelissier Park Ltd.'s $16.8 million investment to create the 48-unit Pelissier Park; Valente Development Corporation's $33.5 million investment to build the 48-unit Residences at Roseland, and to work with Bear Construction & Engineering Inc. on a modern new clubhouse for the Roseland Golf Course; and adding three more properties to our HSMFW portfolio including an unused portion of Kinsmen Norman Road Park in Ward 8, the former Concord school site in Ward 6, and the former St. Michael's school site in Ward 2.
- Issued 1,899 permits and 668 dwelling units in 2025; construction value of over $704 million.
- Recorded 7.9 million ridership for Transit Windsor (18% drop, with a significant impact from lower international student enrollment); added 20,000 additional service hours; launched new routes to expand coverage; and recently endorsed an early review of the Transit Windsor Master Plan.
- Invested millions in upgrades and renovations to the City's Homelessness and Housing Help Hub (H4) site, which will provide 75-150 emergency shelter beds operating 24/7 year-round; and worked on program enhancements and expansions for support services with Windsor Police Service, Windsor Regional Hospital, and Hôtel-Dieu Grace Healthcare, helping attract $2.2 million from the Ontario Government to support the Nurse Police Team and Crisis Response Team.
- Approved the $20 million Master Plan to revitalize Festival Plaza.
- Installed "Park in Perfect Harmony" and "The Language of My World" at the Pelissier Street Garage.
- Opened the NEW City Hall Square, supported by over $6.7 million through the Government of Canada's Community-Building Fund, and hosted seasonal initiatives and events at the new site, both as a summer venue for the water feature and "Live at the Square", and as the winter season ice rink, which hosted many community celebrations throughout the winter.
- Opened the NEW Legacy Beacon site, home of the restored Streetcar No. 351, at the Michael D. Hurst Legacy Park, welcoming over 28,000 guests during the first season of operations.
- Invested nearly $313 million in 2025 in capital projects, including significant funding for community services resulting in a new playground at Optimist Park, work on the new South Cameron Trail, improvements to the Eternal Flame monument at Dieppe, poetry panels at Ojibway, a portrait of Mary Walker at Willistead Manor, a new Gateway Arch at Mary E. Bibb Park, rehabilitation of over 1 km of trails and new lighting along the waterfront, and protection of Peche Island.
- Awarded $118,000 to 28 arts, culture, and heritage projects benefiting the community.
- Welcomed over 105,000 guests to our award-winning Bright Lights Windsor festival.
- Won 5 Best of Windsor-Essex Awards for parks, trails, events, facilities, and public art.

Council and Administration remain dedicated to safeguarding the progress we have made and to building a resilient, future-ready foundation for continued growth in Windsor and the surrounding region. To undertake this important work, we rely on an administrative team that shares our commitment to service delivery, fiscal responsibility, delivering budgets that continue to responsibly invest in infrastructure, economic development, affordability, safety, and quality of life, and always working to ensure that we are moving **Forward. Together**.

We have an incredible year to look forward to, as we see the anticipate the opening of the Gordie Howe International Bridge, prepare for shovels in the ground for the new Fancsy Family Hospital, and move forward with work to develop the critical Sandwich South lands now that we have a financing plan approved. As Mayor of one of Ontario's most affordable communities, a 'Revival City' that continues to shine as one of Canada's top cities for economic growth, I remain more optimistic and excited about our city's future than ever before!



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)

*__Frazier Fathers__ elected as Ward 2 Councillor through by-election held in October 2025.

CAO's Message

Ray Mensour
Chief Administrative Officer (CAO)

As we reflect on 2025, I am proud to present this Annual Financial Report on behalf of The Corporation of the City of Windsor. This past year assessed our resilience, adaptability, and commitment to responsible stewardship, yet it also reaffirmed the strength of our organization and the dedication of our employees in delivering trusted municipal services to our community.

Throughout 2025, City Administration remained focused on balancing fiscal responsibility with the continued delivery of high-quality services and strategic investments that support Windsor's long-term growth. Against a backdrop of global economic uncertainty and shifting trade conditions, City Council and Administration worked collaboratively to ensure the City remained financially stable, operationally agile, and well positioned to leverage opportunities and respond to emerging risks.

A defining external challenge in 2025 was the escalation of trade tensions between Canada and the United States. The introduction of U.S. tariffs, and Canada's corresponding countermeasures, had direct implications for municipal procurement and capital delivery across

For Windsor, as an international gateway between nations, home to the busiest commercial border crossing in North America, and a city deeply connected to cross-border trade and manufacturing supply chains, these tariffs increased cost pressures on certain materials and equipment used in City projects. In response, City Council endorsed a comprehensive **Tariff Procurement Mitigation Strategy**, strengthening reporting requirements, enhancing risk assessment, and prioritizing a "Buy Canadian" approach where financially and operationally feasible. These measures helped ensure transparency, protect the City's financial position, and minimize disruption to critical projects while continuing to advocate for targeted provincial and federal support for tariff-impacted municipalities.

Despite these challenges, 2025 was also a year of meaningful progress. The City continued to advance priority initiatives spanning infrastructure renewal, housing initiatives, neighbourhood renewal strategies, service modernization, community development, and organizational excellence. These efforts were guided not only by prudent financial management, but by a renewed sense of shared purpose across the Corporation.

One of the more significant internal milestones of 2025 – which is now guiding our work together in 2026 – was the launch of the City of Windsor's **new Mission and Vision statements**. Developed through extensive employee engagement, including the Employee Retention and Experience Project and the North Star Survey, these statements reflect who we are as an organization and where we are headed together. Our **Mission** affirms we are committed to delivering outstanding municipal services that strengthen our community, and are built on a foundation of continuous improvement, accountability, fiscal responsibility, and a workplace where employees thrive. Our **Vision** challenges us to be a leader in delivering **trusted municipal services**.

Supporting this direction are our four **Pillars for Success**: **Talented People, Productive Culture, Bold Direction,** and **Sense of Purpose**

These pillars are anchored by our core **Values** of **Accountability, Transparency, Respect, and Excellence**.

These guiding principles are more than words. They now serve as our organizational North Star, informing decision-making, shaping how we allocate resources, and reinforcing the culture we are building across all departments. As we look ahead, they will continue to guide how we steward public funds, support our workforce, and deliver value to residents.

I would like to thank Mayor Drew Dilkens, and City Council for their leadership, and our employees for their professionalism, adaptability, and unwavering commitment to public service throughout 2025. Your dedication ensures that even in times of uncertainty, the City of Windsor remains focused, resilient, and forward-looking.

Sincerely,
Ray Mensour
Chief Administrative Officer

Administration

Ray Mensour

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)

Janice Guthrie

Commissioner, Finance & City Treasurer

- Asset Planning
- Financial Accounting
- Financial Planning
- Taxation & Financial Projects
- Agencies, Boards & Committees

Dana Paladino

Commissioner, Human & Health Services

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

David Simpson

Commissioner, Infrastructure Services

- Engineering
- Pollution Control
- Public Works Operations

Jelena Payne

Commissioner, Economic Development/Deputy CAO

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

Andrew Daher

Commissioner, Corporate Services

- Communications & Customer Services
- Information Technology
- Council Services
- Human Resources & Employee Relations
- Legal Services and Real Estate
- Policy, Gaming, Licensing and By-Law Enforcement
- Provincial Offences, Purchasing and Risk Management

Michael Chantler

Commissioner, Community Services

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

Windsor at a Glance—Vital Statistics

263,270
Population
(2025 Planning Dept)

$704,918,818
Total Construction Value
(2025 Planning Dept)

5.7%
Population Growth
(2021 StatsCan Census)

688
Total Number of New Dwelling Units
(2025 Planning Dept)

147.96 KM^2
City Area
(2025 Planning Dept)

$568,822
MLS Average Selling Price
(YTD Dec 2025 Windsor Essex County Association of Realtors)

40
Median Age
(2021 StatsCan Census)

1,899
Total Number of Permits Issued
(2021 StatsCan Census)

AA+
Bond Rating
(S&P Global Ratings)

Windsor at a Glance—Financials (‘000’s)

Total Assets	$4,370,220
Total Liabilities	$1,237,949
Accumulated Surplus	$3,132,271
Total Revenue	$1,296,224
Total Expenses	$1,092,592
Annual Surplus	$203,632
Tangible Capital Assets (Book Value)	$2,653,974
Long-Term Debt	$130,796

Legacy Beacon Streetcar No. 351.

Image courtesy of Tourism Windsor Essex Pelee Island

Financial Statement Discussion & Analysis

Commissioner, Finance & City Treasurer

City Treasurer's Message

The Corporation of the City of Windsor (the City) proudly presents its Annual Financial Report for the year ended December 31, 2025. This report provides an overview of the City's 2025 operational responsibilities and financial performance. The City reported an annual consolidated surplus of $204 million on revenues of $1.296 billion and expenses of $1.092 billion. Contained in this report are the City's audited 2025 Consolidated Financial Statements, a review of the financial statements and relevant statistical information. KPMG LLP has issued a clean audit report for the year ended December 31, 2025, with no significant findings noted.

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 an analysis of the City's 2025 financial performance between reporting years, as well as between approved budgets and actual results. The FSD&A identifies trends, risks and anticipated events that could have financial implications.

The City's Consolidated Financial Statements demonstrate the City's sound financial position. Liquidity has increased in 2025 with cash increasing by $2.6 million (refer to the Consolidated Statement of Cash Flows for details). The City's 2025 revenues totaled just over $1.29 billion in 2025, comprised of $447 million in property taxation, $439 million in transfers from the federal and provincial governments, $218 million in user fees and $38 million in revenues from other municipalities with other miscellaneous revenues making up the remainder. The City's expenses in 2025 totaled just over $1.09 billion, led by $448 million for social and family services, $225 million for protection to persons and property, $140 million for transportation services, $98 million for environmental services and $83 million for recreation and culture. Health services, planning and development and general government made up the remainder of expenses. The City's annual surplus of $203.6 million includes net investments in tangible capital assets, contributions to reserves and various other changes to the City's accumulated surplus.

The City's long-term debt increased by $14.6 million (net), rising to a total of $130.8 million as of December 31, 2025. Of that debt, $51.4 million was issued by the City, with the balance issued by the Essex Windsor Solid Waste Authority and the Windsor Essex Community Housing Corporation. It is noted that $43 million of the $130.8 million in long-term debt is repayable through general taxation, with the balance repayable through non-tax levy sources.

Employee future benefit liabilities have remained largely stable. The Corporation is required to fund this liability on a cash basis as actual payments are required. The total liability of approximately $706 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.

Financial Statement Discussion and Analysis

After years of reserve enhancement efforts the City's reserve levels remain above the provincial average.

In 2025, S&P Global Ratings has affirmed its long-term issuer credit and senior unsecured debt ratings for the City of Windsor as AA+, S&P also issued a stable outlook for the City. The AA+ rating is an affirmation to residents that Administration's and City Council's commitment to fiscal responsibility and signifies that the City is considered a low-risk investment with the financial capital markets.

City Hall Square during the City of Windsor 134th birthday and during the Grand Opening of City Hall Square Ice Rink

Financial Statement Discussion and Analysis

2025 Budget Process

The 2025 municipal budget was developed in accordance with the legislative framework established under the Municipal Act, 2001, as amended through Part VI.1 (Special Powers and Duties of the Head of Council), which requires the Head of Council to propose a municipal budget for Council's consideration.

The budget development process was preceded by the identification of significant financial pressures, initially estimated to result in a 12.9% tax levy increase, driven primarily by contractual obligations, legislated requirements, and inflationary impacts.

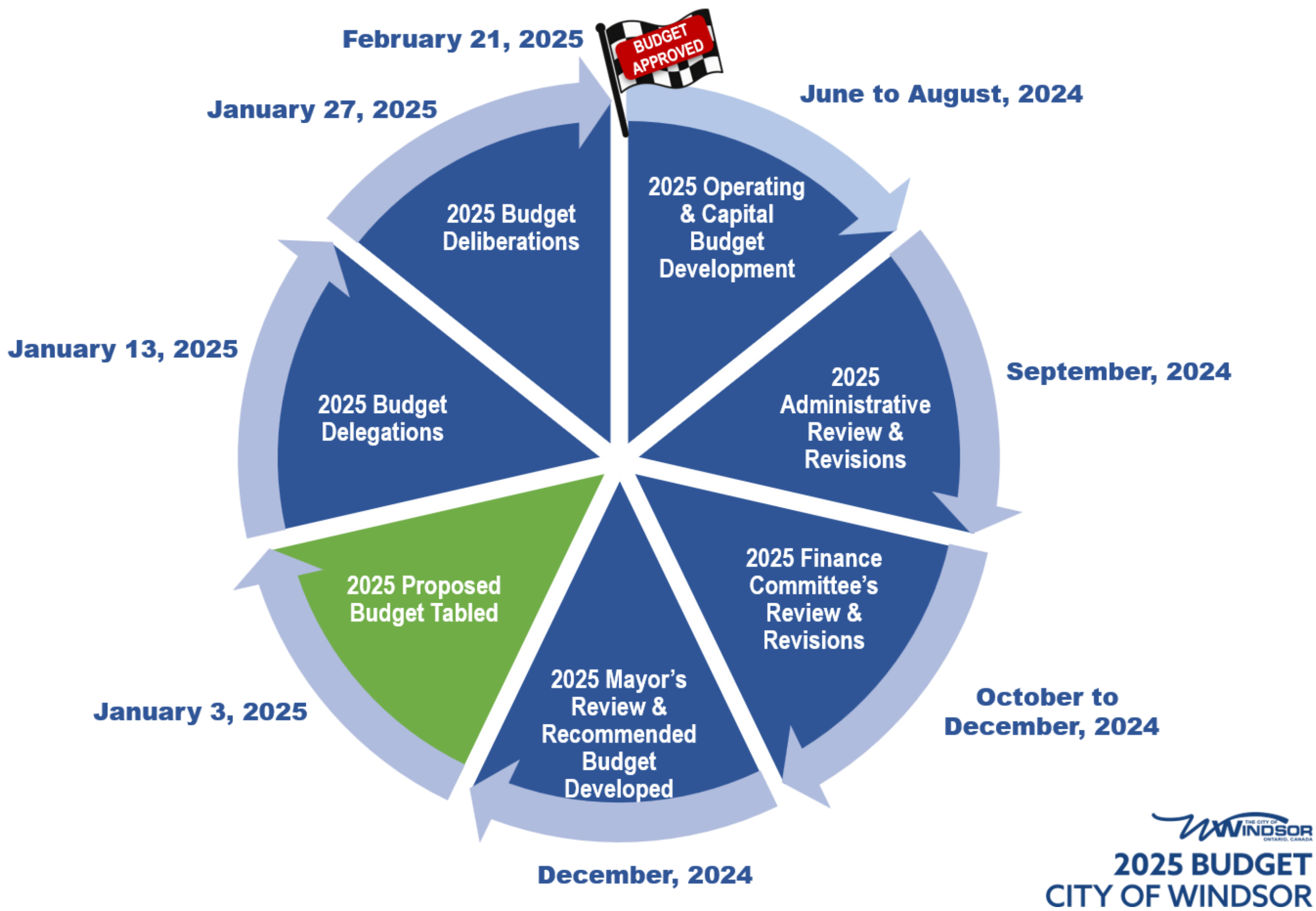
In advance of the formal budget tabling, and in response to these pressures, the Mayor issued Mayoral Decisions (MD 25-2024 and MD 29-2024) establishing Finance Committees of Council. These committees were mandated to undertake a detailed review of the municipal operating budget across all service areas, with a specific focus on identifying operational and service-level savings and potential service delivery adjustments for incorporation into the 2025 budget. Their work formed part of the broader budget consultation and review process, which also included public consultation, Council deliberations, and administrative refinements.

Consistent with Ontario Regulation 530/22, the Mayor tabled the 2025 Proposed Operating and Capital Budget on January 3, 2025, which was finalized and adopted with a 2.98% municipal tax levy increase, reflecting significant reductions from initial projections.

The approved 2025 budget includes a $2.24 billion 10-year capital plan and $312.7 million in capital investments for 2025.

The Financial Planning Team, in collaboration with City departments and the Corporate Leadership Team, supported the process through development of operating budgets, identification of cost pressures, and evaluation of funding strategies. Public engagement and consultation tools informed Council decision-making and aligned community priorities with the approved budget.

2025 Operating & Capital Budget Process



2025 Budget Amendments

The 2025 budget incorporated amendments through the formal Council deliberation process prescribed under Ontario Regulation 530/22. These amendments were considered following public delegations and Finance Committee recommendations prior to final adoption of the budget.

The adopted budget reflects adjustments resulting from Finance Committee cost-saving recommendations and revisions based on public consultation, and Council deliberations prior to final approval.

Key Factors Impacting the 2025 Budget

The development of the 2025 budget was influenced by a range of external and internal factors requiring the balancing of fiscal sustainability with continued investment in infrastructure and services.

Significant budgetary pressures driven by contractual obligations, legislated requirements, and inflationary conditions necessitated mitigation through cost containment measures and service-level review.

Infrastructure investment requirements supported a $2.24 billion 10-year capital plan, including $312.7 million in 2025 capital investments with major allocations to roads ($856.8 million), sewers ($485.2 million), parks and recreation ($186.2 million), and transportation ($182 million).

Service level sustainability was supported through Finance Committee-led reviews identifying operational efficiencies and cost savings across departments.

Growth-related revenue, including assessment growth and non-tax revenue sources, contributed to reducing overall levy pressures while maintaining service delivery.

Broader economic conditions, including inflationary impacts, continued to influence both operating and capital cost structures.

Reconciliation of the City's 2025 Budget to the 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 consolidated financial statements are prepared on an accrual basis of accounting. The audited consolidated 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. Business Improvement Areas (BIA) consolidations, amortization of capital assets and accruals for liabilities based upon actuarial valuations such as future benefit and pension obligations impact final results reported for financial statement purposes. The chart below helps break down the reconciliation between the City's budget and the audited consolidated financial statements.

Reconciliation of 2025 Approved Budgets to Consolidated Financial Statements

		2025 $
Revenues		
Approved Budgeted Revenues		
	Operating budget	1,192,669
	Sewer surcharge budget	115,546
	Capital budget	312,748
	Consolidated entities	83,767
		1,704,730
PSAS Revenue Adjustments		
	Interfund revenues eliminated	(362,875)
	Education amounts collected on behalf of school boards	(53,585)
	Eliminate budgeted transactions with consolidated entities	(64,093)
		(480,553)
Budgeted revenues as presented in financial statements		**1,224,177**
Expenses		
Approved Budgeted Expenditures		
	Operating budget	1,192,699
	Sewer surcharge budget	115,546
	Capital budget	312,748
	Consolidated entities	83,767
		1,704,760
PSAS Expense Adjustments		
	Operating budget PSAS expense adjustments	6,532
	Capital asset expenditures	37,634
	Amortization of tangible capital assets	103,079
	Interfund expenses eliminated	(619,961)
	Education amounts remitted to school boards	(53,585)
	Eliminate budgeted transactions with consolidated entities	(64,093)
		(590,394)
Budgeted expenses as presented in financial statements		**1,114,366**
Annual Budgeted Surplus		**109,811**

Willistead Manor

Image courtesy of Tourism Windsor Essex Pelee Island

Financial Statements Review

The annual consolidated 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 2025 Consolidated Financial Statements and the City of Windsor Trust Funds Financial Statements as of December 31, 2025.

The City's 2025 Consolidated Financial Statements consist of:

- Consolidated Statement of Financial Position—summary of financial and non-financial assets, and accumulated surplus at year-end.
- Consolidated Statement of Operations—summary of revenues, expenses and annual surplus for the year ended December 31, 2025.
- Consolidated Statement of Change in Net Financial Assets—summary of changes in financial assets and liabilities.
- Consolidated Statement of Remeasurement Gains and Losses—details the unrealized change in the value of financial instruments, such as investments, being measured at fair market value as of December 31, 2025 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 during the year ended December 31, 2025.

Also included are the Notes to the Consolidated Financial Statements, 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.

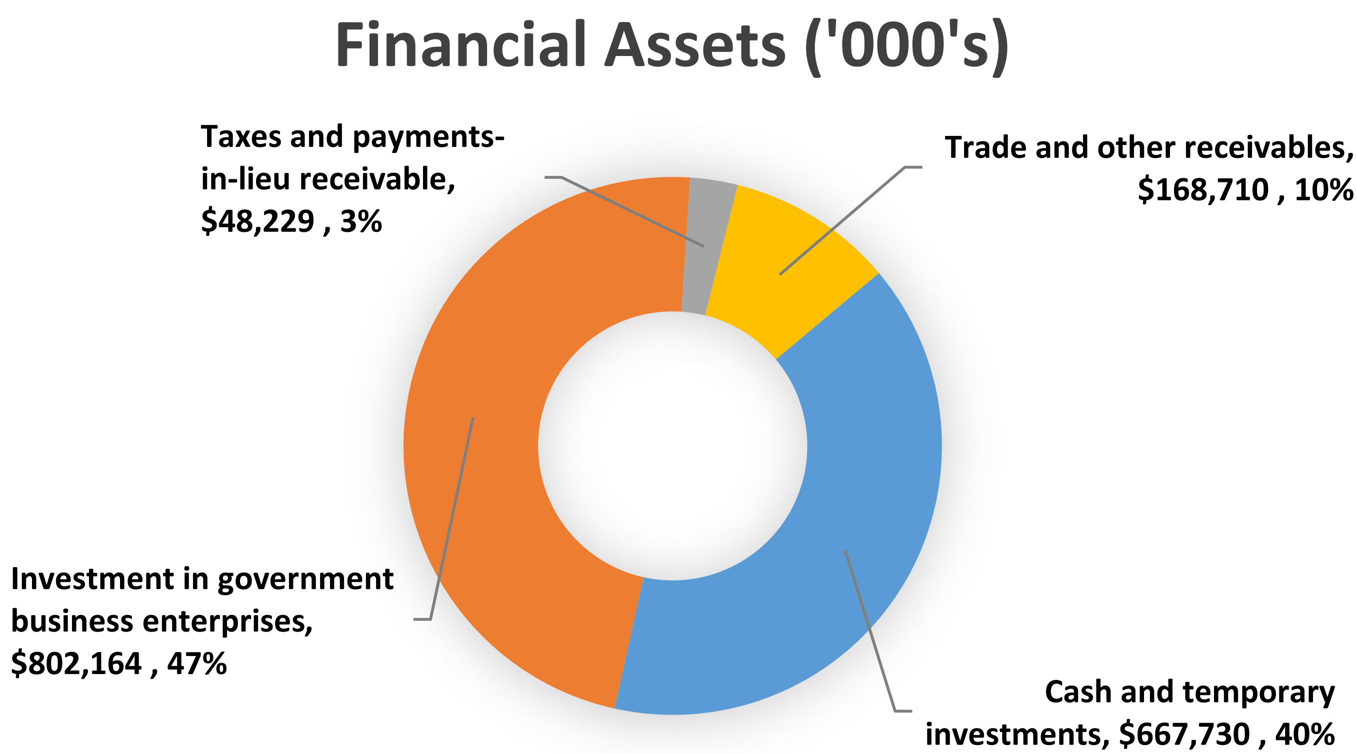
The City's Consolidated Financial Statements reflect the assets, liabilities, revenues and expenditures of all organizations and enterprises accountable for the administration of their financial affairs and resources to City Council and which are owned or controlled by the City. The City's Consolidated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

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 with 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 (or net debt) and accumulated surplus.

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 ('000's)	2025 $	2024 $	$ Change	% Change
Cash and temporary investments	667,730	665,116	2,614	0.39%
Investment in government business enterprises	802,164	760,389	41,775	5.49%
Taxes and payments-in-lieu receivable	48,229	47,362	867	1.83%
Trade and other receivables	168,710	127,837	40,873	31.97%
TOTAL	1,686,833	1,600,704	86,129	5.38%

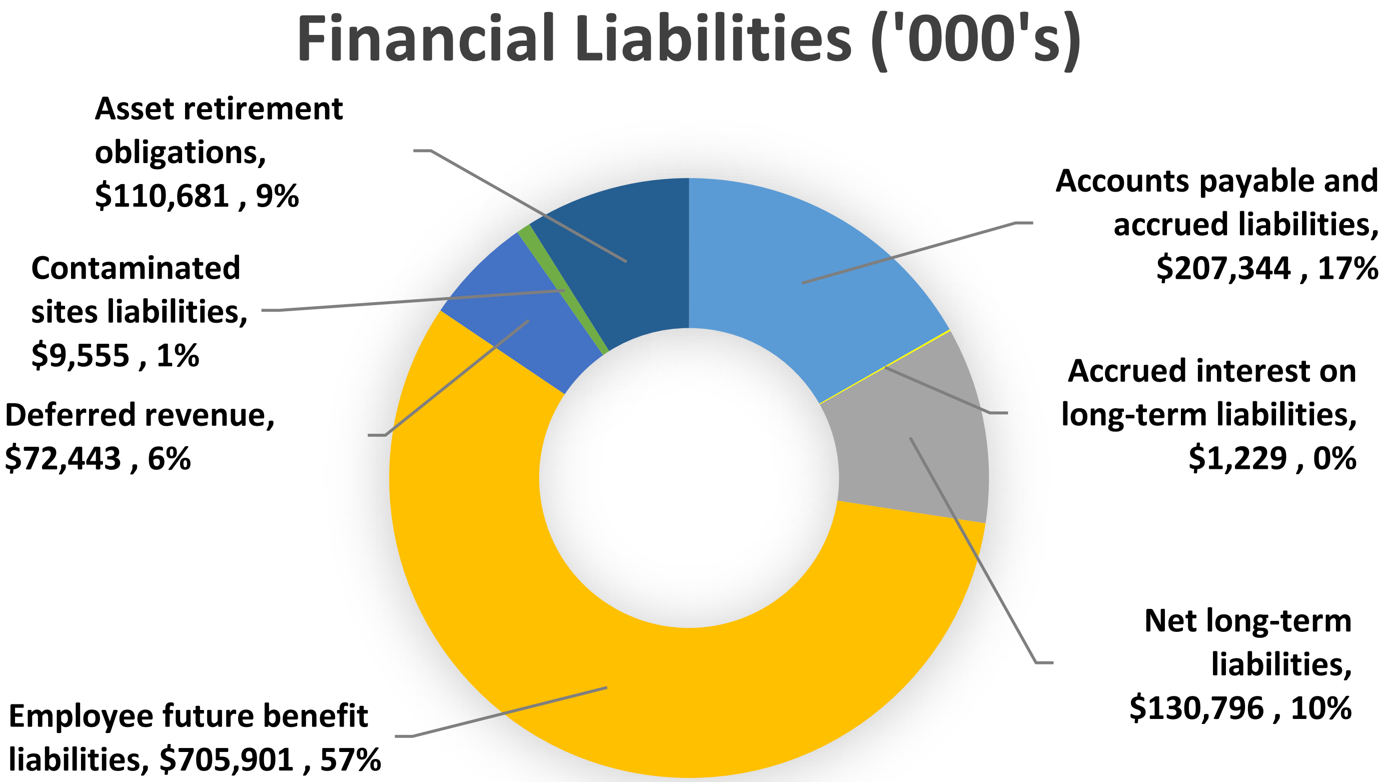
The City's financial assets have increased year-over-year due to the following:

- Cash and temporary investments have increased by $2.6 million. The Consolidated Statement of Cash Flows details the various activities that contributed to this increase.
- Investment in Government Business Enterprises (GBEs) increased by approximately $42 million primarily due to net income (see note 4 of the consolidated financial statements).
- Taxes and payments-in-lieu receivable increased by $1 million due to a notable increase in properties that have fallen into arrears. Property taxes are considered to be secured against the land and can ultimately be collected by way of public tax sale.
- Trade and other receivables have increased by approximately $40 million, primarily due to timing of payments and include increases in accrued interest receivable, social services receivables, recreation receivables and slightly increased receivables at consolidated entities. The amount reported is net of an allowance for accounts which may not be collected.

Financial Statements Review

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)	2025 $	2024 $	$ Change	% Change
Accounts payable and accrued liabilities	207,344	186,777	20,567	11.01%
Accrued interest on long-term liabilities	1,229	1,308	(79)	-6.04%
Net long-term liabilities	130,796	116,184	14,612	12.58%
Employee future benefit liabilities	705,901	699,157	6,744	0.96%
Deferred revenue	72,443	82,116	(9,673)	-11.78%
Contaminated sites liabilities	9,555	9,024	531	5.88%
Asset retirement obligations	110,681	109,124	1,557	1.43%
TOTAL	1,237,949	1,203,690	34,259	2.85%

The change in financial liabilities is attributed to:

- Accounts payable and accrued liabilities have increased by approximately $20 million. Balances owing by the Corporation fluctuate year over year depending on accruals and the timing of certain construction and social services payments.
- Employee future benefit liabilities have increased by approximately $6.7 million based on an actuarial valuation and largely due to an increase in the WSIB valuation to $91 million. Currently, the Corporation is funding this actuarial liability on a cash basis as actual payments are required.
- Deferred revenue of $72.4 million decreased due to the recognition of revenues, largely from the City's development charges coming due. The balance represents unearned funding from senior levels of government for legislated services.
- Asset retirement obligations (AROs) represent an estimate of the future liability to retire capital assets from service according to 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. AROs for 2025 were $110.7 million as a result of inflationary factors.

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 current or intended use.

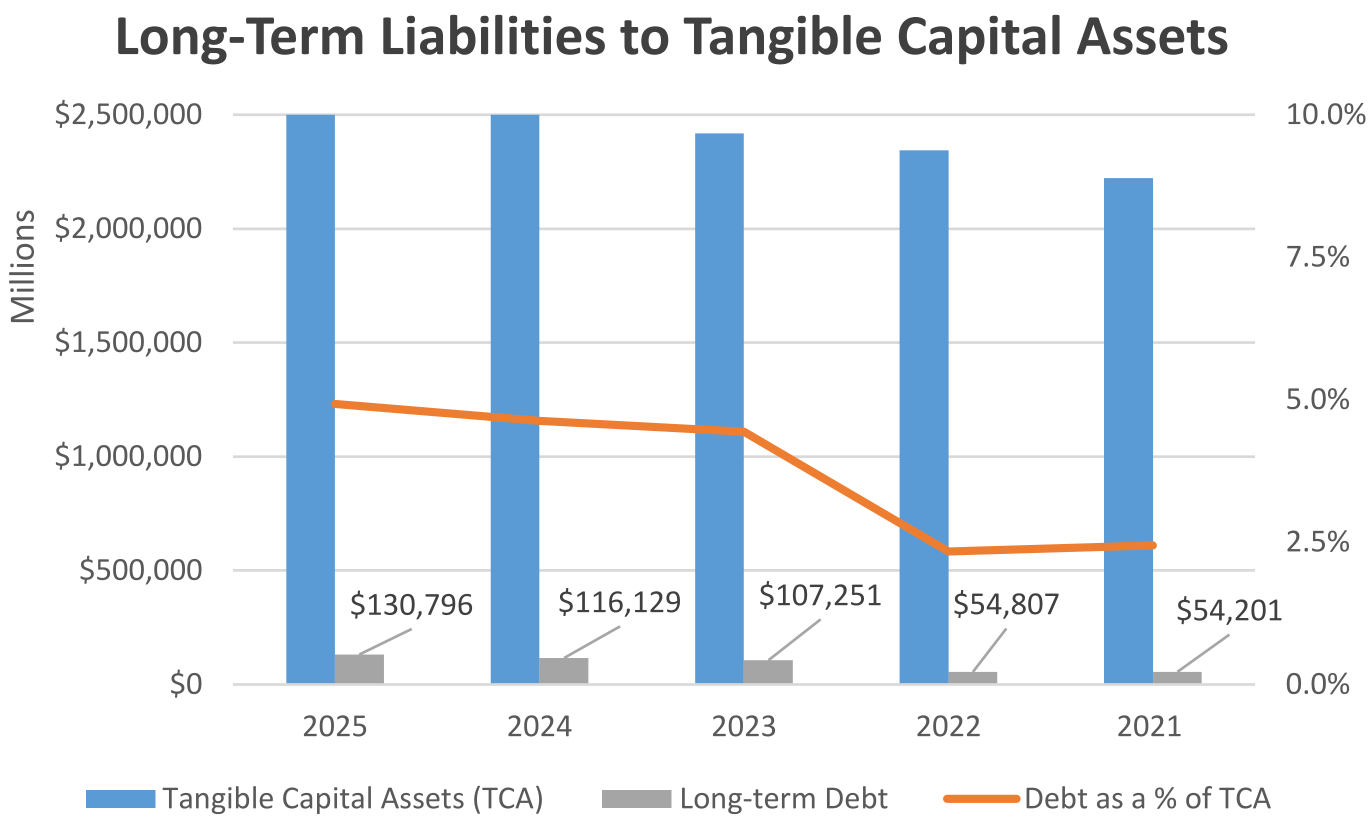
Like other unfunded liabilities, such as employee future benefit obligations and asset retirement obligations, the City is not required to budget for or fund this liability. The estimated liability has increased to $9.6 million in 2025 due to the addition of a property on the inventory as well as inflationary increases.

Long-term Liabilities

Municipalities are able to use debt to fund large capital projects, manage cash flow, and distribute the cost of infrastructure investments over their useful lives. 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 and proactively plans for debt repayment through budget allocations and revenue streams when applicable to ensure debt obligations are met without disrupting municipal operations.



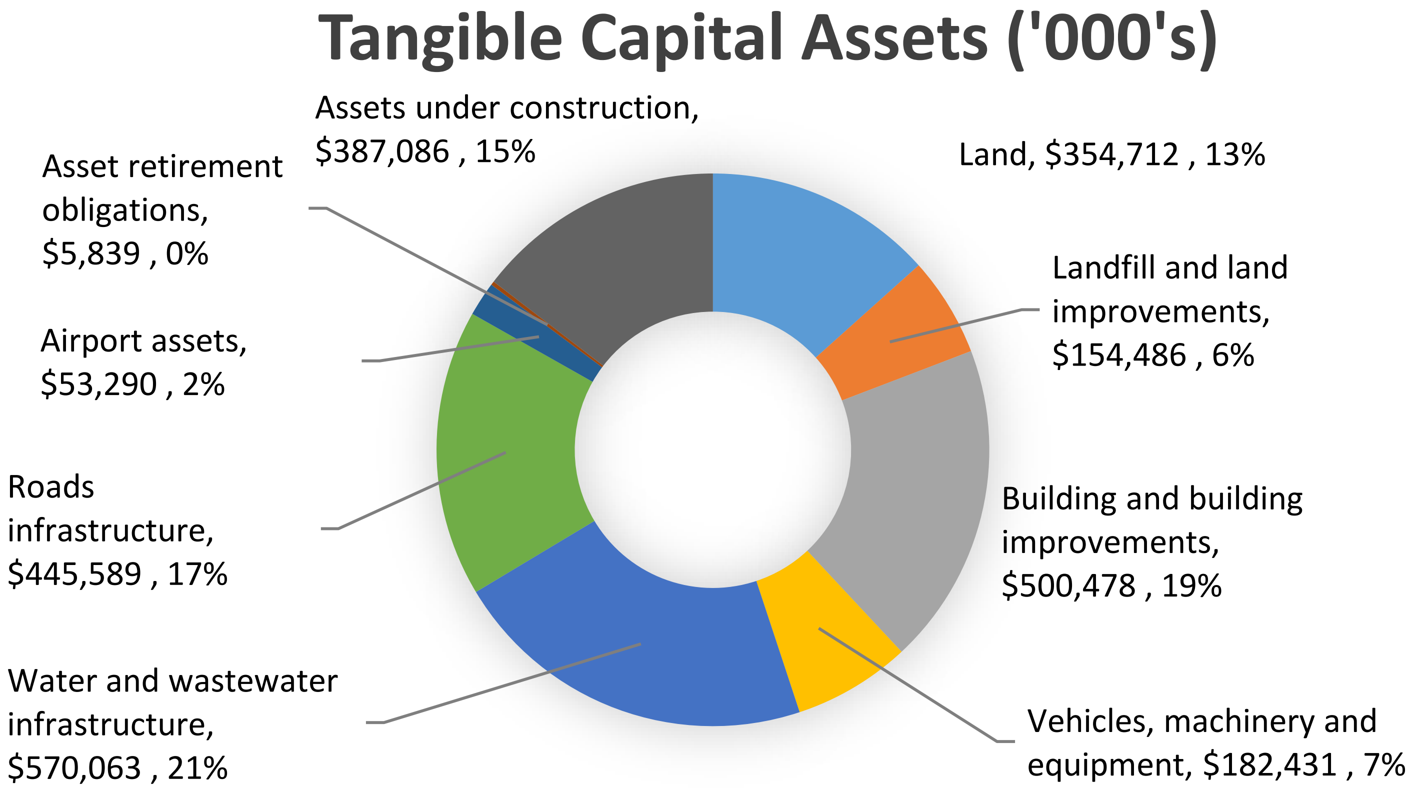
Long-term liabilities have increased by $14.6 million. Of the total long-term debt of $130.8 million, $43 million is repayable from general taxation—the remainder is repayable through non-tax levy revenue sources. Further, of the total long-term debt of $130.8 million, $51.4 million was issued by the Corporation of the City of Windsor. Approximately $19.9 million is the City’s share of approximately $39.7 million in debt issued by the Essex Windsor Solid Waste Authority. The remaining $59.5 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 inventories of supplies. This section is mostly comprised of tangible capital assets 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)	2025 $	2024 $	$ Change	% Change
Tangible capital assets	2,653,974	2,509,091	144,883	5.77%
Inventory and assets held for resale	5,221	3,609	1,612	44.67%
Prepaid expenses	24,192	19,079	5,113	26.80%
TOTAL	2,683,387	2,531,779	151,608	5.99%

Tangible capital assets (TCA) of the corporation have increased to $2.65 billion largely due to ongoing construction and replacement of existing assets.

Prepaid expenses, also included in Non-Financial Assets have increased by $5.1 million in 2025 due to the timing of payments.

Accumulated Surplus

The Consolidated Statement of Operations reflects an annual surplus of $203.6 million for Public Sector Accounting Board (PSAB) financial reporting purposes.

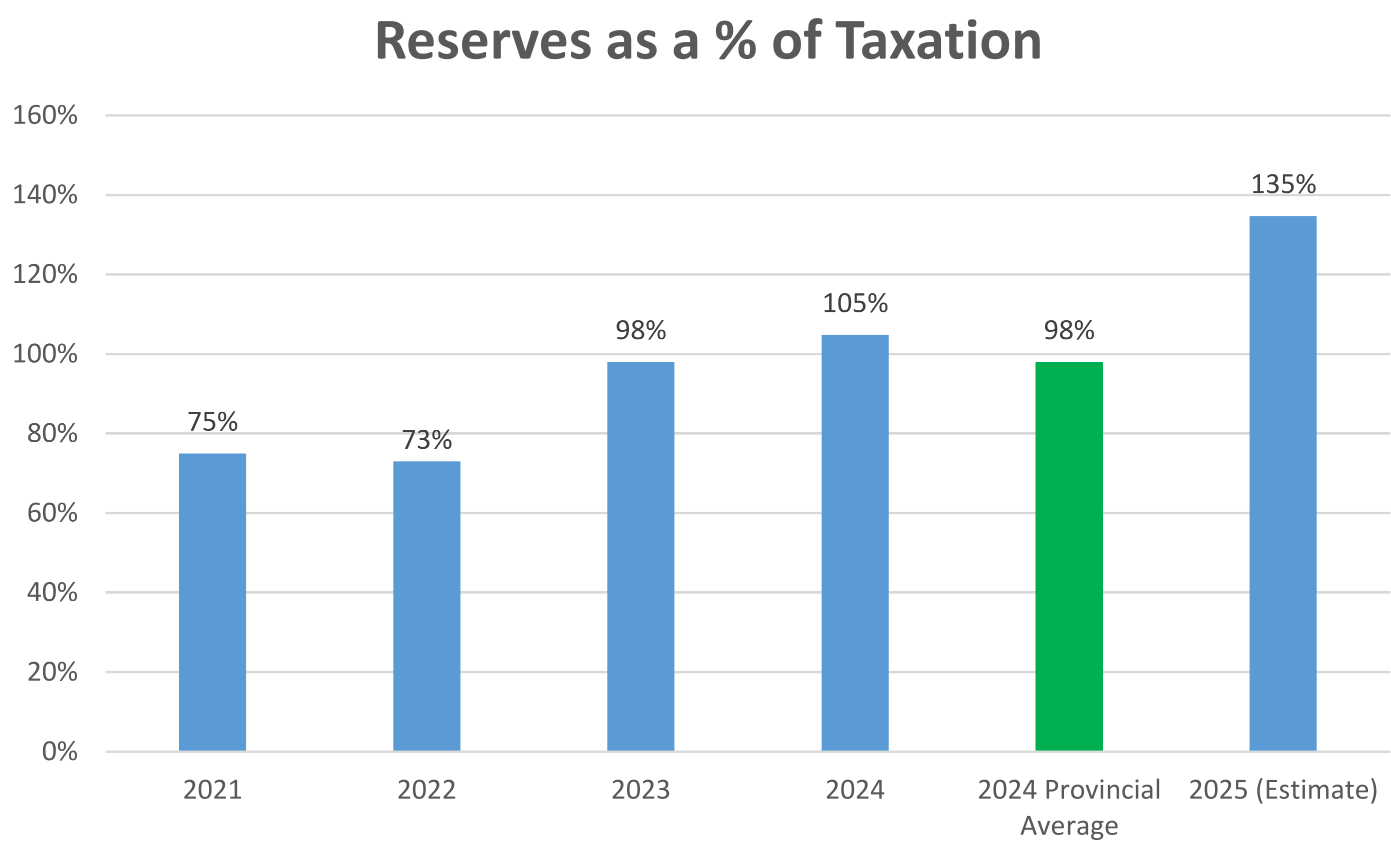
The annual surplus results from the inclusion of various mandated PSAB expenses for financial reporting purposes and the removal of purchased intangible capital assets from expenditures.

Accumulated Surplus	2025 $	2024 $
Invested in tangible capital assets	2,523,178	2,392,907
Invested in government business enterprises	802,164	760,389
Unfunded employee future benefit obligations	(705,901)	(699,157)
Unfunded contaminated sites liabilities	(9,555)	(9,024)
Unfunded asset retirement obligations	(110,681)	(109,124)
Other	30,929	45,625
Reserves and reserve funds	602,137	547,177
Total accumulated surplus	**3,132,271**	**2,928,793**

The main components of “Other” include timing differences of funding expenditures including the capital fund balance, and other unfunded accruals (such as interest on the 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. Due to the timing difference of the actual expenditure and the permanent financing, 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 proper management, review and usage of these funds, municipalities establish formal policies containing guidelines and criteria for proper creation and administration. Healthy reserve fund levels can positively influence a municipality's credit rating, leading to better borrowing terms and lower interest rates. The Corporation's reserves as a percentage of taxation have steadily increased over the years and is now above the 2024 Provincial average.



Source: BMA Management Consulting Inc. Municipal Study 2025

Reserves and reserve funds ('000's)	2025 $	2024 $	Change $	Change %
Reserves set aside for a specific purpose by Council:				
Working funds	35,264	36,551	(1,287)	-3.52%
Encumbrances	5,231	5,961	(730)	-12.25%
Future planning	2,422	3,284	(862)	-26.25%
Post retirement death benefit	(178)	(100)	(78)	78.00%
Recreation services	470	706	(236)	-33.43%
Fire services	2,001	1,687	314	18.61%
Environmental services	21,615	23,467	(1,852)	-7.89%
Occupational illness	(1,015)	1,203	(2,218)	-184.37%
Others	4,075	3,590	485	13.51%
Total reserves	69,885	76,349	(6,464)	-8.47%
Reserve funds set aside for a specific purpose by Council:				
Replacement of equipment	94,212	84,064	10,148	12.07%
Capital expenditures	230,052	188,585	41,467	21.99%
Insurance	7,758	9,053	(1,295)	-14.30%
Health benefits rate stabilization	2,687	5,356	(2,669)	-49.83%
Sanitary sewer expenditures	111,499	87,341	24,158	27.66%
Budget stabilization	8,878	11,363	(2,485)	-21.87%
Children's fund	828	812	16	1.97%
Social housing	(43,110)	(25,593)	(17,517)	68.44%
Recreation	925	546	379	69.41%
Transit debt repayment	897	1,001	(104)	-10.39%
Public health	96,836	87,769	9,067	10.33%
Tax appeals	20,790	20,531	259	1.26%
Total reserve funds	532,252	470,828	61,424	13.05%
Total reserves and reserve funds	**602,137**	**547,177**	**54,960**	**10.04%**

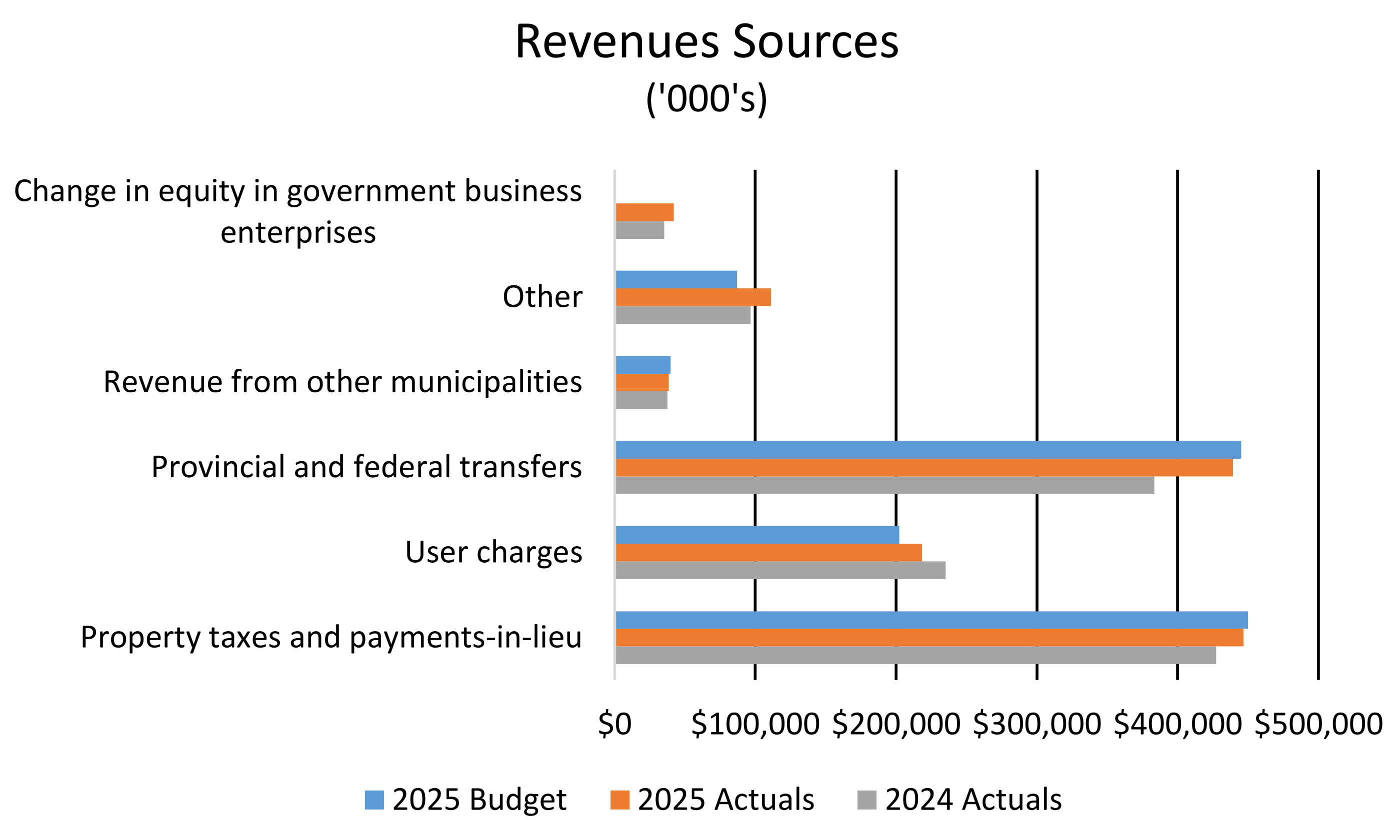
Financial Statements Review

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 2025 Council approved operating and capital budgets. Certain adjustments were required to convert the budget from a cash basis to an accrual basis consistent with Canadian Public Sector Accounting Standards (PSAS). 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 budget process (e.g. amortization, the changes in future employee benefits and asset retirement obligations), the assumption of using actual accrued amounts as the budget amount was used in these instances. The budget figures included in the Consolidated Statement of Operations are for financial statement presentation only.

Revenue Sources



Revenues ('000's)	2025 Budget $	2025 Actuals $	2024 Actuals $	Budget Variance $	Yr over Yr Variance $
Property taxes and payments-in-lieu	450,171	446,937	427,380	(3,234)	19,557
User charges	202,303	218,464	235,167	16,161	(16,703)
Provincial and federal transfers	445,153	439,348	383,412	(5,805)	55,936
Revenue from other municipalities	39,736	38,374	37,542	(1,362)	832
Other	86,814	111,061	96,767	24,247	14,294
Change in equity in government business enterprises	-	42,040	35,351	42,040	6,689
TOTAL	1,224,177	1,296,224	1,215,619	72,047	80,605

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

- Property taxes and payment-in-lieu—Increase reflects the impact of assessment growth and new development.
- User charges—Decreased building activity ($7 million) and the impact of stormwater implementation rebates ($9 million) were the primary drivers of the decrease in user fee revenues .
- Provincial and federal transfers—Provincial grants increased for regional employment services and social assistance program delivery ($6.5 million), child care ($35 million) and housing ($12 million), with the balance made up of various transportation projects.
- Revenue from other municipalities—Generally consistent with the prior year.
- Other—Realized developer contributions revenues ($21.5 million) used for development projects, increased third party recoveries for capital projects ($4.2 million) were offset by decreased revenues for the sale of surplus land and equipment ($5 million), decreased investment returns ($6 million) due to lower interest rates and lower realized deferred revenues at WECHC ($5 million).
- Change in equity of GBEs—City owned GBEs increased in value by $6.7 million more than in 2024.

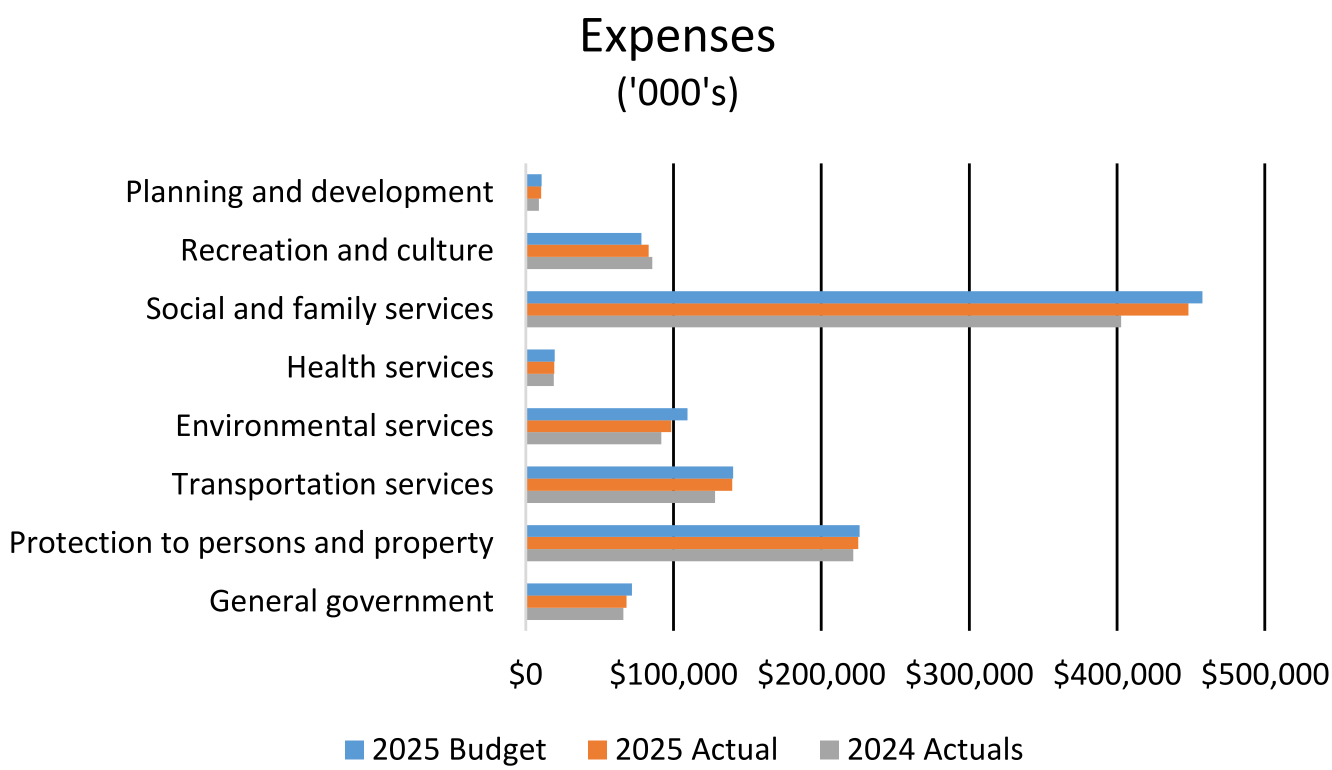
Explanations of the differences between actual revenues and budgeted revenues are as follows:

- Property taxes and payments-in-lieu—Some minor tax reductions led to property taxes and payments-in-lieu being slightly under budget.
- User charges—Although building permit fee revenues were down compared to 2024, they were still in line with budget due to the difficulty of forecasting building activity. Recreation and other related fees also remain above budget due to strong post-pandemic demand for these services.
- Provincial and federal transfers—Transfers for ongoing operational programs are largely in line with budget; however some transportation projects differ from budget due to timing differences for capital expenditures.

- Revenue from other municipalities—Recoveries for services provided to other municipalities for transit, policing and wastewater treatment expenses were slightly lower than budgeted.
- Other—Capital recoveries and developer contributions differed from budget due to the timing of certain capital and development projects, which affects the timing of developer contributions and third party recoveries for capital projects. Investment performance, though down compared to 2024, was still higher than budget due to the difficulty of forecasting interest rate movement.

Expenses

The City's expenses consist of the following:



Expenses ('000's)	2025 Budget $	2025 Actual $	2024 Actuals $	Budget Variance $	Yr over Yr Variance $
General government	71,837	68,120	66,234	(3,717)	1,886
Protection to persons and property	226,025	224,974	221,624	(1,051)	3,350
Transportation services	140,422	139,655	128,054	(767)	11,601
Environmental services	109,529	98,393	91,792	(11,136)	6,601
Health services	19,700	19,481	18,974	(219)	507
Social and family services	457,735	448,115	402,767	(9,620)	45,348
Recreation and culture	78,298	83,367	85,718	5,069	(2,351)
Planning and development	10,820	10,487	8,919	(333)	1,568
TOTAL	1,114,366	1,092,592	1,024,082	(21,774)	68,510

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

- General Government—The City received a special dividend from the Windsor-Detroit Tunnel Corporation (WDTC) dividend which was recapitalized into Windsor Detroit Borderlink Limited (WDBL) ($2.8 million). Negotiated salary and wage increases made up the balance.
- Protection to Persons and Property—Negotiated salary and wage increases and actuarial increases to post-retirement benefit and WSIB obligations were the primary driver of the increase of $3.3 million.
- Transportation Services—Negotiated salary and wage increases in public works ($2.1 million) as well as actuarial increases for post-retirement benefits and WSIB ($5 million) plus increased operating expenses in capital projects ($4 million), mostly related to service enhancements for the Transit Master Plan.
- Environmental Services—The impact of negotiated salary and wage increases, plus the costs associated with the launch of the green bin program were the drivers of the increase of $6 million.
- Health Services—Remained generally consistent.
- Social and family services—Increase in general assistance ($7 million) due to implementation of additional provincial funding plus increased Ontario Works caseloads and negotiated salary and wage increases. Childcare expenses increased by $35 million which was matched by increased provincial funding. Huron Lodge costs were generally consistent. Operating expenses in capital increased by $3 million due to Windsor Essex Community Housing Corporation (WECHC) renewal and repair of existing housing stock.
- Recreation and culture—Generally consistent with 2024 in all program areas. Reduced operating expenses in capital totaling $3 million as a variety of riverfront cultural enhancement projects were completed in 2024.
- Planning and development—An increase in operating expenses in capital relating to new development capital projects in 2025. Otherwise, generally consistent with 2024.

Explanations of the differences between actual expenses and budgeted expenses are as follows:

- *General government*—Generally consistent with budget.
- *Protection to persons and property*—Generally consistent with budget.
- Transportation services—Generally consistent with budget.
- Environmental services—Green bin program launched mid-year in 2025, resulting in only partial costs for that program being realized. Additionally, some significant capital projects with operating components related to flood mitigation had timing impacts on the actual to budget comparison.
- Health services—Generally consistent with budget.

Financial Statements Review

- Social and family services—Provincial funding for Ontario Works, child care and housing, though increased over 2024, was slightly lower than budget primarily due to timing differences in payments and program delivery .
- Recreation and culture—Continued increase in parks, recreation facilities and programs utilization, including Roseland and Lakeview Marina, in the post-pandemic environment.
- Planning and development—Generally consistent with budget.

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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, 2025
- the consolidated statement of operations 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, 2025, 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.

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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada
July 27, 2026

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Statement of Financial Position
Year Ended December 31, 2025
($000's)

	2025	2024
	$	$
Financial Assets		
Cash and temporary investments	667,730	665,116
Investment in government business enterprises [note 3 (a)]	802,164	760,389
Taxes and payments-in-lieu of taxes receivable [note 1 (b) (iii)]	48,229	47,362
Trade and other receivables	168,710	127,837
	1,686,833	1,600,704
Financial Liabilities		
Accounts payable and accrued liabilities	207,344	186,777
Accrued interest on long-term liabilities	1,229	1,308
Net long-term liabilities [note 4 (a)]	130,796	116,184
Employee future benefit liabilities [note 5 (b)]	705,901	699,157
Deferred revenue [note 7 (b)]	72,443	82,116
Liability for contaminated sites [note 1 (b) (x)]	9,555	9,024
Asset retirement obligations [note 6]	110,681	109,124
	1,237,949	1,203,690
Net Financial Assets	448,884	397,014
Non-Financial Assets		
Tangible capital assets [schedule 2]	2,653,974	2,509,091
Inventory and assets held for resale	5,221	3,609
Prepaid expenses	24,192	19,079
	2,683,387	2,531,779
Accumulated surplus [note 7 (a)]	3,133,513	2,929,881
Accumulated remeasurement losses	(1,242)	(1,088)
	3,132,271	**2,928,793**

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, 2025
($000's)

	Budget	2025	2024
	$	$	$
Revenues [note 9, schedule 1]			
Net municipal property taxes and payments-in-lieu of taxes	450,171	446,937	427,380
User charges	202,303	218,464	235,167
Provincial and federal transfers	445,153	439,348	383,412
Revenue from other municipalities	39,736	38,374	37,542
Other	86,814	111,061	96,767
Change in equity in gov't business enterprises [note 3 (a)]	-	42,040	35,351
Total Revenues	1,224,177	1,296,224	1,215,619
Expenses [note 9, schedule 1]			
General government	71,837	68,120	66,234
Protection to persons and property	226,025	224,974	221,624
Transportation services	140,422	139,655	128,054
Environmental services	109,529	98,393	91,792
Health services	19,700	19,481	18,974
Social and family services	457,735	448,115	402,767
Recreation and culture	78,298	83,367	85,718
Planning and development	10,820	10,487	8,919
Total Expenses	1,114,366	1,092,592	1,024,082
Annual Surplus	**109,811**	**203,632**	**191,537**
Accumulated surplus, beginning of year	2,929,881	2,929,881	2,738,344
Accumulated surplus, end of year [note 7 (a)]	3,039,692	3,133,513	2,929,881

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, 2025
($000's)

	2025	2024
	$	$
Annual surplus	203,632	191,537
Acquisition of tangible capital assets (schedule 2)	(248,494)	(190,638)
Amortization of tangible capital assets (schedule 2)	103,079	97,012
Gain on disposal of tangible capital assets	(1,893)	(4,036)
Proceeds on sale of tangible capital assets	2,425	7,387
Net change in inventory and assets held for resale	(1,612)	(24)
Net consumption of prepaid expenses	(5,113)	(1,258)
Change in net financial assets excluding net remeasurement	52,024	99,980
Net remeasurement gains (losses)	(154)	1,924
Net financial assets, beginning of year	397,014	295,110
Net financial assets, end of year	**448,884**	**397,014**

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, 2025
($000's)

	2025 $	2024 $
Remeasurement losses, beginning of year	(1,088)	(3,012)
WCUL other comprehensive (loss)/gain	(1,265)	202
WUC other comprehensive loss	(206)	(14)
WDBL other comprehensive gain	1,206	1,244
WECHC unrealized investment income	111	492
Change in remeasurement gains/(losses)	(154)	1,924
Remeasurement losses, end of year	**(1,242)**	**(1,088)**

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, 2025
($000's)

	2025	2024
	$	$
Operating and other activities:		
Annual Surplus	203,632	191,537
Amortization of tangible capital assets	103,079	97,012
Unrealized remeasurement (losses)/gains	(154)	492
Gain on disposal of tangible capital assets	(1,893)	(4,036)
Increase in taxes and payments-in-lieu receivable	(867)	(9,900)
Increase in trade and other receivables	(40,873)	(21,749)
Increase in inventory and assets held for resale	(1,612)	(24)
Increase in prepaid expenses	(5,113)	(1,258)
Increase (decrease) in accounts payable and accrued liabilities	20,567	(3,329)
Decrease in accrued interest on long term liabilities	(79)	(296)
Increase in employee future benefit liabilities	6,744	1,655
Decrease in deferred revenue	(9,673)	(1,231)
Increase in contaminated site liability	531	177
Increase in asset retirement obligations	1,557	1,634
Net cash provided by operating and other activities	275,846	250,684
Capital activities:		
Proceeds on sale of tangible capital assets	2,425	7,387
Cash used to acquire tangible capital assets	(248,494)	(190,638)
Net cash used in capital activities	(246,069)	(183,251)
Financing activities:		
Net long term liabilities issued	14,612	8,933
Investing activities:		
Increase in investment in government business enterprises	(41,775)	(35,351)
Increase in cash and temporary investments	2,614	41,015
Cash and temporary investments, beginning of year	665,116	624,101
Cash and temporary investments, end of year	**667,730**	**665,116**

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

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.

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, $53,101 of taxation was collected on behalf of and remitted to the school boards (2024 - $51,729).

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) **Public Sector Accounting Standards**

These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(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.

($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 classfication 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 PSAS Section 3150 and PSAS 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 PSAS. 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 14.6 years (2024 – 14.0 years).

(vii) **Inter-entity Transactions**

Inter-entity Transactions (PSAS 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. PSAS 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.

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

(viii) **Related party disclosure**

Related Party Disclosure (PSAS 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.

PSAS 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 Standard 3260 Liability for Contaminated Sites in 2015. Under PSAS 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

- A reasonable estimate of the amount can be made.

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 retroactive 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. 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.

(d) **Use of estimates (continued)**

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:

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

	2025 $	2024 $
Windsor-Essex County Health Unit	3,930	3,920

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 three subsidiaries: Enwin Utilities Ltd., Enwin Energy Ltd and ELK Energy Inc. 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.

($000's)

3. **Government Business Enterprises ("GBE") (continued)**

(a) Investment in GBE

The City has investments in GBE totaling $802,164 (2024—$760,389), which is comprised of the following:

	2025 $	2024 $
WCUL	222,985	209,298
WDTC	126,004	126,621
WDBL	14,457	11,820
WUC	427,677	402,647
YQG	11,041	10,003
	802,164	760,389

A continuity of the investment in GBE is as follows:

	WCUL $	WDTC $	WDBL $	WUC $	YQG $	2025 Total $	2024 Total $
Opening investment	209,298	126,621	11,820	402,647	10,003	760,389	723,606
Dividends declared	(5,000)	-	(4,800)	-	(500)	(10,300)	(10,500)
Other comprehensive income/(loss)	(1,265)	-	1,206	(206)	-	(265)	1,432
Investments by City of Windsor	-	2,400	-	-	-	2,400	2,400
Current income/(loss)	19,952	(3,017)	6,231	25,236	1,538	49,940	43,451
Current change in investment	13,687	(617)	2,637	25,030	1,038	41,775	36,783
Closing investment	222,985	126,004	14,457	427,677	11,041	802,164	760,389

($000's)

3. Government Business Enterprises (continued)

(b) Supplementary information of GBE

(i) WCUL

	2025 $	2024 $
Financial position		
Current assets	101,420	87,698
Property, plant and equipment	310,277	273,747
Other assets	82,207	74,590
Total assets	493,904	436,035
Current liabilities	55,660	47,039
Long-term liabilities	215,259	179,698
Total liabilities	270,919	226,737
Shareholder's equity	222,985	209,298
Total liabilities and equity	493,904	436,035

	2025 $	2024 $
Results of operations		
Revenue from distribution of electricity	336,509	308,893
Services provided to Windsor Utilities Commission	22,473	20,752
Other revenue	11,682	7,716
Total revenue	370,664	337,361
Cost of electrical energy	267,129	253,409
Other net expenses	83,583	73,183
Total expenses	350,712	326,592
Net income	19,952	10,769

($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, 2025 was $4,668 (2024—$4,200).
- WCUL collects and remits the sewer surcharge on behalf of the City. The total amount owing to the City at December 31, 2025 relating to sewer surcharge was $11,384 (2024—$10,787).
- The amounts due from related parties which are included in current assets consist of:

	2025 $	2024 $
Due from Windsor Utilities Commission	5,225	3,228

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

	2025 $	2024 $
Due from Windsor Utilities Commission	52,000	52,000

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

	2025 $	2024 $
Due to the City of Windsor (net)	10,899	10,095

($000's)

3. Government Business Enterprises (continued)

(ii) WDTC

	2025 $	2024 $
Financial position		
Current assets	3,021	2,062
Property, plant and equipment	134,618	136,006
Total assets	137,639	138,068
Total liabilities	11,635	11,447
Shareholder's equity	126,004	126,621
Total liabilities and equity	137,639	138,068

	2025 $	2024 $
Results of operations		
Total revenues	1,128	1,481
Operating expenses	4,145	4,391
Net loss	(3,017)	(2,910)

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:

	2025 $	2024 $
Due to WDBL	3,905	3,476

($000's)

3. Government Business Enterprises (continued)

(iii) WDBL

	2025 $	2024 $
Financial position		
Current assets	24,122	19,338
Property, plant and equipment	143	172
Total assets	24,265	19,510
Current and long-term liabilities	8,808	7,690
Shareholder's equity	14,457	11,820
Total liabilities and shareholder's equity	23,265	19,510

	2025 $	2024 $
Results of operations		
Tolls	12,753	11,970
Other revenues	1,748	980
Total revenues	14,501	12,950
Operating expenses	7,064	7,286
Net income	7,437	5,664

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:

	2025 $	2024 $
Due from WDTC	3,905	3,476

($000's)

3. Government Business Enterprises (continued)

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

	2025 $	2024 $
Due to the Corporation of the City of Windsor	4,818	3,429

(iv) WUC

	2025 $	2024 $
Financial position		
Current assets	49,066	56,213
Property, plant and equipment and sinking fund	490,936	443,096
Total assets	540,002	499,309
Current liabilities	24,036	14,676
Long-term liabilities	88,289	81,986
Total liabilities	112,325	96,662
Shareholder's equity	427,677	402,647
Total liabilities and equity	540,002	499,309

($000's)

3. Government Business Enterprises (continued)

	2025 $	2024 $
Results of operations		
Retail water sales	69,030	65,354
Other revenue	2,995	4,163
Total revenue	72,025	69,517
Cost of production	26,694	23,027
Depreciation and amortization	11,241	10,425
Operating and other net expenses	8,854	7,985
Total expenses	46,789	41,437
Net income	25,236	28,080

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, 2025 was $9,334 (2024—$9,390).
- The amounts due to related parties which are included in current liabilities consist of:

	2025 $	2024 $
Due to Enwin Utilities Ltd.	5,225	3,228
Due to the Corporation of the City of Windsor	7,214	2,673
	12,439	5,901

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

	2025 $	2024 $
Due to Enwin Utilities Ltd.	51,491	51,471

($000's)

3. Government Business Enterprises (continued)

(v) YQG

	2025 $	2024 $
Financial position		
Total assets	11,714	10,657
Total liabilities	673	654
Shareholder's equity	11,041	10,003
Total liabilities and equity	11,714	10,657

	2025 $	2024 $
Results of operations		
Airport operating revenues	5,036	4,918
Management fees and other revenues	1,099	1,310
Total revenue	6,135	6,228
Operating and other expenses	4,597	4,380
Net income	1,538	1,848

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:

	2025 $	2024 $
Due from the Corporation of the City of Windsor	41	26

($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:

	2025 $	2024 $
Total long term liabilities	130,796	116,184
Less amount repayable from user fees	(87,637)	(72,209)
Net amount repayable from general taxation	43,159	43,975

The amount repayable from user fees is comprised of:

	2025 $	2024 $
Essex-Windsor Solid Waste Authority	19,860	21,706
Sewer Surcharge fund	7,703	10,015
Transit Windsor	532	643
Windsor Essex Community Housing Corporation	59,542	39,845
Long term liabilities repayable by user fees	87,637	72,209

At December 31, 2025, the net long-term liability as reported on the financial statements of EWSWA, which the City is responsible for 50%, consists of:

	2025 $	2024 $
Debenture payable	39,720	43,412
Accrued interest	1,181	1,292
	40,901	44,704

($000's)

4. Net long-term liabilities (continued)

(b) Of the long-term liabilities in (a) of this note, $29,493 in principal payments are repayable from 2026 to 2030, $17,551 from 2031 to 2035 and $83,752 thereafter.

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

	2026-2030 $	2031-2035 $	Thereafter $	Total $
From general taxation	4,385	5,520	33,254	43,159
From user fees	25,108	12,031	50,498	87,637
	29,493	17,551	83,752	130,796

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 4 (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:

	2025 $	2024 $
Interest funded from general property taxes	2,027	2,038
Interest funded from user fees	3,086	2,787
	5,113	4,825

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.

($000's)

5. Employee benefits (continued)

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

The amount contributed to OMERS for current service for 2025 was $31,972 (2024 - $29,730). At December 31, 2025 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. At December 31, 2025 the plan has, for accounting purposes and including the unfunded letter of credit, pension assets of $33,461 (2024 - $33,461) and is in a funding surplus of $7,835 (2024 - $7,835).

The company has filed a motion with the Office of the Superintendent of Financial Institutions (OFSI) to wind up the Transit Windsor contributory pension plan with an effective date of December 31, 2025. OSFI has subsequently approved the wind up.

Member benefits will be settled through either lump-sum commuted value transfers to locked in registered vehicles or the purchase of annuities from a licensed life insurance company. Any resulting plan deficit upon plan wind-up will be funded by the City as required by legislation. Any resulting surplus will be distributed or otherwise reverted in accordance with the Plan text and legislative requirements.

(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, 2025 and consist of the following:

	2025	**2024**
	$	**$**
Post-retirement benefits	603,004	599,877
Post-employment benefits	5,536	6,631
WSIB future benefits	91,104	86,563
Accrued vested sick leave	10,416	10,481
Vacation and banked overtime	3,676	3,440
Transit Windsor pension asset	(7,835)	(7,835)
	705,901	699,157

($000's)

5. **Employee benefits (continued)**

(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:

- Discount rate 4.85% (2024 - 4.7%)
- Health care discount rate 6.50% (2024 - 6.50%)

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

	2025 $	2024 $
Accrued benefit liability at the beginning of the year	599,877	595,352
Current service cost	8,776	8,936
Interest	20,409	19,610
Amortization of actuarial net (gains) losses	(8,718)	(7,927)
Benefits paid	(17,340)	(16,094)
Accrued benefit liability at the end of the year	603,004	599,877
Unamortized net actuarial gains	(94,848)	(165,507)
Accrued benefit obligations at the end of the year	508,156	434,370

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, 2025 and the next required valuation will be as of August 1, 2028.

(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, 2025 is $91,104 (2024 - $86,563).

(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 2025, an amount of $722 (2024 - $945) has been paid and is reported as an expense on the consolidated statement of operations.

($000's)

6. 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 PSAS 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, 2025 are comprised of the City's proportion of the Regional Landfill closure and post-closure obligations of $18,300 (2024 - $17,557). 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, 2024 liability for post-closure expenditures of $5,709 (2024 - $6,202) is based on the annual payment to EWSWA of $610 (2024 - $610) and inflation adjusted at 2% per annum (2024 - 2%) and discounted to December 31, 2025 using a discount rate of 4.85% (2023 - 4.70%). 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 PSAS 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.

	2025	2024
	$	$
City of Windsor	21,707	22,120
Windsor Essex Community Housing Corporation	70,473	69,247
Essex Windsor Solid Waste Authority	18,300	17,557
Windsor Public Library	201	200
	110,681	109,124

($000's)

6. Asset retirement obligations (continued)

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

	2025 $	2024 $
Liability for ARO, beginning of year	109,124	107,490
Net accretion expense during the year	1,557	1,634
Liability for ARO, end of year	110,681	109,124

7. Municipal position

(a) Accumulated surplus

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

	2025 $	2024 $
Surplus:		
Invested in tangible capital assets	2,523,178	2,392,907
Invested in government business enterprises	802,164	760,389
Unfunded employee future benefit liabilities	(705,901)	(699,157)
Unfunded contaminated sites liabilities	(9,555)	(9,024)
Unfunded asset retirement obligations	(110,681)	(109,124)
Other	30,929	45,625
Total Surplus	2,530,134	2,381,616
Reserves set aside for a specific purpose by Council:		
Working funds	35,264	36,551
Encumbrances	5,231	5,961
Future planning	2,422	3,284
Post retirement death benefit	(178)	(100)
Recreation services	470	706
Fire services	2,001	1,687
Environmental services	21,615	23,467
Occupational illness	(1,015)	1,203
Others	4,075	3,590
Total reserves	69,885	76,349

($000's)

7. Municipal position (continued)

	2025 $	2024 $
Reserve funds set aside for a specific purpose by Council:		
Replacement of equipment	94,212	84,064
Capital expenditures	230,052	188,585
Insurance	7,758	9,053
Health benefits rate stabilization	2,687	5,356
Sanitary sewer expenditures	111,499	87,341
Budget stabilization	8,878	11,363
Children's fund	828	812
Social housing	(43,110)	(25,593)
Recreation	925	546
Transit debt repayment	897	1,001
Public health	96,836	87,769
Tax appeals	20,790	20,531
Total reserve funds	532,252	470,828
Total accumulated surplus	3,132,271	2,928,793

(b) Deferred revenues

The following funds totalling $72,443 (2024 - $82,116) 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 2025 $	2025 Inflows $	2025 Outflows $	Ending Balance 2025 $
Parkland Acquisition	4,454	2,505	(2,097)	4,862
Development charges fund	31,824	7,517	(21,648)	17,693
Building permit fund (net)	20,104	1,110	(272)	20,942
Provincial gas tax fund	4,364	4,542	(4,554)	4,352
Federal gas tax fund	21,310	17,561	(14,339)	24,532
Federal public transit fund	60	2	-	62
	82,116	33,237	(42,910)	72,443

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, 2025, the City is committed to making the following payments:

(a) Contracts for various capital construction projects, at a cost of $136,370 (2024 - $105,187) in the aggregate, to be financed with funding from the operating fund, grant funding, development charge reserves, or other reserves.

(b) Payments for various operating leases through 2030 of $1,222 (2024 - $1,587).

(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, 2025, there were 24 approved grant applications under the Economic Revitalization CIP, 10 approved grant applications under the Brownfield Redevelopment CIP, 13 approved grant applications under the Olde Sandwich Towne CIP, 4 approved grant applications under the Ford City CIP, 16 grant applications under the Downtown CIP, 5 under the University/ Wyandotte CIP and 3 under the Main Streets 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 $123,740 (2024 - $110,580)

(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 38 years at one dollar per year.

($000's)

9. Budget figures

Budget data presented in these consolidated financial statements is based on the 2025 Council approved operating budget. Certain adjustments were required to convert the budget from a cash basis to an accrual basis consistent with PSAS 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.

Reconciliation of 2025 Approved Budgets to Consolidated Financial Statements

	2025 $
Revenues	
Approved Budgeted Revenues	
Operating budget	1,192,669
Sewer surcharge budget	115,546
Capital budget	312,748
Consolidated entities	83,767
	1,704,730
PSAS Revenue Adjustments	
Interfund revenues eliminated	(362,875)
Education amounts collected on behalf of school boards	(53,585)
Eliminate budgeted transactions with consolidated entities	(64,093)
	(480,553)
Budgeted revenues as presented in consolidated financial statements	**1,224,177**
Expenses	
Approved Budgeted Expenditures	
Operating budget	1,192,699
Sewer surcharge budget	115,546
Capital budget	312,748
Consolidated entities	83,767
	1,704,760

($000's)

9. Budget figures (continued)

PSAS Expense Adjustments		
	Operating budget PSAS expense adjustments	6,532
	Capital asset expenditures	37,634
	Amortization of tangible capital assets	103,079
	Interfund expenses eliminated	(619,961)
	Education amounts remitted to school boards	(53,585)
	Eliminate budgeted transactions with consolidated entities	(64,093)
		(590,394)
Budgeted expenses as presented in consolidated financial statements		**1,114,366**
Annual Budgeted Surplus		**109,811**

10. Public liability insurance

The City has an insurance deductible for general liability claims up to $500 (2024—$500) for any individual claim. Outside coverage is in place for claims in excess of this amount.

At December 31, 2025, 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 2025 (2024 - $ nil). The City has established a reserve fund for self-insurance, which at December 31, 2025 amounted to $7,758 (2024 - $9,053).

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.

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:

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, although the actual amount owed may differ.

(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.

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.

($000’s)

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:

	2026	2027	2028	2029	2030	2031+
	$	$	$	$	$	$
Service contracts	7,298	7,297	7,132	6,215	-	-
Long term leases	3,607	2,457	2,205	1,086	1,077	924
	10,905	9,754	9,337	7,301	1,077	924

15. 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 Consolidated Statement of Financial Position represent the City’s maximum credit exposure as at the Consolidated 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 - 2025

Year Ended December 31, 2025

($000's)

2025	General government	Protection to persons and property	Transportation services	Environmental services	Health services
Expenses					
Salaries, wages and benefits	52,511	183,837	51,202	23,129	-
Interest	-	-	16	1,677	-
External transfers	-	1,637	1,438	-	19,479
Amortization	3,517	4,800	42,961	23,040	2
Goods and services	12,092	34,700	44,038	50,547	-
Total Expenses	68,120	224,974	139,655	98,393	19,481
Revenues excluding taxation					
User charges	17,977	17,756	31,864	90,564	197
Provincial and federal transfers	28,433	10,937	38,123	9,537	-
Revenue from other municipalities	-	8,441	1,163	5,383	-
Other	76,921	7,782	14,963	4,981	-
Change in equity in government business enterprises	42,040	-	-	-	-
Total revenues excluding taxation	165,371	44,916	86,113	110,465	197
Net municipal property taxes and payments-in-lieu of taxes					
Annual (deficit) surplus	**97,251**	**(180,058)**	**(53,542)**	**12,072**	**(19,284)**

THE CORPORATION OF THE CITY OF WINDSOR

Schedule 1 (continued)
Consolidated Statement of Segmented Net Revenue - 2025
Year Ended December 31, 2025
($000's)

2025	Social and family services	Recreation and culture	Planning and development	Total
Expenses				
Salaries, wages and benefits	66,973	39,215	4,228	421,095
Interest	1,348	-	2,072	5,113
External transfers	304,444	479	1,458	328,935
Amortization	12,178	15,749	832	103,079
Goods and services	63,172	27,924	1,897	234,370
Total Expenses	448,115	83,367	10,487	1,092,592
Revenues excluding taxation				
User charges	38,797	19,873	1,436	218,464
Provincial and federal transfers	351,004	1,015	299	439,348
Revenue from other municipalities	23,387	-	-	38,374
Other	3,501	1,413	1,500	111,061
Change in equity in government business enterprises	-	-	-	42,040
Total revenues excluding taxation	416,689	22,301	3,235	849,287
Net municipal property taxes and payments-in-lieu of taxes				446,937
Annual (deficit) surplus	**(31,426)**	**(61,066)**	**(7,252)**	**203,632**

THE CORPORATION OF THE CITY OF WINDSOR
Schedule 1
Consolidated Statement of Segmented Net Revenue - 2024
Year Ended December 31, 2025
($000’s)

2024	General government	Protection to persons and property	Transportation services	Environmental services	Health services
Expenses					
Salaries, wages and benefits	44,202	183,405	48,603	20,070	-
Interest	-	-	16	1,804	-
External transfers	32	1,602	1,438	-	18,972
Amortization	3,469	6,037	40,799	22,656	2
Goods and services	18,531	30,580	37,198	47,262	-
Total Expenses	66,234	221,624	128,054	91,792	18,974
Revenues excluding taxation					
User charges	13,609	25,251	29,841	108,473	644
Provincial and federal transfers	30,118	12,414	33,817	2,311	-
Revenue from other municipalities	-	8,326	1,367	5,510	-
Other	59,923	6,479	8,947	7,341	-
Change in equity in government business enterprises	35,351	-	-	-	-
Total revenues excluding taxation	139,001	52,470	73,972	123,635	644
Net municipal property taxes and payments-in-lieu of taxes					
Annual (deficit) surplus	**72,767**	**(169,154)**	**(54,082)**	**31,843**	**(18,330)**

THE CORPORATION OF THE CITY OF WINDOR

Schedule 1

Consolidated Statement of Segmented Net Revenue - 2024

Year Ended December 31, 2025

($000's)

2024	Social and family services	Recreation and culture	Planning and development	Total
Expenses				
Salaries, wages and benefits	63,904	37,849	4,259	402,292
Interest	933	-	2,072	4,825
External transfers	243,561	472	1,458	267,535
Amortization	9,418	13,841	790	97,012
Goods and services	84,951	33,556	340	252,418
Total Expenses	402,767	85,718	8,919	1,024,082
Revenues excluding taxation				
User charges	36,838	19,194	1,317	235,167
Provincial and federal transfers	303,731	721	300	383,412
Revenue from other municipalities	22,339	-	-	37,542
Other	8,299	5,301	477	96,767
Change in equity in government business enterprises	-	-	-	35,351
Total revenues excluding taxation	371,207	25,216	2,094	788,239
Net municipal property taxes and payments-in-lieu of taxes				427,380
Annual (deficit) surplus	**(31,560)**	**(60,502)**	**(6,825)**	**191,537**

THE CORPORATION OF THE CITY OF WINDSOR

Schedule 2
Tangible Capital Assets - 2025
Year Ended December 31, 2025
($000's)

2025

Cost	Balance, beginning of year	Additions	Disposals	Adjustments	Balance, end of year
Land	358,459	8,332	(79)	(12,000)	354,712
Landfill and land improvements	224,168	20,280	-	-	244,448
Building and building improvements	897,172	47,872	(845)	-	944,199
Vehicles, machinery and equipment	337,645	55,600	(7,014)	-	386,231
Water and wastewater infrastructure	1,013,669	23,157	(76)	-	1,036,750
Roads infrastructure	1,038,937	34,157	(4,332)	-	1,068,762
Airport assets	102,715	-	-	-	102,715
Asset retirement obligations	89,689	1,463	-	-	91,152
Assets under construction	317,337	159,858	(90,109)	-	387,086
Total	4,379,791	350,719	(102,455)	(12,000)	4,616,055

Accumulated amortization					
Landfill and land improvements	83,589	6,373	-	-	89,962
Building and building improvements	421,121	23,444	(845)	-	443,720
Vehicles, machinery and equipment	187,598	22,987	(6,785)	-	203,800
Water and wastewater infrastructure	447,750	18,996	(59)	-	466,687
Roads infrastructure	600,560	26,623	(4,010)	-	623,173
Airport assets	46,538	2,887	-	-	49,425
Asset retirement obligations	83,544	1,769	-	-	85,313
Total	1,870,700	103,079	(11,699)	-	1,962,080

Net book value		
Land	358,459	354,712
Landfill and land improvements	140,579	154,486
Building and building improvements	476,051	500,478
Vehicles, machinery and equipment	150,047	182,431
Water and wastewater infrastructure	565,919	570,063
Roads infrastructure	438,377	445,589
Airport assets	56,177	53,290
Asset retirement obligations	6,145	5,839
Assets under construction	317,337	387,086
Total	2,509,091	2,653,974

THE CORPORATION OF THE CITY OF WINDSOR

Schedule 2

Tangible Capital Assets - 2024

Year Ended December 31, 2025

2024				
Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
Land	349,506	9,013	(60)	358,459
Landfill and land improvements	221,162	4,239	(1,233)	224,168
Building and building improvements	855,708	41,867	(403)	897,172
Vehicles, machinery and equipment	331,384	20,587	(14,326)	337,645
Water and wastewater infrastructure	995,162	19,184	(677)	1,013,669
Roads infrastructure	1,002,873	42,679	(6,615)	1,038,937
Airport assets	102,062	653	-	102,715
Asset retirement oblilgations	92,224	83	(2,618)	89,689
Assets under construction	264,110	121,787	(68,560)	317,337
Total	4,214,191	260,092	(94,492)	4,379,791

Accumulated amortization				
Landfill and land improvements	77,954	6,492	(857)	83,589
Building and building improvements	399,060	22,395	(334)	421,121
Vehicles, machinery and equipment	179,461	20,465	(12,328)	187,598
Water and wastewater infrastructure	429,248	18,744	(242)	447,750
Roads infrastructure	580,641	25,594	(5,675)	600,560
Airport assets	43,614	2,924	-	46,538
Asset retirement obligations	83,146	398	-	83,544
Total	1,793,124	97,012	(19,436)	1,870,700

Net book value		
Land	349,506	358,459
Landfill and land improvements	143,208	140,579
Building and building improvements	456,648	476,051
Vehicles, machinery and equipment	151,923	150,047
Water and wastewater infrastructure	565,914	565,919
Roads infrastructure	422,232	438,377
Airport assets	58,448	56,177
Asset retirement obligations	6,827	6,145
Assets under construction	264,110	317,337
Total	2,418,816	2,509,091

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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, 2025
- 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, 2025, 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.

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.

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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada
July 27, 2026

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Position
Year Ended December 31, 2025
($000's)

	Huron Lodge Residents' Comfort	Willistead Furnishings	Windsor Justice Facility Capital Maintenance	Heritage Endowment Fund	EWSWA Landfill Expansion Fund	COAHP Revolving Homeownership
	$	$	$	$	$	$
Assets						
Current assets						
Cash and equivalents	74	19	4,700	546		3,498
Due from City of Windsor			1			1
Total current assets	74	19	4,701	546	-	3,499
Long term assets (note 2):						
Investments			2,216			
Total assets	74	19	6,917	546	-	3,499
Liabilities						
Due to Current Fund City of Windsor						
Due to Capital Fund City of Windsor						
Due to Trust Fund City of Windsor						
Accounts payable	2					3,151
Total liabilities	2	-	-	-	-	3,151
Fund balance	72	19	6,917	546	-	348
Total liabilities and fund balance	74	19	6,917	546	-	3,499

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, 2025
($000's)

	Windsor Medical Fund $	MacDonald Trust $	Willistead Endowment Fund $	Fairbairn Cemetery Fund $	Arts Endowment Trust Fund $	WPL Bradley Trust Fund $	Total 2025 $	Total 2024 $
Assets								
Current assets								
Cash and equivalents	40	35	4	13	49	4	**8,982**	**8,158**
Due from City of Windsor							**2**	**721**
Total current assets	40	35	4	13	49	4	**8,984**	**8,879**
Long term assets (note 2):								
Investments			34		3,284		**5,534**	**5,346**
Total assets	40	35	38	13	3,333	4	**14,518**	**14,225**
Liabilities								
Due to Current Fund City of Windsor							**-**	**20**
Due to Capital Fund City of Windsor							**-**	**500**
Due to Trust Fund City of Windsor							**-**	**3**
Accounts payable					48		**3,201**	**2,912**
Total liabilities	-	-	-	-	48	-	**3,201**	**3,435**
Fund balance	40	35	38	13	3,285	4	**11,317**	**10,790**
Total liabilities and fund balance	40	35	38	13	3,333	4	**14,518**	**14,225**

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

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Activities
Year Ended December 31, 2025
($000's)

	Huron Lodge Residents' Comfort $	Willistead Furnishings $	Windsor Justice Facility Capital Maintenance $	Heritage Endowment Fund $	EWSWA Landfill Expansion Fund $	COAHP Revolving Homeownership $
Balance at the beginning of the year	65	7	6,565	543	1	329
Revenues						
Residents' comfort	83					
Interest earned			82	3		19
Donations		3				
Rental			2			
Contributions		10	490			
Total revenues	83	13	574	3	-	19
Expenditures						
Payments to residents or estates	76					-
Purchases of furnishings and capital improvements		1	222			
Administrative charges						
Payment to EWSWA					1	
Contribution to City of Windsor Capital Fund						
Contribution to City of Windsor Reserve Fund						
Total expenditures	76	1	222	-	1	-
Balance at the end of the year	72	19	6,917	546	-	348

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds Statement of Financial Activities
Year Ended December 31, 2025
($000's)

	Windsor Medical Fund $	MacDonald Trust $	Willistead Endowment Trust $	Fairbairn Cemetery Trust $	Arts Endowment Trust $	WPL Bradley Trust $	Total 2025 $	Total 2024 $
Balance at the beginning of the year	39	35	36	13	3,153	4	**10,790**	**15,726**
Revenues								
Residents' comfort							**83**	**69**
Interest earned	1		2		180		**287**	**597**
Donations							**3**	**3**
Rental							**2**	**13**
Contributions							**500**	**501**
Total revenues	1	-	2	-	180	-	**875**	**1,183**
Expenditures								
Payments to residents or estates							**76**	**71**
Purchases of furnishings and capital improvements							**223**	**187**
Administrative charges							**-**	**5,317**
Payment to EWSWA							**1**	**-**
Contribution to City of Windsor Capital Fund							**-**	**499**
Contribution to City of Windsor Reserve Fund					48		**48**	**45**
Total expenditures	-	-	-	-	48	-	**348**	**6,119**
Balance at the end of the year	40	35	38	13	3,285	4	**11,317**	**10,790**

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 $5,534 (2024 - $5,346) 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, 2025 total $11,317 (2024 - $10,790) and are comprised of the following:

Huron Lodge Residents' Comfort Trust $72 (2024 - $65)

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

Willistead Furnishings Trust Fund $19 (2024 - $7)

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

Windsor Justice Facility Capital Maintenance Trust $6,917 (2024 - $6,565)

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 $546 (2024 - $543)

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 $0 (2023 - $1)

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 were utilized to fund ongoing cell expansions of the EWSWA consistent with the original loan with payments in 2016 and 2024. At December 31, 2025, the fund balance is nil.

Canada-Ontario Affordable Housing Program (COAHP) Trust $348 (2024 - $329)

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 $40 (2024 - $39)

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 $35 (2024 - $35)

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 $38 (2024 - $36)

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 $13 (2024 - $13)

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 $3,285 (2024 - $3,153)

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 (2024 - $4)

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

Sydney Avenue Road Redevelopment Project

Statistical Review (Unaudited)

Revenues ('000's)	2025 $	2024 $	2023 $	2022 $	2021 $
Property taxes and payments-in-lieu	446,937	427,380	401,249	379,771	368,540
User charges	218,464	235,167	215,860	182,868	161,535
Provincial and federal transfers	439,348	383,412	343,265	298,797	269,469
Revenue from other municipalities	38,374	37,542	33,967	30,840	28,172
Other	111,061	96,767	76,867	70,170	57,484
Change in equity in government business enterprises	42,040	35,351	32,120	38,983	35,395
TOTAL	1,296,224	1,215,619	1,103,328	1,001,429	920,595

Expenses ('000's)	2025 $	2024 $	2023 $	2022 $	2021 $
General government	68,120	66,234	60,168	61,199	59,759
Protection to persons and property	224,974	221,624	207,671	202,075	194,857
Transportation services	139,655	128,054	124,328	123,557	108,706
Environmental services	98,393	91,792	88,586	83,501	78,313
Health services	19,481	18,974	17,479	15,472	17,856
Social and family services	448,115	402,767	359,861	308,621	284,644
Recreation and culture	83,367	85,718	77,010	70,927	62,609
Planning and development	10,487	8,919	10,680	8,452	9,623
TOTAL	1,092,592	1,024,082	945,783	873,804	816,367

Expenses by object ('000's)	2025 $	2024 $	2023 $	2022 $	2021 $
Salaries and wages	421,095	402,292	367,202	370,494	362,701
Goods and services	234,370	252,418	234,934	204,536	209,985
External transfers	328,935	267,535	245,837	203,940	152,845
Interest	5,113	4,825	3,179	2,451	2,864
Amortization	103,079	97,012	94,631	92,383	87,972
TOTAL	1,092,592	1,024,082	945,783	873,804	816,367

Statistical Review (Unaudited)

Non-financial Assets ('000's)	2025 $	2024 $	2023 $	2022 $	2021 $
Tangible capital assets, net book value	2,653,974	2,509,091	2,418,816	2,344,337	2,223,082
Amortization expense	103,079	97,012	94,631	92,383	87,972
Transfers to capital fund from operating funds	2,567	4,860	6,854	46,095	43,767

Long-term liabilities	2025 $	2024 $	2023 $	2022 $	2021 $
Long-term liabilities ('000's)	130,796	116,129	107,251	54,807	54,201
Interest ('000's)	5,113	4,794	3,873	2,451	2,864
Population	263,270	234,219	234,219	231,900	229,660
Long-term liabilities per capita	496.81	495.81	457.91	236.34	236.01

Accumulated Surplus ('000's)	2025 $	2024 $	2023 $	2022 $	2021 $
Tangible capital assets less long-term debt	2,523,178	2,392,907	2,311,565	2,289,530	2,168,881
Invested in government business enterprises	802,164	760,389	723,606	694,728	655,745
Unfunded future employee benefit obligations	(705,901)	(699,157)	(697,502)	(694,431)	(667,398)
Unfunded asset retirement obligations*	(110,681)	(109,124)	(107,490)	(107,299)	(17,754)
Unfunded inactive contaminated sites obligations	(9,555)	(9,024)	(8,847)	(8,774)	(8,504)
Reserves and reserve funds	602,137	547,177	451,952	294,325	291,641
Other	30,929	45,625	62,048	112,720	113,975
TOTAL	3,132,271	2,928,793	2,735,332	2,580,799	2,536,586

* In 2021, 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 - 2025.

Reserves and reserve funds ('000's)	2025 $	2024 $	2023 $	2022 $	2021 $
Reserves set aside for a specific purpose by Council:					
Working funds	35,264	36,551	35,563	34,618	33,781
Encumbrances	5,231	5,961	5,447	6,493	6,990
Future planning	2,422	3,284	2,230	1,857	1,698
Post retirement death benefit	(178)	(100)	106	287	247
Recreation services	470	706	1,106	1,292	1,443
Fire services	2,001	1,687	1,648	1,530	1,579
Environmental services	21,615	23,467	24,924	24,582	24,155
Occupational illness	(1,015)	1,203	1,762	3,310	2,964
Others	4,075	3,590	3,811	3,979	4,231
Total reserves	69,885	76,349	76,597	77,948	77,088
Reserve funds set aside for a specific purpose by Council:					
Replacement of equipment	94,212	84,064	74,475	59,275	54,886
Capital expenditures	230,052	188,585	140,572	99,319	87,748
Insurance	7,758	9,053	8,818	7,756	7,573
Health benefits rate stabilization	2,687	5,356	10,217	12,063	13,227
Sanitary sewer expenditures	111,499	87,341	47,080	4,183	4,442
Budget stabilization	8,878	11,363	11,480	12,918	20,624
Children's fund	828	812	791	752	735
Social housing	(43,110)	(25,593)	(12,136)	(30,889)	(16,592)
Recreation	925	546	245	377	244
Transit debt repayment	897	1,001	1,096	1,160	1,254
Public health	96,836	87,769	72,741	31,368	25,952
Tax appeals	20,790	20,531	19,976	18,095	14,460
Total reserve funds	532,252	470,828	375,355	216,377	214,553
Total reserves and reserve funds	**602,137**	**547,177**	**451,952**	**294,325**	**291,641**

Statistical Review (Unaudited)

Property Tax & Assessment

Tax Assessment Information

Taxable Assessment on which the year's rates of taxation were set ($000s)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Residential, multi-residential, farm	14,764,250	14,649,713	14,520,033	14,390,426	14,220,471	14,064,528	13,513,312.05
Commercial, industrial, other	3,716,133	3,687,260	3,664,156	3,656,774	3,685,312	3,705,190	3,604,643
Total Taxable Assessment	***18,480,383***	***18,336,973***	**18,184,189**	**18,047,200**	**17,905,783**	**17,769,718**	**17,117,955**
Commercial, industrial and business as a % of taxable assessment	20.1%	20.1%	20.2%	20.3%	20.6%	20.9%	21.1%

Tax Rate Information

Residential	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Municipal Levy	1.942293%	1.879805%	1.786661%	1.700760%	1.665668%	1.622679%	1.628394%
School Board	0.153000%	0.153000%	0.153000%	0.153000%	0.153000%	0.153000%	0.161000%
Total Tax Rate	***2.095293%***	**2.032805%**	**1.939661%**	**1.853760%**	**1.818668%**	**1.775679%**	**1.789394%**

Commercial	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Municipal Levy	3.911766%	3.785916%	3.598325%	3.425320%	3.354645%	3.274263%	3.287237%
School Board	0.880000%	0.880000%	0.880000%	0.880000%	0.880000%	1.250000%	1.290000%
Total Tax Rate	***4.791766%***	**4.665916%**	**4.478325%**	**4.305320%**	**4.234645%**	**4.524263%**	**4.577237%**

Industrial	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Municipal Levy	4.497921%	4.353213%	4.137512%	3.938584%	3.857319%	3.764615%	3.777874%
School Board	0.880000%	0.880000%	0.880000%	0.880000%	0.880000%	1.250000%	1.290000%
Total Tax Rate	***5.377921%***	**5.233213%**	**5.017512%**	**4.818584%**	**4.737319%**	**5.014615%**	**5.067874%**

Property Tax Information

Tax Levies (based on Roll Return $000s)	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
City Portion	451,571	432,245	407,919	385,882	376,169	363,844	352,156
School Board Portion	53,386	52,869	52,481	52,214	52,190	62,850	63,289
Total Tax Levied on Roll Return	**504,957**	**485,114**	**460,400**	**438,096**	**428,359**	**426,694**	**415,445**

Tax Arrears	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Taxes Receivable ($000s)	48,227	47,362	40,404	35,593	36,609	35,977	28,785
Taxes Receivable per Capita ($)	183.19	200.21	172.51	153.48	159.40	155.81	126.50
Percentage of current total tax levy	9.6%	9.8%	8.8%	8.1%	8.5%	8.4%	6.9%

Bright Lights Windsor at Jackson Park and Jackson Park in the Spring

Accomplishments

Economic Development:

- **Building:** The successful wrap-up of the NextStar Energy project represents a major milestone for the City, reflecting the Building Department's ability to manage a large-scale, complex development through effective coordination, technical oversight, and timely inspections. This achievement underscores the department's critical role in supporting transformational economic projects while maintaining regulatory compliance and public safety.
- **Planning:** The Planning Department handled 540 development applications and 11 Community Improvement Plan incentive applications, underscoring the ongoing demand for development in Windsor. Through planning approvals, approximately 2,186 new residential units were approved through Zoning By-law Amendments and Site Plan Control.
- **Transit Windsor:** Transit Windsor strengthened the city's public transit system through service enhancements aligned with the Transit Master Plan, delivering approximately 20,000 additional service hours to improve reliability, access, and equity for riders across Windsor.
- **Economic Development:** Housing Solutions Made for Windsor (HSMFW): In 2025 the HSMFW team closed on the Caron Ave site and EOI bringing over 300 residential units to the downtown. The team also released two additional EOIs for residential developments on Pelissier Street and Roseland Parking Lot and development agreements are currently being negotiated with respondents.
- **EDCO Award Winning Business Attraction:** Windsor's Economic Development team was recognized through the EDCO Awards of Excellence for securing Minth Group's $300-million electric vehicle manufacturing campus, a one-million-square-foot development on 54 acres of airport lands that will create approximately 1,099 jobs and anchor Windsor's advanced manufacturing and electric-vehicle supply chain.
- **Strengthen the Core (STC) Initiative:** The City advanced the Strengthen the Core downtown revitalization plan, including support for initiatives linked to placemaking, safety, and activation initiatives to attract investment, residents, and visitors. Specifically, the plan accomplished:
  - 8,000+ downtown 311 service requests resolved, improving cleanliness, safety, and responsiveness in the core.
  - 57.95% increase in downtown police patrols, with police visibility satisfaction up 16% year over year.
  - 197 events hosted downtown, with 75% of residents identifying the Downtown Farmers' Market as their go-to event.
  - 81 new investment leads generated at ICSC 2025, resulting in 8 site selection packages and 6 investor meetings.

Human and Health Services:

- **Housing and Homelessness:** The Integrated Support Team (IST), a dedicated team of Social Workers, was launched on April 1, 2025, to provide targeted support for individuals experiencing homelessness. The team is currently supporting 112 individuals in the community through a coordinated, client-centered approach. Over half of participants, 57%, are actively connected with partner agencies to address broader support needs, while 35% are working with medical specialists to improve health outcomes. This initiative reflects a strong commitment to collaboration, stability, and long-term success for individuals transitioning into the community.

- **Children Services:** In 2025, 258 new licensed childcare spaces were created across Windsor-Essex through the Canada-Wide Early Learning and Child Care (CWELCC) program. This expansion increased access to affordable, high-quality, childcare for families across the community.

- **Windsor Regional Employment Network (WREN) – Employment & Social Services:** Through collaborative service delivery, the Windsor Regional Employment Network (WREN) helped 4,459 people secure employment across the region in 2025, including 2,723 individuals in Windsor-Essex. This work supported a stronger, more inclusive local workforce by connecting job seekers with meaningful employment opportunities.

- **Huron Lodge:** In 2025, Huron Lodge completed its annual Resident Satisfaction Survey with outstanding results. A new question, developed through a Resident Council initiative, asked whether resident input during staff orientation helps new team members understand what makes Huron Lodge feel like home, and 98 percent of residents surveyed agreed. Most notably, the survey confirmed that 100 percent of residents are satisfied with the care and services they receive at Huron Lodge. These results reflect a strong culture of resident voice, respect, and quality care.

Infrastructure Services:

- The Essex Windsor Solid Waste Authority, in concert with the City of Windsor, launched the Green Bin Program to divert food and organic waste from the Essex-Windsor Regional Landfill, reduce household garbage by up to 50% and lower greenhouse gas emissions. City-wide garbage collection moved to a bi-weekly schedule along with new weekly green bin collection, to encourage green bin program participation and reduce overall waste collection costs.

- $12.2 million in funding supported major road rehabilitation improvements through 13 residential and 5 arterial road projects, along with upgrades to E.C. Row Expressway.

- The City opened the Legacy Beacon in Michael D. Hurst Legacy Park, providing a permanent home for Streetcar No. 351. Enhanced City Hall Square with new amenities, including a water feature and seasonal ice rink, to support year-round public use.

- The City invested $18.8 million to modernize the Howard Avenue/Division Road, a critical transportation corridor, serving approximately 40,000 vehicles daily, including heavy truck traffic. Work included rail relocation, road realignment and widening, Sydney Avenue upgrades, new multiuse paths and sidewalks, major underground utility services upgrades and traffic system/street lighting improvements.

Corporate Services:

- Delivered a targeted May–August 2025 marketing campaign that increased 311 mobile app downloads by 18.4% year-over-year and boosted app-based service requests by nearly 4%. Results confirmed that focused, multi-channel promotion drives measurable digital adoption and supports more efficient service delivery.
- Achieved 100% Microsoft 365 Copilot adoption across 96 users through weekly training and a Champion support model. In four weeks, users completed 14,000+ actions, generating 12,000+ hours of Copilot-assisted work. The results highlight meaningful operational efficiencies.
- Completed real estate transaction valued at approximately $5.7 million. Administered leases generating approximately $3.5 million in revenue, strengthening the City's financial stability and supporting municipal operations.
- The City launched multiple digital-first workforce initiatives, including system-integrated onboarding, automated workflows, online performance appraisals, and virtual recruitment processes. These initiatives streamlined manual processes, reduced turnaround times, and enabled staff to focus on higher-value strategic work.
- The Corporation of the City of Windsor received the Platinum Gord Smith Healthy Workplace Award for 2025, marking 20 consecutive years of recognition for its commitment to workplace wellness. This milestone reflects the City's sustained commitment to employee wellness and a healthy, supportive workplace culture.

Community Services:

- Opened the Legacy Beacon on the downtown riverfront, unveiling restored Streetcar No. 351 as an interactive cultural landmark, celebrating Windsor's transit heritage. The project activated an underutilized waterfront space, supporting downtown revitalization, and positioning the riverfront cultural corridor as a vibrant destination that supports tourism and community pride
- Completed Phase One park improvements at Derwent Park with the addition of Windsor's first full-size cricket field. Featuring modern amenities, the field expands Windsor's inclusivity and adds diverse recreational opportunities for the community.
- Opened the new City Hall Square in July 2025, quickly establishing it as a vibrant civic hub with live programming, cultural events, and a popular interactive water feature. The addition of the ice rink in December 2025 provided a free recreational activity in the heart of downtown Windsor and transformed the space into a year-round destination strengthening community connection and downtown vitality.
- The City of Windsor launched "Park in Perfect Harmony," a project that transformed the Pelissier Street Parking Garage into a canvas for arts and culture. Local artist David "DERKZ" Derkatz was commissioned to paint expansive murals on the garage's main-level walls and each parking level was themed after famous composers (Bach, Mozart, Beethoven, Tchailkovsky) with Windsor Symphony Orchestra music playing on every floor. The parking garage hosted a live "Classical in the Concrete" concert by the WSO, showcasing how municipal infrastructure can double as a vibrant cultural venue.

City of Windsor Economy—2025

Economic Trends

Throughout 2025, although trade tensions with the United States added to the challenges already felt in the automotive industry upon which Windsor depends, investments in infrastructure and the attraction of additional international businesses to the region helped to increase employment and economic output. The completion of construction on the Gordie Howe International Bridge between Windsor and Detroit was a milestone in this generational development. The Customs plazas on both sides of the bridge are also complete and the official opening date is expected to be announced shortly. The procurement stage for the second phase (Diagnostic and Treatment Block) of the newly named Fancsy Family Hospital is now underway with construction expected to begin in 2026. Following closely on the April announcement by Taiwan-based Minth Group that construction of its $300-million parts plant in Windsor would be completed by September, the company shared that it had formed a joint venture with one of the world's largest Japanese tier one automotive suppliers, AISIN Corporation. The new partnership will result in an additional 150,000 square feet being constructed at the site near Windsor International Airport. Other foreign direct investment announcements are expected in 2026. The future of NextStar Energy's $5 billion large-scale lithium-ion (Li-ion) battery manufacturing plant in Windsor was assured in late 2025 with the announcement that the facility is pivoting from electric vehicle battery manufacturing to add the capacity to produce energy storage system (ESS) batteries. The facility now employs over 1100 workers.

The Conference Board of Canada expects the economy of the Windsor Census Metropolitan Area (which now includes all of Windsor and Essex County) to increase by 2.3% from 2024 to 2025. Compared to 23 other CMAs in Canada, Windsor ranks fourth in terms of GDP growth in 2025 and fifth in per capita GDP growth. Total GDP in the region has been increasing steadily since 2020. Output in manufacturing, the largest sector in the local economy, dropped slightly from 2021 to 2025 but a turnaround began in 2025 and total GDP in that sector should reach $5.25 billion by 2030. Similarly, construction output declined in those years but is expected to bounce back from 2026 through 2030. The information and communications technology sector has shown steady growth since 2020, and this should continue through 2030.

The current (2025) population of the Windsor CMA is estimated at 486,381, according to the Conference Board, which represents an almost 11% increase since 2020. Statistics Canada's estimate is slightly higher at 489,176. The 2026 Census will give a clearer picture of the size of the population but by all accounts, there should be a significant increase from the 2021 Census. International migration continues to be the principal source of population growth although this has declined recently with limitations on international students. Migration from other Ontario cities is expected to be net positive starting in 2027. Notably, population growth has tended to be comprised of people in their working years. Statistics Canada recently released data estimating that the Windsor CMA's population could grow by 186,000 residents by 2050 and even if more conservative estimates are used, the region's population will likely reach between 570,000 and 590,000. This increase is even more impressive when compared to stagnant or negative population growth earlier in this century.

City of Windsor Economy—2025

The unemployment rate in the Windsor CMA was the clearest indicator of the impact of the current tariff situation in 2025. However, after peaking at 11.1% mid-year, the rate decreased substantially to 7.6% by December, no doubt assisted by continued hiring at larger companies like NextStar and Minth as well as the ramping up for the third shift at Stellantis's Windsor Assembly Plant. Total employment rose from 230,000 in August to 246,700 in December. The Conference Board of Canada estimated that the manufacturing sector employment increased by 16.4% from 2024 to 2025. The expectation is that manufacturing employment will remain steady in 2026, bore increasing steadily through 2030. Transportation and warehousing employment experienced some volatility earlier this decade but should remain steady or increase through 2029. Similarly, construction employment dropped early in the decade but has now stabilized and is expected to remain strong through 2029. One of the largest percentage increases is expected to be in professional, scientific and technical services which is forecast to almost double in employment by 2030 from its low point in 2019.

Home ownership in the Windsor CMA continues to be less costly than in other parts of the country. The Conference Board estimates that local home ownerships costs are 83% of the Canadian average. Rental costs are also below the Canadian average. After unprecedented residential construction in 2024, which allowed the City of Windsor to be recognized by the province for hitting new home construction targets, the pace of new home construction settled somewhat in 2025. However, housing stats are expected to increase every year through 2029. The Windsor Essex County Association of Realtors reported that total home sales were higher in 2025 (12,984) than in 2024 (11,555) while the average sale price fell from $572,643 in January to $524,840 in December 2025. The overall year-to-date average price was 1.62% lower in 2025 than in 2024, giving further evidence of Windsor's affordability.

ECONOMIC DEVELOPMENT ANNOUNCEMENTS AND PROJECTS

Minth/AISIN - Minth Group Co. Ltd is set to complete its 379,415 SF, $300M automative parts plant for hybrid and electric vehicles in Windsor by September, expected to create nearly 1100 manufacturing jobs by the end of 2026. Minth later announced a joint venture partnership with AISIN Corporation of Japan which will result in the addition of 150,000 SF to the building's footprint.

New restaurants – Chainsmoker Urban Barbecue, Noodlebox, Mary Brown's Chicken, Jimmy the Greek, Jimmy John's, Wendy's, Dairy Queen, Scaddabush, and Tahini's opened or will open new locations in Windsor. Nico Taverna has opened a new location in the Walker Power building on Riverside Drive. A new Mr.Sub location planned for East Windsor.

New retail locations – SportChek opened its new, larger location in Devonshire Mall and Shoppers Drug Mart is planning a new store in the city. Dollar Tree also opened a new store in Windsor. No Frills and Winners are building new locations at the West Gate Shopping Centre. Jump Plus and Designer Shoe Warehouse (DSW) will be opening a location in Devonshire Mall.

NEO Battery Materials – In January 2025, Canadian-based NEO Battery Materials Ltd. announced that they will invest an initial $69 million, with a total investment of $120 million over the next eight years, to establish an 87,000 sq. ft. manufacturing facility in Windsor. This investment will create 120 full-time jobs and mark a significant milestone as Canada's first silicon anode materials manufacturing facility for lithium-ion batteries

MAJOR CURRENT AND UPCOMING PUBLIC SECTOR CONSTRUCTION PROJECTS

- The City of Windsor received nearly $19 million in early 2025 from a provincial infrastructure program to widen Banwell Road, extend Wyandotte Street East and improve the intersection at Banwell and McNorton Street. The city is investing an additional $24 million in the project.
- The Government of Canada announced over $36M over five years to establish the Ojibway National Urban Park in Windsor, with an additional $4.6M annually for its operations.
- North America Construction (1993) Ltd. has begun construction of a $30M stormwater pumping station at St. Rose Beach Park in Windsor, with substantial completion expected by fall 2026.
- Work on the major $19-million reconstruction project at Howard Avenue and Division Road near Devonshire Mall continued throughout 2025 and was substantially completed early in 2026, improving traffic flow with a new intersection connecting Sydney Avenue.
- The $110–$112 million Banwell Road / E.C. Row Expressway Interchange and Corridor Improvements project in Windsor is currently under construction to replace the intersection with a new overpass. Started in late 2025, the project includes: a new interchange at Banwell Road and E.C. Row Expressway, corridor improvements of Banwell Road between E.C. Row Expressway and CPKC Railway including widening from 2 to 4 and 6 lanes. Infrastructure improvements including new watermain, storm sewer, lightning, sidewalk, MUT, widening at the CPKC crossing, tie-ins and utility relocations. Additionally, the overall Banwell Road corridor improvement work includes the extension of Wyandotte Street East from Banwell Road East to Jarvis Avenue, which is currently in the detailed design; and intersection improvements at the existing Banwell Road/McHugh Street intersection.
- Windsor Regional Hospital selected Diamond Schmitt Architects Incorporated and EllisDon Corporation to begin planning and early construction work for the new Fancsy Family Hospital in Windsor Essex, with construction set to start by early 2026. The request for qualifications for the second phase of the hospital construction was also issued.
- The Ontario government, with an $826K investment, is partnering with the International Brotherhood of Electrical Workers Local 773 to support new apprentices in Windsor, giving young workers hands-on experience and safety certifications
- University of Windsor launched Canada’s first 3D-printed net-zero multi-storey student residence, supported by $2M from the federal government.
- A new Homelessness and Addiction Recovery Treatment Hub has opened in Windsor in November, several job opportunities were created.
- Housing Solutions Made for Windsor (HSMFW) continues to accelerate residential growth. To date, three EOIs have been launched, with a minimum of two more scheduled this year. Major developments include:
    - A $300 million investment on Caron Avenue delivering 387 units across four buildings.
    - $16.8 million investment on Pelissier delivering 48 new residential units

City of Windsor Economy—2025

- Construction and site servicing are underway for a major commercial development in east Windsor at Tecumseh Road East and Lauzon Parkway. The City is advancing infrastructure and roadway connections to support access for the new Costco coming to the area.

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Adventure Bay Family Waterpark Presented by WFCU Credit Union

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